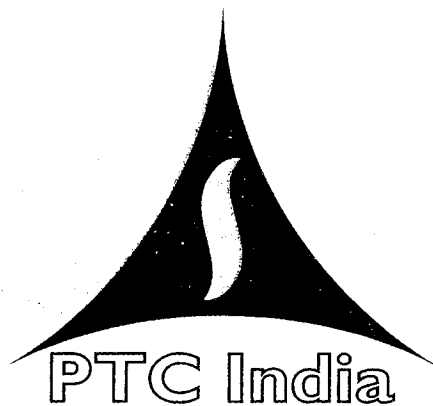


MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION



PTC India Limited

Formerly known as :-

Power Trading Corporation of India Limited,
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place, New Delhi - 110 066

0

COMPANY NO. 55-99328 CIN U40105DL1999PLC99328

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME

In the office of the Registrar of Companies, NCT of Delhi
& Haryana [under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s POWER TRADING CORPORATION OF INDIA LTD.

I hereby certify that POWER TRADING CORPORATION OF INDIA LTD.

which was originally incorporated on Sixteenth April of
one thousand nine hundred and ninety nine
under the Companies Act, 1956 (Act 1 of 1956) under the name

POWER TRADING CORPORATION OF INDIA LTD.

having duly passed the necessary resolution in terms of Section 21
of the Companies Act, 1956 and the approval of the Central Government
signified in writing having been accorded thereto under Section 21
read with Government of India, Department of Company Affairs, Notifi-
cation No. G.S.R. 507(E) dated 24-06-1985 by Registrar of Companies,
NCT of Delhi & Haryana, New Delhi vide letter No. ROC/21/55-99328/741
dated 15/07/2004 the name of the said company is this day changed to

PTC INDIA LIMITED

and this Certificate is issued pursuant to Section 23(1) of the said
Act.

Given under my hand at New Delhi this Twenty First July
Two Thousand and Four



(*Dr. Nalini Saini*)
REGISTRAR OF COMPANIES,
N.C.T. OF DELHI AND HARYANA



सत्यमेव जयते

ग्राह्य एव

Form 1

निगमन का प्रमाण पत्र

Certificate of Incorporation

सं० 55-99328 राक 19 21
No. 55-99328 of 19 99-2000

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज पावर ट्रेडिंग कॉर्पोरेशन
ऑफ़ इण्डिया लिमिटेड

कम्पनी अधिनियम 1956 (1956 का 1) के अर्धीन निषिद्ध की गई है और यह
कम्पनी परिषीधित है।

I hereby certify that POWER TRADING CORPORATION OF

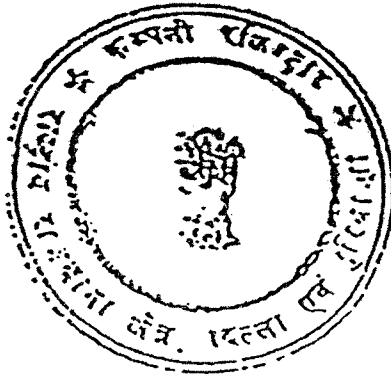
INDIA LIMITED

Is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the Company is limited.

मेरे हस्ताक्षर से आज ता० 26 ऐप्रैल, 1921 को दिया गया।

Given under my hand at NEW DELHI this SIXTEENTH

day of APRIL One thousand nine hundred and NINETY NINE



ललित मोहन

सहायक कम्पनी रजिस्ट्रार
रा. रा. क्षेत्र दिल्ली एवं हरियाणा

(LALIT MOHAN)

ASST. Registrar of Companies
N.C.T. OF DELHI & HARYANA

COMPANY NO. 55-99328



सत्यमेव जयते

Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसार में

I hereby certify that the **POWER TRADING CORPORATION OF INDIA LIMITED**

श्री गुप्त द्वारा प्रमाणित करता हूँ **पावर ट्रेडिंग कॉर्पोरेशन ऑफ इण्डिया लिमिटेड**

which was incorporated under the Companies Act, 1956 on

जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक **26 चैत्र, 1921**
the **SIXTEENTH** day of **APRIL** 1999

and which has filed duly verified declaration in this

और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत
prescribed form at the conditions of section

कर दिया है कि उस ने धारा १४९ (२) (का से ए)

149 (2) (a) to (e) of the said Act, have been complied with is entitled

को सभी शर्तों का अनुपालन कर दिया है, - यतः व्यापार आरम्भ करने का
to commence business.

अधिकारी है।

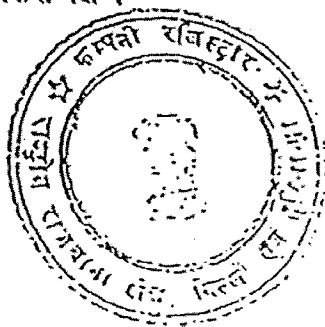
Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक **24 आषाढ़, 1921**

this **FIFTEENTH** day of **JULY**

One thousand nine hundred and ninety **NINE**

को जारी किया गया।



डी के गुप्ता

अपर कम्पनी रजिस्ट्रार

दिल्ली एवं हरियाणा

(D, K, GUPTA)

BY Registrar of Companies
DELHI & HARYANA

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
***PTC INDIA LIMITED**

- I. The name of the company is *PTC INDIA LTD.
- II. The registered office of the company will be situated in the National Capital Territory of Delhi.
- III. The objects for which the company is established are:
 - A. **MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE :**
 1. To carry on the business of purchase and sale of all forms of electrical Power, both conventional and non-conventional, and also to supply, import and export or otherwise deal in all forms of electrical energy in all aspects.

Without prejudice to generality of the above functions the Company shall carry out the business of (i) Purchase of all forms of power/electricity from Independent Power Producers (IPPs), Captive Power Plants, other Generating Companies, Transmission Companies, State Electricity Boards, State Governments statutory bodies, Licencees, Power utilities and to procure it from other sources (whether in Private, Public or Joint Sector Undertaking) including import from abroad; (ii) Sell all forms of electrical power to the State Electricity Boards, Vidut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, statutory bodies, other organisations and bulk consumers of power, whether in

*The name of the company has been changed from Power Trading Corporation of India Ltd. to PTC India Ltd. w.e.f. 21st July, 2004.

private and public sector or joint sector undertakings in India and abroad; (iii) Supply, distribute, transmit, export, or otherwise transfer/exchange of electrical power, and (iv) Co-ordinate with all concerned for purchase, import, sale, export, distribute, transmit and supply all forms of electrical power, and undertake all connected functions.

2. To plan, promote and take up necessary developmental work, selection of prospective/established Independent Power Producers/generating transmission/distribution companies utilities and enter into contracts/Power Purchase Agreements/other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution, optimum utilisation of electrical power and its trading.
3. To plan, promote, develop and establish an efficient and reliable power trading and distributing system, policies and procedures towards competitive procurement, transfer/wheeling of power from the power producers/generating and transmission companies within India and abroad and supply within India and abroad and comply with the broad guidelines and objects laid down by the Government of India or any Statutory/Regulatory authorities created or established from time to time.
4. To own, acquire establish, operate and maintain generating stations, transmission systems and power system for generation, evacuation, distribution and transmission of power for supply to the State Electricity Boards, Vidut Boards, Power Utilities Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, statutory bodies, other organisations and bulk consumers of power.
5. To act as agent of Public or Private Sector enterprises, Financial institutions, banks, Central Government and State Governments engaged in the planning and development of power, financing investigation, research, design and preparation of preliminary feasibility, definite

project reports and appraisal report for generation, purchase, sale, trading, transmission and distribution of all form of power, both conventional and non-conventional, and for manufacturers of Plant and Equipment for Power Sector in India and abroad.

6. To engage in the business of purchasing/procuring, selling, importing, exporting, trading or otherwise dealing in electrical power and ancillary activities, on competitive basis and commercial lines throughout India and abroad.
7. To promote and organise research and development or to carry on consultancy services in the field of power supply, trading, conservation of electricity and other related activities of the Company.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS

1. To obtain license, approvals and authorisation from Governmental, statutory and Regulatory Authorities, as may be necessary to carry out and achieve the Objects of the Company and connected matters which may seem expedient to develop the business interests of the Company in India and abroad.
2. To enter into any arrangement with the Government of India or with any State Government or with other authorities/commissions, local bodies or public sector or private sector undertakings, Financial Institutions, Banks, International Funding Agencies and obtain such charters, subsidies, loans, advances or other money, grants, contracts, rights, sanctions, privileges, licenses or concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain for carrying its activities in furthering the interests of the Company or its members.
3. To execute contracts for purchase, procure, import, sell, transmit and export electrical power, whether from conventional and non-conventional sources in India or abroad and to realise its sale proceeds.

4. To secure the payments of money, receivables on sale of electricity to the State Electricity Boards, Vidut Boards, Power Utilities Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, statutory bodies, other organisations and bulk consumers of power etc. through Letter of Credits, other security documents, Guarantees of State Government and also through diversion and release of States' share of Central Plan Allocation and other Devolutions by Central Government.
5. Subject to provisions of Sections 58A, 292 and 293 & 372A of the Companies Act and subject to other laws or directives if any of SEBI/R.B.I., the Company to borrow money in Indian rupees or foreign currencies and obtain foreign lines of credits/grants/aids etc. or to receive money or deposits from public for the purpose of the Company's business in such manner and on such terms and with such rights, privileges and obligations as the Company may think fit. The Company may issue bonds/debentures whether secured or unsecured; bills of exchange, promissory notes or other securities, mortgage or charge on all or any of the immovable and movable properties, present or future and all or any of the uncalled capital for the time being of the Company as the Company may deem fit and to repay, redeem or pay off any such securities or charges.
6. To own, possess, acquire by purchase, lease other rights and interests, exchange or hire real estate, equipment, Generating Stations and Transmission/distribution lines, lands, buildings, apartments, plants, machinery and here ditaments of any tenure or descriptions situated in India or abroad or any estate or interest therein and any right over or connected with land so situated and turn the same to account in any manner as may seem necessary or convenient for the purpose of business of the Company and to hold, improve, exploit, reorganise, manage, lease, sell exchange or otherwise dispose of the whole or any part thereof.

7. Subject to provision of Section 292, 293 and 372A of the Act, to advance deposit or lend money, securities and properties to other company, body corporate, firm, person or association with or without security, in the interest of the Company.
8. Subject to provisions of Section 292, 293 and 372A of the Act, to accumulate funds and to invest or otherwise employ moneys belonging to the Company not immediately required; in the purchase or acquisition of shares and securities or make other investments in movable or immovable properties upon such terms as may be thought proper and from time to time to realise/ recover such investments in the manner as the Company may think fit.
9. Subject to applicable provisions of law, to subscribe for, underwrite, or otherwise acquire, hold, dispose of and deal with the shares, stocks, debentures or other securities and titles of indebtedness or the right to participate in profits or other similar documents issued by any Government authority, Corporation or body or by any company or body of persons and any option or right in respect thereof.
10. To create any depreciation fund, reserve fund, sinking fund, insurance fund, gratuity, provident fund or any other fund, for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purposes whatsoever conducive to the interests of the Company.
11. To acquire shares, stocks, debentures or securities of any company carrying on any business which this Company is entitled to carry on or acquisition of undertaking itself which may seem likely or calculated to promote or advance the interests of Company and to sell or dispose of or transfer any such shares, stocks or securities and the acquired undertaking.
12. To enter into partnership or into any agreement for joint

working, sharing or pooling profits, joint venture, amalgamation, union of interests, co-operation, reciprocal concessions or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business or transaction in India or abroad which the Company is authorised to carry on or engage in any business undertaking having objects identical or same, as are being carried on by this Company.

13. To establish and maintain agencies, branch offices and local agencies, to procure business in any part of India and world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as deemed proper in the interest of the Company.
14. To promote and undertake the formation of any institution or Company or subsidiary company or for any aforesaid objects intended to benefit the Company directly or indirectly and to coordinate, control and guide their activities.
15.
 - a) Subject to Sections 292 and 293 of the Companies Act or such replacement or re-enactment of the provisions, to sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular to dispose of shares, debentures or securities of any other Corporation or organisation.
 - b) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the properties and rights of the Company.
16.
 - a) To negotiate and enter into agreements and contracts with domestic and foreign companies, persons or other organisations for purchase/sale of power and for technical know-how and with national/ international financial institutions Banks etc. for

financial assistance and for carrying out all or any of the objects of the Company.

- b) Upon and for the purpose of any issue of shares, debentures or any other securities of the Company, to enter into agreement with intermediaries including brokers, managers of Issue/commission agents and underwriters and to provide for the remuneration of such persons for their services by way of payment in cash or issue of shares, debentures or other securities of the Company or by granting options to take the same or in any other manner as permissible under the law.
 - c) To enter into contracts of indemnity and get guarantee and allocations for the business of the Company.
- 17. To apply for purchase or otherwise acquire any trade marks, patents, brevets d'inventions, licenses, concessions and the like conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for the purposes of the Company, or acquisition of which may seem calculated directly or indirectly, to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired for the benefit of the Company.
 - 18. To insure any of the rights, properties, undertakings, contracts, guarantees or obligations or profits of the Company of every nature and kind in any manner with any person, firm, association or company for the business of the Company.
 - 19. To train and pay for the training of the company's employees or to recruit and employ experts, advisors, consultants etc. in the interest of achieving the Company's objects.
 - 20. To establish, provide, maintain and conduct workshops

for scientific, technical researches or experiments and to undertake and carry on directly or in collaboration with other agencies, scientific and technical research experiments and tests of all kinds and to process, improve and invent new concepts/products or otherwise subsidise research laboratories and their techniques and to promote, encourage, reward studies and research, scientific and technical investigations and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies, or any business which the Company is authorised to carry on.

21. To promote conservation & protection of electricity from theft, safety of life and to protect environments including air, land and water etc.
22. To pay and provide for the remuneration, amelioration and welfare of persons employed or formerly employed by the Company and their families providing for pension, allowances, bonuses other payments or by creating for the purpose from time to time the Provident Fund Gratuity and other Funds or Trusts. Further to undertake building or contributing to the building of houses, dwellings or chawls by grants of money, or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment of premium or otherwise and by providing or subscribing or contributing towards educational institutions, recreation, hospitals and dispensaries, medical and other assistance as the Company may deem fit.
23. Subject to provisions of the Companies Act, to contribute money or otherwise assist to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.
24. To distribute among members of the Company dividend including bonus shares out of profits, accumulated profits, or funds and resources of the Company in any manner permissible under law.

25. To ~~institute~~, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and to allow time for payment or satisfaction of any debts or recovery due, claims or demands by or against the Company, and to refer any claims or demands by or against the Company or any differences arising in execution of contracts to Arbitration and observe and challenge any awards made in the interest of the Company and in particular by advertising in the press, by circulars and publication of books and periodicals.
26. To do all such other things as may be deemed incidental or conducive to the attainment of the above Objects or any of them and to carry on any business which may seem to the Company capable of being conveniently carried in connection with any of the Company's Objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
27. To pay out of the funds of the Company all costs, charges, expenses and preliminary and incidental to the promotion, formation, establishment and registration of the Company or other expenses incurred in this regard.
28. Subject to the provisions of Companies Act, 1956 or any amendment or re-enactment thereof in the event of winding up to distribute among the members in specie any property of the Company or any proceeds of sale on disposal of any property in accordance with the provisions of the Act.

C. OTHER OBJECTS

1. To act as an entrepreneur to identify new areas of energy generation, and connected infrastructural activities for development of power and to help the undertakings engaged in such activities and make investment therein.

2. To carry on the business of trading in and dealing in any manner whatsoever in all commodities and things, manufactured, produced or dealt with in any manner by any of the subsidiaries of the Company.
 - 3.* To carry on the business of construction, management of fuels systems, hydel, wind and solar resources, and to search for, get, acquire, buy, sell or otherwise deal in oils, gases, coal, coal rejects, fuel oil, naphtha, Liquefied Natural Gas, raw petroleum stock or any other fuel, solid, liquid or gas whether found in natural state or obtained by processing from other substances and to carry on business of winning, production, working, treating, manufacturing and preparation of any such or related materials which may be usefully applied for the power generation of electricity or conveniently be combined with the manufacturing, engineering or other business of the Company or any contracts undertaken by the Company either for such purpose or an independent business.
- IV. The liabilities of the members are limited.
- V.** The authorised share capital of the Company is Rs. 750,00,00,000 (Rs. Seven Hundred Fifty Crore) divided into 75,00,00,000 (Seventy Five Crore) Equity shares of Rs. 10/- (Rupees Ten) each.

*Approval of Commencement of business was given by Shareholders vide special resolution in the EGM held on 28.09.2005

**Amended vide special resolution in the EGM held on 29.11.2002.

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

Name of subscriber, Address, description, and occupation, if any	Number of Equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness & their address, description & occupation, if any
Harbans Lal Bajaj S/o Shri Rajkishan Bajaj 145 Madanlal Block, Asian Games Village, New Delhi-110049 Occupation : Service	One	Sd/-	Sd/- A.K. Rastogi Dy. Company Secretary National Thermal Power Corporation Ltd. NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi. Occupation : Service
National Thermal Power Corporation Ltd. NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003 Represented by its Company Secretary Anjan Kumar Bajpaie S/o Late Sisir Kumar Bajpaie D-202, Narmada Apartment New Delhi-110019. Occupation : Service	One	Sd/-	

Name of subscriber, Address, description, and occupation, if any	Number of Equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness & their address, description & occupation, if any
Power Finance Corporation Ltd. Thru Tantra Narayan Thakur Director (F&FO) S/o Shri Bindeshwar Thakur D I/60, Satya Marg, Chanakyapuri, New Delhi-110 021 Occupation : Service	One	Sd/-	Sd/- Rajiv Kumar Chandok Manager (F) P.F.C. Ltd. 36, Chandralok Building, Janpath, New Delhi
Ashok Gupta S/o Shri Gyan Prakash Gupta 88, Bank Enclave, Delhi-110 092 Occupation : Service	One	Sd/-	
Dr. Vinod Kumar Garg S/o Shri S.K. Garg Director (Finance) Power Grid Corporation of India Ltd. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. Occupation : Service	One	Sd/-	Sd/- Narayan Swarup Saxena Dy. General Manager (CP) Power Grid Corporation of India Ltd. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.
Sribatsa Chandra Misra S/o Late Dr. M.C. Misra Executive Director (Engg.) Power Grid Corporation of India Ltd. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. Occupation : Service.	One	Sd/-	

Name of subscriber, Address, description, and occupation, if any	Number of Equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness & their address, description & occupation, if any
Rameshwar Dayal Kakkar S/o Late Sh. Ved Prakash Kakkar Executive Director (CS) Power Grid Corporation of India Ltd., B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. Occupation : Service	One	Sd/-	
Power Grid Corporation of India Ltd. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016. Authorised representative Divya Tandon D/o Late Shri I.J. Chopra Company Secretary, POWERGRID Res. E-118, Greater Kailash-II New Delhi-110048.	One	Sd/-	
TOTAL	Eight (8)		
New Delhi Dtd. 12.4.99			

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* The name of company has been changed to PTC India Ltd. w.e.f. 21st July 2004.

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**THE COMPANIES ACT
COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
*PTC INDIA LIMITED**

DEFINITIONS

1. Interpretation clause	In the interpretation of these Articles, unless repugnant to the subject or context:-
"Act"	The Act means "The Companies Act, 1956", (1 of 1956) as amended from time to time or any statutory modification or re-enactment thereof for the time being in force.
"Auditor(s)"	"Auditor(s)" mean and include persons appointed as such for the time being by the Company.
"Board" or "Board of Directors"	"Board" or "Board of Directors" shall mean the Board of Directors of the Company as duly constituted from time to time or the Directors assembled at a Board meeting or all the Directors of the Company collectively.
#"Chairman"	'Chairman' shall mean the Chairman of the Board of Directors of the Company appointed on whole-time or on part time basis and shall also include a Director occupying the position of the Chairman & Managing Director.
*"Company"	shall mean *PTC India Ltd.
"Debenture"	"Debenture(s)" includes debenture stock, Bonds and other Security of the Company.
"Director(s)"	"Director (s)" mean the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board meeting.

Inserted vide a special resolution in the EGM held on 23.6.2000.

* The name of company has been changed from Power Trading Corporation of India Ltd. to PTC India Ltd. w.e.f. 21st July 2004.

"Equity Share Capital"	"Equity share capital" means the total equity share capital of the Company agreed to be issued and called the Authorised Capital of the Company, as mentioned in the Memorandum of Association of the Company.
"Financial Institutions"	"Financial Institutions" means the institutions specified by the Central Govt. under Section 4A of the Act.
"Gender"	Words importing the masculine gender also include the feminine gender.
"In Writing" and "Written"	"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
"Member"	"Member" means the duly registered holder of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company.
"Meeting" or "General Meeting"	"Meeting" means "General Meeting" or "Extraordinary General Meeting" of Members. In the context of Board of Directors, it shall mean the meeting of the Directors.
"Month"	"Month" means a calendar month.
"NHPC"	National Hydroelectric Power Corporation Ltd., a Company registered under the Companies Act, 1956 having its registered office at Sector-33, Faridabad – 121 003 (Haryana).
"NTPC"	'National Thermal Power Corporation Ltd.' a company incorporated under provisions of the Companies Act having its registered office at SCOPE Complex, NTPC Bhawan, 7 Institutional Area, Lodhi Road, New Delhi-110 003.
"Office"	"Office" means the Registered Office of the company at a place indicated in Memorandum of Association of the Company.
"PFC"	Power Finance Corporation Ltd., a company registered under the Companies Act having its registered office at 36, Janpath, New Delhi-110 001.

Inserted vide special resolution in the EGM held on 29.11.2002.

"POWERGRID"	Power Grid Corporation of India Ltd., a company incorporated under the Companies Act having its registered office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016.
"Paid-up capital"	"Paid-up capital" includes capital credited as paid-up.
"Promoters"*	"Promoters means POWERGRID, NTPC and PFC who have jointly floated this Company."
"Parties"*	"Parties means POWERGRID, NTPC, PFC and NHPC whereas 'Party' will refer to any one of them".
"Promoters' Agreement"*	Promoters' Agreement means Agreement dated 8th April, 1999 made amongst POWERGRID, NTPC and PFC for formation of this Company including any supplement thereof".
"Persons"	"Persons" include Corporations as well as individuals.
"Register of Members"	"Register of Members" means the Register of Members to be kept pursuant to the Act.
"Seal"	"Seal" means the Common Seal of the Company for the time being.
"Share"	"Share" means share in the share capital of the Company; and includes stock except where a distinction between stock and share is expressed or implied.
"Singular Number"	Words importing the singular number include, where the context admits the plural number and vice-versa.
"State Electricity Board"	"State Electricity Board" means the Electricity Board or Vidyut Board or any other body by whatever name called, set up by the State Governments under Electricity (Supply) Act 1948, as amended, which expression shall include its successors, administrators, authorised representatives and permitted assigns.
"Year" or "Financial Year"	"Year" in relation to finances means "Financial Year" and shall have the meaning assigned thereto by Section 213 of the Act.

* Amended vide special resolution in the EGM held on 29.11.2002.

Other Expressions

Other words or expressions contained in these Articles shall bear the same meaning as are assigned to them in the Act or any statutory modifications thereof.

2. Table "A" not to Apply

The regulations contained in Table A in the First Schedule to the Companies Act, 1956, shall not apply except to the extent that the same are repeated or contained or expressly made applicable by these Articles or by the Act.

CAPITAL

3.* Increase of capital by the Company and how carried into effect

The authorized share capital of the company shall be Rupees seven hundred and fifty Crore. However, the Company in General Meeting may from time to time, by resolution, increase the Authorized capital by creation of new shares, such increase may be of such aggregate amount divided into shares of such respective amounts subject to the provisions of the Act. For increase in the Authorised Capital, the Company shall comply with the provisions of Section 97 of the Act.

4.* New Capital same as existing capital

Any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the same provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

5. Reduction of Capital

The Company may (subject to the provisions of Section 78, 80 and 100 to 105 of the Act) from time to time, by special resolution, reduce its capital in any manner for the time being authorized by law and, in particular, capital may be paid off either with or without extinguishing liability on shares, pay of any paid up share capital which is in excess of the want of the company.

6. Subdivision and consolidation of shares

Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time increase its share capital, consolidate and divide all or any of its share capital into share of larger amount, convert off its fully paid up shares.

* Amended vide special resolution in the EGM dated 29.11.2002.

SHARES AND CERTIFICATES

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| 7. Register and Index of Members | The Company shall cause to be kept a Register and also an Index of Members and Debentureholders in accordance with Sections 150 and 151 of the Act. Further, as permissible under Section 152A of the Act, the register and Index of beneficial owners maintained by a "Depository" shall be deemed to be an Index of Members for the purpose of the Articles. |
| 8. Branch Register of members | The Company shall be entitled to keep in any state or country outside India a branch Register of members resident in that state or country, subject to compliance with Section 157 & 158 of the Act. |
| 9. Shares to be numbered distinctively | The shares in the capital shall be numbered progressively in sequence and given distinctive number, Except and in the manner herein mentioned, no share shall be forfeited or surrendered and shall continue to bear the number which it had originally borne. |
| 10.* Issue of capital | Issue of capital shall be made as per the provisions of the Act. |
| 11.** Authorised capital | The Company shall have an Authorised Share Capital of Rs. 750,00,00,000 (Rupees Seven Hundred and Fifty Crore) divided into 75,00,00,000 (Seventy Five Crore) Equity shares of the face value of Rs. 10/- (Rupees ten) each. |
| 12. Minimum Subscription | <p>a) The initial paid up Share Capital of the Company shall be Rs. 3,00,00,000/- (Rupees three crores) divided into 30,00,000 (Thirty Lakhs) equity shares of the face value of Rs. 10 each, which shall be subscribed within twenty (20) days of the date of incorporation of the Company by the Promoters i.e. POWERGRID shall pay Rs. 150 lacs, NTPC shall pay Rs. 75 lacs and PFC shall pay Rs. 75 lacs.</p> <p>b) The Company shall ensure that the share application money paid by the Promoters is held by it in an account with a Scheduled Commercial Bank (in the name of the Company) and the Company shall not utilise the same</p> |

* Amended vide special resolution in the EGM dated 29.11.2002 and further amended vide special resolution in the AGM dated 28.09.2007.

** Amended vide special resolution in the EGM dated 29.11.2002.

unless and until the initial share capital of Rs. 3 crores is paid; called the minimum subscription.

13.* Further Issue of Capital

Deleted.

14. Share allotment by Directors

Subject to the provisions of these Articles and of the Act, the Directors may allot the shares to such persons in such proportion, on such uniform terms and conditions and at such times as the Directors may think fit and subject to the sanction of the Company in General Meeting, subject to the provisions of Sections 78 and 79 of the Act at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

15. Power also to Company in General Meeting to issue shares

In addition to and without derogation to the aforesaid powers of the Board, the Company in General Meeting may subject to the provisions of Section 81 of the Act and keeping in view Articles 13 and 14 above, provide that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether a Member or not), in such proportion and on such terms and conditions of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted shares of any class of the Company either subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

16. Acceptance of shares

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares and subscribers to the Memorandum, shall be of shareholder within the meaning of these Articles, and every person whose name is on the Register of Members shall, for the purposes of these Articles, be a Member.

*Amended vide special resolution in the AGM held on 09.07.2004 and deleted vide special resolution in the AGM held on 28.09.2007.

17. Deposit & call to be a debt payable immediately

The Money, (if any), which the Board shall, on the application for allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

18. Liability of Members

Every Member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times and in such manner as the Board shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

19. Share Certificates

a) Every Member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereof. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of the letter of allotment or the fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors and the Secretary or some other person appointed by the Board for the purpose, and the two Directors and the Secretary or other persons shall sign the share certificate. PROVIDED if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a Managing or a Whole Time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue. For any further duplicate certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

- b) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp PROVIDED that the Director shall be responsible for the safe custody of such machine equipment or other material used for the purpose.

20.* Renewal of share Certificate

- a) *No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or destroyed or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company and on payment of Rupee one per certificate. The company shall, however, allow for sub division / consolidation of share certificates free of cost as and when required by the shareholders.
- b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. _____ sub-divided/replaced/on consolidation of shares".
- c) If a share certificate is lost or destroyed a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investing evidence, as the Board thinks fit.
- d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No. _____". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

* Amended vide special resolution in the AGM held on 9th July 2004.

- e) Where a new share certificate has been issued in pursuance of clause (a) and clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- f) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- g) The managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (f).
- h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

21. Joint holders

- a) Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint holders with benefits of survivorship subject to the following and other provisions contained in these Articles.
- b) The Company shall be entitled to decline to register more than four persons as the holders of any share.
- c) The Joint holders of any share shall be liable, severally as well as jointly, for and in respect of all calls and other

payments which ought to be made in respect of such shares.

- d) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share, but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of the deceased joint holder from any liability on shares held by him jointly with any other person.
- e) Any of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such shares.
- f) Only the person whose name stands in the Register of Members as the first of the joint holders of any shares shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company, and any notice given to such person shall be deemed proper notice to all joint holders.
- g) Any one of two or more joint holders may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, the holder whose name stands first or higher (as the case may be) on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.

PROVIDED always that a member present at any meeting personally shall be entitled to vote in preference to a person present by proxy although the name of such person present by proxy stands first on the Register of Members in respect of such shares.

22. Company not bound to recognise holding of shares on trust or any interest in shares other than that of registered holder

Except as ordered by a Court of competent jurisdiction as by law required, the Company shall not be bound recognise holding any share upon any trust and to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly

provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

23. Funds etc. of Company may not be applied in purchase of shares of the Company

The Company shall not give, either directly or indirectly, and either by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with the purchase or subscription made or to be made by any person for purchase of any shares in the Company except in conformity with the provisions of Section 77 of the Act.

24. The Company may buy back own shares

The Company may buy back its own shares subject to the its provisions contained in Sections 77A and 77AA and 77B of the Act, as amended.

UNDERWRITING AND BROKERAGE

25. Commission may be paid

Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe for any shares in or debentures of the Company, or procuring, or agreeing to procure subscriptions for any shares in or debentures of the Company, but so that the commission shall not exceed in case of shares, and in case of debentures, two and half percent of the price at which the debentures are issued. Such commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

26. Brokerage

The Company may also on any issue of shares or debentures, pay such brokerage as may be lawful.

INTEREST OUT OF CAPITAL

27. Interest may be paid out of capital

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or

building or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS ON SHARES

28.* Directors may make calls

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at meeting of the Board (and not by resolution by circulation) make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the board. A call may be made payable by instalments. However, the option to make such calls shall be exercised with the sanction of the Company in the General Meeting.

29. Notice of calls

Not less than thirty days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

30. When call made

A call shall be deemed to have been made after the resolution authorising such call was passed at a meeting of the Board and demand notice is issued.

31. Calls may be revoked or postponed

A call may be revoked or postponed at the discretion of the Board.

32. Directors may extend time

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members for reasons which the Board may consider satisfactory, but no Member shall be entitled to such extension save as a matter of grace.

33. Calls to carry interest

If any Member fails to any call due from him on the day appointed for payment thereof, or any such extension thereof

* Amended vide special resolution in the AGM held on 9th July 2004.

as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at rate of 18 per cent annum, but the Board may in its absolute discretion and in special circumstances waive or reduce the levy of interest as deemed appropriate.

34. Sums deemed to be call

Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

35. Partial payment not to preclude forfeiture

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

36. Payment in anticipation of calls may carry interest

- a) The Board may, if it thinks fit, agree to and in anticipation receive from any Member willing to advance the same, all of calls money or any part of the amounts of his respective shares beyond the sums actually called up, and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing.

PROVIDED that moneys paid in advances of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

- b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN ON SHARES

37. Company to have lien on shares

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the sale proceeds thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of all such shares (not being fully paid up) for all moneys presently payable by him or his estate to the Company. Any such lien shall extend to all dividends from time to time declared in respect of such shares.

38. Enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose it may cause to be issued a duplicate certificate in respect of such share and may authorise one of their Directors to execute a transfer thereof on behalf of and in the name of the Board. No sale shall be made until notice period for making call as aforesaid have expired and until notice in writing of the intention to sell shall have been made known to shareholder for default in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice. Upon issue of a duplicate certificate or certificates in lieu of the original share, the certificate or certificates originally issued shall stand cancelled and become null and void and the same shall have no effect.

39. Application of proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before sale) be paid to the persons entitled to the shares on the date of the sale.

FORFEITURE OF SHARES

40. If money payable on shares not paid notice to be given to members
- If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
41. Contents of Notice
- The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
42. In default of payment, shares to be forfeited
- If the requirement of any such notice as aforesaid are not complied with every or any share in respect of which such notice has been given may, at any time thereafter, but before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the aforesaid share and not actually paid before the forfeiture.
43. Notice of forfeiture to a Member
- When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalid by any omission or neglect to make any such entry as aforesaid in the Register.
44. Forfeited share to be property of the Company and may be sold etc.
- Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any

person, upon such terms and in such manner as the Board shall think fit.

45. Member still liable to pay calls owing at the time of forfeiture and interest

Any members whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalment, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest accrued thereon at the time of the forfeiture at such rate as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

46. Effect of forfeiture

The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

47.* Evidence of forfeiture

A declaration in writing by Full-time Chairman or Managing Director of the Company and that certain share in the Company have been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration, and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see as to the application of the purchase money nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

48. Validity of sale under Articles of forfeited shares

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register

* Amended vide special resolution in the EGM held on 23.06.2000.

in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

49. Cancellation of share certificates in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been (previously) surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

50. Power to annul forfeiture

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

51. Application to Debentures

The provisions of the Articles shall apply mutatis mutandis to debentures.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

52. Register of Transfers

The Company shall maintain a Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

53. Transfer of debentures

The provisions relating to transfer of shares shall apply mutatis mutandis to debentures/bonds.

54. Form of transfer

The instrument of transfer shall be in writing and in such form as may be prescribed. All the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers and of the registration thereof. The Company shall not charge any fee for registration of a transfer if shares or debentures.

- 55.* Instrument of Transfer to be completed and presented to the Company

The Instrument of Transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act.

* Amended vide special resolution in the AGM held on 9th July 2004.

The instrument of transfer shall be accompanied by the Share Certificate or such evidences the Board may require to prove the title of transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. Any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same. However, the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company or any account whatsoever.

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| 56. Transferor deemed to be holder | The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company alongwith Transfer Deed. |
| 57. No transfer to insolvent etc. | No transfer shall be made to a person of unsound mind or to an insolvent. |
| 58. Closure of Register of Members of Debentureholders | The Directors shall have power, on giving seven days' notice by advertisement as required by Section 154 of the Act, to close the transfer books, Register of Members or Register of Debenture holders of the Company for such period of time not exceeding in the whole 45 days in each year (but not exceeding 30 days at a time) as they may determine. |
| 59. *Nomination by shareholder/ debentureholder | Every shareholder or debentureholder may at any time, nominate in the prescribed manner, a person to whom his shares or debenture shall vest in the event of his death, as provided in Section 109A of the Act. |
| 60. Title to share of deceased holder | In the event there is no nomination, the executors or administrators of a deceased Member or the holder of a Succession Certificate in respect of the shares of a deceased Member (not being one of two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the |

* Amended vide special resolution in the EGM held on 29.11.2002.

name of such Member, and the Company shall not be bound to recognise such executors or administrators or holders unless such executors, administrators or holders shall have first obtained probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court of India.

PROVIDED that the Directors may, at their absolute discretion dispense with production of Probate, Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as they think fit and may enter the name of the person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.

61. Transmission Clause

Any person becoming entitled to any share in consequence of the death, lunacy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Directors (which they shall be under no obligation to give) and upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors may require, and upon such indemnity as the Directors may require, either be registered as a Member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a Member in respect of such shares PROVIDED that if such persons shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with these Articles, and until he does so he shall not be freed from any liability in respect of such shares.

62. The Company not liable for disregard of notice prohibiting registration of transfer

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purported to be made by any apparent legal owner thereof (as shown or appearing in register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred to it any book, or attended or given effect to any

notice which may have been given to it any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

63. Rights of successors

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

PROVIDED that the Directors shall, at any time, give notice requiring any such person to elect to be registered himself or to transfer the shares, and if the notice is not complied with within ninety days from the date of issue of the notice, the Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

64. Copies of Memorandum and Articles of Association to be sent by the Company

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every Member at his request within seven days of the request on payment of the sum of Rupee One for each copy.

64.A*Dematerialisation of Securities

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares, debentures and other securities (both present and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

* Inserted vide special resolution in the EGM held on 29.11.2002.

- (b) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law. in respect of any security and the Company shall, in the manner and within the time prescribed provided by the Depository Act, 1996 issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, then notwithstanding anything to the contrary contained in the Act or in these Articles, the Company shall intimate such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

- (c) All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in Section 153 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.

- (d) (i) Notwithstanding anything to the contrary contained in the Act or in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

- (ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/ debentureholder, as the case may be, of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

- (e) Notwithstanding anything to the contrary contained in the Act or in these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- (f) Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the Company has not issued any certificates and where such shares or debentures or securities are being held in a electronic and fungible form in a Depository. In such cases the provisions of the Depositories Act, 1996 shall apply.
- (g) Notwithstanding anything to the contrary contained in the Act or these Articles, after any issue where the securities are dealt with by a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Nothing contained in the Act or in these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a Depository.

BORROWING POWERS

65. Borrowing powers

Subject to the provisions of Section 292 and 293 and other applicable provisions of the Act, the Board of Directors may, from time at its discretion, by resolution at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sums of money for the purpose of the Company. Provided however, where the moneys already borrowed. (apart from temporary) loans obtained from the Company's bankers in the ordinary due course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such moneys without the consent of the Company in General Meeting.

66. Payment or repayment of moneys

Subject to the provision of Article 65, the payment and borrowed repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, by resolutions passed at a meeting of the Board and in particular, by the issue of bonds or debentures of the Company whether unsecured or secured by a mortgage of charge over all or any part of the property of the Company (both present and future) including its uncalled capital for the time being, and debentures and other securities.

67. Terms of issue of Debentures

Any debentures or other securities may be issued or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meetings accorded by special resolution.

68. Register of Mortgages etc. to be kept

The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they are required to be complied with by the Board.

69. Index of Debenture holders

The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders-resident in that State or country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

70. Shares may be converted into stock and reconverted

The Company in General Meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the

same regulations, as if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares.

71. Rights of stock holders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose.

MEETING OF MEMBERS

72. Annual General Meeting-
Annual Return

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year PROVIDED that not more than fifteen months shall elapse between the date of the one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the proviso of Section 166 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday and shall be held at the Registered Office of the Company or at some other place within the City, Town or Village in which the Registered Office is situate as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts). The Proxy Register shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting. The Company shall file the Annual Return, Balance Sheet and Profit and Loss Account with the Registrar in accordance with Section 159, 161 and 220 of the Act.

73. Extraordinary General Meeting The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by a Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital on that date and carries the right of voting in regard to the matter in respect of which the requisition has been made.
74. Requisition of Members to state object of Meeting Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the Office PROVIDED that such requisition may consist of several documents in like form, each signed by one or more requisitionists.
75. On receipt of requisition Directors to call meeting and in default requisitionists may do so Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Registered Office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4)(a) of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the deposit of the requisition, as aforesaid.
76. Meeting called by requisitionists Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
77. Twenty-one days' notice of meeting to be given Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to all such persons as are under these Articles entitled to receive notice from the Company.
- PROVIDED that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote

thereat and in case of any other meeting, with the consent of Members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice.

78. Business to be transacted at the General Meeting and nature thereof

In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and of the Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of, and fixing of the remuneration of, the Auditors, is to be transacted, and in the case of any other meeting, in any event, there shall be annexed to the notice of the Meeting an Explanatory statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager (if any). Where any such item of Special Business relates to, or affects any other company, the extent of shareholding interest in such other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company and where any item of business consists of the according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

79. Omission to give notice not to invalidate a resolution passed

The accidental omission to give any such notice as aforesaid to any of the Members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

80. Meeting not to transact business not mentioned in notice

No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices, upon which it was convened.

81. Body Corporate deemed to be personally present

A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

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| 82. Quorum at General Meeting | Atleast five Members present in person shall be a quorum for a general meeting. |
| 83. If quorum not present meeting to be dissolved or adjourned | if, at the expiration of half an hour from the time appointed for holding a general meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time & place as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall form the quorum, and may transact the business for which the meeting was called. |
| 84.* Chairman of General Meeting | The Chairman or in his absence Managing Director of the Company shall be entitled to take the Chair at every General Meeting. If there be no such Chairman or if at any Meeting Chairman / Managing Director shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to Act, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the Members present shall on a show of hands or on a poll if properly demanded, elect one of the members to be the Chairman of the Meeting. |
| 85. No Business whilst chair vacant | No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant. |
| 86. Chairman with consent may adjourn meeting | The Chairman, with the consent of the Members, may adjourn any meeting from time to time and from place to place within the city, town or village in which the Registered Office of the Company is situated, but no business shall be transacted at any adjourned at the meeting other than the business left unfinished at the meeting from which the adjournment took place. |

* Amended vide special resolution in the EGM held on 23.06.2000.

87. Questions at General Meeting
how decided
- Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy, and holding shares in the Company, which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the Resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons making the demand. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on show of hands, been carried through unanimously or by a particular majority or lost and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
88. Chairman's Casting Vote
- In the case of an equality of votes, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled otherwise.
89. Poll to be taken, if demanded
- If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Registered Office of the Company is for the time being situated, as the Chairman shall direct, either at once or after an interval or adjournment and the result of the poll shall be deemed to be the resolution of the meeting. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
90. Scrutineers at poll
- Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One for the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have the power at any time before the result of the poll is declared to remove a scrutineer from office and

fill vacancy in the office of scrutineer arising from such removal or from any other cause.

91. In which case poll taken without adjournment

Any poll duly demanded on the election of the Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

92. Demand for poll not to prevent transaction of other business

The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

93. Members in arrears not to vote

No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

94. Number of votes to which

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member shall be entitled to be present, and to speak and vote at such meeting by show of hand for which the Member present in person shall have one vote upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share in the total no. of shares paid-up in equity share capital of the Company.

95. Votes by a Member entitled to more than one vote

On a poll taken at a meeting of the Company, a Member entitled to more than one vote by virtue of his shareholding or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses and he may vote in different manner as he deems fit.

96. Vote of Member who is a minor

If any shareholder be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians,

if more than one, to be selected in case of dispute by the Chairman of the meeting.

97. Votes of Joint Members

If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.

98. Voting in person or by proxy or Representative

Subject to the provisions of these Articles, votes may be given either personally or by proxy.

A body corporate being a Member may vote either by proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member.

99.* Votes in respect of shares of deceased

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 atleast forty-eight hours 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 Full-time Chairman or Managing Director of his right to transfer such shares and give such indemnity (if any) as Full time Chairman or Managing Director may require or the Full-time Chairman or

* Amended vide special resolution in the EGM held on 23.06.2000.

Managing Director shall have previously admitted his right to vote at such meeting in respect thereof.

100. Appointment of proxy

Every proxy (whether a Member or not) shall be appointed in writing under the hand of the Member or if such Member is a body corporate under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and a guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

101. Proxy either for specified meeting or for a period

An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

102. Proxy to vote

A member present by proxy shall be entitled to vote both on a show of hands and on a poll.

103. Deposit of instrument of Proxy etc.

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 not later 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

104. Form of proxy

Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

105. Validity of votes given by proxy notwithstanding death of Member

A vote in accordance with the terms of an instrument of proxy shall be valid notwithstanding subsequent to execution there was death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given. PROVIDED that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Registered Office before the meeting.

106. Time for objection to vote

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

107. Chairman of the meeting to be the judge of the validity of any Vote

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.

MINUTES OF GENERAL MEETINGS

108. Minutes of General Meetings

- a) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, record thereof kept with Minute Book for that purpose with their pages consecutively numbered.
- b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- e) All decisions taken and appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory of any

person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- g) Any such minutes shall be evidence of the proceedings recorded therein.
- h) The book containing the minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open during business hours, for such periods not being less, in the aggregate, than two hours in each day, as the Directors determine, to the inspection of any Member with or without charges.

BOARD OF DIRECTORS

109.*Management of Affairs

Subject to provision of Sections 292 and 293 and other applicable provisions of the Act the Business of the Company shall be managed by the Board of Directors.

110. First Directors

The first Directors of the Company shall be :

1. Shri R.K. Madan (Rajendra Kumar Madan)
2. Shri R.D. Kakkar (Rameshwar Dayal Kakkar)
3. Shri H.L. Bajaj (Harbans Lal Bajaj)
4. Shri T.N. Thakur (Tantra Narayan Thakur)
5. Shri P.I. Suvrathan (Punnoli Iruppatti Suvrathan)
(Nominee of Govt.)

While the first two are Directors nominated by POWERGRID the third and fourth are nominees of NTPC and PFC respectively. Shri R.K. Madan (nominee of POWERGRID) shall be the first Chairman & Managing Director (CMD) of the Company who will be the full time Director while others will be part time Director on the Board of the Company.

* Amended vide special resolution in the EGM held on 23.06.2000.

The aforementioned first Directors (including CMD) shall hold office until the Directors (including CMD) are appointed in the first Annual General Meeting in accordance with the provisions hereinafter contained. The retiring Directors shall be eligible for fresh nomination by parties concerned.

In addition, a nominee of the Ministry of Power, Govt. of India shall be Part-time ex-officio Director on the Board of the Company. Shri P.I. Suvrathan (Sh. Punnoil Iruppattil Suvrathan), Jt. Secretary, Ministry of Power has been nominated as the first director of the Company who shall hold the office till the first Annual General Meeting.

111*.Number and appointment of
Directors

The Board of Directors of the Company shall consist of not less than 3 (three) but not more than 22 (twenty two) Directors. A person need not hold any qualification shares to become Director.

Not less than two third of the total number of Directors shall be liable to retire by rotation in accordance with the provisions of section 255 and 256 of the Act and shall be eligible for reappointment.

112.** Company may increase the
number of Directors

Subject to Section 259 of the Act, the Company may subject to Resolution in General Meeting and with the approval of Central Govt. increase the maximum number of Directors, and may alter their qualification.

Further, the Company may, subject to the provisions of Section 284 of the Act, remove any Director before the expiration of his period of office and appoint another person in his stead provided in case the Director removed is a nominee Director of a Shareholder or a Group of Shareholders, the person appointed in his stead shall also be a nominee proposed by the same Shareholder/ Group of Shareholders. The person so appointed shall hold office for such time as the Director in whose place he is appointed would have held the same office if he had not been removed.

* Amended vide special resolution in the EGM held on 23.06.2000 and further amended in AGM dated 28.09.2005.

**Amended vide special resolution in the EGM held on 29.11.2002

113.* Nominee Directors

i.) Deleted.

ii.) Notwithstanding anything to the contrary contained in these Articles, the Board of Directors of the Company shall include:

a) at least one nominee Director each from the Parties viz. POWERGRID, NTPC, PFC and NHPC.

b) one nominee Director by the Government of India, Ministry of Power.

114.** Appointment of Alternate Directors

Appointment of alternate Directors, if any, on the Board shall be governed by the provisions of section 313 of the Act. Provided in case of a nominee Director appointed pursuant to Article 113, the alternate Director shall also be the nominee of the respective Party (s) or the Government of India or shareholder/ Group of Shareholders as the case may be.

115.** Directors' power to fill up casual vacancies

If the office of any Director is vacated before his term of office will expire in the normal course, the resulting casual vacancy shall be filled up by the Board from the nominee of the Shareholder/ Group of Shareholders whose nominee has vacated the office.

#115A Appointment of additional Director

Appointment of additional Directors, if any, on the Board shall be governed by the provisions of Section 260 of the Act.

116. Directors may act notwithstanding any vacancy

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 110 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting for that purpose.

* Amended vide special resolution in the EGM held on 29.11.2002 and further amended vide special resolution in the AGM held on 28.09.2007 and further amended vide special resolution in the AGM held on 20.09.2018

** Amended vide special resolution in the EGM held on 28.09.2002.

inserted vide special resolution in the EGM held on 29.11.2002.

117.* Remuneration of Directors

Subject to the provisions of the Act, the Full time Chairman, the chairman & Managing Director or any other Whole-time Director(s) may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one way, and partly by the other way, keeping in view the limiting provisions governing the Managerial remuneration under provisions of the Act.

Subject to the provisions of the Act, a Director (including a part time Chairman) who is not in the Full-time employment of the company nor a Chairman and Managing Director /Managing Director of the Company may be paid remuneration either :-

- a) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
- b) by way of commission if the Company by a special resolution authorises such payment.

The sitting fee payable to a Director (excluding the Chairman/ Chairman & Managing Director, Managing Director or any other Full-time Director(s) for attending a meeting of the Board or Committee thereof shall be Rs. 5000/- or such other sum as prescribed in the Act as amended from time to time.

118. Travelling expenses incurred
by Director going out on
Company's business

The Board may allow and pay to any Director who is not a bonafide resident of the place where the Registered Office of the Company or where the meetings of the Board are actually held and who has to come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other actual incidental expenses, in addition to his fee for attending such meeting as specified above. If any Director be called upon to go or reside out of the bonafide place of his residence on the Company's business, he shall be entitled to be paid and reimbursed any travelling or other actual expenses incurred by him in connection with the business of the Company.

* Amended vide special resolution in the EGM held on 23.06.2000.

119. When office of Directors to become vacant

Subject to Section 283 (2) of the Act, the office of a Director shall become vacant if :-

- a) he is found to be of unsound mind by a Court of competent jurisdiction; or
- b) he applies to be adjudicated as an insolvent; or
- c) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government may, by notification in the Official Gazette, remove the disqualification incurred by such failure; or
- *cc) he becomes disqualified pursuant to the provisions of section 274 (1) (g) of the Companies Act, 1956.
- d) he is adjudged an insolvent; or
- e) he absents himself from three consecutive meetings of the Board or from all meetings of the Directors for a continuous period of three months, whichever is longer, without grant of leave of absence from the Board; or
- f) he becomes disqualified by an order of the Court under Section 203 of the Act; or
- g) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or
- h) he acts in contravention of Section 299 of the Act; or
- i) he is convicted by a Court of an offence involving moral turpitude and is imprisoned in respect thereof for not less than six months.
- **j) Having been appointed as Director by virtue of his holding any office or other employment in the Company or in any Party/shareholder/ Govt., he ceases to hold such office or employment in the Company or Party/Shareholder/ Government of India.

* inserted vide special resolution in the EGM held on 29.11.2002.

** Amended vide special resolution in the EGM held on 29.11.2002.

- k) he resigns his office by a notice in writing addressed to the Company or he dies..

120. Directors may contract with Company

- 1) Except with the consent of the Board a Director of the Company, or Company or a firm in which such a Director or his relative is a partner or a private company of which the Director is a member or Director, shall not enter into any contract with the Company :-

- a) for the sale, purchase or supply of any goods, materials or services; or

- b) For underwriting the subscription of any shares in, or debentures of the Company;

- 2) Nothing contained in sub-clause (a) of Clause (1) shall effect :

- a) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

- b) any contract or contracts between the Company on the one side and such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be, regularly trades or does business;

PROVIDED that such contract does not relate to goods and materials the value of which, or services the cost of which exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- 3) Notwithstanding anything contained in sub-clause (1) and (2) of this Article, a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board,

into any contract with the Company for the sale, purchase or supply of any goods or materials or services, even if the value of such goods or materials or services, even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case, the consent of the board shall be obtained at a meeting within three months of the date on which the contract was entered into.

- 4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise, and the consent of the Board required under sub-clause (1) of this Article shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- 5) If the consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the Board.

121. Disclosure of interest by
Directors

- 1) Every Director of the Company, who is interested in any way, whether directly or indirectly, concerned or by Directors interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner as set out in Section 299 of the Act.
- 2) Nothing in sub-clause (1) of this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company, where any of the Directors of the Company or two or more of the Directors together holds or hold not more than two per cent of the paid-up share capital in the other company.

122. Interested Directors not to
participate or vote in Board's
proceedings

No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in

such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void in terms of Section 300 of the Act.

PROVIDED, however, that nothing herein contained shall apply to :-

- a) Any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being a surety for the Company.
- b) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Directors consists solely :-
 - i) in his being a Director of such company; and
 - ii) in his being a Member holding not more than 2 per cent of its paid-up share capital of such other Company.

123. Register of Contracts in which
Directors are interested

The Company shall keep a Register in accordance with Section 300 (1) and shall within the time specified in Section 301. (2) enter therein such of the particulars as may be relevant having agreed to the application thereto of Section 297 or 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Section 299. The Register shall be kept at the Registered office of the Company and shall be open to inspection at such office of the Company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be required by any Member of the Company, the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.

124. Director may be Director of
companies promoted by
company

A Director may or become a Director of any other company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director

shall be accountable for any benefits received as Director or shareholder of such a company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.

125. Register of Director etc. and their shareholding

a) The Company shall keep at its Office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall comply with the provisions of the said Section in all respects.

b) The Company shall in respect of holding of each of its Directors keep at its Office a Register, as required by section 307 of the Act, and shall duly comply with the provisions of the said Section in respect of Directors.

126.* Disclosure by Director of his appointment in any other body corporate

Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act), Manager or Secretary of the Company shall, within twenty days of his appointment to, or as the case may be, relinquishment of any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.

127. Disclosure by a Director of his holdings shares and debentures of the Company

Every Director, and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.

PROCEEDINGS OF THE BOARD OF DIRECTORS

128. Meetings of Directors

The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and regulate their meetings as they think fit. The proceedings of the Meetings shall be recorded in terms of Section 193 of the Act.

* Amended vide special resolution in the EGM held on 23.06.2000.

- 129.* Appointment of Chairman or Chairman & Managing Director/ Whole-time Directors.
- The appointment of Chairman or Chairman & Managing Director / Whole-time Director and determination of remuneration Shall be made by the Board of Directors of the Company subject to the provisions of the Act. Such Directors shall act under superintendence, control and direction of the Board of Directors and their appointment shall not be for a period of more than five years at a time.
- For the appointment of Chairman or Chairman & Managing Director or Managing Director/ Whole-time Director, consent of the Chairman & Managing Director of POWERGRID, NTPC, PFC and NHPC shall be necessary.
- 130.** Certain persons not to be appointed Chairman or Chairman & Managing Directors/ Whole-time Director
- The Company shall not appoint a person as its Chairman & Managing Director Whole-time Director who :-
- is an undischarged insolvent, or had at any time been adjudged an insolvent;
 - is, or has at any time been, convicted by a Court of an offence involving moral turpitude; or
 - is not fit and proper person to be appointed as, such or such appointment is not in the public interest.
- 131.** Notice of Directors Meeting
- At least 7 day's notice of every meeting of the Board shall be given in writing to every Director whether in or outside India at his address as has been notified to the Company. In the case of Directors residing outside India, notice may be sent by cable, telex or fax. However, in emergent cases, so certified by the Full-time Chairman or in his absence by the Managing Director a meeting may be held at shorter notice.
 - Every notice convening a meeting of the Board of Directors shall set out the agenda of the business to be transacted thereat in sufficient detail and no item of business shall be transacted at such meeting, unless the same has been started in sufficient detail in the said notice convening the meeting.

* Amended vide special resolution in the EGM held 29.11.2002 and further Amended vide special resolution in the AGM held on 28.09.05.

** Amended vide special resolution in the EGM dated 23.06.2000.

132*.When meeting to be convened

The Company Secretary shall, as and when directed by the Full-time Chairman or in his absence Managing Director to do so, convene a meeting of the Board by giving a notice in writing to every Director as provided in proceeding Article 131. The Meeting can be called at the instance of any Director, who may approach the Full-time Chairman or in his absence the Managing Director to call the meeting.

133**. Quorum at Board Meeting

Subject to Section 287 of the Act, the Quorum for any meeting of the Board of Directors of the Company shall be three Directors or one-third of the total strength of Board whichever is higher, provided that there shall be no quorum in any meeting unless at least two nominee Directors from Parties, appointed pursuant to Article 113(ii) (a) of the Articles of Association are present.

134. Questions at Board Meetings
how to be decided

All questions arising at a Meeting of the Board or any committee thereof shall be decided by majority of votes of directors present and voting. Provided that in respect of the following matters no resolution shall be passed or decision taken at a Meeting of the Board or at any Committee thereof unless it has been approved by two third majority of Directors present and voting :-

- a) Adoption of the Company's annual capital and revenue budgets.
- b) to invest the funds of the Company.
- c) to make loans
- d) to mortgage the assets of the Company
- e) The establishment or change of any significant accounting principle and practices.
- f) Substantial changes in the organisational structure and major policy matters.
- g) Award of any contract for capital assets for value exceeding Rs. 2 crores (Rupees two crores) given by the Company for initial five years from the date of commencement of Business of the Company.

* Amended vide special resolution in the EGM held on 23.06.2000.

** Amended vide special resolution in the EGM held on 29.11.2002.

- h) the pledging or encumbering of any assets of the Company and the issuance of corporate guarantees (other than trade warranties) or incurring of unusual liability; except as set forth in the annual operating and capital budgets or as required for the procurement of working capital needs, or as may be required by any government authorities or for any tax purposes.
- i) Entering into foreign collaboration.

135.*Restrictions on Powers of the Board

Deleted

136*.Approval through special Resolution

The following matters shall be decided in the General Body Meeting of the Company by passing special resolutions :-

- (i) To sell or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.
- (ii) Any proposal to merge the Company with another economic organization.

137. Directors Committee

Subject to the restrictions contained in Section 292 and 293 of the Act and preceding Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of its body as it may think fit.

PROVIDED that the members of such Committee shall always comprise of the Directors or respective alternate, and Board may, from time to time, revoke, modify and discharge any such Committee of the Board either wholly or in part. Every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any Policy/regulations that may, from time to time, be laid down by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment shall have the like force and effect as if done by the Board.

* Amended vide special resolution in the EGM held on 29.11.2002 and further amended vide special resolution in the AGM held on 09-07-2004, and deleted vide special resolution in the AGM held on 28.09.2007.

*Amended vide special resolution in the EGM held on 29.11.2002 and further amended vide special resolution in the AGM held on 9th July 2004 and further amended vide special resolution in the AGM held on 28-09.2005 and further amended vide special resolution in the AGM held on 28.09.07.

Further provided that no item mentioned in Article 134 shall be referred to any Committee of the Board.

138. Meeting of Committee how to be governed

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions and guidelines laid down for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superceded by any regulations made by Directors under the last preceeding Article.

139. Resolution by circulation

No resolution (on matters other than covered by Section 292 of the Act and 131 to 133 Articles above) shall 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 papers, 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 of the Committee, at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

140. Acts of Board or Committee valid notwithstanding informal defect in appointment

All acts done by any meeting of the Board, or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they, or any of them, were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated.

PROVIDED that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment had been shown to the Company to be invalid or to have determine.

141. Minutes of proceedings of meetings of the Board

- a) The Company shall cause minutes of all proceedings of every meeting of the Board and committee thereof to be kept by making within thirty days of the conclusion of every

such meeting record thereof in Minute Book kept for that purpose with their pages consecutively numbered.

- b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- c) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- d) The minutes of such meeting shall contain a fair and correct summary of the proceedings thereat.
- e) All decisions taken and appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- f) The minutes shall also contain :-
 - i) the names of the Directors present at the meeting; and
 - ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring with the resolution.
- g) Nothing contained in sub-clauses (a) to (f) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting -
 - i) is, or could reasonably be regarded as, defamatory of any person.
 - ii) is irrelevant or immaterial to the proceedings, or
 - iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

- h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

142. Powers of Directors

The Board may exercise all such powers of the Company and do all such acts and things as it is entitled to do under the Act,

or by the Memorandum or Articles of the Company but shall not decide matters required to be exercised or done by the Company in General Meeting, Subject to these Articles 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 so made.

143. Certain powers of the Board

Without prejudice to the general powers conferred by the Act and preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles and by General Body, it is hereby declared that the Directors shall have the following powers, that is to say, power :-

- 1) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act.
- 2) Subject to Sections 292 and 293 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;
- 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, bonds, debentures, 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, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- 4) To secure the fulfillment of any contract of engagement entered into by the Company in the normal course of business, by mortgage or charge any of the property of the Company and its uncalled for the time being or in such manner as they may think fit;

- 5) To accept from any Member, as 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 upon.
- 6) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, 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 trust or trustees.
- 7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demand by or against the Company and to refer any differences to arbitration and observe and execute any awards made thereon;
- 8) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- 9) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- 10) Subject to applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof 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 to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- 11) To execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or going 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 future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions covenants as shall be agreed upon;

- 12) To open account with any bank or banks and 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 issue the necessary authority for such purpose;
- 13) To distribute by way of bonus or commission amongst the staff of the Company or other person engaged by the Company on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expense of the Company.
- 14) To provide for the welfare of employees or ex-employees of the Company and their families or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other funds, associations, institutions or trusts and by providing or subscribing or contributing towards places of instrument and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to 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 claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise;
- 15) 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 a Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund 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

may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit, and from time to time to 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, in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they 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 to divide the Reserve Fund or division or a reserve Fund to another Reserve Fund or division or a reserve Fund and with full power 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 or repayment of Debentures or debenture stock, and 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 at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper;

- 16) To appoint and at their discretion remove or suspend such officers such as Executive Director, general managers, managers, secretaries, assistants, supervisors, clerks, agents and servants etc. for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remunerations and to require security in such instances and to such amounts as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or abroad in such manner as they think fit, and the provisions contained in the following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- 17) From time to time and at any time to establish any number of offices and establishment for properly managing the affairs of the Company in any specified locality in India or elsewhere and to appoint staff for such offices and to fix their remuneration;
- 18) Subject to the provisions of the Act from time to time and any time, to delegate to any such local Board, or any member or members thereof or any managers or agents so appointed any of the powers, authorities, and discretions for the time being vested in the Board, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies, therein and to act notwithstanding vacancies and any such appointment or delegation under the preceding and this sub-clause 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 annul or vary any such delegation.
- 19) 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 discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also those which are to be exercised by the Board, in its Meetings) the power to make loans and borrow moneys) 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 thinks 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 or any company or firm or otherwise in favour of any persons whether nominated by name or designation by the Board and any such Power of Attorney may contain such powers for the protection or convenience of such Attorney as the Board may think fit, and Board may specifically bestow powers enabling any such delegate or attorneys to sub-delegate all or any of

the powers, authorities and discretions for the time being vested in them.

- 20) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into such negotiations and contracts and rescind and vary 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;
- 21) From time to time to make vary and repeal bye-laws for the regulations of the business of the Company regulate employment of its officers and servants by making service Rules and Regulations.
- 22) Maintain proper records at places as per provisions of the Act and where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up-to-date at intervals of not more than three months, are sent by the branch office to the Company at its Office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.
- 23) Ensure proper maintenance of the Books of Account which shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
- *24) Subject to Section 292 of the Act, to sub-delegate all or any of the powers, authorities and discretions for the time being vested in the Directors to any of its members (with power to sub-delegate) subject, however, to the ultimate control and authority being retained by them.

* Inserted vide a special resolution in the EGM held on 23.06.2000.

THE SECRETARY

144. Secretary

The Directors may appoint a qualified Secretary to perform any functions which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors.

THE SEAL

145. The Seal its custody and use

- a) The Board shall provide a Common Seal for the purpose of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the seal shall never be used except by the authority of the Board or by Committee of the Board as authorised.
- b) The Company shall also have an option to have an official seal for use outside India in accordance with Section 50 of the Act.

146. Deeds how executed

Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney issued under the seal; be signed by two Directors or one Director and Secretary or some other person authorised by the Board for the purpose :

PROVIDED that in respect of the Share Certificate, the Seal shall be affixed in accordance with Article 19 above.

DIVIDENDS

147. Division of profits and dividends in proportion to amount paid-up

- a) The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them.
- b) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares held during any portion or portions of the period in respect of

which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend from a particular date, such share shall rank for dividend accordingly.

148. The Company in General Meeting may declare a dividend

Company in General Meeting may declare dividends to be paid to Members according to their respective rights, but no dividends shall exceed the amount recommended by the Board. but the Company in General Meeting may declare a smaller dividend.

149. Dividends only to be out of profits

- a) No dividend shall be declared or paid by the Company for any financial year except out of its profits arrived at in the manner set out in Section 205 of the Act.
- b) Where, owing to inadequacy or absence of profits in any year and the Company proposes to declare dividend out of the accumulated profits earned by it in previous year and transferred to reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made in that behalf by the Government, and where any such declaration is not in accordance with such rules, it shall not be made except with the previous approval of the Central Govt.

150. Interim Dividend

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

151. Capital paid-up in advance to carry interest

Where capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

152. Retention of dividends until completion of transfer under Articles 59 and 60

The Board may retain the dividends payable on shares in terms of Section 206 A in respect of which any person is, under Articles 59 and 60 entitled to become a Member, or on completion any person under those Articles is entitled to transfer, or until such person shall become a Member in respect of such shares or shall duly transfer the same.

153. Dividend etc. to joint holders

Any one of several persons who are registered as the joint holders of any shares may give effectual receipts for all

dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

154. No Member to receive dividend whilst indebted to the Company & Company's right of reimbursement thereon

No Member shall be entitled to receive payment as interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any person or persons, and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

155. Transfer of shares must be registered

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

Provided that where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall :-

- a) transfer the dividend in relation to such shares to the special account referred to in Section 205 A of the Act unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer and
- b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 of the Act and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

156. Dividends how remitted

Unless otherwise directed any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent the Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

157. No interest on dividends No unpaid or unclaimed dividend shall bear interest as against the Company.
158. Dividends and call together Any General Meeting declaring a dividend, may, on the recommendation of the Board, made a call on the Members of such amount as the meeting may fix, but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Member, be set off against the calls.
159. Unclaimed dividend No unclaimed dividend shall be forfeited and all unclaimed dividends shall be dealt with in accordance with the provisions of Section 205 A of the Act.

CAPITALISATION

160. Capitalisation
- 1) Any General Meeting of the Company may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investment or other assets forming part of the undivided profits including profits or surplus moneys arising from the realisation and (when permitted by the law) from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve or any other Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalised :-
- a) by the issue and distribution of shares, as fully paid-up, and to the extent permitted by the Act, debentures, debenture stock, bonds or other obligations of the Company; or
- b) by crediting share of the Company, which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon;

PROVIDED that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares to be issued to Members as fully paid bonus shares.

- 2) Such issue and distribution under sub-clause (1) (a) of this Article and payment to the credit of unpaid share capital under sub-clause (1) (b) of this Article shall be made among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution or payment shall be made, on the footing that such Members become entitled thereto as capital.
- 3) The Directors shall give effect to any such resolution and shall apply such profits, General Reserve, other Reserve or any other Fund or account as aforesaid as may be required for the purpose of making payment in full on the shares, or other obligations of the Company so distributed under sub-clause (1) (a) of this Article or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (1)(b) above.

PROVIDED that no such distribution or payment shall be made unless recommended by the Directors, and, if so recommended, such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised fund.

- 4) For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient, and, in particular, they may issue fractional certificates and may fix the value for distribution of any specific asset and may determine that any cash payment be made to any Members on the footing of the value so fixed and may vest any such cash, shares, debentures stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the directors, and generally may make arrangement for the acceptance, allotment and sale of such shares, debentures, debentures stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

- 5) When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the Members entitled as aforesaid.
- 6) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the Company are fully paid and others are partly paid, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereon, but so that as between the holders of the fully paid shares and the partly paid shares, the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

ACCOUNTS

161. Directors to keep true accounts

- a) The Company shall keep at the Office or at such other place in India as the Board thinks fit proper Books of Accounts in accordance with Section 209 of the Act with respect to -
 - i) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
 - ii) all sales and purchases of goods by the Company;
 - iii) the assets and liabilities of the Company.
- b) Where the Board decides to keep all or any of the Books of Account at any place other than the Office of the Company, the Company shall within seven days of the decision file with the Register a Notice in writing giving the full address of that other place in accordance with Section 209 of the Act.
- c) The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.

162.*Inspection of accounts or record on Members	Deleted.
163. Statement of Accounts to be furnished to General Meeting	The Directors shall, from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 and other applicable provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these Sections.
164. Copies shall be sent to each Member	Subject to the provisions of Section 219 of the Act, a copy of every Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) shall at least twenty-one days before the General Body Meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for every holder of any debenture issued by the company and to all persons other than such members are trustees, being persons so entitled to attend the General Body Meeting.
<u>AUDIT</u>	
165. Accounts to be audited	Auditors shall be appointed and their rights and duties and responsibilities are to be regulated in accordance with Sections 224 to 233 of the Act.
166. Manner of service of documents or notices on Members by Company	A document or notice may be served or given by the Company to any Member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him. Duplicate copies of documents and notices shall at their cost be sent if so required by foreign shareholder by registered air-mail or by cable confirmed by air-mail to members whose primary residence is outside India and they seek the duplicate copies should be sent to such address outside India.
167. When notices or documents served on Members	Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly

* Amended vide special resolution in the EGM held on 29.11.2002 and deleted vide Special resolution in the AGM held on 28.09.2007.

addressing, prepaying and posting a letter containing the document or notice.

PROVIDED that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by a registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted.

168. By Advertisement

A document or notice advertised in a newspaper circulating in the neighbourhood of the Registered Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on sending the notices to him. Explanatory Statement of material facts under Section 173 need not be advertised but it will be mentioned in the advertisement that the Statement has been forwarded to the Members.

169. On Joint holders

A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register or Members in respect of the share.

170. On personal representatives
etc.

A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claimed to be entitled, or until such an address has been so supplied by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

171. To whom documents or notices must be served or given
- Documents or notices of every General Meeting shall be served or given in same manner as herein before or to (a) every Member, (b) every person entitled to a share in consequence of the death/insolvency of a Member, and the Auditor or Auditors for the time being of the Company.
172. Members bound by documents or notices served on or given to previous holders
- Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered in the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
173. Documents or notice by Company and signature thereto
- Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.
174. Service of document or notice by Member
- All documents or notices to be served or given by Members on or to the Company or any officer thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office against acknowledgement.
175. Liquidator may divide assets in specie
- The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may divide among the contributories in specific 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 as the Liquidator, with the like sanction, shall think fit.
- INDEMNITY & RESPONSIBILITY
176. Indemnity & Responsibility
- Subject to provisions of Section 201 (1) of the Act, every Officer or duly authorised Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings arising out of his position as an Officer or as such Agent of the Company, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in

connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

SECRECY

177. Secrecy

- a) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company, shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b) Subject to provisions of Article 163 above, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be in expedient in the interest of the Company to disclose.

PRE-INCORPORATION AGREEMENT

178.* Promoters'-Agreement

After Incorporation, the Company shall adopt the Promoters Agreement executed among POWERGRID, NTPC and PFC on 8th April, 1999 for formation of this Company and supplement thereof dated 29th November, 2002, and any subsequent amendment thereof. Upon adoption of the Promoters'

* Amended vide special resolution in the EGM held on 29.11.2002 and further amended vide special resolution in the AGM held on 28.09.2007.

Agreement including any amendment thereto or supplement thereof, the Company shall be bound by the same and shall give effect to the terms thereof as by law permits, except when there is any inconsistency between the provisions of Promoters Agreement (including its supplement) and Articles of Association, in which case the provisions of the Articles of Association shall prevail.

Name of subscriber, Address, description, and occupation, if any	Number of Equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness & their address, description & occupation, if any
<p>HARBANS LAL BAJAJ S/O SHRI RAJKISHAN BAJAJ 145 MADAN LAL BLOCK, ASIAN GAMES VILLAGE, NEW DELHI-110049</p> <p>OCCUPATION : SERVICE</p> <p>NATIONAL THERMAL POWER CORPORATION LIMITED 7, INSTITUTIONAL AREA, LODI ROAD, NEW DELHI-110003</p>	ONE	Sd/-	<p>Sd/- ANIL KUMAR RASTOGI S/O LATE SH. H.C. RASTOGI, DEPUTY COMPANY SECRETARY NATIONAL THERMAL POWER CORPORATION LTD. NTPC BHAWAN, SCOPE COMPLEX, 7, INSTITUTIONAL AREA, LODI ROAD, NEW DELHI</p>
<p>REPRESENTED BY ITS COMPANY ONE OCCUPATION : SERVICE SECRETARY ANJAN KUMAR BAJPAIE S/O LATE SISIR KUMAR BAJPAIE, D-202, NARMADA APARTMENT NEW DELHI-110019. OCCUPATION : SERVICE</p>		Sd/-	
<p>POWER FINANCE CORPORATION ONE THRU TANTRA NARAYAN THAKUR DIRECTOR (F&FO) S/O SHRI BINDESHWAR THAKUR D I/60, SATYA MARG, CHANAKYAPURI, NEW DELHI-110 021</p> <p>OCCUPATION : SERVICE</p>		Sd/-	<p>Sd/- RAVI KUMAR CHANDOK, MANAGER (F) P.F.C. LTD. 36, CHANDRALOK BUILDING, JANPATH, NEW DELHI</p>
<p>ASHOK GUPTA S/O SHRI GYAN PRAKASH GUPTA 88, BANK ENCLAVE, DELHI-110 092</p> <p>OCCUPATION : SERVICE</p>	ONE	Sd/-	

Name of subscriber, Address, description, and occupation, if any	Number of Equity shares taken by each Subscriber	Signature of Subscriber	Signature of witness & their address, description & occupation, if any
DR. VINOD KUMAR GARG S/O SHRI S.K. GARG DIRECTOR (FINANCE) POWER GRID CORPORATION OF INDIA LTD. B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016. OCCUPATION : SERVICE	ONE	Sd/-	Sd/- NARAYAN SWARUP SAXENA DY. GENERAL MANAGER (CP) POWER GRID CORPORATION OF INDIA LTD. B-9, QUTUB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016
SRIBATSA CHANDRA MISRA S/O LATE DR. M.C. MISRA EXECUTIVE DIRECTOR (ENGG.) POWER GRID CORPORATION OF INDIA LTD. B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016. OCCUPATION : SERVICE	ONE	Sd/-	
RAMESHWAR DAYAL KAKKAR S/O LATE SH. VED PRAKASH KAKKAR EXECUTIVE DIRECTOR (CONTRACT SERVICES) POWER GRID CORPORATION OF INDIA LTD., B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016. OCCUPATION : SERVICE	ONE	Sd/-	
POWER GRID CORPORATION OF INDIA LTD. B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI-110016. Authorised representative - DIVYA TANDON D/O LATE SHRI I.J. CHOPRA COMPANY SECRETARY, POWERGRID Res.:- E-118, GREATER KAILASH-II NEW DELHI-110048.	ONE	Sd/-	
TOTAL NEW DELHI DTD. 12.4.99	EIGHT (8)		