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# Memorandum of Association

## of

### National Hydroelectric Power Corporation Ltd.

NAME OF THE COMPANY	I.	The name of the company is National Hydroelectric Power Corporation Limited.
REGISTERED OFFICE	II.	The Registered Office of the Company will be situated in the State of Haryana <sup>1</sup>
OBJECTS	III.	The objects for which the Company is established are :
MAIN OBJECTS	A.	<b>Main objects to be pursued by the Company on its incorporation :</b>
Development of Hydro-electric Power	1.(a)	To Plan, promote and organise an integrated and efficient development of Hydroelectric, [Wind, Tidal] <sup>2</sup> , [Geo-thermal, Gas] <sup>4</sup> Power in all its aspects including planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of Hydro-electric, [Wind, Tidal] <sup>2</sup> , [Geo-thermal, Gas] <sup>4</sup> power stations and projects, transmission, distribution and sale of power generated at Hydroelectric, [Wind, Tidal] <sup>2</sup> , [Geo-thermal, Gas] <sup>4</sup> Stations in accordance with the national economic policy and objectives laid down by the Central Government from time to time [and release of water and other needs to the State Govt. as per the agreed parameters.] <sup>5</sup> .
	(b)	To undertake, where necessary, the construction of inter-state transmission lines and ancillary works for timely and coordinated inter-state exchange of power.
Co-ordination and Control	2.	To coordinate the activities of its subsidiaries to determine their economic and financial objectives/targets and to review, control, guide and direct their performance with a view to secure optimum utilisation of all resources placed at their disposal.
Agent of Public Sector-Financial Institutions	3.	To act as an agent of Government/Public Sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any Company engaged in the planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation, maintenance of Hydroelectric, [Wind, Tidal] <sup>3</sup> , [Geo-thermal, Gas] <sup>4</sup> Power Stations and Projects, transmission, distribution and sale of hydroelectric, [Wind, Tidal] <sup>3</sup> , [Geo-thermal, Gas] <sup>4</sup> power in respect of any shares held by the Government, Public financial institutions, nationalised banks, nationalised insurance companies with a view to secure the most effective utilisation of the financial investments and loans in such companies and the most efficient development of the concerned industries.

<sup>1</sup> Altered vide Special Resolution at EGM held on 17.6.94

<sup>2</sup> Added vide Special Resolution at EGM held on 28.5.98

<sup>3</sup> Added vide Special Resolution at EGM held on 28.5.98

<sup>4</sup> & <sup>5</sup> Added vide Special Resolution at AGM held on 24.9.99.



- Manufacturing , Trading and other business
4. To carry on the business of purchasing, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary, feasibility and definite project reports, construction, generation, operation and maintenance of Hydroelectric, [Wind, Tidal]<sup>1</sup>[Geo-thermal, Gas]<sup>2</sup> Power Stations and Projects, transmission, distribution and sale of Hydroelectric, [Wind, Tidal]<sup>1</sup>[Geo-thermal, Gas]<sup>2</sup> Power, Hydroelectric, [Wind, Tidal]<sup>1</sup>[Geo-thermal, Gas]<sup>2</sup> Power Development, ancillary and other allied industries and for that purpose to install, operate and manage all necessary plants, establishments and works.
- B. Objects incidental or ancillary to the attainment of the main objects :**
- As an helper and servicing agency for the subsidiaries
5. To arrange, secure and make available to its subsidiary and other concerned organisations, such facilities, resources, inputs and services as may be required.
- To obtain charters, concessions etc.
6. To enter into any arrangement with the Government of India or with any other Government or State or any Local or State Government or with authorities, supreme, national, local, municipal or otherwise or with any person for the purpose of directly or indirectly carrying out the objects or furthering the interests of the Company or its members and to obtain from any such Government, State authority or persons any charters, subsidies, loans, indemnities, grants, contracts, decrees, rights, sanctions, privileges, licences or concessions whatsoever, (whether statutory or otherwise) which the company may think it desirable to obtain and carry out, exercise and comply with the same.
- Borrowing Powers
7. To borrow money or to receive money or deposits for the purpose of financing the business of the company either with security or mortgage or other security charged on the undertaking or all any of the assets of the company including uncalled capital and to increase, reduce or pay off any such securities.
- To acquire and lease property
8. To acquire by purchase, lease, exchange, hire or otherwise or to construct and maintain factories, works, buildings and conveniences of all kinds, land, buildings, apartments, plant, machinery and hereditament of any tenure or description, situated in India or in any other part of the world and any estate or interest therein and any rights over or connected with land so situated and turn the same to account in any manner as may seem expedient, necessary or convenient to the Company for the purpose of its business.
- To acquire business/ companies
9. To acquire, possess and undertake the whole or any part of the business, assets, property, goodwill, rights and liabilities of any person,

1. Added vide Special Resolution at EGM held on 28.5.98

2. Added vide Special Resolution at AGM held on 24.9.99.



firm, society, association, corporation or company carrying on any business which the company is authorised to carry on.

- To obtain authority etc.  
to carry out its objects
10. To obtain, apply for, arrange for the issue or enactment of order or Act of Legislature or Act of Authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help, necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or application or any other endeavours, steps or measures which may seem calculated directly or indirectly to prejudice the Company's interests.
- To acquire know-how  
etc.
11. To apply for, purchase or otherwise any trade marks, patents, brevets or inventions, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to use of any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, right or information so acquired.
- To undertake research  
development and training
- 12.(a) To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific, technical or research 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 products and their techniques of manufacture as to promote, encourage, reward in every manner, studies and research, scientific and technical investigations and invention of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economics, import substitution or any business which the company is authorised to carry on.
- (b) To establish, maintain and operate technical training institutions and hostels for engineers of all types and all other technical staff and artisans and mechanics of all types and kinds and accountants and others in India or in any part of the world; to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks, storekeepers and other personnel likely to be useful to or assist in any business which the company is authorised to carry on.
- To improve property etc.
13. To sell, improve, manage, develop, exchange, loan or lease or let, under - lease, sub-let, mortgage, dispose of, deal with in any manner, turn to account or otherwise deal with any rights or property of the company.



- |                                     |   |
|-------------------------------------|---|
| To invest money                     | 14. To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company and not immediately required, in the purchase or acquisition of any shares, securities or other investments whatsoever, whether movable or immovable upon such terms as may be thought proper and from time to time to vary all or any such investments in such manner as the Company may think fit.  |
| To undertake joint ventures         | 15. To enter into partnership or into any arrangement for joint working, sharing or pooling profits, amalgamation, union of interests, cooperation, joint venture, reciprocal concession or otherwise or amalgamate with any person or company carrying on or engage in or about to carry on or engaged in any business or transaction which the company is authorised to carry on or engaged in or any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this company.   |
| To provide for Welfare of employees | 16. To provide for the amelioration and welfare of persons employed or formerly employed by the Company and the wives, families, dependants or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts 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 places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit. |
| To sell property                    | 17. 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 for shares, debentures or securities of any other association, corporation or company, to promote or aid in the promotion of any other company or partnership for the purpose of acquiring all or any of the properties, rights or liabilities of the Company or for any other purposes which may seem directly or indirectly calculated to benefit the Company.   |
| To enter into Contracts             | 18.(a) To enter into agreements and contracts with foreign individuals, companies or other organisations for purchase of equipments and for technical, financial or any other assistance, for carrying out all or any of the objects of the Company.<br><br>(b) To enter into any agreement with any Government or authorities (municipal, local or otherwise) or any corporations, Companies or persons which may seem conducive to the company's objects and to   |



obtain from any such Government authorities, Corporations, Companies or Persons, any contract, right, privilege and concessions which the Company may think desirable and to carry out, exercise and comply with any such contract, right, privilege and concession.

- (c) To enter into contracts of indemnity and guarantee.
- To establish Agencies etc. 19. To establish and maintain agencies, branch places and local registers, to procure registration or recognition of the company and to carry on business in any part of the 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 are possessed by local companies or partnership or as may be thought desirable.
- To subscribe for shares 20. To subscribe for, underwrite, purchase, otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidences 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.
- To create depreciation fund 21. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the company or redeemable preference shares or for any other purposes whatsoever conducive to the interests of the Company.
- To open accounts in Banks 22. To open an account or accounts with any individual, firm or company or with any bank or bankers or shroffs and to pay into and withdraw money from such account or accounts.
- Acquisition of Companies 23. To acquire shares, stocks or securities in or of any company carrying on any business which this company is entitled to carry on or of any other company or undertaking the acquisition of which, may seem likely or calculated directly or indirectly to promote or advance the interests of or be advantageous or beneficial to the Company and to sell or dispose of or transfer any such shares, stocks or securities.
- To carry on consultancy services 24. To promote, organise or carry on the business of consultancy services in any field of activity in which it is engaged in.
- To promote other companies 25. To promote or concur in the promotion of any company, the promotion of which shall be considered desirable in furtherance of the objects or any object of the Company.
- To carry on convenient 26. Generally 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



business

to carry on any business which may seem to the Company capable of being conveniently carried on 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.

**C. Other Objects:**

To act as an entrepreneur

27. To act as an entrepreneur on behalf of the Central Government, to identify new areas of economic investment and to undertake or help in the undertaking of such investments.

To lend money

28. To lend money on property or on mortgage of immovable property or against Bank guarantee and to make advances of money against future supply of goods and services on such terms as the Directors may consider necessary and to invest money of the company in such manner as the Directors may think fit and to sell, transfer or deal with the same.

To collect information etc.

29. To arrange, receive and collect all relevant information in regard to any business carried on by the Company.

To carry on the business of carriers by land etc.

30. To carry on the business of carriers by land, sea and air as may be required from time to time.

To deal with goods etc. dealt with by subsidiaries

31. To carry on the business of trading in and dealing in any manner whatsoever in all commodities, goods and things, manufactured, produced or dealt with in any manner by any of the subsidiaries of the company

And it is hereby declared that :

(a) The word 'Company' save when used in reference to this Company in this clause, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, whether domiciled in India or elsewhere.

(b) The term 'India' when used in this clause, unless repugnant to the context, shall include all territories from time to time comprised in the Union of India.

LIMITED LIABILITY

IV. The liability of the members is limited.

SHARE CAPITAL

V. The Share Capital of the Corporation is Rs.15,000,00,00,000<sup>1</sup> (Fifteen Thousand crores only) divided into 1500,00,000 (Fifteen hundred lakhs) Equity shares of Rs. 1000/- each.

<sup>1</sup> Authorised Share Capital raised to Rs. 15,000 crores divided into 1500,00,000 Equity shares of Rs. 1000/- each vide Resolution at EGM held on 27.01.2004.



We, the several persons, whose names and addresses are subscribed, are desirous of being formed 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	No. of equity shares taken by each subscriber	Signature of Subscriber	Signature of witnesses and their addresses, description and occupation if any
1. President of India through Shri. R.V. Subrahmanian S/o Shri P.S. Rama Iyer, Secy to G.I.M./Energy (Deptt. of Power) New Delhi	Five equity shares	Sd/- R.V. Subrahmanian Deptt. of Power New Delhi	Sd/- Arun Bhatnagar Dy. Secy. Deptt. of Power New Delhi.
2. R.C. Bhargava S/o Shri M.P. Bhargava Jt. Secretary M/Energy, Deptt. of Power New Delhi	One equity Share	Sd/- R.C. Bhargava	Sd/- Inderjit Singh Kamra U.S. Deptt. of Power New Delhi
3. S.T. Veeraraghavan S/o Sh. S.T. Chakravarthy Iyengar (Late) Director, M/Finance Deptt. of Expenditure New Delhi	One equity Share	Sd/- S.T. Veeraraghavan	Sd/- Section Officer Deptt. of Power New Delhi

New Delhi

Dated this 23rd day of October 1975



**ARTICLES  
OF  
ASSOCIATION**



# ARTICLES OF ASSOCIATION

of

## National Hydroelectric Power Corporation Limited

### INTERPRETATION

Interpretation clause	1. In the interpretation of the Memorandum of Association and these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:-
The Act or the said Act	"The Act" or the "said Act" means "The Companies Act, 1956" as amended upto date or other Act or Acts for the time being in force in India containing the provisions of the Legislature in relation to Companies.
The Board or Board of Directors	"The Board" or the "Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.
Capital	"Capital" means the Capital for the time being raised or authorised to be raised for the purpose of the Company.
Chairman	"Chairman" means the Chairman of the Board of Directors for the time being of the Company.
The Company or this company	"The Company" or "This Company" means "National Hydroelectric Power Corporation Limited".
Directors	"Directors" means the Directors for the time being of the Company or, as the case may be, Directors assembled at Board.
Dividend	"Dividend" includes bonus shares.



Executor or Administrator	"Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent court.
Gender	Words importing the masculine gender also include the feminine gender.
Government	"Government" means the Central Government.
Government Corporation	"Government Corporation" means (i) a Corporation established by the Government under any law in force for the time being; and (ii) a Government company as defined in the Act.
Month	"Month" means a calendar month.
Office	"Office" means the Registered office for the time being of the Company.
Persons	"Persons", includes Corporations as well as the singular number.
Plural number	Words importing the plural number also include the singular number.
The President	"The President" means the President of India.
Register	"Register" means the Register of Members to be kept pursuant to the Act.
Registrar	"Registrar" means the Registrar of Companies of the State in which the Registered office of the Company is situated.
These Presents or Regulations	"These Presents" or "Regulations" means these Articles of Association as originally framed or altered from time to time and include Memorandum where the context so requires.
Seal	"Seal" means the Common Seal for the time being of the Company.
Singular number	Words importing the singular number include the plural number.



Shares	"Shares" means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.
Writing	"Writing" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
Expression in the Act to bear the same meaning in Articles	Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.
Marginal Notes	The marginal notes hereto shall not affect the construction hereof.
Table 'A' not to apply	2 The Regulations in Table 'A' in the First Schedule to the Act, shall not apply to the Company except so far as the same are repeated or contained in or expressly made applicable by these Articles or by the Act.
Company to be Governed by these Articles	3. The Regulations for the management of the Company and for the observance of the members thereof and the representatives shall, subject as aforesaid and to any exercise of the statutory powers of the company in reference to the repeal or alteration of or addition to its Articles of Association by Special Resolution, as prescribed or permitted by the Act, be such as are contained in these Articles.
Company is a Private Company	4. Deleted <sup>1</sup>
<b>CAPITAL AND SHARES</b>	
Capital	5. The Share Capital of the Corporation is Rs.15,000,00,00,000/- <sup>2</sup> (Rupees Fifteenn thousand crores only) divided into 1500,00,000 (One thousand five hundred lakhs) equity Shares of Rs. 1000/- each).
Allotment of Shares	6. Subject to the provisions of the Act and these Articles and to the rights of the President, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same.

<sup>1</sup> Deleted Vide Special Resolution of EGM held on 02.04.1986

<sup>2</sup> Authorised share capital raised to Rs.15000 crores divided into 1500,00,000 Equity Shares of Rs.1000/- each vide Special Resolution Passed at the EGM held on 27.01.2004.



## CERTIFICATES

- Members' right to certificates
7. Every person whose name is entered as a member in the Register shall, without payment, be entitled to a certificate, under the common seal of the Company, specifying the share or shares held by him and the amount paid thereon.
- Issue of new certificates in place of one defaced, lost or destroyed
8. If a share certificate is defaced, lost or destroyed it may be renewed in accordance with the Share Certificate Rules under the Act on payment of fee, not exceeding fifty paise and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Directors think fit.

## TRANSFER AND TRANSMISSION OF SHARES

- Transfer and Transmission of Shares or Debentures
- 9.<sup>1</sup> The right of Members or Debentureholders to transfer their shares or debentures shall be subject to the provisions of Part-IV of the Act and the Directors may, in their absolute and uncontrolled discretion, refuse to register a transfer of share or debenture.
- Register of Transfer
- 10.<sup>2</sup> The Company shall keep the Registers of Transfer of Shares and Transfer of Debentures and therein enter the particulars of several transfers or transmission of any share or debenture.
- Execution of Transfer
11. The instrument of transfer of any share or [debenture]<sup>3</sup> in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share or debenture until the name of the transferee is entered in the Register of Members or [debenture-holders]<sup>3</sup> in respect thereof.
- Transmission of Shares
12. Nothing contained in Article 9 shall prejudice any power of the company to register as Shareholder or [debenture holder]<sup>4</sup>, any person to whom the right to any share or [debenture]<sup>4</sup> in the company has been transmitted by operation of law.

**12(a)**\*The Company opt for its shares and other securities to be dealt with also under the provisions of he Depositories Act, 1996 and the Rules and Regulations framed thereunder or with reference thereto and may take all such steps including entering into the agreement(s) with the depository (ies) for rendering its shares and securities eligible to be held in dematerialised and fungible form. The Company may also take all such other steps as required by the said Depository Act, Rules and Regulations and other incidental or consequential steps. And it is expressly declared that nothing contained in these Articles which is contrary to or inconsistent with the provisions of the said Depositories Act and the Rules and Regulations framed thereunder or with the reference thereto, shall apply to shares and securities of the Company which are being dealt with under the said Depositories Act, Rules and Regulations or to any other matter relating thereto for which provisions are made in the said Depositories Act, Rules and Regulations as aforesaid and which under the Act or under the said Depositories Act, Rules and Regulations is required to be dealt with thereunder, including but not limited to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a

- depository."
1. Substituted vide Special Resolution dated 02.04.86
  2. Substituted vide Special Resolution dated 02.04.86
  3. Added vide Special Resoluiton dated 02.04.86
  4. Added vide Special Resolution dated 02.04.86
  5. Added vide Special Resolution passed at the EGM held on 10.12.2001.



## **INCREASE, REDUCTION AND ALTERATION OF CAPITAL**

- |   |   |
|---|---|
| Increase of Capital                         | 13. Subject to the approval of the President and subject to the provisions of the Act, the Company in a General Meeting, may increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.   |
| On what conditions new shares may be issued | 14. Subject to such directions as may be issued by the president in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, Provided that no shares (not being preference shares) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).  |
| When to be offered to existing members      | 15. The new shares (resulting from an increase of capital as aforesaid) may be issued or disposed of in accordance with the provisions of Article 6.  |
| Same as original capital                    | 16. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.  |
| Reduction of Capital                        | 17. Subject to the provisions of Sections 100 to 104 of the Act and to such directions as may be issued by the President in this behalf, the company may, from time to time, by special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called upon, again or otherwise; and the Board may, subject to the provisions of the Act, accept surrenders of Shares. |
| Sub-division and                            | 18. Subject to the approval of the President, the company, in   |



consolidation of shares

a general meeting, may, from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Sub-Section (i) (a) to (e) of Section 94 of the Act, and shall file with the Registrar such notice in exercise of any such powers as may be required by the Act.

### **UNDERWRITING & BROKERAGE<sup>1</sup>**

Payment of commission 19.<sup>1</sup>

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

Payment of Brokerage 20.<sup>2</sup>

The Company may also pay a reasonable and lawful sum of brokerage or fee in lieu of brokerage.

### **BORROWING POWERS**

Powers to borrow

21.<sup>3</sup>

Subject to the approval of the President and the provisions of Section 292 of the Act, the Board may, by means of a resolution passed at a meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purpose of the Company, provided that no approval of the President would be necessary for borrowing from the banks for the purpose of meeting the working capital requirements on the hypothecation of the Company's current assets.

Issue at discount  
etc. or with special  
privileges

22.

Subject to the approval of the President and subject to Sections 79 and 117 of the Act, any bonds, may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings and allotment of shares.

*1. Added Vide Special Resoulution Passed at the EGM held on 17.03.1997.*

*2. Added Vide Special Resolution Passed at EGM held on 17.03.1997*

*3. Article 21 and onwards were renumbered vide Special Resolution passed at EGM held on 17.03.1997*



- s
- Notice of General meeting
23. At least Twenty One clear days' notice in writing, specifying the place, day and hour of general meeting with a statement of the business to be transacted at the meeting shall be served on every member in the manner provided by the Act but with the consent, in writing, of all the members entitled to receive notice of same, any general meeting may be convened by such shorter notice and in such manner as those members may think fit.
- Omission to give notice not to invalidate a resolution passed
24. The accidental omission to give notice to or the non-receipt thereof by any member shall not invalidate any resolution passed at any such meeting.
- Quorum
- 25<sup>1</sup>. Five members present in person shall be quorum for a general meeting of the Company.
- Chairman of General Meeting
26. The Chairman of the Board of Directors or in his absence the Vice-Chairman shall be entitled to take the Chair at every general meeting but if neither the Chairman nor the Vice-Chairman is to be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose, another Director as Chairman and, if no Director shall be present, or if all the Directors present decline to take the Chair, then the members present shall choose one of their member to be Chairman.
- Chairman's decision conclusive
27. 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.

#### **VOTES OF MEMBERS**

- Votes
28. Every member entitled to vote and present in person or by proxy shall have one vote on a show of hands and upon a poll one vote for each share held by him.
- Votes in respect of shares of deceased member
29. Any person entitled under the transmission clause to transfer any shares may vote at a General meeting in respect thereof as if he was the registered holder of such shares provided that at least 72 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 Directors of his right

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*1 Amended vide Special Resolution Passed at the EGM held on 02.04.1986*



to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Form of proxy

30. Every instrument of proxy for a specified meeting or otherwise shall as nearly as circumstances will admit, be in the form or to the effect following :

**NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED**

I..... a member of .....do hereby appoint.....of.....(of failing him..... of..... as my proxy to attend and vote for me and on my behalf at the Annual/Extraordinary General Meeting of the Company to be held on the ..... day of..... and at any adjournment thereof.

As witness my hand this..... day of .....

Signed by the said.....

Company not bound to recognise any interests in shares other than that of the registered holders

31. Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognize any benami trust or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have expressed or implied notice thereof.

**BOARD OF DIRECTORS**

32. The business of the Company shall be managed by a Board of Directors.



- Number of Directors      33. \*The president shall, from time to time, determine the number of Directors of the Company and which shall be not less than 4 and not more than 15. Provided the number of Independent directors in any case shall not be less than 50% of the actual strength of the Board.
- Appointment  
of Board of  
Directors      34. (i) (a) The Chairman shall be appointed by the President. All other members of the Board of Directors including Vice-Chairman shall be appointed by the President in consultation with the Chairman of the Company. No such consultation will be necessary in case of appointment of Directors representing the Government.
- (b) The Directors shall be paid such salary and/or allowances the President may, from time to time determine. Subject to the provisions of Section 314 of the Act, such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.
- (ii) The Chairman will be appointed subject to such terms and conditions as may be determined by the President.
- (iii) At every third Annual General Meeting of the Company every Director appointed by the President, other than the whole time Directors and Directors representing the Government shall retire from office. A retiring Director shall be eligible for reappointment.
- (iv) A Director representing a Ministry of the Government of India shall retire on his ceasing to be an official of that Ministry.
- (v) The President may, from time to time or any time remove any part time Director, from office at his absolute discretion. Chairman and whole-time Directors may be removed from office in accordance with the terms of appointment or if no such terms are specified on the expiry of '3 months' notice issued in writing by the President, with immediate effect on payment of the pay in lieu of the notice period.

\*. Added vide Special Resolution passed at the EGM held on 21.4.2005.



(vi) The President shall have the right to fill any vacancy in the office of the Directors caused by removal, resignation, death or otherwise.

Alternate Director

35. In place of a Director who is out of India or is about to go out of India or who expects to be absent for not less than three months from the State in which meeting of the Directors are ordinarily held, the President may appoint, in consultation with the Chairman of the Company any person to be an Alternate Director during his absence out of India or his absence of not less than three months from the State in which the meeting of the Board are ordinarily held and such appointee, whilst he hold office as an Alternate Director shall be entitled to notice of meetings of the Board and to attend and to vote thereat accordingly.

36. (i) The President may, from time to time, appoint the Chairman or any of the Directors to the office of Managing Director(s) of the Company for such term and such remuneration (whether by way of salary or otherwise) as he may think fit, and may, from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places in accordance with the provisions of Article 35. Any such Director appointed to any such office shall, if he ceases to hold the office of Chairman/Director from any cause ipso facto immediately cease to be Managing Director(s) as the case may be.

(ii) Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time, entrust and confer upon the Chairman, Managing Director, Director for the time being, such of the powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as they may think expedient and may, from time to time, revoke, withdraw, alter or vary all or any such powers.

Powers of Chairman

37. (a) The Chairman shall reserve for decision of the President, any proposals or decisions of the Board of Directors or any matter brought before the Board which raises, in the opinion of the Chairman, any important issue and which is on that account fit to be reserved for the decision of the President and no decision on such an



important issue shall be taken in the absence of the Chairman appointed by the President.

(b) Without prejudice to the generality of the above provision, the Board shall reserve for the decision of the President,

*Any matter relating to :*

(i) Any programme of capital expenditure for an amount which exceeds [Rs. 20 crores]<sup>1</sup> in cases which do not form part of sanctioned estimates, provided that, within any financial year the funds required will be found, within the budget allocation for the Project and provided also that the expenditure on such Project in subsequent years would be the first call on the respective budget allocation, provided further that in cases where the detailed Project Reports have been prepared with estimates of various component parts of the Projects and where such reports have been approved by the President, it shall not be necessary for the Board to obtain the President's sanction to the incurrence of capital expenditure and the Board of Directors shall have the power to sanction the same, subject to the provision in the sanctioned estimates for each component part. Provided further that in cases of variations in approved estimates which are not more than 10% for any particular part, the limit of [Rs. 20 crores]<sup>1</sup> shall not apply and the Board of Directors shall be competent to proceed with the work without further reference to the President provided there is no substantial variation in the scope of the Project.

[The powers of the Board to approve incurrence of capital expenditure not exceeding Rs. 20 crores as above shall be further subject to the condition that the scheme stands included in the approved capital budget of the Corporation.]<sup>1</sup>

(ii) Agreement involving foreign collaboration proposed to be entered into by the Company.

(iii) The Company's revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government.

(iv) The Annual and five year annual plans for development of the Company's capital budget.

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<sup>1</sup> Amended and inserted vide Special Resolution Passed at the AGM held on 28.09.1987



(v) Winding up of the company.

(vi) Sale, lease disposal or otherwise of the whole or substantially the whole of the under-taking of the Company.

(vii) Appointment of any person who has attained the age of 58 years (other than foreign technical personnel) on a pay of Rs. 2,500 and above including pension and / or pension equivalent to retirement benefits.

Power of President to issue directives 38.

Notwithstanding anything contained in all these Articles, the President may from time to time issue such directives or instructions as may be considered necessary in regard to conduct of business and affairs of the Company and in like manner may vary and annul any such directive or instruction. The Directors shall give immediate effect to the directives or instructions so issued. In particular, the President will have the powers :

(i) To give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest.

(ii) To call for such returns, account and other information with respect to the property and activities of the Company as may be required from time to time.

(iii) To provide wholly or partly owned company(ies) or subsidiary (ies) including participations in their share capital irrespective of the sources from which the operations of such companies are to be financed.

(iv) To determine in consultation with the Board annual, short and long term financial and economic objectives of the company.

Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall, except where the President considers that the interest of national security requires otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company.



(v) To take decisions regarding entering into partnership and/or regarding arrangements for sharing profits.

39. No action shall be taken by the Company in respect of any proposal or decision of the Directors reserved for the approval of the President until his approval to the same has been obtained. The President shall have the power to modify such proposal or decision of the Directors.
- Directors of companies promoted by the Company 40. A Chairman of this Company may be or become, a Director of any Company promoted by this Company or in which it may be interested as a vendor, member or otherwise and no such director shall be accountable for any benefits received as Director or Member of such Company.
- Omission to give notice 41. The accidental omission to give notice of any meeting of the Directors to a Director shall not invalidate any resolution passed at any meeting.
- Question at Board meeting how decided 42. A Director may at any time convene a meeting of Directors. Questions arising at and meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.
- Who is to preside at meeting of the Board 43. All meeting of the Directors shall be presided over by the Chairman if present or in his absence by the Vice Chairman if present. If at any meeting both the Chairman and the Vice-Chairman are not present at the time appointed for holding the same, the Directors shall choose one of the Directors then present to preside at the meeting.
- Board may set up Committees 44. The Board may, subject to the provisions of Section 292 of the Act, delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and they may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. The proceedings of such a Committee shall be placed before the Board of Directors at its next meeting.
- Meeting of Committees how to be governed 45. The meeting and proceedings of any such committee consisting of two or more members shall be governed by the provisions of the Act for regulating the meetings and



proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors. under the last preceding Article.

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|------------------------------------|--|
| Chairman of meeting of Committees  | 46. A Committee may elect a Chairman at its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairman of the meeting.   |
| General Powers of the Board        | 47. The Board of Directors may pay all expenditure incurred in setting up and registering the Company.   |
| Specific powers given to Directors | 48. Subject to the provisions of the Act and without prejudice to the general powers conferred by these Articles, the Directors shall have the following powers, that is to say, powers :-   |
| To make bye-laws                   | (1) To make, vary and repeal from time to time bye-laws for the regulation of the business of the Company, its officers and servants;  |
| To pay and charge interest etc.    | (2) To pay and charge to the capital account of the company interest lawfully payable thereat under the provisions of the Act.   |
| To pay for property in debentures  | (3) To purchase, take on lease or otherwise acquire for the company property, rights or privileges which the company is authorised to acquire at such price and generally on such terms and conditions as they think fit;  |
| To pay for property in debentures  | (4) To pay for any property or rights acquired by or services rendered to the Company, either wholly etc. or partially in cash, or in shares, bonds, debentures, debenture stock or in shares that may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. |



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|--|---|
| To secure contracts by mortgage        | (5) To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit;  |
| To refer to arbitration                | (6) To refer any claim or demand by or against the Company to arbitration and observe and perform the awards;   |
| To invest money                        | (7) To invest in the Reserve Bank of India or in such securities as may be approved by the President and deal with any of the moneys of the company upon such investment authorised by the Memorandum of Association of the Corporation (not being share in the Company) and in such manner as they think fit and, from time to time, to vary and realise such investments;   |
| To give bonus                          | (8) To Provide for the welfare of employees or ex-employees of the Company or of its predecessors in business and the wives, widows and families or the dependents or connections of such employees or ex-employees by building or contributing to the building of houses, dwellings or chawls or by grants of money, allowances, bonuses, profit sharing bonuses or benefit of any other kind or by creating and from time to time subscribing or contributing to provident and other association, institution funds, profits sharing or other scheme or trusts or by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and any other form of assistance, welfare or relief as the Directors shall think fit. |
| To create Provident Fund               |   |
| To subscribe to other funds            | (9) To subscribe or otherwise to assist or to guarantee money to scientific institutions or objects;  |
| To create Depreciation and other Funds | (10) To set aside before recommending any dividend out of the profits of the company such sums as they may think proper for depreciation or to Depreciation Fund, Reserve or to reserve fund to meet contingencies or insurance fund or any special or other Fund to meet contingencies or to repay redeemable preference shares and for special dividends and for equalising dividends and for   |



repairing and replacements improving, extending and maintaining any part of the properties of the Company and for such other purposes [including the purposes referred to in the sub clause(9)] as the Directors may, in their absolute discretion think conducive to the interest of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restriction imposed by the Act) as the Directors 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 Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Directors 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 into such special funds as the Directors may think fit and to employ the assets constituting all or any of the above funds, including the Depreciation Funds, in the business of the company or in the purchase or repayment of Redeemable Preference Shares and that without being bound to keep the same separate from the other assets and without being bound to pay or allow interest on the same with power, however, to the Directors at their discretion to pay or allow to credit such fund interest at such rate as the Directors may think proper, not exceeding six percent per annum;

To create posts

(11) To create such posts, other than those to which appointment is made by the President as he may consider necessary for the efficient conduct of the Company's affairs and to determine the scale of pay and other terms thereof excepting of the General Managers of constituent units for whom the scale of pay will be decided by the President;

To appoint officers

(12) Subject to Article (37) (b) (vii), to appoint and at their discretion remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and Servants from 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 and require security in



such instances and to such amounts as they may think fit and also without prejudice as aforesaid from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit;

(13) 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, subject however to the ultimate control and authorities being retained by them;

Authority to Sub-delegate powers (14) Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;

To lend money (15) To lend moneys to subsidiaries and associated organisations, on such terms and conditions as they may consider desirable.

#### **THE SEAL**

The seal and its custody 49. (a) The Board of Directors 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. The Board of Directors shall provide for the safe custody of the seal.

Issue of the seal (b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorised by it in that behalf and except in the presence of at least two Directors and of the Secretary or such other persons as the Board may appoint for the purpose and those two Directors or such other persons as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.



## DIVISION OF PROFITS AND DIVIDEND

- Division of profits      50. The profits of the Company available for payment as dividend, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of those presents as to the reserve fund shall, with the approval of the President be paid to the members.
- The Company in General Meeting may declare a dividend      51. The Company in General Meeting may declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board.
- Interim Dividend      52. The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

## ACCOUNTS

- Inspection by members of accounts and books of the Company      53. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Company in General meeting.

## AUDIT

- Accounts to be audited annually      54. Once at least in every financial year the account of the company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more auditors.
- Appointment of Auditors      55. The auditor/auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India, in accordance with the provisions of Section 619 of the Act.



Powers of the  
Comptroller and  
Auditor General

56. The Comptroller and Auditor General of India shall have power :-

(i) To direct the manner in which the Company's account shall be audited by the Auditor/auditors appointed in pursuance of Article 55 hereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such; and

(ii) To conduct a supplementary or test audit of the company's accounts by such person or persons as he may deem fit on his behalf and for the purpose of such audit to require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General may by general or special order, direct;

(iii) The auditor/auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit;

(iv) Any such comment upon or supplement to the Audit Report shall be placed before the Annual General Meeting of the Company in the same manner as the Audit Report.

Auditor's right to  
attend meeting

57. The Auditors of the Company shall be entitled to receive notice of and to attend any General Meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts.

When accounts  
to be deemed  
finally settled

58. Every account of the Company when audited and approved by a general meeting shall be conclusive.

#### **NOTICE**

Notice on persons  
acquiring shares on  
death or insolvency of

59. A notice may be given by the Company to the persons entitled to a share in consequence of death or insolvency of a member by sending it through the post in a



members

prepared letter addressed to them by name or by the title or representatives 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 claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Distribution of assets

60. If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up at the commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital, such assets shall be distributed amongst the members in proportion to the original paid up capital as the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### **SECRECY**

Secrecy clause

61. No member shall be entitled to visit or inspect the Company's work without the permission of a Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, will be inexpedient in the interest of the members of the company to communicate to the Public.

### **INDEMNITY AND RESPONSIBILITY**

Director's and others right to indemnity :

62.(i) Subject to the provisions of Section 201 (i) of the Companies Act, every Director, Manager, Auditor, Secretary or other officer or employee of the Company shall be



indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Manager, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him or them as such Director, manager, officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Members over all other claims.

- (ii) Subject as aforesaid every Director, Manager or officer of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgement is given in his or their favour or in which he is or they are acquitted or in connection with any application under Section 633 of the Act in which relief is given to him or them by the Court.

Not responsible  
for acts of others

63. Subject to the provisions of Section 201 of the Act no Director, Manager or other officer of the company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for the sake of conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss or damage arising to the bankruptcy, insolvency or tortious act of any person, company or corporation with whom any money, securities or effects shall be entrusted or deposited or for any loss occasioned by an error or judgement or over sight on his or their part or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his or their office or in relation thereto unless the same happens through his own dishonesty.



Name of subscriber, address, description and occupation, if any	Signature of Subscriber	Signature of witnesses and their addresses, description and occupation, if any
1. President of India through Shri. R.V. Subrahmanian S/o Shri P.S. Rama Iyer, Secy to G.I.M./Energy (Deptt. of Power) New Delhi	Sd/- R.V. Subrahmanian	Sd/- Arun Bhatnagar Dy. Secy. Deptt. of Power New Delhi
2. R.C. Bhargava S/o Shri M.P. Bhargava Jt. Secretary Ministry of Energy Deptt. of Power New Delhi	Sd/- R.C. Bhargava	Sd/- Inderjit Singh Kamra Under Secretary Deptt. of Power New Delhi
3. S.T. Veeraraghavan S/o Sh. S.T. Chakravarthy Iyengar (Late) Director, Ministry of Finance Deptt. of Expenditure New Delhi	Sd/- S.T. Veeraraghavan	Sd/- Section Officer Deptt. of Power New Delhi

New Delhi

Dated this 23rd day of October 1975