

(THE COMPANIES ACT, 1956)
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF

KANTI BIJLEE UTPADAN NIGAM LIMITED*

The marginal notes hereto are inserted for convenience only and shall not affect the meaning or interpretation hereof, unless there be something in the subject inconsistent therewith.

DEFINITIONS

In these Articles, the following expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter assigned to them:

- 1.1. "Act" shall mean the Companies Act, 1956, or any statutory modifications or re-enactment thereof for the time being in force. **Act**
- 1.2. "Affiliates"/ "Associate" in relation to BSEB and NTPC respectively shall mean person(s)/ body corporate of which BSEB and NTPC, as the case may be, is owner or beneficial owner. **Affiliates/ Associates**
- 1.3. "These Articles" means the Article of Association of the Company for the time being in force. **Articles**
- 1.4. 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996; **Beneficial owner**

* Name Changed vide Special Resolution in EGM dated 19.03.2008

- 1.5. "Board" or "Board of Directors" means the Board of Directors of the Company. **Board**
- 1.6. "BSEB" Shall mean Bihar State Electricity Board, a body corporate incorporated under the Electricity Act 1948 (Central Act 54 of 1948) having head office at Vidyut Bhavan, Bailey Road, Patna and includes its successor(s), administrator(s) and permitted assigns. **BSEB**
- 1.7. "Capital" means the capital for the time being raised or authorised to be raised for the purpose of the company. **Capital**
- 1.8. "The Chairman" means the Chairman of the Board of Directors of the Company for the time being. **Chairman**
- 1.9. "The Company" or "JVC" shall mean Kanti Bijlee Utpadan Nigam Limited* **Company**
- 1.10. "Dematerialisation" is the process by which shareholder/debenture holder can get physical share/debenture certificates converted into electronic balances in his account maintained with the participant of a Depository. **Dematerialisation**
- 1.11. "Depositories Act" means Depositories Act, 1996 or any statutory modification or re-enactment thereof. **Depositories Act**
- 1.12. "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; **Depository**
- 1.13. "Directors" mean the Directors for the time being of the company and include any person occupying the position of Director by whatever name called. **Director(s)**
- 1.14. "Dividend" includes any interim dividend and bonus. **Dividend**

* Name Changed vide Special Resolution in EGM dated 19.03.2008

- 1.15. "Executor" or "Administrator" means a person who has obtained probate or letter of administration, as the case may be, from the Competent Court. **Executor/Administrator**
- 1.16. "Managing Director" or "MD" means the Managing Director of the Company appointed in accordance with these Articles. **Managing Director**
- 1.17. "Member" means any person whose name appears as such in the Register of the Members of the Company and includes the subscribers to the Memorandum of Association of the Company. **Member**
- 1.18. "Month" means Calendar Month. **Month**
- 1.19. "NTPC" shall mean NTPC Limited incorporated under the provisions of the Act, having its registered office at NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi. **NTPC**
- 1.20. "The Office" means the Registered office of the company for the time being. **Office**
- 1.21. "Persons" shall include any individual, company or association or body of individuals whether incorporated or not. **Persons**
- 1.22. "Promoter shareholders" shall mean BSEB and NTPC. **Promoter Shareholder**
- 1.23. "Proxy" means an instrument whereby any person is authorised to vote for a member at a General Meeting or poll. **Proxy**
- 1.24. "The Register" means the Register of Members of the company required to be kept pursuant to the provisions of the Act. **Register**
- 1.25. 'Registered Owner' means a Depository whose name is entered as such in the records of the Company. **Registered Owner**
- 1.26. "Regulation of the Company" means the regulation for the time being in force for the management of the company. **Regulation**

- 1.27. "Rematerialization" is the process of conversion of electronic holdings back into the physical form and issue of fresh share/debenture certificate(s) in favour of share/debenture holder(s). **Rematerialization**
- 1.28. R&M shall mean the renovation, modernisation, refurbishment, rehabilitation, modification, design audit, operating system audit, reverse engineering component damage assessment, residual life assessment, re—engineering, R&M related operations, maintenance of thermal/ hydro power stations, switchyard, substations, transmission lines etc. Of utility and industrial power stations including Boilers, turbines and related auxiliaries and systems. **R&M**
- 1.29. "Seal" means the common seal of the company for the time being. **Seal**
- 1.30. "SEBI" means the Securities & Exchange Board of India; **SEBI**
- 1.31. "The Secretary" means the Secretary for the time being of the company appointed by the Board in accordance with the provisions of the Act. **Secretary**
- 1.32. 'Security' means Shares in or Debenture of the Company and such other securities as may be specified by SEBI from time to time **Security**
- 1.33. "Shares" means the Shares or stock into which the capital of the Company is divided and the interest corresponding with such Shares or stock. **Shares**
- 1.34. "Transfer" means an instrument of transfer duly stamped and otherwise valid and does not include any instrument of transfer which the company is for any reason entitled to refuse to Register and does not Register. **Transfer**
- 1.35. "Year" means the Calendar year and "Financial Year" and shall have the meaning assigned thereto by Section 2(17) of the Act. **Year**
- 1.36. "Singular Number" – words importing the singular number shall include, where the context permits, the plural number and vice-versa. **Singular Number**

By the same token, words importing the masculine gender shall include, where the context permits, the

feminine gender and vice-versa.

1.37. "Written" or "In writing" shall include printing, lithographing and other modes of representing or reproducing words in a visible form.

Written/in writing

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

**Other words/
Expressions**

CONSTITUTION

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| I | 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. | Application of regulation in Table "A" |
| II | The regulations for the management of the company and for the observance of the members thereof and their 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 to be governed by these Articles |
| III | The Company is a Public Company within the meaning of Section 3(1)(iv) of the Companies Act, 1956. and accordingly shall have a minimum paid-up Capital of Rs. 5,00,000 (Rupees Five Lakh) or such higher paid-up Capital as may be prescribed by the Act. | Company to be a Public Company |

SHARE CAPITAL

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| 1. | The Authorized Share Capital of the Company shall be the amount as provided under clause V of the Memorandum of Associations. NTPC shall subscribe 51 % to 74 % shares in the Company. Balance Shall be subscribed by BSEB | Share Capital |
| 2. | The company may buy back its own shares subject to provisions of the sections 77A, 77AA and 77B of the Act as amended. | Buy back of shares |
| 3. | Save as permitted by Section 77 of the Act, the funds of the company shall not be employed in the purchase of, or lent on security, the shares of the company and the company shall not give directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provisions of security or otherwise, for the purpose of, or in connection with any purchase of or | Financial assistance to subscribe to shares |

subscription for Shares in the company.

4. Subject to the provisions of Section 80 of the Act the Company shall have power to issue Preference Shares carrying a right of redemption or liable to be redeemed at the options of the company and the Directors, may subject to the provisions of the Act and of these presents, exercise such power in any manner prescribed by the resolution authorising the issue of such shares. **Redeemable Preference Share**

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

Provided that where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act, save and except that the Board may determine whether or not any offer of shares made in such manner shall include a right exercisable by any person concerned to renounce all or any of the shares offered to him in favour of any other person.

6. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property (including payment made for an acquisition of land and other properties, business) sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as aforesaid. **Board may allot and issue Shares**

7. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a member. **Acceptance of Shares**

8. The money (if any) which the Board, on the 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 allotted thereof and, shall be paid by him accordingly. **Money due on allotment**

9. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative. **Payment in Installments**
10. The Company may on the issue of more than one class of shares differentiate between the holders of shares of different classes as to the amount of calls to be paid and the times of payment. Where any calls for further share capital are made on shares, such calls be made on a uniform basis on all shares falling under the same class. **Issue of more than one class of shares**
11. The Company shall cause to be kept at its Registered Office or at such other place as may be decided by the Board of Directors, the Register and Index of Members/Debenture Holders in accordance with section 150 and 151 and other applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with the details of Shares/Debentures held in physical and dematerialised form in any medium as may be permitted by law including in any form of electronic medium. **Register and Index of Members**
- The Register and Index of Beneficial Owner maintained by a Depository under section 11 of the Depositories Act, 1996 shall also deemed to be the Register and Index of Members/Debentureholders for the purpose of the Companies Act, 1956 and any amendment or re-enactment thereof. The Company shall have power to keep in any State or Country outside India, a Register of Members/Debenture holders for the resident in that State or Country.
12. The Register and the Index of Members shall be open to inspection of members without any payment and to inspection of any other persons on payment of Rupee Ten or such lesser sum as the Company may prescribe for each inspection. Any such member or person may take extracts therefrom **Register and Index of members open to inspection**
13. The Company shall send to any member on request extracts/copy of the Register or of the list and summary required under the Act on payment of such sum as specified in the Act from time to time. **Extracts of the Register**

DEMATERILISATION OF SECURITIES

14. 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 **Company may Dematerialize or Rematerialize its Securities**

dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

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 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 Depositories Act, 1996 issue to the beneficial owner the required Certificates of Securities.

Option for Investors

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 Sections 153 of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners.

Securities in Depositories to be in fungible form

(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;

Rights of Depositories and beneficial owners

(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/debenture holder, 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 or such other modes as may be prescribed.

Service of Documents

(f) Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the company

Transfer/ Transmission of

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 as amended from time to time shall apply.

Securities held in Demat form

(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.

Allotment of Securities Dealt with in a Depository

(h) 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.

Distinctive number of Securities held in Depository

CERTIFICATES

15. Every person whose name is entered as a member or debenture holder in the Register of members or Register of Debenture holders shall without payment, be entitled to a Certificate under the common seal of the Company specifying share(s) or debenture(s) held by him and the amount paid thereon. Share/Debenture Certificates shall be issued on application in marketable lots and where shares/debenture certificates are issued for either more or less than the marketable lots sub-division or consolidation into marketable lots shall be done free of charge within one month from the date of lodgment thereof. Any two or more allottees of a share/debenture shall for the purpose of this Article be treated as a Single Member and the share/debenture Certificate which may be subject to joint ownership may be delivered to any one of such joint owners on behalf of all of them.

Share Certificates

Provided that in case of securities held by the member/Bond/Debenture holder in dematerialized form, no Share/ Bond/ Debenture Certificate(s) shall be issued.

16. If a Share/Debenture Certificate is defaced, lost or destroyed it may be renewed on payment of such fee, if any, and on such terms, if any as to evidence and indemnity as the Board may think fit.

Issue of new certificate in lieu of defaced , lost or destroyed

CALLS

17. The Board may from time to time make such calls as they think fit upon the members or debenture holders in respect of all moneys unpaid on the Shares/debentures held by them

Call on Shares/ Debentures

respectively and not by the condition of allotment thereof made payable at fixed times and each member/debenture holder shall pay the amount of every call so made on him to the person and at the times and places appointed by the Board. A call may be made payable by instalments.

Provided, however, that the Board may from time to time at the discretion extend the time fixed for the payment of any call.

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| 18. | If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the Share/debenture in respect of which a call shall have been made shall pay interest on the same at such rate as the Board shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. | When Interest on calls payable |
| 19. | The joint holder of a Share/debentures shall be jointly and severally liable to pay calls in respect thereof. | Joint-holders liability to pay |
| 20. | The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the Share held by him beyond the sums actually called for and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Share in respect of which such advance has been made, the company may pay interest at such rate not exceeding 4% or such other rate as may be approved by Central Government and the Board may at any time repay the amount so advanced upon giving to such member not less than three month's notice in writing. Provided that moneys paid in advance of calls or any shares may carry interest but shall not confer any right of voting, Dividend or participate in profits. | Payment of calls in advance |
| 21. | Any money due from the company to a Shareholder/ debenture holder may, without the consent of such Shareholder/debenture holder, be applied by the company in or towards payment of any money due from him to the company for calls or otherwise. | Application of money Of Share holders/ debenture holder |
| 22. | A call may be revoked or postponed at the discretion of the Board. | Revocation of call |

LIEN

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| 23. | The Company shall have a first and paramount lien on every share or debentures (not being a fully paid share or debenture) for all moneys called or payable at a fixed time in respect of that share; but the Company shall have no general lien on such | Company to have lien on shares |
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partly paid up shares. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

24. For the purpose of enforcing such lien the Board may sell the shares/debentures subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares/debentures and may authorise one of its member to execute a transfer thereof on behalf of and in the name of such Member or debenture holders. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such Member/debenture holder or his representatives and default shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice. **As to enforcing lien by sale**
25. 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 in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale. **Application of proceeds of sale**

FORFEITURE OF SHARES/DEBENTURES

26. If any member/debenture holder 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 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. **If money payable on shares/debentures not paid notice to be given to members**
27. 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 not exceeding 10 percent per annum as the Board 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 non payment of calls 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. **Form of Notice**

28. If the requirement of any such notice as aforesaid shall not be complied with, every or any share/debenture in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. **If default of payment share to be forfeited**
29. When any share/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member/ debenture holder 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, but no forfeiture shall be in any manner be invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. **Notice of forfeiture to a member/ debenture holder**
30. Any share/debenture 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 other person upon such terms and in such manner as the Board shall think fit. **Forfeited shares to be property of the company and may be sold etc.**
31. Any member/ debenture holder whose shares/debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares or debentures at the time of the forfeiture, together with interest thereon from the time of forfeiture, until payment at such rate not exceeding 10 percent per annum as the Board may determine and the Board may enforce the payment thereof as it thinks fit. **Member still liable to pay money at the time of forfeiture and interest**
32. The forfeiture of a share/debenture shall involve , extinction at the time of 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. **Effect of forfeiture**
33. A declaration in writing that the declarant is a Director or Secretary of the company and that a share/ debenture in the company has been duly forfeited in accordance with these articles 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. **Evidence of forfeiture**
34. Upon any sale after forfeiture or for enforcing a lien in purported **Validity of sale**

exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares/debenture sold and cause the purchaser's name to be entered in the Register in respect of the shares/debenture sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares/ debenture, 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.

35. 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 share/ debenture 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 new certificate or certificates in respect of the said shares/ debenture to the person or persons entitled thereto.

Cancellation of share certificate in respect of forfeited shares/ debenture

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

Power to annul forfeiture

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

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

Register of Transfers

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

Transfer of Debentures

39. 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 of shares or debentures/bonds.

Form of transfer

40. 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. The instrument of transfer shall be accompanied by the Share Certificate or such

Instrument of transfer to be completed presented to the company

evidence as 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.

41. NTPC and BSEB shall not transfer, sell/assign or otherwise encumber its Shareholding in the Company for an initial period of 5 years from the date of Commercial Operation of Muzaffarpur Thermal Power Station.
42. The transferor shall be deemed to be the holder of such shares until the name of the transferee have been 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 along with Transfer Deed. **Transferor deemed to be holder**
43. No transfer shall be made to a person of unsound mind or to an insolvent. **No transfer to insolvent etc.**
44. 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. **Closure of Register of Members or Debenture holders**
45. 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 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 competent Court in India. **Title to shares of deceased holder**
- Provided that the Board 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.
46. Any person becoming entitled to any share in consequence of **Transmission**

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 Board (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 Board may require and upon such indemnity as the Board 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 Board 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. **clause**

UNDERWRITING AND BROKERAGE

47. 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 5% (five percent) of the price at which the shares are issued, and in case of debentures, 2½ % (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 other. **Payment of commission and brokerage**

The company may pay a reasonable and lawful sum as brokerage.

NOMINATION

48. (i) Every Share/Bond/Debenture holder and a Depositor under the Company's Public Deposit Scheme (Depositor) of the Company may at any time, nominate in the prescribed manner, a person to whom his Shares/Bonds/Debentures or deposits in the company shall vest in the event of his death.
- (ii) Where the Shares or Bonds or Debentures or Deposits in the Company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner, a person to whom all the rights in the shares or bonds debentures or deposits in the company, as the case may be, shall vest in the event of death of all the joint

holders.

- (iii) Pursuant to section 109A of the Act notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such Shares/ Bonds./Debentures or Deposits in the Company, where a nomination made in the prescribed manner purport to confer on any person the right to vest the Shares/Bonds/Debentures or Deposits in the Company, the nominee shall on the death of the Share/Bond /Debenture holder or a Depositor , as the case may be, on the death of the joint holders become entitled to all the rights in such Shares/Bonds/Debentures or deposits, as the case may be, all the joint holders in relation to such Shares/Bonds/Debentures, or Deposits, to the exclusion of all persons, unless the nomination is varied, cancelled in the prescribed manner.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares/Bonds/Debentures or deposits, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Shares/Bonds/Debentures or deposits in the Company, in the event of his death, during the minority.

TRANSMISSION OF SECURITIES BY NOMINEE

49. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

- (i) to be registered himself as holder of the Share/Bond/Debenture or Deposits, as the case may be; or
- (ii) to make such transfer of the Share/Bond/Debenture or deposits , as the case may be, as deceased Share/Bond/Debenture holder or Depositor could have made;
- (iii) if the nominee elects to be registered as holder of the Share/Bond/Debenture or Deposits, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/Bond/Debenture holder or Depositor, as the case may be;
- (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the Share/Bond/Debenture or Deposits

except that he shall not, before being registered as a member in respect of his Share/Bond/Debenture or Deposits be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company,

Provided further that the Board may , at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share/Bond/Debenture or Deposits , and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the Share/Bond/Debenture or deposits, until the requirements of the notice have been complied with.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

50. Subject to the approval of NTPC, the Board may with the sanction of the company in a General Meeting, increase the Share capital by the creation of new Shares of such amount, as the resolution shall prescribe, retaining the agreed shareholding ratio. **Power to increase Capital**
51. 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, and if no direction be given as the Board shall determine and in particular such Shares may be Preference Shares. The new shares (resulting from an increase of capital as aforesaid) may be issued or disposed of in accordance with the provision of Article 5. **On what conditions share may be issued**
52. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Shares shall be considered part of the then existing capital of the company and shall be subject to the provisions herein contained with reference to payment of Dividends, calls and instalments, transfer and transmission, forfeiture, lien, surrender voting and otherwise. **How far new shares to rank with existing shares**
53. Subject to the provisions of Section 100 to 105 of the Act the company may, from time to time, by Special Resolution reduce its Share capital (including the capital redemption reserve account, if any) in any way authorised by law and in particular 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 up again or otherwise; and the Directors may **Reduction of Capital etc.**

subject to the provisions of the Act, accept surrender of Shares.

54. The Company may in General Meeting by a ordinary Resolution alter the conditions of its Memorandum as follows: **Sub-division, consolidation and cancellation of shares**
- (a) Consolidate and divide all or any of its Share capital into Shares of larger amounts than its existing Shares.
 - (b) Sub-divide Shares or any of them into Shares of smaller amounts than originally fixed by the Memorandum of Association subject nevertheless to the provisions of the Act in that behalf.
 - (c) Cancel Shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

MODIFICATION OF RIGHTS

55. If at any time the capital of the company by reason of the issue of Preference Shares or otherwise is divided into different classes of Shares, all or any of the rights and privileges attached to each class may subject to the provisions of Section 106 and 107 of the Act be varied, modified, abrogated or dealt with the consent in writing of the holders of at least three fourth of the nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to General Meeting shall, mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one fifth of the nominal amount of the issued Shares of that class. **Power to modify rights**

BORROWING POWERS

56. Subject to the provisions of Section 292 and 293 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 purposes of the Company. **Power to borrow**
57. Subject to the provisions of the Companies Act, 1956, Company may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of Bonds, perpetual or redeemable Debentures or Debenture Stocks or any mortgage or charge or other security on the **Conditions on which money may be borrowed**

property of the company (both present and future) including the uncalled capital for the time being.

58. Any Bonds, Debentures, Debenture Stocks or other securities issued or to be issued by the company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the company. **Debentures, Bonds etc. to be under control of the Board**
59. Subject to Section 79 and 117 of the Act, any Debentures, Debenture Stocks, Bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of Shares, appointment of Directors and otherwise. Debentures, Debenture Stocks, Bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued. **Issue of shares at discount etc.**
60. Whenever any uncalled capital of the company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the Shareholders or otherwise, to obtain priority over such prior charge. **Person not to have priority over any prior charge**
61. The Directors shall cause a proper Register of charges to be kept in accordance with the provisions of Section 143 of the Act. **Register of Charges**

GENERAL MEETING

62. In addition to any other meeting, General Meetings of the company shall be held within such intervals as are specified in Section 166(1) of the Act and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Such General Meetings shall be called "Annual General Meetings" and shall be specified as such in the notice convening the meeting. Any other meeting of the company shall be called an "Extra-ordinary General Meeting". **When general meeting to be held**
63. Every Annual General Meeting shall be called at such times during business hours and on such days (not being a public holiday) as the Board may from time to time determine; and it shall be held either at the Registered Office of the company or at such other place in the same city, town, village where the Registered office of the company is situated. **Time and place for calling Annual General Meeting**
64. The Board may, whenever they think fit call an Extraordinary General Meeting and Extraordinary General Meeting shall also be called on such requisition, or in default may be called by **When other General Meeting to be held**

such requisitionists, as provided by the Act. If at any time there are not within India sufficient Directors capable of acting to form a quorum of a Board meeting, any Director may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be called by the Board.

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| 65. | The company shall comply with the provisions of Section 188 of the Act so as to give notice of resolution and circulating statements on the requisition of members. | Circulation of member's resolution |
| 66. | Save as provided in sub-Section (2) of Section 171 of the Act, not less than twenty-one days' notice shall be given of every General Meeting of the company. Every notice of meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of "special business" as hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act. | Notice of a General Meeting |
| 67. | <p>Notice of every meeting of the company shall be given to every member of the company, to the Auditors of the company and to any person entitled to a Share in consequence of the death or insolvency of a member in any manner hereinafter authorized for the giving of notice to such persons.</p> <p>Provided that where the notice of General Meeting is given by advertising the same in a newspaper circulating in the neighborhood of the office under sub section 53 of the Act, the statement of material facts referred to in Section (3) of Section 173(2) of the Act need not be annexed to the notice as required by that Section but it shall be specified in the advertisement that the statement has been forwarded to the members of the company.</p> | To whom notice is to be given |
| 68. | The accidental omission to give any such notice to or its non-receipt by any member or other persons to whom it should be given shall not invalidate the proceedings of the meeting. | Accidental omission to give notice |
| 69. | A general meeting may however be called after giving shorter notice than twenty one days in terms of section 171 (2) of the Act. | Shorter notice by consent |

PROCEEDINGS AT GENERAL MEETING

70. In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to consideration of the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, appointment of Directors in place of those retiring and declaration of Dividend. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special. **Business of Meetings**
71. Five members present in person shall be the quorum for a General Meeting of the company. **Quorum**
72. Both NTPC and BSEB as Shareholders of the Company, may, from time to time appoint one or more person(s) as their respective representative in such a manner that only one representative of each shareholder will be authorised at a given time (who need not be a member(s) of the company) to represent it at all or any meeting(s) of the Company. **Rights of NTPC and BSEB to appoint any person as its representative**
- A person appointed as above shall for the purpose of the Act deemed to be a member of the company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy unless otherwise provided by the order of appointment) as NTPC or BSEB, as the case may be, could exercise as a member of the company.
- NTPC and BSEB may from time to time cancel any appointment made as above and make further fresh appointments.
- The production at the meeting of a certified copy of resolution of the Board of NTPC and of BSEB as the case may be shall be accepted by the company as sufficient evidence of any such respective appointment or cancellation of aforesaid.
73. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act. **Resolution to be Passed by Company in General Meeting**
74. No business shall be discussed at any General Meeting except the election of a chairman whilst the chair is vacant. Further **Chairman to be elected first if**

- business will be discussed after the chair is occupied. **chair is vacant**
75. The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such Chairman, or if at any meeting the Chairman 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, out of the Directors nominated by NTPC on the Board of the Company, for the purpose of the meeting and he shall exercise all the rights and powers available to the Chairman. **Chairman of General Meeting**
76. If within half-hour from the time appointed for the meeting a quorum be not present, the meeting if convened on requisition of Shareholders shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice to members appoint. If at such adjourned meeting a quorum be not present, those members who are present, subject to minimum of two members, shall be a quorum and may transact the business for which the meeting was called. **When quorum is not present, meeting to be dissolved and when to Be adjourned**
77. In the case of an equality of votes, both on show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote or votes to which he may be entitled as a member. **Chairman to have casting vote**
78. At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or after the declaration of the result of the show of hands) demanded in accordance with provisions of the Act and unless a poll is so demanded, a declaration by Chairman that a resolution has on a show of hands been carried unanimously or by a particular majority or lost, and an entry to that effect in the books of proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of votes recorded in favour of or against that resolution. **What to be evidence of the passing of a resolution where poll is not demanded**
79. Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of a chairman of a meeting out of the nominees of NTPC, or on any question of adjournment shall be taken at the meeting forthwith. In any other case poll shall be taken at such time not being later then 48 hours from the time when the demand was made, as the Chairman may direct. **When poll to be taken**
80. The demand of a poll, except on the question of the election of **Business may**

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

proceed notwithstanding demand of poll

81. 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 by such poll, whose decision shall be final and conclusive.

Chairman's decision conclusive

82. On a poll a member entitled to more than one vote, 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.

A member need not use all his votes

83. The Chairman of a General Meeting may with the consent of the meeting adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Power to adjourn General Meeting

84. Minutes of proceedings of General Meeting shall be kept in books in terms of Section 193 of the Act and any such minutes if signed by any person purporting to have been the Chairman of the meeting to which it relates or by the person who shall preside as Chairman at the next succeeding meeting shall be deemed as evidence of the facts therein stated without further proof.

Minutes of General Meeting

85. The books containing minutes of proceedings of General Meeting of the company shall be kept at the Registered Office of the Company and shall during business hours (subject to such reasonable restrictions as the Company in General Meeting may from time to time impose so that not less than two hours in each day be allowed for inspection) be open to the member for inspection without any charge.

Minutes to be kept at the Registered office

86. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to above at a charge as may be provided in the Act.

Members right for a copy of minutes

VOTE OF MEMBERS

87. Upon show of hands every member present in person or by proxy or by duly authorised representative shall have one vote, and upon a poll, every member present in person or by proxy or

Vote of Members

by duly authorised representative, shall have one vote for every Share held by him.

88. Subject to the provisions of the Act a resolution may be passed by means of a postal ballot instead of transacting the business in General Meeting of the Company. **Postal Ballot**
89. Any member which is a body corporate may attend a General Meeting by a representative duly authorised by a resolution of the Board of such body corporate in accordance with the provisions of Section 187 of the Act and vote on a show of hands or on a poll and also by proxy. The production at the meeting of a copy of such resolution duly authenticated by such body corporate shall be accepted by the company as sufficient evidence of the validity of his appointment. **Procedure where a company is a member of the company**
90. Any person entitled to vote on devolving share under the transmission 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 at least seventy two 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 Board of his right to such Shares unless the Board shall have previously admitted his right to such Shares of his right to vote at such meeting in respect thereof. **Votes in respect of deceased, insane and insolvent members**
91. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on poll by his constituent or other legal guardian and any such constituent or guardian may on a poll, vote by proxy. **Votes in respect of shares of members of unsound mind**
92. Where there are joint Registered holders of any Share any one of such persons may vote at any meeting either personally or by proxy in respect of such Shares as if he were solely entitled thereto; and if more than one such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such Share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any Share is Registered shall for the purpose of this Article be deemed joint holders thereof. **Joint holders**
93. A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a show of hands or on a poll. No member shall appoint more than one proxy to attend on the **Right to appoint proxy**

same occasion. A proxy shall not have the right to speak at a meeting. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing.

94. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notary certified copy of that power of authority, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

Instrument appointing a proxy to be deposited at the office

95. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the Instrument, or transfer of the Share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the Share shall have been received by the company at the office before the vote is given.

When vote by proxy valid though authority revoked

Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

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

Form of Proxy

FORM OF PROXY
Kanti Bijlee Utpadan Nigam Limited*
 I/we _____ of being _____ a member of _____ do hereby appoint _____ of _____ (or failing him) _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual/Extraordinary General Meeting of the company to be held on _____ day and at any adjournment thereof.
 Signed this _____ day of _____
 Signed by the said _____

*Name Changed vide Special Resolution in EGM dated 19.03.208

97. Subject to the provisions of the Act, no member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another, at any General Meeting or upon a poll or be reckoned in quorum whilst any call or other sum shall

Restrictions on voting

be due and payable to the company in respect of any of the Shares of such member.

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| 98. | Any objection as to the admission or rejection of a vote, either on a show of hands or on a poll, made in due time shall be referred to the Chairman who shall forthwith determine the same and such determination made in good faith shall be final and conclusive. | Admission or rejection of votes |
| 99. | No objection shall be raised as to the qualification of any voter except at the meeting or poll at which such vote is tendered and every vote not disallowed at such meeting or poll, shall be valid for all purposes. | Time for objection to vote |

MANAGEMENT STRUCTURE

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| 100. | (i) Subject to ultimate management control of NTPC, the company shall be managed by its Board of Directors. The management of the day-to-day affairs of the Company shall, however, vest with the Chief Executive Officer who shall not be a member of the Board. The Chief Executive Officer shall always be nominated by NTPC and appointed by the Board.

(ii) The Chief Executive Officer shall function subject to the superintendence, control and direction of the Board.

(iii) The Board shall delegate to the Chief Executive Officer such powers and authorities as would enable him to have operational autonomy in the day-to-day management of business and affairs of the Company and in like manner may withdraw or annul any such power and/or authority as may be considered necessary.

(iv) Whenever deemed necessary by the Board of Directors, a Managing Director may be appointed in place of CEO. | Management of the Company |
| 101. | Subject to the provisions of Sec.252 of the Act the number of Directors of the Company shall not be less than 4 and not more than 12 subject to the condition that NTPC shall always have one Director more than the Combined strength of Director nominated by BSEB/ Govt. of Bihar, the respective parties shall determine the period for which their respective nominees shall hold office. The Directors shall be entitle to sitting fee as per provisions of the Act. The first Directors of the Company shall be:

1) Shri. Thiagarajan Sankaralingam

2) Shri Ram Sharan Sharma | Managing Director Directors |

3) Shri Ashok Kumar Singhal

102. (a) A director shall not be required to hold any shares in the Company as qualification Shares. **Qualification Shares**
103. (a) The Chairman of the Board of the Company shall always be a Director nominated by NTPC. **Chairman of the Board**
- (b) The Chairman of the Board shall preside over the meetings of the Board of Directors and General Meeting. If the Chairman is not present at a meeting within five minutes after the appointed time, one of the Director at the Board of the Company representing NTPC shall act as Chairman for the purpose of the meeting and shall exercise all the right/ powers available to the Chairman.
- (c) NTPC and BSEB shall have the power to remove their respective nominee Directors from office at any time in its absolute discretion. NTPC or BSEB, as the case may be, shall also have the right to fill any vacancies in the office of the Directors caused by such removal resignation, death or otherwise. **Removal of Directors by NTPC/BSEB**
104. Subject to the approval of NTPC and BSEB for their respective nominees, the Board of Directors of the company may appoint an alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An alternate Director appointed under this Article shall vacate office if and when the original Director returns to that State. If the term of office of the original Director is determined before he so returns to that State, any provision in the said Act or in those Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the alternate Director. **Alternate Director**
105. Subject to the approval of NTPC and BSEB for their respective nominees and the provisions of Section 260, 262 and 284(6) of the Act, the Board of Directors shall have the power, at any **Directors may fill out vacancies and add to**

time, and from time to time to appoint any person to be a Director, either as an addition to the Board or to fill a casual vacancy occurring on account of the office of any Director appointed by the company in General Meeting being vacated before his term of office would expire in the normal course, but so that the total number of Directors shall not at any time exceed the maximum fixed as above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting but shall be eligible for re-election at such meeting. Any person appointed to fill a casual vacancy as aforesaid shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

their number

106. Without prejudice to the generality of the other provisions the Board shall decide on the following, subject to approval being received from NTPC

Reservation of certain powers for decision of NTPC

- a) The annual revenue budget of the company.
- b) The Five Year Annual Plans of development, the capital budget of the Company and processing of any modernisation, expansion schemes including programme of capital expenditure or purchase of capital equipment which exceed Rs.500 lakhs.

Any capital expenditure in cases of variations in approved estimates beyond 10% for any particular component parts thereof.

- c) Winding up of the Company.
- d) Any matter relating to the sale, lease, exchange, mortgage and/or disposal otherwise of the whole or substantially the whole of the undertaking of the Company or part thereof.
- e) Any matter relating to:
 - i) the promotion of company/companies;
 - ii) Entering into partnership and/or arrangement of sharing profits;
 - iii) formation of subsidiary company/companies;
 - iv) taking or otherwise acquiring and holding shares in any

other company, and

v) division of capital into different classes of shares.

f) The arrangements involving foreign collaboration proposed to be entered into by the company

g) Any other matters which in the opinion of the Chairman is of such importance as to be reserved for the approval of NTPC.

107. No action shall be taken by the company in respect of any proposal or decision of the Directors reserved for the approval of NTPC until its approval to the same has been obtained. NTPC shall have the power to modify such proposal or decision of the Directors. **Proposals requiring approval of NTPC**

108. The office of a Director shall ipso-facto become vacant if: **Directors vacating office**

(a) he is found to be of unsound mind by a Court of competent jurisdiction; or

(b) he is adjudged an insolvent; or

(c) he applies to be adjudged an insolvent; or

(d) any office or place of profit under the company or under any subsidiary of the company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate office, or

(e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months whichever is longer without leave of absence from the Board of Directors, or

(f) he or any firm of which he is a partner or any private company of which he is a member or Director accepts a loan or guarantee or security for a loan from the company in contravention of Section 295 of the Act; or

(g) he acts in contravention of Section 299 of the Act; or

(h) he resigns office by notice in writing addressed to the Company or to the Board ; or

(i) he becomes disqualified by an order of Court under Section 203 of the Act; or

(j) he is removed in pursuance of Section 284 of the Act; or

(k) having been appointed a Director by virtue of his holding any office or other employment in the company, he ceases to hold such office or employment in the company.

(l) he becomes disqualified pursuant to the provisions of Sec.274 (1)(g) of the Act.

(m) he is convicted by any court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months.

However, disqualification referred to in sub-clauses (b), (i) and (m) shall not take effect

(a) for thirty days from the date of adjudication and or sentence,

(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or

(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition if allowed would result in the removal of the disqualification until such further appeal or petition is disposed of.

109. The Board may allow and pay to any Director who is not a resident of the place where the meeting of the Board is held and who shall come to such place for the purpose of attending a meeting such sum as the Board may consider fair compensation for his travel, and living and hotel expenses for attending such meeting; and if any Director be called upon to go and reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be reimbursed for his travel, living and hotel expenses, reasonably incurred in connection with the business of the Company. The Board may also allow and pay to the Directors a fee to be determined from time to time for attending the meetings of the Board and of any Committee appointed by the Board of Directors; such fee shall not exceed an amount as prescribed in the Act or rules made thereunder.

Expenses Incurred by Director on Company's Business

110 A Director 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 or shareholder of such company except in so far as Section 309(6) or Section 314 of the Act may be

A Director in the Company can become Director in any other Company

applicable.

PROCEEDINGS OF THE BOARD

111. The Board shall meet at least once in every three months and at least four such meetings shall be held in every year for the dispatch of business and the Board may adjourn or otherwise regulate its meeting and proceedings. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. **Meetings of the Board**
112. A Director may at any time and the Secretary shall upon the request of a Director made at any time, convene a meeting of the Board. **Director may summon meeting**
113. All meetings of the Board shall be presided over by the Chairman, if present, and if the Chairman is not present within five minutes after the time appointed for holding the meeting of the Board, the Directors present shall choose some other member out of the Directors nominated by NTPC to be the chairman of such meeting. **Chairman of the meeting**
114. The quorum for a meeting shall be determined from time to time in accordance with the provisions of Section 287 of the Act, provided that there shall be no quorum in any meeting unless at least two nominee Directors, one each from NTPC and BSEB are present. If the meeting of the Board could not be held for want of quorum (quorum being not present within 15 minutes from the time appointed for holding the meeting) the meeting shall stand adjourned until such day, time and place as may be determined by the Chairman of the Board and in the absence of the Chairman, by a Director nominated by NTPC and authorised by the Board. **Quorum of the meeting**
115. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion for the time being vested in or exercisable by the Board generally by or under these Articles or the Act. **Power of quorum**
116. Subject to provisions of the Act questions arising at any meeting shall be decided by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a **Casting vote of the Chairman**

second or casting vote.

117. The Board may subject to the provisions of the Act from time to time entrust to and confer upon any of the officers of the company 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 purposes 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 of such powers. **Delegation of powers**
118. The Board may subject to the provisions of the Act, from time to time and at any time delegate, any of its powers to a committee or committees consisting of such Director or Directors as they think fit and 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 upon it by the Board. The proceedings of such a committee shall be placed before the Board at its next meeting. **Powers to appoint committee and to delegate**
119. The minutes and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulation made by the Board under the last preceding Article. **Proceedings of committee**
120. The acts done by a person as a Director shall be valid notwithstanding, that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity of acts done by a Director after his appointment has been shown to the company to be invalid or to have terminated. **When acts of a director valid notwithstanding defective appointment etc.**
121. Save in those cases where a resolution is required by the provisions of the Act to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or a committee of the Board as the case may be duly called and constituted, if a draft thereof in writing is circulated together with the necessary papers, if any, to all the Directors, or to all the members of the committee of the Board, as the case may be, then in India (not

being less than 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 addresses in India, and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.

MINUTES

122. 1)The Board shall in accordance with the provisions of Section 193 of the Act, cause minutes to be kept by making entries thereof in books provided for the purpose. The said books shall be maintained and the entries therein made, dated and signed in the manner provided by Section 193 of the Act.

Minutes to be made

(2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Provided that no matter need be included in any such minutes 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 interest of the Company.

(3) All such minutes shall be signed by the chairman of the meeting as recorded, or by the person who shall preside as the chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes be evidence of the proceedings recorded therein.

POWERS OF BOARD

123. The business of the company shall be managed by the Board who may pay all expenses of getting the company registered and may exercise all such powers and do all such acts and things as the company is by its Memorandum of Association or otherwise authorised to exercise but shall not decide matters required to be exercised or done by the company in General Meeting, but subject nevertheless to the provisions of the Act and of the Memorandum of Association and these Articles and to any regulations not being inconsistent with the Memorandum of Association and these Articles from time to time made by the company in General Meeting provided that no such regulation shall invalidate any prior act of the Board which would have

General powers

been valid if such regulation had been made.

124.

Without prejudice to the general powers conferred by the preceding Article, and the other powers conferred by these Articles, and subject to the provisions of the Act, the Board of Directors shall have the following powers, that is to say, powers.

Specific powers of the Board

1. 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 purchase take on lease or acquire property

2. subject to the provisions of Article 106(a) to approve revenue budgets of the company

To approve revenue budget

3. (a) to authorise without reference to NTPC the undertaking of works of a capital nature where Feasibility Reports have been prepared with estimates of different component parts of the project and where such project reports have been approved by NTPC and to invite and accept tenders relating to works included in the approved feasibility reports subject to a limit of Rs.500 lakh, including variations, if any, in the approved estimates, provided such variation are not more than 10% for any particular component part and do not substantially change the scope of the project.

To undertake works of capital nature

(b) to authorise the undertaking of works not covered by (a) above of a capital nature without prior reference to NTPC subject to a limit of Rs.500 lakh, provided that within a financial_year the funds required will be found from within the budget allocation of the company and provided also that the expenditure on such works in subsequent years would be the first call on the respective budget allocations.

4. To provide for the welfare of employees and/or former employees of the company or of its predecessors in business and the wives, widows and families or the dependants or connections of such employees or ex-employees, by building or contributing to the building of houses, dwellings or quarters or by grant of money, pension, superannuation, gratuities, compensation, 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 funds and to establish or support other Associations, institutions

To provide welfare of employees

funds, profit 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.

5. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other movable property of the company either separately or jointly also to ensure all or any portion of the goods; produce, machinery and other Articles imported or exported by the company and to sell, assign, surrender or discontinue any policies of assurances affected in pursuance of this power.
To insure and keep insured property of company
6. To open accounts ordinarily with any Scheduled Bank of India or any of their Subsidiaries and to pay money into and draw money from any such account from time to time as the Board may think fit.
To open accounts
7. 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, Debenture Stocks or other securities of the company, and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such Bonds, Debentures, Debenture Stocks or other securities may either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged.
To pay for any property
8. To secure the fulfilment of any contracts or arrangements entered into by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they may think fit.
To secure fulfillment of any contract
9. To create all posts below the Board level and to appoint and at their discretion, remove or suspend such Managers, secretaries, officers, clerks, workmen, employees, agents and servants, specialists and consultants for permanent or temporary or special services as they may, from time to time think fit, and to determine their powers and duties and fix their specific scales of pay and allowances and to acquire security in such instances and to such amount as they think fit provided however, that appointment of
To create posts below Board level

any person to any posts in the scale equivalent to General Manager and above in NTPC shall be made with the prior concurrence of NTPC. Appointment of Persons who have attained the age of 60 years shall also be made with the prior concurrence of NTPC.

10. To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or any other institutions or objects, or for any exhibition to any individual or body. **To subscribe or guarantee money to Charitable Funds**
11. Subject to the provisions of the Act before recommending any Dividend to set aside out of the profits of the company such sums as they may think proper for depreciation or to depreciation fund reserve or to Reserve Fund, or to sinking fund, insurance fund or any special other fund to meeting contingencies or to repay redeemable Preference Shares , Debentures or Debenture Stocks and for special Dividends and for equalising Dividends and for retaining, improving, extending and maintaining any part of the property of the company, and for such other purposes (including the purposes referred to in the sub-clause (7) 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 restrictions imposes by the Act) as the Board may think fit; and from time to time deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the company, in such manner and for such purposes as the Board, subject to any restrictions think conducive to the interest of the company notwithstanding that the matters to which the Directors apply or upon which the capital money of the company rightly be applied or expanded and to divide the Reserve Fund into such special funds as the Board may think fit and to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of redeemable Preference Shares, Debentures, Debenture Stocks 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 Board at their discretion to pay or allow to the credit of such fund interest at such rate, as the Board may think proper. **To provide for depreciation and reserves**

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| 12. to comply with the requirements of any local laws. | To comply local laws |
| 13. to institute, conduct, defend, compound or abandon any legal proceeding by or against the company or its officers, or otherwise conducting the affairs of the company and also to compound and allow time for payment or satisfaction of any debt due or of any claim or demand by or against the company. | To bring and defend action |
| 14. to refer any claim or demand by or against the company to arbitration and observe and perform the award. | To refer to arbitration |
| 15. to make and give receipts, release and other discharges for money payable to the company, and for the claims and demands of the company. | To give receipt |
| 16. to determine from time to time who shall be entitled to sign on the company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, Dividend warrants, contracts and documents. | To authorise acceptances etc. |
| 17. to provide from time to time for the management of the affairs of the company at different places in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the company with such powers(including power to sub-delegate) and upon such terms as may be thought fit. | To appoint attorneys |
| 18. To invest in the Scheduled Bank or in such securities as may be approved by the Board and deal with any of the moneys of the company upon such investments authorised by the Memorandum of Association of the company (not being Shares in this company) and in such manner as they think fit, and from time to time to vary or realise such investment. | To invest moneys |
| 19. To execute in the name and on behalf of the company in favour of any Director or other person who may incur or is about to incur any personal liability 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, covenants and provisions as shall be agreed upon. | To give security by way of indemnity |
| 20. From time to time to make, vary and repeal | To make bye laws |

regulations and/ or rules for the regulation of the business of the company, and for determination of service conditions of its employees.

21. To give award or allow any bonus, pension, superannuation, gratuity or compensation to any employee of the company, or his widow, children or dependants, that may appear to the Board just or proper, whether such employee, his widow, children or dependants has or have not a legal claim upon the company.

To give award or allow any bonus

22. Before declaring any Dividend, to set aside such proportions of the profits of the company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident fund or benefit fund in such manner as the Board may deem fit.

To create provident Fund

23. To enter into all such negotiations and contracts and vary all such contracts and execute and do all such acts, deeds and things in the name of and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.

24. Subject to the restrictions laid down in Section 292 of the Act, to delegate any of the powers, authorities and discretion for the time being vested in them, subject however to the ultimate control and authority being retained by them. 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 delegate powers

THE SEAL

125 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. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board and except in the presence of at least one Director or such other person as the Board may appoint for the purpose and the same Director or the person aforesaid shall sign every instrument to which the seal of the company is so affixed in his presence. Provided, however, the

Seal

requirement of Companies (Issue of Share Certificates) Rules, 1960, shall be complied with for issue of share certificates

RESERVES

126. Subject to the provisions of the Act, the Board may, before recommending any Dividend, set aside out of the profits of the company such sums as they think proper as a Reserve Fund, to meet the contingencies or for equalising Dividends, or for special Dividends, or for repairing, improving and maintaining any of the property of the company and for such other purposes as the Directors shall in their absolute discretion think conducive to the interest of the company, and may invest the several sums so set aside upon such investments ((other than Shares of the company) as they think fit from time to time, deal with and vary such investments and dispose of all or any part thereof for the benefit of the company, and may divide the Reserve Fund into such special funds as they think fit and employ the Reserve Fund or any part thereof in business of the company and that without being bound to keep the same separate from the other assets.
- Power of Board to create Reserve fund**

INTEREST OUT OF CAPITAL

127. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthened period, the company may pay interest on so much of that Share capital as is for the time being paid up for the period 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 work or building or the provision of plant.
- Payment of interest on borrowing during construction period and its capitalization**

DIVIDEND

128. The profits of the company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible amongst the members in proportion to the amount of capital held by them respectively provided always that (subject
- Dividend**

as aforesaid) any capital paid upon a Share during the period in respect of which a Dividend is declared shall only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

129. Where capital is paid upon any Shares in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profit. **Capital paid in advance**
130. The company in General Meeting may declare a Dividend to be paid to the members according to their rights and interest in the profits, and may fix the time according to Section 207 of the Act for payment but no Dividend shall exceed the amount recommended by the Board. **Declaration of Dividend**
131. No Dividend shall be declared or paid in any financial year by the company except out of the profits of the Company for that year arrived at after providing for depreciation in accordance to the provisions of sub-Section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions remaining undistributed or out of both or out of moneys provided by the Government for the payment of Dividend in pursuance of a guarantee given by the Government. No Dividend shall carry any interest as against the company. **Dividend out of profits only and not to carry interest**
132. The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive. **When to be deemed net profits**
133. Subject to the provisions of section 205A & 207 of the Act, the Directors may, from time to time, pay to the members such interim Dividend as in their judgement, the position of the company justifies. **Interim Dividend**
134. The Directors may retain any Dividend on which the company has lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. **Debts may be deducted**
135. Subject to the provisions of the Act, no member shall be entitled **Provisions for**

- to receive payment of any interest or Dividend in respect of his Share(s), whilst any money may be due or owing from him to the company in respect of such Share(s) or otherwise howsoever either alone or jointly with any other person(s); and the Directors may deduct from the interest or Dividend payable to any member all sums of money so due from him to the company.
- investments before Dividend**
136. The Directors may retain the Dividend payable upon Shares in respect of which any person is entitled to become a member or which any person is entitled to transfer until such person shall become member in respect of such Shares or shall duly transfer the same. **Payment of Dividend**
137. The company shall pay Dividend in proportion to the amount paid up or credited as paid up on such Share where a larger amount is paid-up or credited as paid-up on some Share than on others. **Dividend payable in proportion to the amount paid**
138. Subject to the provisions of Section 205(A) of the Act, any General Meeting declaring a Dividend may make a call on the members for such amount as the meeting fixes, but so that the call on such member shall not exceed the Dividend payable to him 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 members, be set off against deemed ordinary business for an ordinary General Meeting which declares a Dividend. **Call not to exceed dividend payable**
139. The company in General Meeting may resolve that any money, investment, or other asset forming part of the undivided profits of the company standing to the credit of the reserves, or in the hands of the company, and available for distribution or representing premium received on the issue of Shares and standing to the credit of the Share premium account, be capitalised and distributed amongst the Shareholders in accordance with their rights and that all or any part of such capitalised fund be applied on behalf of the Shareholders in paying up in full any unissued Shares of the company and that such unissued Shares so fully paid be distributed accordingly amongst the Shareholders in the proportion in which they are entitled to receive Dividends, and shall be accepted by them in full satisfaction of their interest in the said capitalised sum. For **Distribution of Reserves etc.**

the purpose of giving effect to any resolution under this Article the Board may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional Certificates and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions or less than one rupee may be disregarded in order to adjust the rights of all parties, and may vest any such cases of specific assets in Trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where necessary, a proper contract shall be entered into in accordance with Section 75 of the Act, and the Board may appoint any person to sign the contract on behalf of the person entitled to the dividend or capitalised fund, and such appointment shall be effective, provided that subject to the provisions contained in Section 205(3) of the Act no Dividend shall be payable except in cash.

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| 140. | Subject to the provisions of Section 205 of the Act, no Dividend shall be payable except in cash. | Dividend are to be paid in cash |
| 141. | A transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer. | Effect of transfer |
| 142. | Any one of the several persons, who are Registered as the joint holders of any Share, may give effectual receipts for all Dividends and payment on account of Dividend in respect of such Shares. | Dividend to joint Holders |
| 143. | Unless otherwise directed any Dividend may be paid by cheque or warrant sent through post to the Registered address of the member or person entitled or in case of joint holders to that one of them first names in the Register in respect of the joint holding. Every such cheque 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 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 fraudulent or improper recovery thereof by other means. | Dividend to be paid through cheque or warrant |
| 144. | Notice of the declaration of any Dividend, whether interim or otherwise, shall be given to the holders of Shares in the manner hereinafter provided. | Notice of warrant |

145. All Dividend unclaimed will be dealt with in accordance with the relevant provisions of the Act. **Unclaimed dividend**

BOOKS AND DOCUMENTS

146. The Board shall cause to be kept in accordance with Section 209 of the Act proper books of account with respect to: **Books of accounts to be kept**

(a) All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place.

(b) all sales and purchases of goods by the company; and

(c) all assets and liabilities of the company.

d) such other matters as specified in the Act.

147. The books of Accounts shall be kept at such place or places as the Board may determine in accordance with the provisions of Section 209 of the Act. **Where to be kept**

148. (1) The accounts shall be open to inspection by any Director during business hours. **Inspection**

(2) The books of account shall also be open to inspection by the Registrar or by an officer of Govt. authorised by the Central Govt. in this behalf if in the opinion of the Registrar or such other officer sufficient cause exists for the inspection of the books of account.

(3) The Board shall, from time to time, determine whether and to what extent, and at what times and places and under what conditions or regulations, the books of account and books and documents of the company or any of them, shall be open to inspection of the members not being Directors and no member (not being a Director) shall have any right of inspection of any books of 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.

BALANCE SHEET AND ACCOUNTS

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| 149. | The Board shall at some date not later than 18 months after the incorporation of the company and subsequently once at least in every calendar year lay before the company in General Meeting a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss account shall comply with the requirements of Sections 210,211, 212, 215 and 216 and of schedule VI of the Act so far as they are applicable to the company. | Balance sheet and Profit and Loss Account |
| 150. | There shall be attached to every Balance Sheet laid before the company a report by the Board of Directors complying with the provision of Section 217 of the Act. The report shall be signed in accordance with Section 217 of the Act | Annual report of Directors |
| 151. | The company shall comply with Section 220 of the Act as to filing of copies of the Balance Sheet and Profit and Loss account and documents required to be annexed or attached thereto with the Registrar. | Copies of Balance Sheet etc. to be filed |

AUDIT

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| 152. | Once at least in every financial year the accounts of the company shall be examined and the Profit & Loss Account and Balance Sheet shall be audited by one or more Auditors as provided in the Act. | Accounts to be audited annually |
| 153. | The Auditor(s) of the company shall be appointed or re-appointed as the case may be, and his/their remuneration, rights and duties shall be regulated as per the provisions of the Act. | Appointment of Auditors |
| 154. | 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 down before the company and make any statement or explanation they desire with respect to the accounts. | Auditors right to attend meetings |

155. Every Balance Sheet and Profit and Loss Account of the company when audited and adopted by the company in General Meeting shall be conclusive. **When accounts to be deemed finally settled**

156. Notwithstanding anything contained in all these Articles but subject to the provisions of the Act, NTPC may from time to time, issue such directives or instructions as may be considered necessary in regard to the finances, conduct of the business and affairs of the company and in like manner may vary and annul any such directives or instructions. The Director(s) shall give immediate effect to the directives or instructions so issued. All directives issued by NTPC shall be in writing addressed to the Chairman of the Company. **Rights of NTPC**

SERVICE OF NOTICE AND DOCUMENTS

157. (1) Notice or other documents may be 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, within India supplied by him to the company for the giving of notices to him. **Service of Notice**

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

(a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the company in advance that notices or documents should be sent to him under a Certificate of posting or by Registered post with or without acknowledgement due and has deposited with the company sufficient sum to defray the expenses of doing so service of the notice or document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

(b) such services shall be deemed to have been effected

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

posted, and

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

158. A notice or other document advertised in a newspaper circulating in the neighbourhood area of the office shall be deemed to be duly served on the day on which the advertisement appears on or to every member of the company who has no Registered address in India for the giving of notice to him. Any member who has no Registered address in India shall, if so required to do by the company, supply the company with an address in India for the giving of notices to him. **Notice to members who have not supplied address in India**
159. A notice or other document may be served by the company on the joint holders of a Share by giving the notice to the joint holder named first in the Register in respect of the Share. **Notice to joint holders**
160. A notice or other document may be served by the company on the persons entitled to a Share or debenture in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address in India supplied for the purposes 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. **Notice to persons entitled by transmission**
161. Notice of every General Meeting shall be given in the same manner herein before authorised to (a) every member of the company and also to (b) every person entitled to a Share in consequence of the death or insolvency of member who but for his death or insolvency would be entitled to receive notice of the meeting provided the company has been given due notice. **Entitlement of notice of General Meeting**
162. Any notice required to be given by the company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement. **When notice may be given by advertisement**

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| 163. | Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighbourhood of the office. | How to be advertised |
| 164. | Any notice given by the advertisement shall be deemed to have been given on the day on which the advertisement shall first appear. | When notice by advertisement deemed to be served |
| 165. | Every person who by operation of law, transfer or other means whatsoever shall become entitled to any Share shall be bound by every notice in respect of such Share which previous to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such Shares. | Transferee etc. bound by prior notice |
| 166. | Subject to the provisions of the Article any notice or document delivered or sent by post or left at the Registered address of any member in pursuance of these Articles shall, notwithstanding such member being deceased and whether or not the company have notice of his death, be deemed to have been duly served in respect of any Registered Share, whether held solely or jointly with other persons by such members until some other person or persons be Registered instead of him as the holder or joint holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such Share. | Notice though deceased valid member |
| 167. | Any notice to be given by the company shall be signed by such Director or officers as the Board of Directors may appoint and such signature may be written, printed or lithographed. | Who shall sign the notice |

SECRECY

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| 168. | Every Director, Secretary, Trustee for the company, its members or Debenture holders, members of a committee, officer, servant, agent, accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the company with its customers and the state of | Secrecy |
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accounts with individuals and in matters relating thereto, and shall be 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 Board or by any General Meeting or by a Court of Law except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

169. No member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the premises or properties of the company without the permission of the Board to require discovery of or any information respecting any detail of the trading of the company or any matter which is or may be in the nature of a trade secret, mystery or trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Board will be inexpedient in the interest of the members of the company to communicate to the public.
- No member to enter the premises of the Company without permission**

WINDING UP

170. If the company shall be wound-up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the Shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
- Distribution of asset in the case of winding up**
171. If the company shall be wound up, whether voluntarily or otherwise the Liquidators, may , with the sanction of a Special Resolution, divide among the contributors, in specie or in kind, any part of the assets of the company and may, with the like sanction, vest any part of the assets of the company in
- Distribution of asset in specie**

Trustees upon such trusts for the benefit of the contributories, or any of them, as the Liquidator, with the like sanction, shall think fit.

INDEMNITY

172. Subject to the provisions of Section 201 of the Act, every Director, Auditor, Secretary and other officer, servant or agent for the time being of the Company shall be indemnified by the company, against, and it shall be the duty of the Directors to pay out of the funds of the company, all costs, losses and expenses (including travelling expenses) which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or things done by him as such officer or servant, or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the members over all other claims. Subject as aforesaid every Director, 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 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. **Indemnity**
173. Subject to the provisions of Section 201 of the Act, no Director 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 Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error of judgement or oversight 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. **Directors or Managers etc not responsible for acts of others**

SL. No.	Names, Descriptions, Addresses and Occupations of the Subscribers	Signatures of Subscribers	Signature and Name, Address, Description and Occupation of Witnesses
1.	NTPC LIMITED NTPC BHAWAN SCOPE COMPLEX 7, INSTITUTIONAL AREA LODI ROAD NEW DELHI REPRESENTED BY ITS COMPANY SECRETARY SHRI ANIL KUMAR RASTOGI S/O SHRI H.C. RASTOGI R/O R-13/69 RAJ NAGAR, GHAZIABAD-201 002 OCCUPATION: SERVICE	Sd/-	I hereby witness the signatures of all the subscribers who have signed before me. Sd/- Amit Kaushal (Company Secretary) C.P.no.:6663 S/o Shri Umashankar Prasad WZ-415, Naraina New Delhi-28
2.	BIHAR STATE ELECTRICITY BOARD VIDYUT BHAVAN, BAILEY ROAD, PATNA REPRESENTED BY ITS SECRETARY SHRI ARUN CHANDRA SINGH S/O LATE PURAN CHANDRA SINGH R/OASHIANA NAGAR BIPASA APARTMENT PATNA OCCUPATION: SERVICE	Sd/-	
3.	SHRI THIAGARAJAN SANKARALINGAM, S/O LATE SHRI S. THIAGARAJAN R/O A-5, NITI BAGH, NEW DELHI-110049 CHAIRMAN & MANAGING DIRECTOR, NTPC NOMINEE OF NTPC OCCUPATION: SERVICE	Sd/-	
4.	SHRI MADAN MOHAN SINGH S/o LATE H.S.SINGH R/o 18/6, BAILEY ROAD PATNA-1 NOMINEE OF BSEB OCCUPATION: SERVICE	Sd/-	

5.	SHRI RAM SHARAN SHARMA S/O SHRI SHIV NARAYAN SHARMA R/O 58, MILLENNIUM APARTMENT, BLOCK-B, SECTOR – 61, NOIDA U.P. – 201301 NOMINEE OF NTPC OCCUPATION: SERVICE	Sd/-	I hereby witness the signatures of all the subscribers who have signed before me. Sd/- Amit Kaushal (Company Secretary) C.P.no.:6663 S/o Shri Umashankar Prasad WZ-415, Naraina New Delhi-28
6.	SHRI ASHOK KUMAR SINGHAL S/O LATE SHRI HARI RAM R/O “HARI KUNJ” H.NO. 900, SECTOR- 37, FARIDABAD-121003 HARYANA. DIRECTOR(FINANCE), NTPC NOMINEE OF NTPC OCCUPATION: SERVICE	Sd/-	
7.	SHRI AJIT KUMAR S/O LATE NAWAL KISHORE PRASAD R/O A-3/26, BAILEY ROAD PATNA-23 MEMBER (FINANCE & REVENUE) NOMINEE OF BSEB OCCUPATION: SERVICE	Sd/-	
8.	SHRI SWAPAN MUKHERJEE S/O LATE MOHAN LAL MUKHERJEE R/O 201, JAI KUNJ APARTMNT KIDWAIPURI ROAD PATNA-800001. MEMBER(D&RE), BSEB NOMINEE OF BSEB OCCUPATION: SERVICE	Sd/-	

New Delhi, dated this 29th day of August, 2006