

Gender	Words importing the masculine gender also include the feminine gender.
The Governor	"The Governor" means Governor of Madhya Pradesh.
Government	"Government" means the central Government.
Government Corporation	"Government Corporation" means (i) a Corporation established by the Government under any law in force for the time being, and (ii) a Government company as defined in the Act.
Government of Madhya Pradesh	Government of Madhya Pradesh means "Government of State of Madhya Pradesh".
Month	"Month" means a calendar month.
NHPC	Deleted ¹
Office	"Office" means the Registered office for the time being of the Company.
Persons	"Persons", includes Corporations as well as the singular number.
Plural number	Words importing the plural number also include the singular number.
The President	"The President" means the President of India.
Register	"Register" means the Register of Members to be kept pursuant to the Act.
Registrar	"Registrar" means the Registrar of Companies of the State in which the Registered office of the Company is situated.
State	"State" means the Government of State of Madhya Pradesh.
These Presents or Regulations	"These Presents" or "Regulations" means these Articles of Association as originally framed or altered from time to time and include Memorandum where the context so requires.
Seal	"Seal" means the Common Seal for the time being of the Company.
Singular number	Words importing the singular number include the plural number.
Shares	"Shares" means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.

1. Amended vide Special Resolution passed at EGM held on 05.03.2010.



Debentures	"Debenture includes debenture stock, bonds, and any other securities of a company whether constituting a charge on the assets of the Company or not."
Writing	"Writing" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
Expression in the Act to bear the same meaning in Articles	Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.
Marginal Notes	The marginal notes hereto shall not affect the construction hereof.
Table 'A' not to apply	2. The Regulations in Table 'A' in the First Schedule to the Act, shall not apply to the Company except so far as the same are repeated or contained in or expressly made applicable by these Articles or by the Act.
Company to be Governed by these Articles	3. The Regulations for the management of the Company and for the observance of the members thereof and the representatives shall, subject as aforesaid and to any exercise of the statutory powers of the company in reference to the repeal or alteration of or addition to its Articles of Association by Special Resolution, as prescribed or permitted by the Act, be such as are contained in these Articles.
Company is a Private Company	4. Deleted

CAPITAL AND SHARES

Capital	5. (i)The Share Capital of the Corporation is Rs.3000,00,00,000 (Rupees Three Thousand Crores only) divided into 300,00,000 (Three Hundred Lakhs) equity Shares of Rs. 1000/- each. (ii)The pattern of shareholding of the issued share capital of the Company unless otherwise mutually agreed between NHPC and Govt. of Madhya Pradesh shall be as follows: (a) Fifty one percent (51%) of the issued and paid up share capital of the Company shall be subscribed and paid by NHPC at par. (b) Forth nine percent (49%) of the issued and paid up share capital of the Company shall be subscribed and paid by Govt. of Madhya Pradesh at par
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(iii) On all shares or debenture for which the allotment money (whether in full or part) was deferred or kept as term deposit, as a condition of subscription by allottee to the shares or debentures

Provided that the Board of Directors may at any time declare any share or debenture to be wholly or in part exempt from the provisions of this Article.

(b) The Company's lien, if any, on a share or debenture shall extend to all dividends or interest payable thereon.

(c) The company may sell, in such manner as the Board thinks fit, any shares or debentures on which the Company has a lien provided that no sale shall be made -

(i) Unless a sum in respect of which the lien exists is presently payable; or

(ii) Until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or debenture or the person entitled thereto by reason of his death or insolvency.

(d) (i) To give effect to any such sale the Board may authorise some persons to transfer the shares or debentures sold to the purchaser thereof.

(ii) The purchaser shall be registered, as the holder of shares or debentures comprised in any such transfer.

(e) (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a lien for sums not presently payable as existed upon the shares or debentures before the sale, be paid to the person entitled to the shares or debentures at the date of the sale.

FORFEITURE

Forfeiture of Shares/ 11. Debentures

(i) If a member or debenture-holder fails to pay any call or the allotment money which was deferred or kept as term deposit as a condition of subscription or installment of a call on the day appointed for payment thereof, the Board may, at any time thereafter, during such time as any part of the call or allotment

Allotment of Shares 6. Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same.

CERTIFICATES

Right of Members or debenture holders to certificate 7. Every person whose name is entered as a member/ debenture holder in the Register of members or debenture holders shall, without payment, be entitled to a certificate, under the common seal of the Company, specifying the share(s) or debenture(s) held by him and the amount paid thereon.

Issue of new Certificates in place of one defaced, lost or destroyed. 8. If a share/Debenture certificate is defaced, lost or destroyed it may be renewed in accordance with the Share Certificate Rules under the Act on payment of fee, not exceeding fifty paise and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Directors think fit.

Call on shares / Debentures 9. The Board of Directors may from time to time, make calls upon the members or debenture-holders in respect of any moneys unpaid on their Shares or Debentures and specify the time or times of payments and each member or debenture holder shall pay to the company at the time or times so specified the amount called on his shares/Debentures.

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

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 shares/ Debenture in respect of which a call shall have been made, shall pay interest on the same at such rate as the board of directors shall fix from the day appointed for the payment thereof to the day of actual payment, but the Board of Directors may waive payment of such interest wholly or in part.

LIEN

Company Lien on all shares or debentures 10. (a) The Company shall have a first and paramount lien-
(i) On every share or debenture (not being a fully paid share or debenture) for all moneys (whether presently payable or not) called or payable at a fixed time, in respect of that share or debenture.
(ii) On all shares or debenture (not being fully paid up) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; and

(iii) The transferee shall thereupon be registered as the holder of the share or debenture.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share or debenture.

(v) The provision of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a share or debenture, becomes payable at a fixed time, whether on account of the nominal value of the share or debenture or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

DEMATERIALIZATION OF SECURITIES

Dematerialization 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 dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, 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 the securities can at any time opt out of a depository, if permitted by law, in respect of any security and the Company shall, in the manner and within the time prescribed provided by the Depository Act, 1996 issue to the beneficial owner the required Certificates of Securities.

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

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

money or installments remain unpaid, serve a notice on him requiring payment of so much call or installment as is unpaid, together with any interest which may have accrued.

(ii) The notice aforesaid shall :

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares or debentures in respect of which the call was made will be liable to be forfeited.

(c) if the requirements of any such notice as aforesaid are not complied with any share or debenture in respect of which the notice has been given, may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

(iii) a forfeited share or debenture may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(iv) at any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms, as it thinks fit.

Effect of forfeiture

12. A person whose shares or debentures have been forfeited shall cease to be a member or debenture holder in respect of the forfeited shares or debentures, but shall notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares or debentures.

The liability of such person ceases if and when the company shall have received payment in full of all such moneys in respect of shares or debentures.

Declaration and other provisions of Forfeiture

13. (i) A duly verified declaration in writing that the declarant is a Director, Manager or the Secretary of the Company, and that a share or debenture in the Company has been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated, as against all persons claiming to be entitled to the share or debenture.

(ii) The Company may receive the consideration, if any, given for the share or debenture on any sale or disposal thereof and may execute a transfer of the share or debenture in favour of the persons to whom the share or debenture is sold or disposed of.

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

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

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/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.

(f) Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the Company has not issued any certificates and where such shares or debentures or securities are being held in a electronic and fungible form in a Depository. In such cases the provisions of the Depositories Act, 1996 shall apply.

(g) Notwithstanding anything to the contrary contained in the Act or these Articles, after any issue where the securities are dealt with by a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

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

TRANSFER AND TRANSMISSION OF SHARES/DEBENTURES.

Transfer and Transmission of Shares / Debentures

- 15. The right of members or debenture holders to transfer their shares or Debentures shall be subject to the provisions of part-IV of the Act and the directors may in their absolute and uncontrolled discretion refuse to register a transfer of share or debenture.

- Register of Transfers of 16. The Company shall keep the Register of Transfers of Shares and Transfer of debentures and therein enter the particulars of several transfers or transmission of any share or debenture.
- Execution of Transfers 17. The instrument of transfer of any share or debenture in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register of Members or debenture holders in respect thereof.
- Transmission of Shares / Debentures 18. Nothing contained in Article 15 shall prejudice any power of the company to register as Shareholder or Debenture holder, any person to whom the right to any share/debenture in the company has been transmitted by operation of law.

UNDERWRITING & BROKERAGE

- Payment of Commission 19. Subject to provisions of Section 76 of the Act, the company may, at any time, pay a commission/ incentive to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares or debentures in the company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares or debentures in the company provided that the commission/ incentive shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such Commission/incentive may be satisfied by payment of cash or allotment of fully of partly paid shares/ debentures or partly in one way and partly in the other.
- Payment of Brokerage 20. The company may also pay a reasonable and lawful sum of brokerage or fee in lieu of brokerage.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

- Increase of Capital 21. Subject to the approval of the NHPC and Govt. of Madhya Pradesh and the provisions of the Act, the Company in a General Meeting, may increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
- On what conditions new shares may be issued 22. Subject to such directions as may be issued by the NHPC and Govt. of Madhya Pradesh in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, Provided that no shares (not being preference shares) shall be issued carrying voting rights or rights

- in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).
- When to be offered to existing members 23. The new shares (resulting from an increase of capital as aforesaid) may be issued or disposed of in accordance with the provisions of Article 6.
 - Same as original capital 24. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
 - Reduction of Capital 25. Subject to the provisions of Sections 100 to 104 of the Act and to such directions as may be issued by the NHPC and Govt. of Madhya Pradesh in this behalf, the company may, from time to time, by special resolution, reduce its capital by paying off capital or canceling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called upon, again or otherwise; and the Board may, subject to the provisions of the Act, accept surrenders of Shares.
 - Sub - division and consolidation of shares 26. Subject to the approval of the NHPC and Govt. of Madhya Pradesh, the company, in a general meeting, may, from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Sub-Section (i) (a) to (e) of Section 94 of the Act, and shall file with the Registrar such notice in exercise of any such powers as may be required by the Act.

BORROWING POWERS

- Powers to borrow 27. Subject to the provisions of Section 292 of the Act, the Board may, by means of a resolution passed at a meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purpose of the Company.
- Issue at discount etc. or with special privileges 28. Subject to the approval of NHPC and Govt. of Madhya Pradesh and subject to Sections 79 and 117 of the Act, any bonds, may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings and allotment of shares.
- Notice of General meeting 29. At least Twenty One clear days' notice in writing, specifying the place, day and hour of general meeting with a statement of the business to be transacted at the meeting shall be served on every

member in the manner provided by the Act but with the consent, in writing, of all the members entitled to receive notice of same, any general meeting may be convened by such shorter notice and in such manner as those members may think fit.

Omission to give notice not to invalidate a resolution passed 30. The accidental omission to give notice to or the non-receipt thereof by any member shall not invalidate any resolution passed at any such meeting.

Quorum in General Meeting 31. Five members present in person shall be quorum for a general meeting of the Company. Provided that no such quorum shall exist unless duly authorised representatives of the Govt. of Madhya Pradesh and NHPC Limited are present at the meeting.

Right of NHPC/ Govt. of Madhya Pradesh to appoint any person as his representative 32. (i)The NHPC/Government of Madhya Pradesh so long as it is a shareholder of the Company, may from time to time appoint one or more persons (who need not be a member or members of the Company) to represent them at all or any meetings of the Company.

(ii)A person appointed under sub-article (i) of the Article who is personally present at the meeting shall be deemed to be a member for the purposes of this Act and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the NHPC/Government of Madhya Pradesh could exercise as a member of the Company.

(iii)The NHPC/Government of Madhya Pradesh may from time to time, cancel any appointment made under sub-article (i) of the Article and make fresh appointments.

(iv)The production at the meeting of an order of the NHPC/ Government of Madhya Pradesh shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

Chairman of General Meeting 33. The Chairman of the Board of Directors or in his absence the Vice-Chairman shall be entitled to take the Chair at every general meeting but if neither the Chairman nor the Vice-Chairman is to be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose, another Director as Chairman and, if no Director shall be present, or if all the Directors present decline to take the Chair, then the members present shall choose one of their member to be Chairman.

1. Amended vide Special Resolution passed at EGM held on 05.03.2010.