



प्राश्य. आई. आर.  
Form I. R.  
निगमन का प्रमाण-पत्र

## CERTIFICATE OF INCORPORATION

U 40109 MH 2005 PLC 153645

ता. \_\_\_\_\_ की. सं. \_\_\_\_\_

No. \_\_\_\_\_ of Date \_\_\_\_\_

मैं एतद्वारा प्रमाणित करता हूँ कि आज \_\_\_\_\_

कम्पनी अधिनियम (1956 का. सं. 1) के अधीन निगमित रही गई है और कम्पनी परिसंमिता है।

I hereby certify that MAHARASHTRA STATE DISTRIBUTION COMPANY  
LIMITED

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

मेरे हस्ताक्षर से आज ता. \_\_\_\_\_ को दिया गया।

Given under my hand at MUMBAI this THIRTYFIRST

day of MAY Two Thousand FIVE

( M. JAYAKUMAR )

कम्पनियों का रजिस्ट्रार

A S S T T Registrar of Companies  
Maharashtra, Mumbai

जे. एस. सी. 1

J. S. C.-1

119/एम. एफ. एस. /सिविल/कल/ 92-20-000-3-4-93-GIPG/नासपुन

119/MFS/Civil/Cal/92-20-000-3-4-93-GIPG.



Co.No.11/153645/



कम्पनी कानून

\* कारबार प्रारम्भ करने के लिए प्रमाण-पत्र  
**Certificate for Commencement of Business**  
कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसरण में  
Pursuant of Section 149 (3) of the Companies Act, 1956

हैं इसद्वारा स्थापित करता है कि.....

जो कम्पनी अधिनियम, क अधीन तारीख ..... को निर्गमित की गई थी  
और जिसने आज विहित प्रत्येक में सम्यक रूप से सत्यापित घोषणा फाईल कर दी है कि उक्त अधिनियम  
की धारा 149 (1) (क) से लेकर (घ) तक/149 (2) (क) से लेकर (ग) तक की शर्तों का अनुपालन  
किया गया है, कारबार प्रारम्भ करने को इकट्ठा है।

I hereby certify that the **MAHARASHTRA STATE DISTRIBUTION**  
**COMPANY LIMITED**

which was incorporated under the Companies Act, 1956, on the **THIRTYFIRST** day of  
**MAY 2005** and which has this day filed a duly verified declaration in  
the prescribed form that the conditions of Section 149 (1)(a) to (d)/149(2)(a) to (c) of the said  
Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख ..... को  
में दिया गया।

Given under my hand at Mumbai  
this **twentysecond** day of **september** Two thousand  
and **five**.



(P.K.GAICHOR)

कम्पनियों का रजिस्ट्रार  
ASSTT. Registrar of Companies  
Maharashtra, Mumbai

31/09/2005  
Maharashtra



No. 11- 153645

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

**IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
MUMBAI.**

In the matter of **MAHARASHTRA STATE DISTRIBUTION  
COMPANY LIMITED**

I hereby approve and signify in writing under Section 21  
of the Companies Act, 1956 (Act of 1956) read with the  
Government of India, Department of Company Affairs,  
Notification No. G.S.R. 507E dated the 24th June 1985 the  
change of name of the Company.

from **MAHARASHTRA STATE DISTRIBUTION COMPANY  
LIMITED**

to **MAHARASHTRA STATE ELECTRICITY  
DISTRIBUTION COMPANY LIMITED**

and I hereby certify that  
**MAHARASHTRA STATE DISTRIBUTION COMPANY  
LIMITED**

which was originally incorporated on 31st  
day of MAY 2005 under the Companies Act, 1956 and under the name  
**MAHARASHTRA STATE DISTRIBUTION COMPANY  
LIMITED** having  
duly passed the necessary resolution in terms of section 21/22/(1)  
(a)/22(1) (b) of the Companies Act, 1956 the name of the said  
Company is this day changed to **MAHARASHTRA STATE  
ELECTRICITY DISTRIBUTION COMPANY LIMITED** and this  
certificate is issued pursuant to Section 23(1) of the said Act/

Given under my hand at MUMBAI this 29th

DECEMBER 2005.

~~and this certificate is hereby~~

(MIR BHAT)

By Registrar of Companies  
Maharashtra, Mumbai.





No. 11- 153645

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

**IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
MUMBAI.**

In the matter of MAHARASHTRA STATE DISTRIBUTION  
COMPANY LIMITED

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of the Companies Act, 1956 (Act of 1956) read with the  
Government of India, Department of Company Affairs,  
Notification No. G.S.R. 507E dated the 24th June 1985 the  
change of name of the Company.

from MAHARASHTRA STATE DISTRIBUTION COMPANY  
LIMITED

to MAHARASHTRA STATE ELECTRICITY  
DISTRIBUTION COMPANY LIMITED

and I hereby certify that  
MAHARASHTRA STATE DISTRIBUTION COMPANY  
LIMITED

which was originally incorporated on 31st  
day of MAY 2005 under the Companies Act, 1956 and under the name  
MAHARASHTRA STATE DISTRIBUTION COMPANY LIMITED having

duly passed the necessary resolution in terms of section 21/22(1)  
(a)/22(1) (b) of the Companies Act, 1956 the name of the said  
Company is this day changed to MAHARASHTRA STATE  
ELECTRICITY DISTRIBUTION COMPANY LIMITED and this

certificate is issued pursuant to Section 23(1) of the said Act/

Given under my hand at MUMBAI this 29th

DECEMBER 2005.

~~and this certificate is hereby~~

(M.R. BHAT)

Dy. Registrar of Companies  
Maharashtra, Mumbai.





**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**  
**OF**

**MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED.** ☒

- I. The name of the Company is Maharashtra State ELECTRICITY DISTRIBUTION COMPANY LIMITED. ☒
- II. The registered office of the Company will be situated in the State of Maharashtra i.e., within the jurisdiction of the Registrar of Companies, Maharashtra, at Mumbai.
- III. The objects for which the Company is established are:-

**A. MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :-**

1. The Company shall be primarily in the business of distribution of electricity and it shall be vested with the distribution assets, interest in property, rights and liabilities of the Maharashtra State Electricity Board (The "Board") necessary for the business of distribution, as per the Government of Maharashtra's decision to reorganize the Board under the provisions of Part XIII (Reorganisation of Board) of the Electricity Act 2003 (and the transfer schemes notified there under) and the resolutions, circulars, ordinances and notifications issued in this regard and the company shall act as a Distribution Licensee under the provisions of Section 14 of Electricity Act 2003.
2. To undertake the activities of sub-transmission, distribution, provision, supply, wheeling, purchase, sale, import, export and trading of electricity, introduce open access in distribution as per the Electricity Regulatory Commission's directives.

**B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :-**

3. To levy wheeling charges, surcharges, additional surcharges as approved by the state Commission.
4. To employ engineers consultants, mechanics, masons, carpenters, scaffold setters, painters, electricians and other technicians, commercial and administrative staff and such other staff as may be found necessary for the efficient handling and conduct of the business of the Company.
5. To plan, develop, acquire, establish, construct, erect, lay, hire, lease, buy, sell, operate, run, manage, maintain, enlarge, alter, renovate, modernize, work and use a power distribution system network in all its aspects including amongst others various voltage lines and associated sub-stations, including

\* passed in the EGM held on 02-12-2005.



distribution centres, cables, wires, accumulators, plants, motors, meters, apparatus, computers and materials connected with sub-transmission, distribution, supply of electrical energy, ancillary services, telecommunication and telemetering equipments.

6. To tender, finalise and execute Power Purchase Agreements and other agreements for sale or purchase of electricity with generating companies, trading companies, other distribution companies, Central and State generating authorities, departments or companies, societies, other States, utilities, Independent Power Producers and other Persons.
7. To coordinate, aid and advise on the activities of other companies and concerns, including subsidiaries, associates and affiliates, engaged in the generation, transmission and distribution of electricity, on all matters concerning the distribution of electricity.
8. In relation to the main objects, to study, investigate, collect information and data, review operations, plan, research, design and prepare project reports, diagnose operational difficulties and weaknesses and advise on the remedial measures to improve and modernise existing sub-transmission, supply lines and sub-stations and also to undertake for and on behalf of others the erection, operation, maintenance, management of sub-transmission and supply network and associated facilities and generally work for the efficient and economic management of electric power and the optimum utilisation of the resources available.
9. To access the private property for the placing of electric lines or electrical plant for the distribution of electricity as per the rights conferred by the State Government under the provisions of Section 164 of Electricity Act 2003.
10. To enter into joint ventures or any other arrangement with the Government of India or Government of Maharashtra or any other Local or State Government or Union Territory or with authorities, foreign, national, local, municipal or otherwise, or with any corporation, company or Person for the purpose of carrying out the objects or furthering the interests of the Company or its members and to obtain from any such Government, Union Territory, authority, corporation, company or Person any charters, subsidies, loans, indemnities, grants, contracts, decrees, rights, sanctions, privileges, licences or concessions whatsoever, whether statutory or otherwise, which the Company may think desirable to obtain and carry out, exercise and comply with the same.
11. To enter into agreements and contracts with Indian and foreign individuals, companies or other Persons for purchase of equipment and for technical, financial or any other assistance, for carrying out all or any of the objects of the Company.
12. To enter into contracts of indemnity and guarantee.
13. To apply for, tender, purchase or otherwise acquire any contracts and concessions including on BOT, BOOT, BOLT schemes in a manner which will



facilitate to undertake the work for or relating to the main objects of the Company.

14. To enter into any arrangement by way of any turnkey projects involving supply of technical, civil, financial, administrative, plant and merchandise, information, knowledge and experience and as such, undertake for and on behalf of a client to set up any plant or project in or outside India or to provide the services of the like nature by appointing the required personnel; relating to the main objects of the Company.
15. Subject to the provision of section 58 A of the Companies Act, 1956 and the rules framed thereunder to borrow money or to receive money or deposits for the purpose of financing the business of the Company as may be thought fit, including by the issue of all types of debt instruments including debentures, bonds, commercial paper, external commercial borrowings, loans, and all types of fund-based and non-fund based working capital financing, and as security for any such money borrowed, raised, received and of any such debt instruments issued, to mortgage, pledge or charge the whole or any part of the property and assets of the Company both present and future including its uncalled capital by special assignment or otherwise to transfer and convey the same absolutely or in trust and to give the lenders powers as may seem expedient, and to purchase redeem or pay off such securities and borrowings.
16. To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company and not immediately required, in the purchase or acquisition of any shares, securities or other investments whatsoever whether movable or immovable upon such terms as may be thought proper and from time to time to vary all or any such investments in such manner as the Company may think fit.
17. To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidences of indebtedness or that right to participate in profits or other similar documents issued by any Government authority, corporation or body or by any company or body of Persons and any option or right in respect thereof.
18. To acquire shares, stocks or securities in or of any company carrying on any business which this Company is entitled to carry on or of any other company or undertaking the acquisition of which may promote or advance the interests of or be advantageous or beneficial to the Company and to sell or dispose of or transfer any such shares, stocks or securities.
19. To acquire, possess and undertake the whole or any part of the business, assets, property, goodwill, rights and liabilities of any Person, firm, society, association, corporation or company carrying on any business which the company is authorized to carry on and to allot shares, debentures or any other securities of the Company in satisfaction of the purchase consideration payable.
20. To hold in the names of others any property that the Company is authorized to acquire and to purchase or otherwise acquire and undertake, the whole or



in part of, any interest in the business, goodwill, property, contracts, agreements, rights, privileges, effects and liabilities of any other company, corporation, partnership, body persons or person carrying on, or having ceased to carry on, any business which the Company is authorized to carry on.

21. To promote, form and aid in the promotion of the Company's subsidiary or otherwise for the purpose of acquiring all or any of the property, rights and liabilities of this Company and to transfer to any such company any property of this Company and to be interested in or take or otherwise acquire, hold, sell or otherwise dispose of shares, stocks, debentures and other securities in or of any such company or any other company for all or any of the objects mentioned in this Memorandum and to subsidize or otherwise assist any such company, and to undertake the management or other work, duties and business of any such company, on such terms as may be arranged.
22. To advance money on property or on mortgage of immovable property or against bank guarantee and to make advances of money against future supply of goods and services on such terms as the Directors may consider necessary and to invest money of the Company in such manner as the Directors may think fit and to sell, transfer or deal with the same.
23. To acquire by purchase, lease, exchange, hire or otherwise, or to construct and maintain factories, works, buildings, and conveniences of all kinds, lands, buildings, apartments, plants, machinery, mines and hereditaments of any tenure or description, situated in India or in any other part of the world and any estate or interest therein and any rights over or connected with land so situated and turn the same to account in any manner as may seem expedient, necessary or convenient to the Company for the purpose of its business.
24. To apply for purchase, or otherwise acquire any trade marks, patents, brevets, inventions, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to any invention which may be capable of being used for any of the purposes of the Company, or the acquisition of which may benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
25. To sell, dispose or give off an undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other association, corporation or company.
26. To promote or aid in the promotion of any other company or partnership for the purpose of acquiring all or any of the properties, rights or liabilities of the company or for any other purposes which may benefit the Company.
27. To take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose to act as administrators, managers, secretaries, receivers, or in any other



capacity, and to appoint and remunerate any directors, administrators, managers or accountants or other experts or agents.

28. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company, or redeemable preference shares or for any other purposes whatsoever conducive to the interests of the Company.
29. To sell, improve, manage, develop, exchange, loan, lease or let, under-lease, sub-let, mortgage, dispose of, deal with in any manner, turn to account or otherwise deal with any rights or property of the Company.
30. To outsource parts of its activities to achieve higher efficiencies and throughputs in the achievement of its business goals.
31. To obtain, apply for, arrange for the issue or enactment of order or Act of Legislature or Act of Authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help, necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may be expedient and to oppose any proceedings or application or any other endeavours, steps or measures which may prejudice the Company's interests.
32. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific, technical or researches, experiments and to undertake and carry on directly or in collaboration with other agencies scientific and technical research experiments and tests of all kinds and to process, improve and invent new products and their techniques of manufacture and to promote, encourage, reward in every manner studies and research, scientific and technical investigations and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies, import substitution or any business which the Company is authorized to carry on.
33. To establish, maintain and operate training centres, and hostels for educational activities relating to the objects of the Company and to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks, store keepers and other personnel likely to be useful to or assist in any business which the Company is authorized to carry on.
34. To arrange, receive and collect all relevant information in regard to any business carried on by the Company.
35. To provide for the amelioration and welfare of persons employed or formerly employed by the Company and the wives, families, dependants or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other Associations, Institutions, Funds or Trusts or by helping persons employed by the Company to effect or maintain insurance



on their lives by contributing to the payment of premium or otherwise and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

36. Subject to provisions of section 391 to 394 and 394A of the Companies Act, 1956, to evolve scheme for restructuring or arrangement, to amalgamate or merge or to enter into partnership or into any consortium or arrangement for sharing of profits, union of interests, co-operation, joint venture with any Person or Persons, partnership firm/firms, or company or companies carrying on or engaged in any operation capable of being conducted so conveniently in co-operation with the business of the Company or to benefit the Company or to the activities for which the Company has been established.
37. To establish and maintain agencies, branches and local registers, to procure registration or recognition of the Company and to carry on business in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local companies or partnership or as may be thought desirable.
38. To open bank accounts of all nature including overdraft, cash credit, loan accounts and to operate the same and to draw, make, accept, negotiate, endorse, discount, assign, execute and otherwise deal in cheques, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bills of lading, railway receipts, warrants and other negotiable or transferable instruments in connection with the business of the Company.
39. To promote or concur in the promotion of any company, which shall be considered desirable in furtherance of the objects or any objects of the Company.
40. To arrange, secure and make available to its subsidiary and other concerned organizations such facilities, resources, inputs and services as may be required.
41. To acquire and secure membership, seat or privilege either in the name of the Company or its nominee or nominees in and of any association, exchange, market, or institution in India or any part of the world.
42. To seek for and secure opening for the employment of capital in India and elsewhere, and with a view thereto to prospect, inquire, examine, explore, and test and to dispatch and employ expeditions, commissions, experts and other agents.
43. To act as trustee of any deeds constituting or securing any debentures, debenture-stock or other securities or obligations and to undertake and execute any other trusts and also to undertake the office of or exercise the powers of executor, administrator, receiver, treasurer, custodian and trust corporation carrying on activity similar to the objects of the Company.



44. To carry on any business which may seem to the Company capable of being conveniently carried on in connection with any of the Company's objects or to enhance the value of or render profitable any of the Company's property or rights or otherwise considered to be in the interest of the Company.
45. To act as principals, agents, brokers, trustees, contractors or otherwise and either by or through agents, brokers, sub-contractors, trustees or otherwise and either alone or in conjunction with others and to do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.
46. To establish a forum for redressal of grievances of the consumers in accordance with the guidelines as may be specified by the Commission under the provisions of Section 42 of Electricity Act 2003.
47. To take part in the formation or supervision, as the case may be, of special police stations for dealing with theft of electricity, in co-ordination with the State Government.

**C. OTHER OBJECTS :-**

48. To acquire, establish, develop, construct, erect, lay, operate, run, maintain, enlarge, alter, renovate, modernise, work and use generating stations and projects and all things connected thereto including tie-lines, sub-stations and dedicated transmission lines, cables, wires, lines, accumulators, plant, motors, meters, apparatus, materials and things connected with the production, generation, use, measurement, and supply of electricity.
49. To promote, organize or carry on the business of consultancy services in any field of activity and to enter into any arrangement by way of turnkey projects involving supply of technical, civil, financial, administrative, plant and merchandise, information, knowledge and experience and as such, undertake for and on behalf of a client to set up any plant or project in or outside India or to provide the services of the like nature by appointing the required personnel..
50. To construct, erect, build, re-model, repair, execute, develop, improve, administer, manage, control, maintain, demolish, grade, curve, pave, macadamize, cement buildings, housing complexes, theme based townships, highways, express routes, roads, paths, streets, bridges, sideways, tunnels, underground rail roads, alleys, courts, pavements, dams, township schemes, docks, shipyards, seaware, canals, wells, ports, reservoirs, embankments, irrigations, reclamations, improvements, sanitary, water, gas or any other structural work and also to do other similar construction, levying, or paving work under the BOT, BOOT, BOLT scheme in a manner which will facilitate to undertake the above mentioned work.
51. To carry on the business of hire purchase, leasing, bill discounting, money lending, financiers, financing of hire purchase transactions and to finance directly or by way of leasing and/or hire purchase finance to industrial enterprises, undertakings, by making advances or subscribing, investing to



the share capital, and to finance for purchase of land, industrial shed, building, machineries, plant, automobiles, trucks, buses, jeeps, cars, lorries, tractors and other industrial/consumer/household goods, items and for that purpose to receive money, to procure money on loan or deposit with our without interest and/or to draw, accept, discount, endorse, acquire, sale purchase any negotiable or transferable securities.

52. To carry on the business of import, export, trading in and dealing in any manner whatsoever, by itself or through its subsidiaries, in respect of all commodities, goods and services.
53. To carry on the manufacture, trade, sale, import and export of all types of Jelly Filled Cables, Optical Fibre Cables, XLPE & PVC Cables and other Telecommunication and Electric Cables, Conductors and Wires, for use in industrial applications, medical use, instrumentation, defence systems, signalling, telecommunication, multi channel vide communication, data communication and other communication and electronic & electrical applications.
54. To carry on the business of designing, manufacturing, fabricating, developing, improving, hiring, repairing, selling, leasing, letting, importing, exporting, and dealing in machines, machine tools, plants including processing plants, equipments, parts, spares, components, feedstock, fixtures and forgings of all types, of all metals, and in any weight for any industry or others.
55. To carry on the business of manufacturing, assembling, repairing, servicing, selling, purchasing, importing, exporting of electrical, mechanical and electronics equipments like transformers, motors, towers, lightening arrestors, busbars, control centres, breakers, dynamos, armatures, magnets, batteries, conductors, insulators, converters, switch boards, cookers, engines, gun presses, insulating materials, switch gears, pumps, threshers, starters, electric fans, coolers, air conditioners, televisions, telephones, EPABX, audio and video equipments and appliances and equipments used in electrical plants, factories, homes, mills, workshops, business offices, hotels, and other type of electrical, electronic, solar equipments and machineries of domestic, industrial, communication, defence, research applications. To carry on the business of repairing, renovating, conditioning, altering, of the above machineries and equipments on job-work basis.
56. To act as an entrepreneur on behalf of the Central Government or the State Government to identify new areas of economic investment and to undertake or help in undertaking of or such investments.
57. To carry on the business of a company established with the object of financing industrial enterprises with in the meaning of Section 370 of the Companies Act, 1956 and to make loans, give guarantees and provide securities to any other company or other Persons whether promoted and/or managed by this Company or not. To acquire or takeover with/without consideration and/or carry on the business of shares and transfer agents and as financial advisors and management consultants by themselves or in partnership with other companies or other Persons and generally to carry on



business as financiers and for that purpose to give loans, with or without security and on such terms and conditions as the Company may in its absolute discretion deem fit, to any Person or Persons, all kinds of machinery automobiles and their parts, accessories, components, stores and spares.

- IV. The liability of the members is limited.
- V. The Authorized Share Capital of the Company is Rs.2500,00,00,000 (Rupees Two Thousand Five Hundred Crores only) divided into 250,00,00,000 (Two Hundred Fifty Crores) equity shares of Rs.10/- (Rupees Ten only) each. \*

The Minimum Paid up Capital of the Company shall be Rupees Five Lacs.

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\* passed in the EGM held on 20-03-2006.



**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**  
**OF**

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED. (X)

**COMPANY LIMITED BY SHARES**

**INTERPRETATION**

1. In the interpretation of the Memorandum of Association and these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context; INTERPRETATION  
CLAUSE

Means the Articles of Association as originally framed or as altered from time to time. ARTICLES

The "Act" or the "said Act" means the Companies Act, 1956 and includes any re-enactment or statutory modification thereof for the time being in force. THE ACT OR THE  
SAID ACT

"The Board" or the "Board of Directors" in relation to a Company means the Board of Directors of the Company. THE BOARD OR THE  
BOARD OF  
DIRECTORS

"Capital" means the capital authorised from time to time to be raised for the purposes of the Company. CAPITAL

"Company" means the MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED. (X) COMPANY

"Directors" includes any person occupying the position of the Director by whatever name called; DIRECTORS

"Dividend" includes Bonus paid in cash, but does not include any share(s) issued in satisfaction of capital bonus upon capitalization of undistributed profits or share premium account. DIVIDEND

"General Meeting" includes any Annual General Meeting, extraordinary general meeting or ordinary general meeting of the Company. GENERAL MEETING

"Government" means the Government of Maharashtra. GOVERNMENT  
(GOM)

"Government Corporation" means GOVERNMENT  
CORPORATION

- (i) a corporation established by the Government under any law in force from time to time; or, as the case may be,

- (ii) a Government Company as defined in the Act.

(X) Passed in the EGM held on 12-12-2005.



MEMBER	"Member" means any person whose name is entered in the Register of Members as the holder of Shares.
MONTH	"Month" means an English calendar Month.
OFFICE	"Office" means the Registered Office of the company;
REGISTER	"Register" means the Register of Members to be kept pursuant to the Act.
REGISTRAR	"Registrar" means the Registrar of Companies of the State in which the registered Office of the Company is situated;
THESE PRESENTS OR REGULATIONS	"These Presents" or "Regulations" means these Articles of Association as altered from time to time and includes the Memorandum where the context so requires.
SEAL	"Seal" means the Common seal for the time being of the Company.
SHARES	"Shares" means the shares or stock into which the Capital is divided.
WRITING	"Writing" shall include printing and lithography and any other mode or modes of representing or reproducing words in a legible form and the word "written" shall be construed accordingly.
MEETING OR GENERAL MEETING	"Meeting" or "General Meeting" means a meeting of the Members duly called and constituted in accordance with these articles and duly adjoining meeting thereof.
ANNUAL GENERAL MEETING	"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of section 166 of the Act and any adjourned meeting thereof.
EXTRA ORDINARY GENERAL MEETING	"Extra Ordinary General Meeting" means an extra ordinary general meeting of the Members held in accordance with the provisions of sections 169 of the Act and any adjourned meeting thereof.
PAID UP CAPITAL	"Paid up Capital" includes share capital credited as paid up.
EXPRESSION IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES	Unless the context otherwise requires, words or expressions contained in these Regulations and not otherwise defined shall bear the same meaning as in the Act.
MARGINAL NOTES	The marginal notes to the Regulations shall not affect the construction thereof.
TABLE "A"	2. Subject as provided in these Articles, the regulations in Table "A" in Schedule - I to the Act shall apply to the Company and constitute its Regulations, except in so far they are expressly or impliedly excluded, modified or varied by these Articles and where any provision of the regulations in Table "A" is inconsistent with a provision contained in these Articles, the relevant provision of Table A shall be deemed to



gister

have been modified in its application to the Company to the extent of the inconsistency.

to the

3. The regulations for the management of the Company and for the observance of the Members 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

which

However, nothing contained in these articles shall apply to the Company, if the Company is exempted from applicability of any provisions of the Act.

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### CAPITAL AND SHARES

daily.

4. The Share Capital of the Company shall be such as may be determined by its Memorandum of Association from time to time with the rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being. The Company has the power from time to time to increase or decrease its capital and to divide the shares in the original or increased capital for the time into several classes and to attach thereto such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions as may be determined by law.

CAPITAL

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Minimum Subscribed Capital of the Company shall be Rupees Five Lacs.

MINIMUM  
SUBSCRIBED  
CAPITAL

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5. Subject to the provisions of the Act and these Articles: -

ALLOTMENT OF  
SHARES

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- (a) the unissued shares in the Company shall be under the control of the Directors, who may allot, grant options over or otherwise dispose them off to such persons and on such terms as the Directors think fit;

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- (b) Preference Shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.

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6. Subject to the provisions of these Articles the Company shall have power to issue preference shares carrying a right to redemption out of profits which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of the Act, exercise such powers in such manner as may be provided in these Articles.

REDEEMABLE  
PREFERENCE  
SHARES

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7. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment for any property sold or transferred, goods or machinery supplied or

DIRECTORS MAY  
ALLOT SHARES AS  
FULLY PAID-UP

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for services rendered to the Company or for any sum expended by the promoters during the course of incorporation either 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.

LIABILITY OF JOINT  
HOLDERS OF  
SHARES

8. The joint holders of the shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

### CERTIFICATES

WHO MAY BE  
REGISTERED

9. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint holders of any shares.

SHARE  
CERTIFICATES &  
MEMBERS' RIGHT  
TO CERTIFICATE

10. Every person whose name is entered as a Member in the Register shall without payment be entitled to a certificate under the Common seal of the Company specifying the share or shares held by him and the amount paid thereon, provided that, in respect of the share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. The Company will not charge any fee for sub division, and consolidation of shares and debenture certificates and sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the Market unit of trading and for registration of any power of attorney, probate letters of administration or similar other documents. Further in case if the shares are listed on any stock exchange in India, the Company will not charge any fees exceeding those, if any, which may be agreed upon with the stock exchanges for sub division and consolidation of share and debenture certificates and for sub division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into the denominations other than those fixed for the market units of trading.

CALLS ON SHARES

11. The Directors may, from time to time, make calls upon the Members in respect of any moneys unpaid on their shares and specify the time or times of payment, and each member shall pay to the Company at the time or times specified, the amount called on his shares.

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

WHEN INTEREST  
ON CALL PAYABLE

12. 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 in respect of which call shall be made shall pay interest on the same at such rate not exceeding 6% per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.



13. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6% per annum as the Members paying such sum in advance and the Directors agree upon. The directors may at any time, repay the amount so advanced upon giving such members three months notice in writing. Money paid in advance of calls shall not in thereof confer a right to dividend or to participate in the profit of the Company.
- PAYMENT IN  
ANTICIPATION OF  
CALLS MAY CARRY  
INTEREST
14. If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, any time thereafter during such time as any part of the call or installment remain unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have occurred.
- FORFEITURE OF  
SHARES; IF CALL  
OR INSTALMENT  
NOT PAID NOTICE  
MAY BE GIVEN
15. The notice aforesaid shall
- TERMS OF NOTICE
- (a) name a future day (not being earlier than the expiry of 14 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 nonpayment on or before the date so named, the share in respect of which the call was made, will be liable to be forfeited.
16. If the requirements of any such notice as aforesaid are not complied with in respect of any share for 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.
- IN DEFAULT OF  
PAYMENT, SHARE  
MAY BE FORFEITED
17. A forfeited share shall be the property of the Company and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- FORFEITURE OF  
SHARES TO BE  
PROPERTY TO THE  
COMPANY AND MAY  
BE SOLD, ETC.
- At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
18. (i) The company shall have a first and paramount lien:-
- COMPANY LIEN ON  
SHARES
- (a) On every share (not being a fully paid share), for all moneys (whether presently payable or not) called or payable at a fixed time, in respect of that share; and
- (b) On all shares (not being fully paid) provided that the Board of Directors at any time declare any such share



to be wholly or in part exempt from the provisions of this clause.

- (ii) The Company's lien, if any, on a share shall extend to all dividends payable thereon.

ENFORCEMENT OF  
LIEN BY SALE

19. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of 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 the person entitled by reason of his death or insolvency to the share.

APPLICATION OF  
PROCEEDS OF SALE

20. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall ( subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### TRANSFER AND TRANSMISSION OF SHARES

REGISTER OF  
TRANSFERS

21. The Company shall keep the Register of the holders of shares and debentures issued by it and therein enter the particulars of transfers or transmission of any share or debenture in accordance with Section 150 to 152 of the Act.

ISSUE OF NEW  
CERTIFICATES IN  
PLACE OF ONE  
DEFACED, LOST OR  
DESTROYED

22. If a share certificate is defaced, lost or destroyed it may be renewed in accordance with the Share Certificate Rules under the Act on such terms, if any, as to evidence and indemnity against loss and the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

DIRECTORS MAY  
DECLINE TO  
RECOGNISE  
TRANSFER

23. The Board may, subject to the right of appeal conferred by section 111, decline to register :

- (a) the transfer of a share not being fully-paid share, to a person of whom they do not approve: or
- (b) any transfer of shares on which the company has lien.

The Board may also decline to recognize any instrument of transfer unless:

- (a) The instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as



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the Board may reasonably require to show the right of the transferor to make the transfer.

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(b) the instrument of transfer is in respect of only one class of shares.

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(c) A fee, if any, as may be decided by the Board of Directors is paid to the Company for transfer of shares.

24.

If the Directors refuse to register the transfer of any shares, they shall within two months of the date on which the instrument of transfer is delivered to the Company, send to the transferee and the transferor notice of the refusal; provided that registration for a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on the shares.

NOTICE OF REFUSAL  
TO REGISTER  
TRANSFER COMPANY  
NOT BOUND TO  
RECOGNISE ANY  
INTEREST IN SHARES  
OTHER THAN THAT  
OF REGISTERED  
HOLDERS

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

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25.

The instrument of transfer of any share 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 in respect thereof.

EXECUTION OF  
TRANSFER

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26.

Every instrument of transfer shall be left at the Office for registration, accompanied by the Certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer, which the Directors may decline to register shall, on demand, be returned to the person depositing the same.

TRANSFER TO BE  
LEFT AT OFFICE  
AND EVIDENCE OF  
THE TITLE TO BE  
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tion

27.

Subject to the provisions of articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy 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 of Directors which it shall not be under obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under these articles, or of his title as the Board of Directors think sufficient, either be nominated by him and approved by the Board of Directors registered as such holder, provided, nevertheless, that if such person shall elect to have his nominee-registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained; and until he does so, he shall not be

REGISTRATION OF  
PERSONS ENTITLED  
TO SHARES  
OTHERWISE THAN  
BY TRANSFER.  
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freed from any liability in respect of the shares. This article is referred to in these articles as "The Transmission Clause".

DEATH OF ONE OR  
MORE JOINT  
HOLDERS OF  
SHARES

- (a) (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only persons recognised by the Company, as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share, which had been jointly held by him with other persons.

TITLE OF SHARES  
OF DECEASED  
MEMBER

- (b) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as herein provided, elect, either:
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
    - (i) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
    - (ii) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
    - (iii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
    - (iv) All the limitations, restrictions, and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

NOMINATION

- (c) Subject to the provisions of the articles and Section 109A every holder of shares in or holder of debentures of this



company may at any time, nominate, in the prescribed manner, a person to whom his shares in or debentures of this company shall vest in the event of death.

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

ENTITLEMENT TO  
DIVIDEND

- (e) Provided 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, 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 in respect of the share, until the requirements of the notice have been complied with.

- (f) The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

DIRECTORS' RIGHT  
TO REFUSE  
REGISTRATION

28. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares and to offer shares in a dematerialised form pursuant to the Depositories Act, 1996.

DEMATERIALISATION  
OF SHARES

29. Every person subscribing to shares offered by the Company shall have the option to receive the share certificates or to hold the shares with a depository. Such a person who is the beneficial owner of the shares can at any time opt out of the depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Shares.

OPTIONS FOR  
INVESTORS

If a person opts to hold his shares with a depository, the Company shall intimate such depository the details of allotment of the shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the shares.

30. All shares held by a depository shall be dematerialised and be in fungible form. Nothing contained in the Act shall apply to a depository in respect of the shares held by it in fungible form on behalf of the beneficial owners.

SHARES IN  
DEPOSITORIES

31. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the

RIGHT OF  
DEPOSITORIES AND  
BENEFICIAL OWNER



registered owner for the purposes of transfer of ownership of shares on behalf of the beneficial owner.

- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of the shares held by it.
- (c) Every person holding shares 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 of the Company. The beneficial owner of shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his shares.

SERVICE OF  
DOCUMENT

32.

Notwithstanding anything contained in the Act or these Articles to the contrary, where shares 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.

FORM OF TRANSFER

33.

The instrument of transfer of any share shall be in accordance with the provisions of Section 108 of the Act and the prevailing Rules made thereunder, by the Central Govt. from time to time.

ALLOTMENT OF  
SHARES DEALT  
WITHIN A  
DEPOSITORY

34.

Notwithstanding anything contained in the Act or these Articles, where shares are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such shares.

DISTINCTIVE  
NUMBER OF  
SHARES HELD IN A  
DEPOSITORY

35.

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for shares issued by the Company shall apply to shares in dematerialised form held with a depository.

REGISTER AND  
INDEX OF  
BENEFICIAL OWNER

36.

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Shareholders for the purposes of these Articles.

### INCREASE, REDUCTION AND ALTERATION OF CAPITAL

INCREASE OF  
CAPITAL

37.

The Company may, from time to time, by ordinary resolution and subject to the provisions of the Act increase the Share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company, then issued, the new shares may be issued upon such terms and conditions, and with such rights or privileges attached 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 issued with a preferential or qualified right to dividend and the distribution of assets of the company.

38. Where at any time it is proposed to increase the subscribed capital of the company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or in the earlier intimation from the person whom such notice is given that he declines the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

FURTHER ISSUE OF  
CAPITAL

Notwithstanding anything contained in the preceeding Articles, the Company may:

- (a) by special resolution, or
- (b) where no such special resolution is passed, if the votes cast whether on show of hands or on poll, (as the case may be) in the favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Govt. is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company;

offer further shares to any person or persons and such persons may or may not include the persons who at the date of the offer, are the holder of the Equity Shares of the Company.

- (c) Notwithstanding anything contained in sub-clause (a) above, but subject however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for such shares in the Company.

39. 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, lien, voting, surrender and otherwise.

HOW FAR NEW  
SHARES TO RANK  
WITH SHARES IN  
ORIGINAL CAPITAL



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|--|-----|---|
| BUYBACK OF<br>SHARES                                 | 40. | Subject to the provisions of section 77A read with SEBI guidelines issued from time to time, the Company shall have the right to buy back its shares within such limit as may be prescribed under the Act.  |
| ON WHAT<br>CONDITIONS NEW<br>SHARES MAY BE<br>ISSUED | 41. | 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).                             |
| REDUCTION OF<br>CAPITAL                              | 42. | Subject to the provisions of Sections 100 to 104 of the Act, 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 in any other manner prescribed by law from time to time and the Board may, subject to the provisions of the Act, accept surrenders of Shares. |
| SUB-DIVISION OF<br>SHARES                            | 43. | The Company in 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 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

- |                     |     |  |
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| POWERS TO<br>BORROW | 44. | Subject to the provisions of the Act, the Directors may, from time to time, borrow or secure the payment of any sum or sums of money for the purposes of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed without the approval of the Shareholders in the General meeting, the aggregate of paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose. |
|---------------------|-----|--|

The Directors may, subject to approval of the Shareholders in a General Meeting secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds and debentures, perpetual or redeemable, by the creation of any mortgage or charge on the undertaking of the whole or any part of the property (both present and future) of the Company including its uncalled capital for the time being.

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|--|-----|--|
| ISSUE AT DISCOUNT<br>ETC. OR WITH<br>SPECIAL<br>PRIVILEGES | 45. | a) Subject to Sections 79 and 117 of the Act, debentures or bonds may be issued at a discount, premium, or otherwise and with any special privileges as to redemption, surrender, drawing and allotment of Shares. |
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## GENERAL MEETINGS

- 46 (a) The Company shall, in each year, in addition of any other meeting hold a general meeting of the Company within six months after the expiry of each financial year of the Company and not more than fifteen months shall lapse between the date of one general meeting and that of the next, except where the Registrar, for any special reason, extends the time within which any such general meeting may be held. Each such general meeting shall be called as "annual general meeting" and shall be specified as such in the notice convening the meeting.
- (b) Every such annual general meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered office of the Company or at such other convenient place in the city in which the Registered office is situated, as may be determined by the Board.
47. At least twenty one clear days' notice in writing, specifying the place, day and hour of general meeting of the Company with a statement of 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 : -
- (a) in the case of an annual general meeting of the Company, to all the Members entitled to vote at such general meeting; and
- (b) in the case of a general meeting of the Company other than an annual general meeting, of Members holding in aggregate not less than 95% of such of the paid up Shares of the Company entitled to vote at such general meeting any general meeting may be convened by such shorter notice and in such manner as those Members may think fit, provided in either case that where any Members are entitled to vote only on some resolution or resolutions to be moved at a general meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect only of the former resolution or resolutions and not in respect of the latter.
48. The accidental omission to give notice to, or the non-receipt thereof by any Member shall not invalidate any proceedings of any such meeting.
49. The business of Annual General meeting shall be to receive and to consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends, and to transact any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business trans-

GENERAL MEETINGS

NOTICE OF  
GENERAL MEETINGS

OMISSION TO GIVE  
NOTICE NOT TO  
INVALIDATE A  
RESOLUTION  
PASSED

BUSINESS OF  
ANNUAL GENERAL  
MEETING



acted at an Annual General Meeting and all business transacted at an Extra Ordinary meeting, shall be deemed special.

QUORUM FOR  
GENERAL MEETING

50. Subject to Section 174 of the Act and Articles, the quorum for meeting of the board shall be one third of the Directors or five Directors, whichever is greater, and shall necessarily comprise of atleast one functional Director provided that in calculating the said one-third, any fraction of a number shall be treated as a whole number.

CHAIRMAN OF  
GENERAL MEETING

51. The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting but if he is not present within fifteen minutes after the time appointed for holding such meeting, the Members present shall choose another Director as chairman of such general meeting 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 the members to be chairman of such general meeting.

IF QUORUM NOT  
PRESENT MEETING  
TO BE DISSOLVED  
AND WHEN TO BE  
ADJOURNED

52. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon such requisition as aforesaid, 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, and if at such adjourned meeting a quorum is not present those members who are present shall be quorum and may transact the business for which the meeting was called.

HOW QUESTIONS TO  
BE DECIDED AT  
MEETINGS

53. Every question submitted to a meeting shall be decided in the first instance by show of hands, and in the case of an equality of votes the MD shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

WHAT IS TO BE  
EVIDENCE OF THE  
PASSING OF A  
RESOLUTION WHERE  
POLL NOT  
DEMANDED

54. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorized representative; and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution.

POLL

55. If a poll is duly demanded, it shall be taken in such manner and at such time and place as the chairman of the meeting directs, and either at once, or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand of the poll may be withdrawn. On a poll, the voting rights of members shall be as provided by the Act.



56. Subject to the provisions of Section 192A of the Act, the company shall have the right to pass any resolution by postal ballot in the manner prescribed by the Central Government in this regard. POSTAL BALLOT
57. The chairman of the 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
58. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. IN WHAT CASE POLL TAKEN WITHOUT ADJOURNMENT
59. The demand of poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. BUSINESS MAY PROCEED NOTWITHSTANDING DEMAND OF POLL
60. The chairman of any general meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman of any general meeting present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. CHAIRMAN'S DECISION CONCLUSIVE

### VOTES OF MEMBERS

61. Every member entitled to vote and present in person or by proxy shall have one vote for each share held by him. VOTES OF MEMBERS
62. No member not personally present shall be entitled to vote on a show of hands. NO VOTING BY PROXY ON SHOW OF HANDS
63. Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that 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 Directors of his right to such shares, unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof. VOTES IN RESPECT OF SHARES OF DECEASED AND BANKRUPT MEMBERS
64. 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 of such joint holders be present at any meeting, personally or by proxy, then one of the said persons 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 stands shall for the purpose of this clause be deemed joint holders thereof. JOINT HOLDERS



- VOTES IN RESPECT OF SHARES OF MEMBERS OF UNSOUND MIND 65. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, either on a show of hands or on poll by his committee or other, legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- PROXIES PERMITTED 66. On a poll, votes may be given either personally or by proxy or by duly authorised representative.
- INSTRUMENT APPOINTING PROXY TO BE IN WRITING 67. 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 poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an Officer or an attorney duly authorised by it.
- INSTRUMENT APPOINTING PROXY TO BE DEPOSITED AT OFFICE 68. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power 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 at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED 69. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, provided no intimation in writing of the death or revocation shall have been received at the Office of the Company before the meeting.
- FORM OF PROXY 70. Every instrument of proxy for a specified meeting or otherwise shall, as nearly as circumstances admit, be in the form or to the effect following:

ⓐ MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED.

ⓐ electricity

I/We ..... a member/members of the Maharashtra State Distribution Company Limited hereby appoint ..... of ..... (or failing him .....), as my/our proxy to attend and vote for me/our behalf at the Annual General Meeting/ General Meeting not being an annual general meeting) of the Company to be held on the ..... and at any adjournment thereof.

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

Revenue stamp

Signature

- RESOLUTION IN WRITING OF 71. Any resolution passed by the Directors, notice whereof shall be given to the Members in the manner in which notices are hereinafter

ⓧ Passed in the EGM held on 12-12-2005.



directed to be given and which shall within one month after it shall have been so passed, be ratified and confirmed in writing by members entitled at a poll to three-fifth of the vote shall be as valid and effectual as a resolution of a general meeting; but this clause shall not apply to a resolution for winding up the Company or to a resolution passed in respect of any matter which by the statute or by these Articles ought to be dealt with by a special resolution.

DIRECTORS IN  
CERTAIN CASES BE  
EQUIVALENT TO  
RESOLUTION OF  
GENERAL MEETING

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

COMPANY NOT  
BOUND TO  
RECOGNISE ANY  
INTEREST IN  
SHARES OTHER  
THAN THAT OF THE  
MEMBERS

### BOARD OF DIRECTORS

73. Subject to the provisions of the Act, the business of the Company shall be managed by the Board of Directors. The Directors shall be appointed in accordance with the provisions of these Articles.

COMPANY TO BE  
MANAGED BY  
BOARD

74. Subject to the provisions of section 252 of the Act, the number of Directors of the Company shall not be less than three and not more than twelve.

NUMBER OF  
DIRECTORS

75. The following persons will act as first directors:

FIRST DIRECTORS

1. Shri B.P. Pande the Secretary, Energy, GOM.

2. Shri Jayant Kawle the chairman, MSEB

3. Shri Vinayak Rao the Member Accounts, MSEB

Thereafter, the Chairman, Managing Director and Directors of the Company shall be nominated by the MSEB HOLDING COMPANY LIMITED.

76. The Directors shall not be required to hold any qualification shares.

QUALIFICATION  
SHARES

77. Subject to article 75 & 82, the working Directors shall be appointed by the MSEB HOLDING COMPANY LIMITED on the basis of recommendation of a Search Committee constituted by the Holding Company for this purpose.

APPOINTMENT OF  
DIRECTORS

- (A) The recruitment to the post of the Directors has to be through open advertisements in local and national dailies or through deputation from State Governments or Central Government or State Government / Central Government Bodies".

78. (A) The Board shall comprise of the following:

FUNCTIONAL AND  
NOMINEE  
DIRECTORS

(i) Chairman

ⓐ Passed in the EGM held on 07-05-2007.



(ii) Managing Director (Whole time)

(iii) Director (Finance)(Whole time)

(iv) Director (Operations)(Whole time)

(v) Director (Projects)(Whole time)

(vi) Director (HRD and Administration)(Whole time)  
(Commercial)

(vii) Industry Expert (Power sector)

(viii) Industry Expert

(ix) Financial Expert

(x) Legal Expert

(xi) Govt. of Maharashtra Nominee

(xii) Govt. of Maharashtra Nominee

(B) Qualification for Chairman

(i) Should have worked as Energy Secretary with a State government OR

(ii) Should have worked as Chairman of a State Electricity Board OR Chairman Central Electricity Authority OR Member CERC OR Chairman SERC

(iii) Should have experience of twenty five years in employment or in profession including some period relating to energy sector preferable as the chairman/MD of a company with turnover of Five Hundred Crores or more.

(C) Qualification for Managing Director —

(i) Should have fifteen years of working experience in employment or in profession out of which three years should be related to power sector preferably as the MD of a Company with minimum turnover of minimum hundred crores per annum OR

(ii) Should have fifteen years of working experience as officer of Indian Administrative Services

(D) Qualification for Director (Operations) —

(i) shall be a graduate engineer with minimum 15 years experience out of which minimum five years should be at the level of Chief Engineer

(a) Passed in the EGM held on 07-05-2007.



in a State Electricity Board or General Manager in a major generation company or PSU

(E) Qualification for Director (Finance) —

- (i) shall be a CA/MBA (Finance)/ICWAI/CFA having minimum of 15 years experience out of which five years at a senior management level in a PSU or private commercial organization and should be member of a professional body/institution for at least five years OR
- (ii) Should have worked as Director Finance or Member Accounts in a State Electricity Board.

- (iii) The qualification for the Directors taken on deputation shall be a member of class I Accounts and Finance Services of the Government of India (IRAS / ICAS / IDAS) with minimum 15 years experience or member of class i service of Government of Maharashtra with 15 years experience out of which 5 years should be in a relevant field.

- (F) The Directors appointed by the Holding Company shall be in office at the pleasure of the Holding Company.

- (G) The Directors are subject to rotational retirement unless otherwise provided in these articles.

79. Where any investment and finance corporations make loans to the Company or give guarantees in connection with the grant of a loan to or the supply of machinery or other equipment for the company, shall be entitled to nominate a Director or Directors of the company, who shall be called as Nominee Director of the Company, if that be agreed to as a condition of the grant of loan or giving of such guarantee. The Director so appointed would have the same powers and privileges as other Directors of the Company

NOMINEE  
DIRECTORS

80. Subject to the provisions of section 313 of the Act, in place of a Director who goes out of India or is about to go out of India or who expects to be absent for not less than three months from the State in which meeting of the Directors are ordinarily held, the Board may appoint any person to be an alternate Director during his absence. The alternate Director shall be entitled to notice of meetings of the Board and to vote.

ALTERNATE  
DIRECTOR

81. The MD and the functional Directors shall be paid such salary as may be determined by the Company. However, the Board may, from time to time, determine various allowances and/or perquisites to be provided to the Directors of the Company. Further, each nominee Director shall be entitled to such sitting fees out of the funds of the

REMUNERATION OF  
DIRECTORS

@ passed in the EGM held on 07-05-2007.



Company for attending the meeting of the Board or any committee thereof, as may be fixed by the Board of Directors of the Company. In addition thereto, a Director including the MD and functional Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting of the Board or any committee thereof, shall be entitled to re-imbursement of expenses properly incurred by him for traveling, hotel, and other incidental expenses. Such reasonable additional remuneration as may be fixed by the Board may be paid to any one or more of the Directors for extra or special services rendered by him or them.

ADDITIONAL  
DIRECTORS

82. The Board of Directors may from time to time appoint any person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed in these Articles. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.

GENERAL POWER  
OF COMPANY  
VESTED IN  
DIRECTORS

83. Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, and do all such acts and things as the Company is authorised to exercise and do. The Board shall not exercise any power or do any act or thing which is directed or required whether by this or any other Act or the Memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf, in this or any other Act, or in the Memorandum or Articles of the Company, or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

CERTAIN PERSONS  
NOT TO BE  
APPOINTED AS  
DIRECTOR

84. No person may be appointed to the office of a director if:
- (a) he is found to be unsound in mind by a court of competent Jurisdiction;
  - (b) he is an undischarged insolvent;
  - (c) he has applied to be adjudicated as an insolvent and his application is pending;
  - (d) he is convicted by a court for any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from a date of expiry of this sentence;
  - (e) he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for payment of the call;



- (f) he absents himself from three consecutive meeting of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board;
- (g) he or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan from the company;
- (h) he fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement entered into by/or on behalf of the Company as required under section 299 of the Act;
- (i) he becomes disqualified by order of the court under section 203 of the Act;
- (j) he is removed in pursuance of section 284 of the Act;
- (k) he is concerned or participates in the profits of any contract with the company;
- (l) he becomes disqualified for being nominated as Director of the Company as per Section 274 (1) (g) of the Companies Act.

Provided that no Director shall vacate his office by reason of his becoming a member of the company which has entered into contract with or done any work for the company of which he is a Director, but a Director shall not vote in respect of any such contract or work and if he franchises his vote, his vote shall not be counted.

Disqualification referred to in sub-clause (c) (d) and (l) above shall not take effect

- (a) For thirty days from date of adjudication, sentence or order.
- (b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication 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 ;
- (c) Where within the seven days aforesaid any further appeal or petition in respect of adjudication sentence, conviction or order and the appeal or petition if allowed would result in the removal if and the appeal or petition if allowed would result in the removal if disposed of.

85. Subject to the provisions of the articles, a Director shall be deemed to have vacated his office and shall automatically cease to be a Director if: -

VACATION OF  
OFFICE OF  
DIRECTORS



- (a) He is found to be unsound mind by a Court of Competent jurisdiction;
- (b) He has applied to be adjudicated as an insolvent and his application is pending;
- (c) He is adjudged an insolvent;
- (d) He is convicted by a Court for any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of this sentence;
- (e) He fails to pay any call in respect of Shares of the Company held whether alone or jointly with others, within six months from the last date fixed for payment of the call;
- (f) He absents himself from three consecutive meetings of the Board of Directors or from all meetings of the board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (g) He or any firm in which he is a partner or any private Company of which he is a Director, accepts a loan or any guarantee or security for a loan from the Company;
- (h) He fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement entered into by/or on behalf of the Company as required under Section 299 of the Act;
- (i) He becomes disqualified by order of the Court under Section 203 of the Act;
- (j) He is removed in pursuance of Section 284 of the Act;
- (k) He participates in the profits of any contract with the Company;
- (l) He resigns by notice in writing to the Company;

Provided, however, that :-

- (i) no Director shall vacate his office or be deemed to have vacated his office by reason of his being or becoming a member of any company which has entered into contract with or done any work for the Company;
- (ii) if a Director resigns by notice in writing to the Company he shall vacate his office and cease to be Director with effect from the date specified in such notice as the effective date of the resignation and not with



effect from the date of which such notice is given to the Company; and

(iii) a Director shall not be deemed to have vacated his office by reason of the occurrence of any of the events referred to in paragraphs (c), (d) or (l) above:-

- (1) until a period of 30 (thirty) days has elapsed from the date of the relevant adjudication, sentence or order without an appeal or petition having been preferred against the same; or
- (2) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, conviction resulting in the sentence or order, until a period of seven days has elapsed from the date on which such appeal or petition is disposed of against the relevant Director; or

where, within seven days aforesaid, any further appeal or petition against the adjudication, sentence, conviction or order is preferred and further appeal or petition is allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of against the relevant Director.

### PROCEEDINGS OF THE BOARD OF DIRECTORS

- |     |  |   |
|-----|--|---|
| 86. | The Directors may meet together as a Board for disposal of business from time to time and unless the Central Government by virtue of the proviso to Section 285 of the Act otherwise directs, shall so meet at least once in every three calendar months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit. | MEETING OF<br>DIRECTORS                         |
| 87. | Notice of every meeting of the Board shall be given to every Director at his usual address.  | NOTICE OF MEETING                               |
| 88. | Subject to Section 287 of the Act and Articles, the quorum for meeting of the board shall be one third of the Directors or two Directors, whichever is greater, provided that in calculating the said one-third, any fraction of a number shall be treated as a whole number. Provided that during any meeting at least one of the directors must be a functional director.                              | QUORUM  |
| 89. | If a meeting of the Board can not be held for want of a quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the chairman of the meeting.  | ADJOURNMENT OF<br>MEETING FOR<br>WANT OF QUORUM |
| 90. | The Secretary of the Company shall, on the request of the Chairman cum Managing Director, at any time convene a meeting of the Board   | CONVENING OF<br>MEETING                         |



by giving a notice in writing to every Director at his usual address. Notice may be given by telegram or other comparable means to a Director who has his usual address outside the State of Maharashtra.

- |   |     |  |
|---|-----|--|
| CHAIRMAN  | 91. | All Board meetings shall be chaired by the Chairman cum Managing Director. If at any meeting of the Board, the Chairman cum Managing Director is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the chairman of that meeting.  |
| DIRECTORS MAY<br>APPOINT<br>COMMITTEES  | 92. | Subject to the restriction contained in section 292 of the Act, the board may delegate any of its power to the Chairman cum Managing Director of the company or to Committees of the Board consisting of such Member or members or one or more Directors and a member or members of the company as it thinks fit, and it may from time to time revoke and discharge any such person or committee of the board either wholly or in part and either as to persons or purposes but every such person or Committee of the board so formed shall in the exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board.   |
| INTERESTED<br>DIRECTORS NOT TO<br>VOTE IN BOARD<br>PROCEEDINGS                      | 93. | In addition to the provision of Section 299 of the Act, at a Board meeting no Director shall take part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, whether directly or indirectly, interested or concerned in such contract or arrangement, and if he does so vote, his vote shall not be counted and the presence of such Director shall not count for the purpose of forming a quorum at the time of any such discussion or vote.  |
| RESOLUTION BY<br>CIRCULATION  | 94. | No resolution shall be deemed to have been duly passed by the Board or by a Committee, thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the committee as has been approved by such Directors or Members or by a majority of them and as are entitled to vote on the resolution.  |
| ACTS OF BOARD OR<br>COMMITTEES VALID<br>NOTWITHSTANDING<br>DEFECTIVE<br>APPOINTMENT | 95. | All acts done by any meeting of the board or by a committee of the board, or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provision contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid. |
| MINUTES OF<br>PROCEEDINGS OF<br>THE BOARD AND<br>COMMITTEES                         | 96. | (1) The company shall cause minutes of all proceedings of every meeting of the board to be kept, in accordance with section 193 of the act.  |



- (2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (3) All appointments of the officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (4) The minutes shall also mention details of :-
  - (a) the names of the Directors present at the meeting; and
  - (b) all orders made by the board and committee of the board; &
  - (c) In the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring in the resolution.
- (5) Nothing contained in sub-clause (1) to (4) shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the chairman of the meeting:-
  - (a) is or could reasonably be regarded as, defamatory of any person;
  - (b) is irrelevant or immaterial to the proceeding;
  - (c) Is detrimental to the interests of the company.
- (6) The Chairman cum Managing Director shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.
- (7) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

97. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in general meeting, subject, nevertheless, to these Articles, to the provisions of the Act or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting but no regulation made at any general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in general meeting:

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the

GENERAL POWERS  
OF THE BOARD AND  
RESTRICTIONS  
THERETO



Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

- (b) remit, or give time for the repayment of any debt due by a Director;
- (c) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves.
- (d) Contribute (subject to the limits laid down by Section 293A of the Act) to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act, during the three immediate preceding financial years, whichever is greater;
- (e) Contribute regularly to the GPF and Pension Funds of the Company such amounts as are required under any Act or law for the time being in force at the time of payment of salaries.

Provided further that for the purpose of paragraphs (a), (b), (c) and (d) of this Article, the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only by resolution of the Board, unless the same be delegated to the extent permitted therein.

SPECIFIC POWERS  
OF THE BOARD

98. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and subject to the restrictions contained in the last preceding Articles, the Directors shall have the following powers:

- (a) To undertake business process reengineering of the company's business so as to enhance the efficiency of the various functions of the company;
- (b) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;
- (c) to pay and charge to the Capital Account of the Company any interest lawfully payable there out under the provisions of the Act;
- (d) subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company and property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as the Board may think fit; and in any such



purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;

- (e) at the discretion of the Board and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or for debt and any such debt may be either specifically charged or mortgaged upon all or any part of the property of the Company and its uncalled capital or not so charged or mortgaged;
- (f) to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as the Board may think fit;
- (g) To accept from any member, so far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
- (h) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (i) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any differences to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any awards made;
- (j) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (k) to make and give receipts, release and other discharges for moneys payable to the Company and in respect of obligations owed or owing to the Company;
- (l) subject to the provisions of Sections 292, 293(1)(c) & (e), 295, 369, 372A and 373 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of the Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments, provided that (save as provided in Section 49 of the Act) all investments shall be made and held in the Company's own name;
- (m) to execute, in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such guarantees, indemnities or assurances (whether or not secured on the property of the Company or any part thereof) as the Board may determine;



- (n) to determine from time to time who shall be entitled to sign on the Company's behalf, bills, promissory notes, drafts, hundis, other negotiable instruments, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents, and to give the necessary authority for such purpose;
- (o) to create and from time to time subscribe or contribute to provident and other associations, institutions, funds or trusts and to provide or subscribe or contribute towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit for the benefit of the employees and/or officers of the Company and their respective family members; and subject to the provisions of Section 293(1)(e) and 293 A of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral claim to support or aid by the Company, either by person or locality of operation or of public and general utility or otherwise;
- (p) before recommending any dividend to be set aside, out of the profits of the Company, such sums as are required by law to be set aside and such sums as the Board may think proper for depreciation or to a depreciation fund or to an insurance fund, or as a reserve fund, sinking fund or any special fund to meet contingencies or to pay debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in paragraph (a) of this Article) as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of the Company), as the Board may think fit, and from time to time to deal with or 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 in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof. May be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the reserve fund in to such special funds as the Board may think fit, with full power to transfer the whole or any portion of the reserve fund or division of a reserve fund and with full powers to employ the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures and debenture stock, and without being bound to keep the same separate from the other assets and without being bound to account for interest received on the same without power, however, to the Board at their discretion to allow interest to accrue on and be credited to the principal amount of such funds at such rate as the Board may think proper, provided that any amount of interest in excess of nine per cent per annum in respect of such funds shall not be credited to such funds but shall form part of the general assets of the Company;
- (q) to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisors, scientists, technicians,



engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as the Board may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require and/or security in such instances and to such amounts as the Board may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as the Board may think fit; and

- (r) at any time and from time to time by Power of Attorney under the Seal of the Company to appoint any persons or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any committee established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or managers of any Company or firm or body or body of persons whether nominated directly or indirectly by Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;
- (s) subject to Sections 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as the Board may consider expedient;
- (t) from time to time to make, vary and repeal notification, regulations, circulars, office orders or by laws for the regulation of the business of the Company, and/or the conduct of its officers and servants;
- (u) to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, except only such acts, matters or things as by the Act or by these Articles are expressly directed to be exercised by the Company in general meeting.

#### SECRETARY

99. Subject to the provisions of Section 383A of the Act, the Board may from time to time, appoint an individual as the Secretary of the

SECRETARY



Company for such term and at such remuneration and upon such conditions as it may think fit and the Secretary so appointed may be removed by the Board.

### THE SEAL

THE SEAL AND ITS  
CUSTODY

100. (a) The Board of Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Board of Directors shall provide for the safe custody of the Seal.
- (b) The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorised by it in that behalf and except in the presence of at least one Director and of the Secretary or such other persons as the Board may appoint for the purpose and the Director or such other persons as aforesaid shall sign every instrument to which the Seal is affixed in their presence.

### DIVISION OF PROFITS AND DIVIDEND

DIVISION OF  
PROFITS

101. The profits of the Company available for payment as dividend, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of those presents as to the reserve fund shall, with the approval of the Board of Directors be paid to the Members.

THE COMPANY IN  
GENERAL MEETING  
MAY DECLARE A  
DIVIDEND

102. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board.

INTERIM DIVIDEND

103. The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.

### ACCOUNTS

ACCOUNTS

104. The Board shall cause to be kept, in accordance with section 209 of the Act, proper books of account with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
  - (b) all sales and purchases of goods and services by the Company
  - (c) all assets and liabilities of the Company;



- (d) As may be prescribed in the case of the Company and required by the Central Government to be included in the books of account.

The books of account shall be kept at the Registered Office of the company or at such other place in India as the Board may decide, and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar, a notice in writing giving the full address of that other place.

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| 105. | Subject to the provisions of Section 209A of the Act, the Directors shall cause property books of account to be maintained in accordance with Section 209 of the Act. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the Members not being Directors and no such Member shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting. | INSPECTION BY<br>MEMBERS OF<br>ACCOUNTS AND<br>BOOKS OF THE<br>COMPANY |
| 106. | Once at least in every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and Balance Sheet ascertained by one or more auditors.  | ACCOUNTS TO BE<br>AUDITED ANNUALLY                                     |
| 107. | The auditors of the Company shall be appointed or re appointed in accordance with the Act.   | APPOINTMENT OF<br>AUDITORS   |
| 108. | The auditors of the Company shall be entitled to receive notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts.  | AUDITORS RIGHT TO<br>ATTEND MEETING                                    |
| 109. | Every account of the Company when audited and approved at an annual general meeting shall be conclusive.   | WHEN ACCOUNTS<br>TO BE DEEMED<br>FINALLY SETTLED                       |

### NOTICE

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| 110. | A notice may be given by the Company to the persons entitled to a Share or Shares in consequence of 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 or representatives of the deceased or assignee of the bankrupt or insolvent or by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death, bankruptcy or insolvency had not occurred. | NOTICE TO<br>PERSONS<br>ACQUIRING SHARES<br>ON DEATH,<br>BANKRUPTCY OR<br>INSOLVENCY OF<br>MEMBERS |
| 111. | If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay   | DISTRIBUTION OF<br>ASSETS IN A<br>WINDING UP   |



the whole or the paid up Capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up at the commencement of the winding up, on the Shares held by them respectively at that time. If in winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the paid up Capital such assets shall be distributed amongst the Members in proportion to the Capital paid up at the commencement of the winding up on the shares held by them respectively, but the provisions of this Article 56 are to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

### SECRECY

#### SECRECY

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

### INDEMNITY AND RESPONSIBILITY

#### DIRECTORS AND OTHERS RIGHT TO INDEMNITY

113. (i) Subject to the provisions of Section 201 of the Companies Act, every Director, MD, manager, auditor, Secretary or other officer or employee of the Company shall be indemnified out of the funds of the Company and it shall be the duty of the Directors to pay, all costs, losses and expenses (including travelling expenses) which any such Director, MD, manager, officer or employee may incur or become liable to by reason of any contract entered into or act or Deed done by him or them in the course of performance of his or their duties as such Director, Manager, officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority over any claims of the Members, provided always that the Company shall have no liability hereunder to indemnify against any costs, losses or expenses arising as a result of the negligence or willful default of the relevant Director, MD, Manager, auditor, Secretary or other officer or employee.
- (ii) Subject to the provisions of the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer of the Company shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer of the Company and



in which judgement is given in his favour or in which he is acquitted or incurred in connection with any Application in which relief is granted to him by the Court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company. Subject to the provisions of the Act, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any Director or other officer of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director or officer.

114. Subject to the provisions of Section 201 of the Act, no Director, MD, manager or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, MD, manager or officer or for joining in any receipt or other act for conformity or for loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of any Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or Corporation with whom any money, securities or effects shall be entrusted or deposited except where such liability or loss arises out of the negligence or willful default or dishonesty of such Director, MD, manager or officer.

NOT RESPONSIBLE  
FOR ACTS OF  
OTHERS

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