

**MEMORANDUM  
OF ASSOCIATION**

**OF**

**Punjab State Power Corporation Limited**

**THE COMPANIES ACT, 1956 (1 of 1956)**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**Punjab State Power Corporation Limited**

- NAME OF THE COMPANY** I The name of the Company is Punjab State Power Corporation Limited.
- REGISTERED OFFICE** II The Registered Office of the Company shall be situated in the State of Punjab.
- OBJECTS** III The objects for which the Company is established are:

**A. Main Objects to be pursued by the Company on its incorporation**

- Takeover, renovate, operate, maintain the use of existing generation stations, distribution and supply systems, assets, undertaking etc*** 1 To takeover, acquire, operate, maintain, manage and use the existing electricity generating stations and assets, distribution, trading, supply (bulk and retail) of electricity systems, assets, undertakings and functions (whether in the State of Punjab or elsewhere) of the Punjab State Electricity Board and/or the electric generation stations owned or controlled by the Government of Punjab or other Government Corporation/Authority/other person, including any right, title or interest therein, as may be transferred to it in pursuance of a transfer scheme to be notified by the Government of Punjab under the Applicable laws, rules and regulations.
- To engage in the business of generation, procurement, trading, supply and distribution of electricity, and any other permitted activity.*** 2 To engage in all aspects of the business of generation and distribution of electricity, supply (bulk and retail), purchase, sale, import, export, wheeling, and trade of electrical energy, including finalization of tariff, metering, billing and collection of bills, and entering into any agreements for the carrying on of such business, as also undertake all other activities that are permitted under the Applicable Laws

To plan, promote and organize an integrated and efficient development of power generation capacities from various energy sources, within the State of Punjab and outside. In this behalf, to undertake all necessary activities, including

- To plan, investigate, research, design and prepare generation projects
- To prepare preliminary, feasibility and definite Project reports for such power generation projects
- To construct, operate and maintain, renovate and modernize power stations, tie-lines, sub-stations, dedicated transmission lines and related projects

To enter into, execute and implement agreements for the purchase and sale of power from generating companies, trading companies, power exchanges, Central and State generating stations, distribution companies, electricity institutions, captive generating stations, renewable energy generators and other entities including franchisees, sub-licensees and consumers etc.

***To supply electricity***

To supply and sell power generated to various entities including distribution companies, trading companies, power exchanges and other customers directly from stations in accordance with the Applicable Laws.

***Manufacturing, trading and other business***

To carry on the business of purchase, sale, import, export, production, trade, manufacture, distribution or otherwise dealing in all aspects of power, including

- To plan, investigate, research and diagnose operational difficulties and weaknesses
- To advise on remedial facilities, Renovation and Modernization of Power Stations and Projects
- To plan and implement schemes for power development with backward integration and fuel linkages (like coal, LNG, syngas, orimulsion, lignite, coal-bed methane etc.) in all its aspects
- To set up, promote, operate and carry on the business of coal mining, coal washeries, liquefied natural gas for supply of fuel to stations

To undertake on contracts projects involving installation, operation, management, renovation and modernization of all necessary plants, establishments and works.

***Develop, operate, maintain, acquire, establish construct and operate electrical lines for the purposes of distribution of electrical energy and associated sub-stations.***

- 3 To plan, promote, organize, acquire, take over, establish, buy, develop, construct, erect, augment, enlarge, renovate and modernize, shift, replace, lay, maintain, operate, run, manage, hire, lease, sell, alter, work, give on franchise, use a distribution system and network in all its aspects and any other materials connected with sub-transmission, distribution of electrical energy, ancillary services, communication and tele-metering equipment.

To undertake for and on behalf of others the erection, operation, maintenance and extra high voltage, medium voltage and low voltage lines and associated sub stations, equipment, cables and wires.

***Plan, investigate and prepare project reports business plans and strategy documentation and forecast customer demand and sources of purchase of power.***

- 4 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 modernize existing electrical lines and sub-stations and to prepare forecasts of customer demand and sources of purchase of power and to prepare business plans and strategy documentation.

To carry out evacuation, scheduling, dispatch, trading, supply and distribution of electricity in consultation with the State and Regional Load Dispatch Centres, transmission companies and generating stations/ companies.

To tender and finalise contracts for purchase and sale of electrical energy.

To promote, develop, set up, establish, own, operate and manage (by itself or through a subsidiary) captive electricity generating stations.

***Optimal utilization of assets***

- 5 To undertake other businesses with a view to optimally utilize its assets and expertise, as also to perform its functions and obligations.

***Coordinate, aid and advise***

- 6 To coordinate, aid and advise on the activities of other companies and concerns including subsidiaries, associates and affiliates, engaged in trading, distribution, supply and wheeling of electrical energy.

***Advisory Services***

- 7 To provide Advisory Services in electricity sub- transmission, distribution, trading and supply.

***To generate electricity.***

- 8 To generate, produce electricity from a generating station for the purpose of giving supply to any premises or enabling a supply to be so given and to take-over, operate, maintain and use generating station(s) for generating electricity, including any building and plant with step-up transformer, switch-yard, switch-gear, cables or other appurtenant equipment, if any used for that purpose and the site thereof, a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water – power, including penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but not any sub station.

To takeover, operate, maintain and use the existing electricity generating capacities owned by any generator, including any right, title or interest therein as well as power

purchase agreements.

**B. Objects incidental or ancillary to the attainment of the main objects:**

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| <b><i>To obtain, maintain and comply with licences, charters, concessions etc.</i></b> | 1 | To apply for, procure, obtain, maintain and comply with any licences, charters, subsidies, loans, indemnities, grants, contracts, decrees, rights, sanctions, privileges, consents, permissions, approvals, or concessions whatsoever, (whether statutory or otherwise) from any person or authority, and enter into arrangements with any authority or persons, for the purpose of directly or indirectly carrying out the objects or furthering the interests of the Company or its members..  |
| <b><i>Borrowing power</i></b>  | 2 | Subject to the provisions of the Act and any rules framed thereunder, to borrow/raise money or to receive money or deposits in such manner as the Company shall think fit for the purpose of financing the business of the Company either by creating a charge on the assets of the Company or otherwise, and to secure the repayment of any money borrowed, raised, allowing, standard security lien or other security upon the whole or any part of the Company's property or assets, including its uncalled capital and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance of the Company of any obligations or liabilities that it may undertake or which may become binding on it. |
| <b><i>To acquire and lease property</i></b>  | 3 | To acquire by purchase, lease, exchange, hire or otherwise, or to construct and maintain generation assets, land, factories, electricity supply and distribution network, works, offices, buildings and conveniences of all kinds, apartments, plant, machinery and hereditament of any tenure or description, situated in India or in any other part of the world and any estate or interest therein and any rights over or connected with land so situated in any manner as may seem expedient, necessary or convenient to the Company for the purposes of its business.   |
| <b><i>To acquire business/ companies</i></b>   | 4 | 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.   |
| <b><i>To generate and conduct etc., electrical energy</i></b>                          | 5 | To generate and conduct electrical energy for achievement or carrying out all or any of the objects of the Company.  |
| <b><i>To acquire know-how etc.,</i></b>  | 6 | To apply for, purchase or otherwise acquire any trade marks, patents, brevets or inventions, licenses, concessions and other valuable rights, title, interest, and property in the use of any intellectual property and know-how including   |

proprietary information (“*IPR*”) which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated, directly or indirectly, to benefit the Company; to utilize, exercise, develop and build upon such IPR; to grant licenses in respect of such IPR so acquired or developed.

***To undertake research development and training.***

- 7 To establish, provide, maintain and conduct or otherwise subsidize research laboratories and experimental workshops for scientific, technical or research purposes; to undertake and carry on (directly or in collaboration with other agencies) scientific, technical or other research experiments and tests of all kinds; to process, improve and invent new products and services, their techniques of manufacture / delivery; to promote, encourage and reward studies and research, investigations and inventions of any kind that may be considered likely to assist, encourage and promote recent advances in technology, economics, import substitution or any business which the Company is authorized to carry on.

To establish, maintain and operate training institutions and hostels; to make such other arrangements as may be expedient for such training likely to be useful for any business which the Company is authorized to carry on.

***To sell, transfer, or otherwise dispose of immoveable property etc.,***

- 8 To sell, improve, manage, develop, exchange, loan, lease, let, under-lease, sub-let, mortgage, hypothecate, give on franchise, dispose of or deal with in any manner, with any rights or interest in any immoveable property of the Company.

***To invest money***

- 9 To accumulate funds and to invest/employ monies belonging to or with the Company and not immediately required, in the purchase or acquisition of any shares, securities or other investments whatsoever (movable or immovable) upon such terms as may be thought proper, from time to time; to sell, transfer, deal with, manage or vary such investments as deemed fit.

***To undertake joint ventures***

- 10 To amalgamate or enter into partnership/ consortium/ arrangement for sharing of projects/activities, funding and profits with any person or company or body or authority including any Government carrying on or engaged in any operation capable of being conducted so conveniently in conjunction with the business/activities of the Company, or to directly or indirectly benefit the Company.

***To provide for welfare of employees***

- 11 To provide for the amelioration and welfare of persons employed by or retirees of the Company, and such of the employees/retirees of PSEB that have been assigned to it,

with their immediate families 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 funds or trusts; by helping such persons to effect or maintain insurance on their lives by contributing to the payment of premium or otherwise; by providing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other assistance as the Company shall think fit.

***To sell transfer, or otherwise dispose of moveable property***

- 12 To sell, transfer or dispose of all or any of the properties, rights and interest in any moveable properties or any part thereof, as permitted by Applicable Laws, for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other corporation or company; to promote or aid in the promotion of any other company or partnership for acquiring of any businesses, or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

***To enter into contracts***

- 13 To enter into contracts with any Government, authority, individuals, companies and others:
- For purchase of equipment and for technical, financial or any other assistance, necessary to carry out or in furtherance of any of the objects of the Company.
  - For any purpose conducive to the Company's objects including to obtain, maintain and utilize any contracts, rights, privileges and concessions.
  - To enter into contracts of indemnity and guarantee.
  - To adopt, carry out or give effect to any pre incorporation or post incorporation agreements, or any modification thereto, arrived at between the Company's shareholders, promoters and/or others for promotion of the Company.
  - For provision of technical know how or in respect of matters concerning affairs and the business of the Company.

***To establish business practices, conditions of supply et al, and agencies etc.,***

- 14 To establish, implement and revise, consistent with the Applicable Law, suitable guidelines, circulars and other instruments to govern various aspects of its operations including the inter-connection of its bus bar with the grid, metering and accounting, et al..

To establish, implement and revise, consistent with the

Applicable Law, suitable conditions of supply, contract conditions, guidelines, circulars and other instruments to govern its relationship with its consumers.

To establish and maintain agencies, branches and local registers, to procure registration/recognition of the Company and its ability to carry on business in any part of the world and to take steps necessary to give the Company such rights and privileges.

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| <b><i>To subscribe for shares</i></b>  | 15 | To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks or any other form of securities and any option or right in respect thereof.   |
| <b><i>To create funds, provisions, et al.</i></b>                                | 16 | To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other fund, and to maintain any reserves or make provisions whether in relation to depreciation or for repairing, improving, extending or maintaining any of the properties of the Company, or for redemption of preference shares or for any other purposes whatsoever conducive to the interests to the Company. |
| <b><i>To open accounts in banks</i></b>  | 17 | To open account(s) with any firm, company, bank or bankers; to pay into and withdraw money from such account(s), and to operate and close operations of any such account(s).  |
| <b><i>To acquire and sell part of companies</i></b>                              | 18 | To acquire and hold all or any of the share or loan capital or other securities of any other company, body or its undertakings, and to sell or dispose of or transfer any such shares, loan capital and securities.   |
| <b><i>To carry on consultancy services</i></b>                                   | 19 | To promote, organize or carry on the business of consultancy services in any field or activity that may be relevant and permissible for the Company.  |
| <b><i>To promote and take-over other companies</i></b>                           | 20 | To promote or concur in the promotion of any other company, or take-over any other company considered desirable in furtherance of any objects of the Company.   |
| <b><i>To act as an entrepreneur on behalf of Central or State Government</i></b> | 21 | To act as an entrepreneur on behalf of the Central or any State Government, to identify new areas of economic investment and to undertake or help in the undertaking of such investments.   |
| <b><i>To advance money</i></b>   | 22 | To advance money against security of any property, or mortgage of immovable property, or any bank guarantee, or future supply of goods and services - on such terms as the Board may consider necessary.  |

<b><i>To collect and use information</i></b>	23	To arrange, receive and collect all relevant information in regard to any business carried on by the Company; to organize an information cell and/or a data-bank relating to the consumer profiles of the Company; to utilize and/or provide to third parties the information contained in the Company's data-bank in such manner as the Company deems fit and as permissible by law.
<b><i>To carry on other businesses for the optimum utilization of assets.</i></b>	24	To carry on any other business to optimally utilize the assets and its expertise in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property, rights or interests
<b><i>To carry on convenient business</i></b>	25	Generally to do all such other things as may be deemed incidental or conducive to the attainment of the above objects; to carry on any business which may be conveniently carried on in connection thereto, or calculated directly or indirectly to enhance value of or render profitable any of the Company's property or rights.
<b><i>To employ, appoint, terminate or retrench employees</i></b>	26	To employ, transfer, reward and punish, promote and demote, retrench, lay-off, suspend, terminate the appointment of or dismiss executives, managers, assistants, support staff and other employees and to remunerate them at such rates as shall be thought fit.
<b><i>To advertise services</i></b>	27	To adopt such means of making known the services of the Company as may seem expedient and in particular by advertising in the press and mass media (including radio, television & internet)
<b><i>To outsource or contract out any aspect of its activities</i></b>	28	To outsource any of its business or operational activity/ processes to any other person.
<b><i>To allow another person to undertake distribution</i></b>	29	To allow any other person to undertake distribution of electricity or any aspect thereof for a specified area within the Company's area of supply, to the extent permissible by the Applicable Laws.
<b><i>To maintain books of accounts</i></b>	30	To maintain all statutory records of the company including the books of accounts consistent with the Applicable Law including the Electricity Act, 2003, Accounting Rules, the License and regulations issued by PSERC and relevant provisions of the Companies Act, 1956.
<b><i>To pursue and defend cases/claims</i></b>	31	To diligently pursue any cases and claims of the Company, as also to diligently defend any cases and claims against the Company.

**Internal Audit and Corporate Governance**

- 32 To establish suitable processes and mechanism of corporate governance within the company in compliance with the Applicable Law as also recognizing its role as a public utility service provider with accountability, including the appointment of a suitable Audit Committee.

**C. Other Objects**

**To carry on the business of carriers by land etc.,**

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

**To deal with goods etc., dealt with by subsidiaries**

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

**LIMITED LIABILITY**

- IV The liability of the members is limited.

**SHARE CAPITAL**

- V The Authorised Share Capital of the Company is Rs. 20000,00,00,000 (Rupees twenty thousand crores only) divided into 20,00,00,00,000 [Two thousand crore] equity shares of Rs. 10/- (Rupees Ten) each, with the rights, privileges and conditions attached thereto as are provided by the Regulations of the Company for the time being.

The Company has 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 permitted by law.




We the several persons whose name, addresses and description are subscribed here to are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of share in the capital of the company as set opposite our respective names:

Sr. No	Name, Address, & Description of the Subscriber	Number of equity shares taken by each Subscriber	Signature	Witness with Address and Description
1.	ANURAG AGARWAL # RAMESH CHANDRA GUPTA. #10 House No 121 sector 23 A CHANDIGARH MD PSIDC, Chd. GOVT. SERVICE	10,000/2 (Ten thousand)	<i>Anurag</i>	<p>I hereby witness the signatures of all the subscribers who have signed in my presence.</p> <p><i>Atay</i></p> <p>ATAY PR. SECY. P. A. P. S. RA COMPTROLLER SC06465, N.T. FLOOR SECTOR 23A, CHANDIGARH.</p>
2.	Gopal Krishna Singh #10 Sukhdev Singh # 119, 23 A Chandigarh. AMD PSIDC, GOVT Service	5000 (Five thousand)	<i>GK Singh</i>	
3.	ARUN GOEL SON OF SH. RAM MURTI GOEL # 26, MOTI BAGH COLONY, PATIALA PRINCIPAL SECRETARY TO GOVT OF PUNJAB DEPT. of Irrigation & Power GOVT. SERVICE	10,000/- (Ten Thousand)	<i>Arun</i>	

4.	ANIRUDH TEWARI S/O SHRI RAM SENAK TEWARI 2-A, VIKAS COLONY, OUTSIDE SIRHINDI GATE, PATIALA SECRETARY, EXPENDITURE, GOP CHANDIGARH G. SERVICE	5,000 (FIVE THOUSAND)	<i>anu</i>	I hereby witness the signatures of all the subscribers who have signed in my presence.
5.	Subodh Chandra Agrawal Son of Shri Subhash Chandra Agrawal resident of #53, Sector 5, Chandigarh Occupation: Chief Secretary Punjab Govt. Service	10,000 (TEN THOUSAND)	<i>Subodh</i>	
6.	Rakesh Kumar Verma S/o Sh. Ram Chandra Verma No 1640, Sector 39, Chandigarh MD, PICTO Govt. Service	5,000 (FIVE THOUSAND)	<i>Rakesh</i>	
Total				

AJAY K. ARORA  
 M.L. SH. U.P. ARORA  
 COMPANY SECRETARY  
 10064-65 1st FLOOR  
 SECTOR 17-A, CHANDIGARH

Place : Chandigarh  
 Dated : 15/04/2010  
 The subscribers to the Articles of Association have been nominated by the  
 Government of Punjab to hold the shares on its behalf vide letter No. 19/08 EB(CPR) 1185-86  
 dated 15/04/2010.

7.	Vijoy Kumar Singh S/o Shri Ram Babu Singh. 70-136 Sector-19A CHANDIGARH MD, MILKPED Punjab CHANDIGARH GOVT SERVICE	5000 Five Thousand		I hereby witness the signature of all the subscribers who have signed in my presence.	 ATAY K. ARORA S/O LT. SH. V.P. ARORA. COMPANY SECRETARY SCC 64-05, 1st FLOOR SECTOR 17-A, CHANDIGARH
Total		50,000 Fifty thousand			

Place : Chandigarh  
Dated : 15/04/2010  
The subscribers to the Articles of Association have been nominated by the Government of Punjab to hold the shares on its behalf vide letter No. 1/9/08 EB(PR) 1185-86 dated 15-04-2010.