

**MEMORANDUM OF ASSOCIATION
OF
POWER FINANCE CORPORATION LIMITED**

- Name of the company** I The name of the company is Power Finance Corporation Limited.
- Registered Office** II The registered office of the Company will be situated in the Union Territory of Delhi.
- Objects** III The objects for which the Company is established are:

A. OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED

1. To finance projects, activities or works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. related to generation, transmission, distribution or supply of power of any form including power from sources of renewable energy.
2. To finance projects, activities or works including electrification works of creation, up-gradation, renovation, improvement, maintenance, repair, modernization, modification, replacement, augmentation, etc. of electrical and electromechanical systems, standalone or that are part of large projects e.g. Projects of Lift Irrigation, Sewage treatment plant, Smart City, Electrification of railway line, etc.
3. To finance projects, activities, schemes for energy conservation, energy efficiency and environmental aspects of power including cogeneration/tri-generation/combined heat and power, waste heat recovery system(s), e-vehicle(s) and setting up of Charging Stations.
4. To finance projects for establishment, expansion, modernization, operations, maintenance of units for manufacturing of capital equipment(s) required in power sector including renewable energy & allied sectors.
5. To finance projects, works and activities having a forward or backward linkage with power projects included in clause A1, including but not limited to development of coal and other mining activity(ies) for use as fuel or other fuel supply arrangements for power sector, laying of railway line(s), road(s), bridge(s), port(s), jetty(ies) and harbor(s), gas pipeline(s), gas terminal(s) & to meet such other enabling infrastructure facility(ies) that may be required for a power project included in clause A1.

6. To finance studies, surveys, investigations, research on any project, activity, or work covered in clauses A1 to A4 and to carry out any activity including consultancy, training, etc. to promote the business interest of the company in any of the clauses A1 to A5.

B. MATTERS CONSIDERED NECESSARY IN FURTHERANCE OF OBJECTS:

1. To administer the moneys received from time to time as grants or otherwise for the purpose of the Company.
2. To borrow or raise money or to receive money on deposit or loan at interest or otherwise in such manner as the company may think fit and in particular by the issue of debentures. bonds or debentures stock, perpetual or otherwise and convertible into shares of this or any other company and to secure the repayment of such money borrowed raised or received or owing by mortgage, pledge, charge or lien upon or any other property. assets or revenue of the company (both present and future) including its uncalled capital and to give the lenders or creditors the power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company, of any obligation undertaken by the company or any other person, firm or company, as the case may be and to pay commission, fees, brokerage in respect thereof.
3. To borrow for purposes of the company foreign currency or to obtain foreign lines of credit including commercial loans from any bank or financial institution or Government/Authority in India or abroad.
4. To develop appropriate criteria of financing power projects including in particular criteria for securing a balanced growth of power in all the regions and to optimise power development and supply.
5. To assign the financial resources more closely with physical requirements of projects in accordance with the national priorities and to secure satisfactory power supply in terms of availability, reliability and quality.
6. To promote efforts aimed at securing an integrated and efficient power system in accordance with the national policies and priorities and removing critical bottlenecks in power generation, transmission and distribution.
7. To develop appropriate systems for appraisal of the projects to be financed with particular reference to the techno-economic

aspects, availability of managerial competence for proper implementation and financial viability in relation to approved criteria from time to time and to exercise such control and to stipulate such conditions as may be considered necessary for securing sound project construction, management and suitable technical and financial standards.

8. To develop appropriate concepts and criteria for economic and financial justification of projects and for monitoring implementation of the projects in relation to determined targets and for operation of power plants and systems aimed at attaining greater discipline and efficiency.
9. To secure close coordination with agencies involved in the power development programmes as necessary for expeditious, effective and timely completion of the projects financed.
10. To secure compliance with the requirements of the relevant laws, rules and regulations with respect to power projects and for such other matters related thereto including clearance and technical scrutiny by the Central Electricity Authority.
11. To ensure, as a pre-condition for approval of any loans, in respect of inter-State Power Projects or projects of regional importance, the existence of necessary agreement for sharing of power between the participating States.
12. To act upon such direction or directions on matters related to conduct of business or affairs of the company including in particular on matters concerning identification of projects, choice of schemes, regional priorities, technical, financial, economic, managerial standards and norms for the purpose of financing as may from time to time be given to the company by the President.
13. To construct, execute, carry out, improve work, develop, administer, manage or control works which expression in this Memorandum includes electric, light, power, telephonic, telegraphic and power supply works and all other works or conveniences, whatsoever.
14. To enter into any contract or arrangement for the more efficient conduct of the business of the company or any part thereof and to sublet any contracts from time to time.
15. To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, Development Fund, or any other special Fund whether for depreciation, or for repairing, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the company.

16. To establish provide, maintain and conduct experimental workshops for scientific and technical experiments, to undertake and carry on scientific and technical experiments and tests of all kinds, to promote studies, scientific and technical. investigations and inventions by providing, subsidising, engaging or assisting workshops, libraries, lectures, meetings and conferences and generally to encourage, promote and reward studies, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the company is authorised to carry on.
17. To provide for the welfare of the employees or ex-employees of the company and the wives, widows and families or the dependents of connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grant of money, pensions and allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds. or trusts and by providing or subscribing or contributing towards places or instruction and recreation, hospitals and dispensaries, medical, education and other assistance as the company may think fit and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.
18. To guarantee the payment of money unsecured or secured, to guarantee or to become sureties for the performance of any contract or obligations.
19. To enter into any arrangements or agreements with the Government of India, or any local or State Government in India or with any authorities local or otherwise including foreign institutions, associations and agencies or with other persons that may seem conducive to the company's objects or any of them and to obtain from them any rights, powers and privileges, licenses, grants, concessions and assistance which the company may think it desirable to obtain or to carry out, exercise and comply with any such arrangements, agreements, rights, privileges and concessions.
20. To invest and deal with the moneys of the company in any of the securities, shares, investments, properties, movable and immovable, and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.
21. To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such persons and on such terms as may seem expedient and in particular to persons having dealings with the company.

22. To make, draw, accept, endorse, execute and issue cheques, promissory notes, bills of lading, debentures and other negotiable or transferable instruments.
23. To pay for any properties, rights or privileges acquired by the company either in shares of the company or partly in shares and partly in cash.
24. To open accounts with any individual, firm or company or with any bank or bankers or shroffs and pay into and withdraw moneys from such accounts.
25. To acquire or take over with or without consideration and carry on the business of agents by themselves or in partnership with others or companies or partnerships or concerns whose objects may be similar, in part or in whole to those of the company.
26. To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this company and to acquire or hold shares therein.
27. To let out on hire all or any of the property of the company whether movable or immovable including all and every description of apparatus or appliances.
28. To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint ventures or reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in. or about to carry on or engage in any business or transactions which this company is authorised to carry on or engage in any business, undertaking or transactions which may seem capable of being carried on or conducted so as to directly or indirectly benefit this company.
29. To train and pay for the training in India or abroad any of the company's employees or any candidate or to recruit and employ experts in the interests of or furtherance of the company's objects.
30. To sell, let, exchange or otherwise deal with the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects, altogether or in part similar to those of this company.
31. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of property and rights of the company.

32. To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit this company or form any subsidiary company or companies.
33. To receive grants loans, advances or other moneys on deposit, or otherwise from State or Central Government, Banks, Companies, Trusts, institutions, associations, individuals with or without allowance of interest thereon.
34. 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 purposes which may seem expedient and to oppose any proceedings or applications or any other endeavors, steps or measures, which may seem calculated directly or indirectly to prejudice the company's interests.
35. To subscribe for, underwrite, purchase, or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidence of indebtedness or the right to participate in profits or other similar documents issued by any Government, authority, corporation or body or by any company or body of persons and any option or right in respect thereof.
36. To act as an agent of the Government or public sector financial institutions, to exercise all the rights and powers exercisable at any meeting of any company engaged in the planning, investigations, research, design and preparation of preliminary feasibility/and detailed project reports, construction, generation, operation and maintenance of power stations and projects, transmission, distribution and sale of power in respect of any shares held by the Government, public financial institutions, nationalized banks, nationalized insurance companies with a view to secure the most effective utilization of the financial investments and loans in such companies and the most efficient development of the concerned industries.
37. Generally to do all such other things as may be deemed incidental or conducive to the attainment of the objects or any of them.
38. To carry on the business of electric supply and to do all things incidental to such business, like purchase or otherwise, acquire from any Government, State or authority any licenses, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the company capable of being

turned to account and to work, develop, carry out, exercise and to account the same.

39. To acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, radio transmitting or receiving stations or sets, dynamos, accumulators, and all apparatus in connection with the generation, accumulation, distribution, supply and employment of electricity, including all cables, wires, or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centers.
40. To undertake, carry out, promote, and sponsor any programme for development of power supply for promoting the social and economic welfare of, or the uplift of the rural population including in particular the economically weaker sections and to incur any expenditure in respect thereof and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.
41. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the company to the public or any section of the public as also any activity to promote national welfare or social, economic or moral uplift of the public or any section of the public.

And it is hereby declared that :

- (a) the term 'India' when used in this clause unless repugnant to the context, shall include all territories from time to time comprised, in the Union of India,
- (b) the objects specified in the Sub-clauses of the Clause shall be regarded as independent objects, and shall be construed independently of the other Sub-Clauses of it and none of the objects mentioned in any Sub-clause shall be deemed to be merely subsidiary to the objects in any other Sub-clause (except where otherwise expressed in such Sub-clause)."

Liability of members	IV	The liability of the members is limited.
*Share Capital	V	The Share Capital of the company is Rs. 20,00,00,00,000 (Rupees Two thousand crores) divided into 2,00,00,00,000 (Two hundred crores) equity shares of Rs. 10/- (Rupees Ten) each.

Clauses V "Share Capital" amended as under vide Ordinary Resolution passed at 30th Annual General Meeting of Shareholders held on 19th August, 2016 :-

Share Capital

V The Share capital of the Company is Rs. 100,00,00,00,000 (Rupees Ten Thousand Crores) equity shares of Rs. 10/- (Rupees Ten each).

Clause V of the Memorandum of Association of PFC amended as under vide MCA Order No. 24/6/2018-CL-III dt. 07.02.2019:-

Share capital

V The share capital of the company is Rs. 112,000,000,000 (Rupees Eleven Thousand Two Hundred Crores) divided into 11,000,000,000 (One Thousand One Hundred Crores) equity shares of Rs. 10/- (Rupees Ten) each and 200,000,000 (Twenty Crores) Preference Shares Rs. 10/- (Rupees Ten) each.

*Amended by Special Resolution passed at 16th Annual General Meeting of Shareholders held on 26th September, 2002.

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

Name of subscriber, addresses, description and occupation, if any.	No. of equity shares taken by each subscriber	Signature of subscriber	Signature of witnesses and their addresses, description and occupation, if any.
1. President of India through Sh. M. M. Kohli S/o Late Sh. B. C. Kohli, Secretary, Ministry of Energy, Department of Power, New Delhi	One	Sd/- M. M. Kohli	Sd/- M. N. Prasad Deputy Secretary, Department of Power, New Delhi
2. Sh. Satish Khurana S/o Late Sh. Ganeshi Lal Khurana, Joint Secretary & Financial Adviser, Ministry of Energy, Department of Power, New Delhi	One	Sd/- Satish Khurana	
3. Sh. K. Padmanabhaiah, S/o Sh. K. Janakiramayya, Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One	Sd/- K. Padmanabhaiah	
4. Sh. J. C. Gupta, S/o Late Sh. Prakash Chandra Gupta, Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One	Sd/- J. C. Gupta	
5. Sh. A. K. Mago, S/o Late Sh. K. N. Mago, Joint Secretary, Ministry of Energy, Department of Power, New Delhi	One	Sd/- A. K. Mago	Sd/- Goutam Sanyal Under Secretary. Department of Power, New Delhi
6. Sh. M. K. Sambamurti S/o Late Sh. M. S. Krishnaswamy Iyer, Chairman, Central Electricity Authority, New Delhi	One	Sd/- M. K. Sambamurti	
7. Sh. S. A. Subramanian S/o Late Sh. A. Sundaresan, Member (Thermal), Central Electricity Authority, New Dehi	One	Sd/- S. A. Subramanian	

New Delhi, Date this 14th day of July, 1986.