



याचिका संख्या/Petition No. 291/RC /2024

कोरम/ Coram:

श्री जिशु बरुआ, अध्यक्ष / Shri Jishnu Barua, Chairperson

श्री रमेश बाबू व., सदस्य / Shri Ramesh Babu V., Member

श्री हरीश दुदानी, सदस्य / Shri Harish Dudani, Member

आदेश दिनांक/ Date of Order: 10th of March, 2025

In the matter of

Petition under Section 66 of the Electricity Act read with Regulation 17(3) of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 seeking approval of the Hon'ble CERC for proposed candidates for appointment as Independent Director on the Board of Hindustan Power Exchange Ltd.

And in the matter of

Hindustan Power Exchange Ltd
(Formerly Pranurja Solution Ltd)
25th Floor, P J Towers Dalal Street,
Mumbai - 400 001

... **Petitioner**

ORDER

The Petitioner, Hindustan Power Exchange Limited (hereinafter referred to as "HPX"), has filed the present petition seeking approval of the Commission to appoint Independent Directors on the Board of HPX. The Board of the HPX has recommended two names, i.e., Mr. Kandikuppa Sreekant and Mr. Kuljit Singh Popli, for consideration by the Commission for appointment on the Board of the HPX as Independent Director. HPX has also filed the brief profile, declaration under Section 149(7) read with Section 149(6) of the Companies Act, 2013, details in "Form MBP-1" of the Companies Act, 2013 and affidavits of Mr. Kandikuppa



Sreekant and Mr. Kuljit Singh Popli in terms of Regulations 17(4) of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 (hereinafter referred to as the “Power Market Regulations”). The petitioner has filed a present petition with the following prayers:

- a. *allow the present petition;*
- b. *approve the proposed candidate (s) for appointment as Independent Director on the Board of the Petitioner;*
- c. *pass such other and further order(s) as this Hon’ble Commission may deem fit and proper under the facts and circumstances of the present case and in the interest of justice.”*

2. Regulation 17(3) of the Power Market Regulations deals with the Independent Directors to be appointed by the Power Exchange. Regulation 17 of the Power Market Regulations provides as under:

“17. Governance structure of Power Exchange

(1) The Board of Directors of the Power Exchange shall have the following categories of Directors:-

- (a) Shareholder Director;*
- (b) Independent Director; and*
- (c) Managing Director*

(2) The number of Independent Directors shall not be less than the number of Shareholder Directors on the Board of the Power Exchange:

Provided that for this purpose, the Managing Director shall be included in the category of Shareholder Directors.

(3) A minimum of two names shall be submitted by the Board of the Power Exchange to the Commission for approval for each vacancy of Independent Directors.

(4) The Power Exchange shall ensure that Independent Directors are selected from diverse fields of work and while deciding to propose name of a particular person as an Independent Director, the Power Exchange shall also take into account the following factors:

- (a) Persons having qualification in the area of law, finance, accounting, economics, management, administration or any other area relevant to the power markets, may be considered;*
- (b) At least one person having experience and background in finance or accounts, shall be inducted;*
- (c) Persons currently holding positions of trust and responsibility in reputed organisations or persons who have retired from such positions, may be considered;*
- (d) Persons who are likely to have interested positions in commercial contracts and financial affairs of the Power Exchange, shall be excluded;*
- (e) Persons who are Directors in the board of the promoter entity of the PowerExchange, shall be excluded;*
- (f) Persons who are in any fiduciary relationship with any member of Power Exchange, shall be excluded.*

...

(11) No member of Power Exchange or their client shall be on the Board of Directors of any Power Exchange.



(12) The Power Exchanges which have been granted registration by the Commission prior to the date of coming into force of these regulations, shall within a period not exceeding one year from the date of coming into force of these regulations, align the governance structure as specified in this Regulation.”

3. The Power Market Regulations provide a definition of Independent Director in Regulation 2(1)(y) as under:

““Independent Director” means a Director as defined in sub-section 47 of Section 2 of the Companies Act, 2013.”

4. The Companies Act, 2013 under section 2(47) defines the term “Independent Director” as under:

“Independent Director” means an Independent Director referred to in sub-section (6) of section 149.”

5. Further, sub-section (6) of Section 149 of the Companies Act 2013 provides for the appointment of an Independent Director as under:

“(6) An Independent Director in relation to a company, means a Director other than a managing Director or a whole-time Director or a nominee Director-

(a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b)(i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or Directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

(d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) Who, neither himself nor any of his relatives—

(i) Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
- (iii) Holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) Is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (f) Who possesses such other qualifications as may be prescribed.”

6. We have considered the submissions of the Petitioner. At the time of filing of the present petition, the Petitioner had three Shareholder Directors, namely Mr. Deepak Goyal, Dr. Manoj Jhawar, and Mr. Vishnu Kant. At the time of filing of the petition, no Managing Director has been appointed by HPX. As on the date of filing of the petition, the Petitioner Company has the following Directors and key personnel: -

| S. No. | Name of Director | DIN No. | Category |
|--------|----------------------|------------|---|
| 1 | Mr. Niraj Nabh Kumar | 03401815 | Independent Director |
| 2 | Mr. Shyam Dhar Dubey | 07606447 | Independent Director |
| 3 | Mr. Deepak Goel | 10330715 | Non-Executive Director (Shareholder Director) |
| 4 | Dr. Manoj Jhawar | 07306454 | Non-Executive Director (Shareholder Director) |
| 5 | Mr. Vishnu Kant | 00204337 | Non-Executive Director (Shareholder Director) |
| 6 | Mr. Ashok Kumar Ojha | AAHPO4395D | Chief Financial Officer |
| 7 | Mr. Rishi Vashisth | AQTPV9017D | Manager and Company Secretary |

7. Therefore, it is observed that the structure of the Board of the Company is not in accordance with Regulations 17(1) and 17 (2) of the Power Market Regulations, as the number of Independent Directors is less than the number of Shareholder Directors (including Managing Director) on the Board of the HPX.

8. The Petitioner filed Petition No. 228/MP/2022 and sought the extension for meeting the compliances of the Independent and Managing Director. The commission, vide its order



dated 06.12.2023, granted an extension to the Petitioner till 31.03.2024 for meeting the compliances of the Independent and Managing Director. The Operative Para 30 of the order dated 06.12.2023 is reproduced herein below:

“30. In view of the submissions as stated above, we are inclined to invoke our power to relax. In the exercise of the powers under Regulation 56 of PMR 2021, the Commission hereby grants the Petitioner time up to 31.03.2024 to align its requirement of the appointment of a Managing Director and alignment of the number of independent directors as per the requirement under Regulation 17 of PMR 2021.”

9. The Petitioner also filed another petition no. 148/MP/2024 seeking additional time for the appointment of the Independent Director and the Managing Director, which is pending before the commission. At present, the Board structure of the Petitioner, should have three (3) Independent Directors on the Board as per PMR 2021, considering the fact that there are 3 Shareholder Directors on the Board. Resultantly, there is a requirement for one more Independent Director on the Board of HPX.

10. As per Regulation 17 (3) of the PMR 2021, the Board of Power Exchange is required to submit at least two names to the Commission for approval for each vacancy of Independent Directors. Accordingly, the board of the Petitioner Company has approved Two names vide board meeting dated 18.07.2024 wherein the names of Mr. Kandikuppa Sreekant (DIN: 06615674) and Mr. Kuljit Singh Popli (DIN: 01976135) were approved for the position of Independent Director. Therefore, in compliance with the requirement as provided in Regulation 17(1), (2), and (3) of the PMR, 2021, the Petitioner has preferred the present petition seeking approval for the appointment of an Independent Director on its board from the abovesaid 2 names. Their profiles are as follows:

*i. **Mr. Kandikuppa Sreekant:***

Mr. Kandikuppa Sreekant (DIN: 06615674) has superannuated as the Chairman and Managing Director of Power Grid Corporation of India Ltd. in the year 2024. Mr. Sreekant was earlier working as the Director, Finance with PGCIL. On May 1, 2019, he was selected as CMD by PESB. He was also assigned the additional charge of its Director (Personnel) with effect from June 1, 2023. Mr K. Sreekant is a CMA and



PGDM (Finance) from the Management Development Institute, Gurgaon. He has also held the charge of Director (Finance) of NTPC briefly for a period of 6 months. Mr. Sreekant has an experience of more than three decades in the power sector involving all facets of Finance & Accounting functions and, in particular, Long Term Financial Planning, Investment Appraisals, formulation of Capital Budgets, Resource Mobilization from domestic and international markets, and Corporate Accounts.

*ii. **Mr. Kuljit Singh Popli:***

Mr. Kuljit Singh Popli (DIN: 01976135) has a distinguished career spanning 37 years in the power and renewable energy sectors. Mr. Popli's tenure at IREDA Ltd. spanned over a decade, where he held prominent roles such as Chairman & Managing Director from March 2014 to February 2019 and Director - Technical from November 2007 to February 2014. Prior to this, he was the Additional General Manager at Power Finance Corporation Ltd. from November 1993 to November 2007. His early career included a substantial period at the National Hydro-electric Power Corporation, where he worked as a Deputy Manager from November 1982 to November 1993. Mr. Kuljit Singh Popli holds a Bachelor of Law (LLB) degree from Delhi University, which he completed between 2002 and 2005. In 1996, he attended Harvard Business School, where he completed a course on Investment Appraisal and Risk Analysis for the Power Sector. He also holds a Post Graduate Diploma in Project Management from Punjabi University, obtained in the years 1985 to 1986. His foundational education includes a Bachelor of Technology (BTech) degree in Electrical Engineering from BIT Institute of Technology in Mesra, Ranchi, which he completed from 1977 to 1981.

11. The Petitioner has also placed on record the affidavits submitted by Mr. Kandikuppa Sreekant (DIN: 06615674) and Mr. Kuljit Singh Popli (DIN: 01976135). Both Mr. Sreekant and Mr. Popli have stated that they do not have any conflict of interest in commercial contracts and financial affairs of the HPX; they do not hold Director positions on the Board of the promoter entity of the HPX; they don't have any fiduciary relationship with any member of the HPX; and also they have not suffered from any of the disqualifications prescribed under the Power Market Regulations for consideration for appointment or continuation as Independent Director of the Power Exchange.



12. The proposal of HPX for the appointment of Independent Directors on its Board has been considered in the light of the Power Market Regulations. The Commission finds that currently there is one vacancy of Independent Director in HPX as discussed in paragraphs 7-9 of this Order. The intent of the Petitioner seems to seek approval of the Commission against the vacancy for appointment of an Independent Director. We have perused the documents on record, profiles of Mr. Kandikuppa Sreekant (DIN: 06615674) and Mr. Kuljit Singh Popli (DIN: 01976135), and after being confirmed by HPX that they do not have any fiduciary relationship with any of the existing of shareholders of HPX or any interest in any member of HPX, we are of the view that both persons fulfill the requirement for appointment as Independent Director in HPX. Accordingly, we accord our approval to the proposal of HPX for the appointment of Independent Directors in terms of Regulation 17(3) of the Power Market Regulations. The Board of HPX may appoint either of the above-mentioned persons against the vacancy of Independent Director on its Board and intimate the same to the Commission.

13. Petition No. 291/RC/2024 is disposed of in terms of the above.

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| Sd/- | Sd/- | Sd/- |
| (श्री हरीश दुदानी) | (श्री रमेश बाबू व.) | (श्री जिश्नु बरुआ) |
| सदस्य | सदस्य | अध्यक्ष |

