

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 444/RC/2024**

**Coram:**

**Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member**

**Date of Order: 29<sup>th</sup> November, 2024**

**In the matter of**

Application for approval of the Independent Director for appointment on the Board of Indian Energy Exchange Ltd.

**And in the matter of**

Indian Energy Exchange Limited  
Plot No. C-001/A/1, 9th Floor,  
Max Towers, Sector 16 B,  
Noida, Gautam Buddha Nagar,  
Uttar Pradesh – 201301

**...Petitioner**

**ORDER**

The Petitioner, Indian Energy Exchange Limited (hereinafter referred to as "IEX"), has filed the present petition for seeking approval of the Commission for the appointment of Independent Directors on the Board of the IEX. The Board of the IEX has recommended two names, i.e., Mr. Pradeep Kumar Pujari and Mr. Dinesh Kumar Sarraf for the consideration of the Commission for appointment on the Board of the IEX as Independent Director. IEX 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. Pradeep Kumar Pujari and Mr. Dinesh Kumar Sarraf in terms of Regulations 17(4) of the Central Electricity



Regulatory Commission (Power Market) Regulations, 2021 (hereinafter referred to as the “Power Market Regulations”).

Regulation 17 (3) of the Power Market Regulations, which deals with the Independent Directors to be appointed in the Power Exchange, 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 Power Exchange, shall be excluded;*
- (f) Persons who are in any fiduciary relationship with any member of Power Exchange, shall be excluded.”*

2. The Power Market Regulations provide a definition of an Independent Director as under:

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

3. The Companies Act, 2013 under section 2(47) provides a definition of Independent Director as *“independent director” means an independent director referred to in sub-section (6) of section 149”*.

4. Subsection (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 per cent. 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.”*

5. We have considered the submission of the Petitioner. At the time of filing of the present Petition, the Petitioner had eight Directors, out of which four are Independent

Directors, namely Prof. Kayyalathu Thomas Chacko, Ms. Sudha Pillai, Mr. Tejpreet Singh Chopra, and Mr. Rajeev Gupta. The Petitioner is anticipating a vacancy of Independent Director as Prof. Kayyalathu Thomas Chacko is retiring on 29.03.2025, after completing two terms of five years each and as per Sections 149(10) and 149(11) of the Companies Act 2013, an independent director may serve for a maximum of two consecutive terms of five years each. It is observed that presently the structure of the Board of the Company complies with Regulations 17(1) and also 17 (2) of the Power Market Regulations as the number of Independent Directors is not less than the number of Shareholder Directors (including Managing Director) on the Board of the IEX, therefore, post 29.03.2025, there will be a vacancy of Independent director. We also observe that the Board of IEX also consists of one women director in terms of section 149(1) of the Companies Act 2013.

6. Regulation 17(3) requires the Power Exchange to propose at least two names against each vacancy of Independent Director for consideration by the Commission.

7. The Board of the Petitioner, in its meeting held on 24.10.2024, has recommended two names, i.e., Mr. Pradeep Kumar Pujari and Mr. Dinesh Kumar Sarraf for the consideration of the Commission for appointment on the Board of the Petitioner as Independent Director. Their profiles are as follows:-

(a) Mr. P. K. Pujari was the Chairman of the Central Electricity Regulatory Commission (CERC) during 2017-22. Several reformative Regulations such as Power Market Regulations, General Network Access Regulations, Transmission Charges Sharing Regulations, Grid Code, Ancillary Services Regulations, Deviation Settlement Regulations, and Renewable Energy Certificate Regulations, were notified during his tenure. He joined the Indian

Administrative Service (IAS) in 1981 and worked both in the State Government and Government of India for over 36 years, handling assignments in various Departments and Ministries such as Power, Finance, Industries and Commercial Taxes. He also held the position of Secretary to the Government of India in the Ministry of Power, where he initiated and concluded a number of far-reaching policy changes such as “UDAY” for sustainable operational and financial turnaround of discoms, new coal linkage policy for power plants, new hydro-power policy, the policy of integration of renewable energy into the grid and guidelines for cross border trade of power with neighboring countries. Post his retirement in 2022, he was appointed as an Additional Director by Adani Ports and Special Economic Zone Limited and also by GRIDCO Limited. He was also appointed as Director of Odisha Power Transmission Corporation Limited and New Age Markets in Electricity Private Limited. He is a postgraduate in Economics from Delhi School of Economics, Delhi University.

(b) Mr. Dinesh Kumar Sarraf provides consultancy in the areas of Oil & Gas, Finance, and Energy; works as an Arbitrator and Conciliator in related areas and is engaged with NGOs and research organizations. He has held positions like Chairperson of the Petroleum and Natural Gas Regulatory Board, Chairman & Managing Director of Oil and Natural Gas Corporation Limited & Chairman of ONGC group companies, Managing Director & CEO of ONGC Videsh Limited, Director (Finance) and CFO of Oil and Natural Gas Corporation Limited. He was also associated with the UN Global Compact Network - India as President, Federation of Indian Petroleum Industry (FIPI) as Chairman, Petrotech as Chairman, the Council of Scientific and Industrial Research (CSIR) as Member - Governing Body, and the Indian Institute of Petroleum of



CSIR as Chairman - Research Council. He is a Trustee in Bharat Lok Shiksha Parishad (of Ekal Foundation). Mr. Dinesh Kumar Sarraf is appointed Additional Director in Moneywise Financial Services Private Limited and Independent Director in SMS Global Securities Limited. He is a member of the Institute of Cost Accountants of India and also a Member of the Institute of Company Secretaries of India (ICSI). He has passed the Valuer (Securities & Financial Assets) examination of IBBL. He has a Bachelor of Commerce from Shri Ram College of Commerce, University of Delhi, and a Master of Commerce from the same University.

8. The Petitioner has also placed on record the affidavits submitted by Mr. Pradeep Kumar Pujari dated 28.10.2024 and Mr. Dinesh Kumar Sarraf dated 18.04.2024. Both Mr. Pradeep Kumar Pujari and Mr. Dinesh Kumar Sarraf have stated that they do not have any interested positions in commercial contracts and financial affairs of the IEX, they do not hold director positions in the board of the promoter entity of the IEX, they don't have any fiduciary relationship with any member of the IEX, and also they have not suffered from any of the disqualifications prescribed under the Electricity Act, 2003 and CERC (Power Market) Regulations, 2021 for being eligible for appointment or continuation as Independent Director of the Power Exchange.

9. The proposal of Mr. Pradeep Kumar Pujari and Mr. Dinesh Kumar Sarraf for appointment as Independent Directors has been considered in light of the Power Market Regulations. After going through the profiles of Mr. Pradeep Kumar Pujari and Mr. Dinesh Kumar Sarraf and after being satisfied that they do not have any fiduciary relationship with any of the existing shareholders of IEX or any interest in any member of IEX, we are of the view that both persons fulfil the requirement for appointment as

Independent Directors in IEX. Accordingly, we accord our approval to both names as eligible for appointment as Independent Directors in terms of Regulation 17(3) of the Power Market Regulations.

10. Petition No. 444/RC/2024 is disposed of in terms of the above.

**Sd/-  
(Harish Dudani)  
Member**

**Sd/-  
(Ramesh Babu)  
Member**

**Sd/-  
(Jishnu Barua)  
Chairperson**

