

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 500/MP/2024

- Subject : Petition under section 17 (1) and 17(3) of electricity act, 2003 for amalgamation/merger of POWERGRID Bhadla III Transmission Limited, POWERGRID Ramgarh II Transmission Limited, POWERGRID Beawar Dausa Transmission Limited, POWERGRID Bikaner Neemrana Transmission Limited, POWERGRID Sikar Khetri Transmission Limited and POWERGRID Vataman Transmission Limited and assignment/ transfer of transmission licences pursuant to amalgamation/merger.
- Petitioners : POWERGRID Bhadla III Transmission Limited & 5 Ors.
- Respondents : Central Transmission Utility of India Limited (CTUIL) & 2 Ors.
- Date of Hearing : **30.12.2024**
- Coram : Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
- Parties Present : Ms. Pooja Mahajan, Advocate, POWERGRID
Shri Savar Mahajan, Advocate, POWERGRID
Shri Nishan Sogani, Advocate, POWERGRID
Shri Srivatsava Beerapalli, Advocate, POWERGRID

Record of Proceedings

Learned counsel for the Petitioners submitted that the present Petition had been filed *inter alia* seeking appropriate directions with respect to amalgamation/ merger of the companies of Petitioner No. 1 to Petitioner No. 5 ('Transferor Companies') with Petitioner No. 6 ('Transferee Company') and their respective shareholders and creditors pursuant to the Scheme of Arrangement under Section 230-232 of the Companies Act, 2013 read with rules and regulations made thereunder ('the Scheme') and assignment/ transfer of transmission licences pursuant thereto. Learned counsel further submitted that the Transferor Companies and the Transferee Company are wholly owned subsidiaries of POWERGRID Corporation of India Limited, and the proposed amalgamation/ merger vide the Scheme envisages consolidating the business for the creation of a single larger unified entity and reduce the number of entities within the group to achieve optimal and efficient utilisation of capital, enhance operational and management efficiencies, have simplified organisational structure and at the same time maintaining the TBCB business model distinct from the POWERGRID'S Regulated Tariff Mechanism (RTM) business. Learned counsel further submitted that since the Transferor Companies and the Transferee Company involved in the said scheme are Government Companies, the Scheme has been filed before the Ministry of Corporate Affairs (MCA) in terms of the Notification G.S.R. 582 (E) dated 13.6.2017 read with G.S.R. 463 (E) dated 5.6.2015 of the Ministry of Corporate Affairs for sanction and approval under relevant provisions of the Companies Act, 2013. However, the said application is currently pending before the MCA and the Petitioners

have also furnished certain additional information pursuant to the queries raised by the MCA.

2. In response to a specific query of the Commission as to why the Petitioners and PGCIL have opted for two separate schemes for the merger/amalgamation, one as covered in present Petition and the other in Petition No. 439/MP/2024, learned counsel and the representative of the Petitioners submitted that two separate schemes have been considered keeping in view the equity investment ceilings for the CPSEs in the JVs and Subsidiaries as prescribed by the Department of Public Enterprises, Government of India. In addition, certain other aspects, such as the Projects being primarily located in the States of Gujarat and Rajasthan, all Projects being at the initial stages of construction, Transferee Companies having high land requirements, etc., have also been taken into consideration.

3. Considering the submissions made by the learned counsel for the Petitioners, the Commission directed as under:

- (i) Admit and issue notice to Respondents subject to just exceptions.
- (ii) The Respondents to file their respective reply, if any, within three weeks with a copy to the Petitioners, who may file their rejoinder within two weeks thereafter.
- (iii) The Petitioners to furnish the following information/clarification, on affidavit, within three weeks:
 - (a) Status of compliance with the requirement of notice under Section 17(2) of the Act;
 - (b) Whether the proposed Scheme contravenes any of the provisions of TSAs including the requirement of Equity Lock-in Commitment therein?
 - (c) A copy of the Scheme of Arrangement approved by the MCA in terms of the provisions of the Companies Act 2013.

4. The Petition will be listed for hearing along with Petition No.439/MP/2024 on **13.2.2025**.

By order of the Commission
Sd/-
(T.D. Pant)
Joint Chief (Law)