

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 439/MP/2024

Coram:

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

Date of order: 30th May, 2025

In the matter of:

Petition under Section 17 (1) and 17(3) of Electricity Act, 2003 ('the Act') for amalgamation/merger of Powergrid Khavda II-B Transmission Limited, Powergrid Khavda RE Transmission System Limited, Powergrid KPS2 Transmission System Limited, Powergrid KPS3 Transmission Limited, Powergrid ERWR Power Transmission Limited, Powergrid Raipur Pool Dhamtari Transmission Limited, Powergrid Dharamjaigarh Transmission Limited, Powergrid Bhadla Sikar Transmission Limited, Powergrid Ananthpuram Kurnool Transmission Limited, Powergrid Neemrana Bareilly Transmission Limited, Powergrid Koppal Gadag Transmission Limited, Powergrid Bidar Transmission Limited and Powergrid Khavda II-C Transmission Limited and assignment/ transfer of Transmission Licences pursuant to amalgamation/merger.

And

In the matter of

- 1. POWERGRID KHAVDA II-B Transmission Limited,**
at B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.
- 2. POWERGRID KHAVDA RE Transmission System Limited,**
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.
- 3. POWERGRID KPS2 Transmission System Limited,**
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.
- 4. POWERGRID KPS3 Transmission Limited,**
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.

5. POWERGRID ERWR Power Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi–110016.

6. POWERGRID Raipur Pool Dhamtari Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi–110016

7. POWERGRID Dharamjaigarh Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi–110016.

8. POWERGRID Bhadla Sikar Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi–110016.

9. POWERGRID Ananthpuram Kurnool Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016.

10. POWERGRID Neemrana Bareilly Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016.

11. POWERGRID Koppal Gadag Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016.

12. POWERGRID Bidar Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016.

13. POWERGRID KHAVDA II-C Transmission Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110016.

...Petitioners

VERSUS

1. Central Transmission Utility of India Limited,
Floors No. 5-10, Tower 1,
Plot No. 16, IRCON International Tower,
Institutional Area, Sector 32,
Gurugram, Haryana–122001.

2. Power Grid Corporation of India Limited

B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi.

3. Central Electricity Authority,

Sewa Bhawan, Rama Krishna Puram,
Sector-1, New Delhi-110066.

4. ACME Solar Holdings Private Limited,

Plot 152, Sector-44,
Gurgaon-122002, Haryana.

...Respondents

Parties present:

Ms. Pooja Mahajan, Advocate, POWERGRID
Shri Savar Mahajan, Advocate, POWERGRID
Shri Nishant Sogani, Advocate, POWERGRID
Shri Srivatsava Beerapalli, Advocate, POWERGRID
Shri V C Sekhar, POWERGRID
Shri Prashant Kumar, POWERGRID
Shri Swapnil Verma, CTUIL
Shri Siddharth Sharma, CTUIL

ORDER

The present petition has been filed by Petitioner No. 1 to Petitioner No. 13 (hereinafter referred to as “the Petitioners”) invoking the regulatory jurisdiction of the Central Electricity Regulatory Commission under Section 17(1) and 17(3) of the Electricity Act, 2003 (“the Act”) and other applicable laws seeking appropriate directions with respect to amalgamation/ merger of the companies of Petitioner No. 1 to Petitioner No. 12 (hereinafter collectively referred to as “Transferor Companies”) with Petitioner No.13 (hereinafter referred to as “Transferee Company”) and their respective shareholders and creditors pursuant to a Scheme of Arrangement under Sections 230 – 232 of the Companies Act, 2013 read with the rules and regulations made thereunder (hereinafter referred to as “the Scheme”) and assignment/ transfer of transmission licences pursuant

thereto. The Petitioners have made the following prayers:

- i. Allow the present Application;*
- ii. Approve the amalgamation/ merger of Petitioner No. 1 to Petitioner No. 12 with Petitioner No. 13 pursuant to the Scheme of Arrangement under Section 230-232 of the Companies Act along with the assignment/ transfer of transmission licenses granted to Transferor Companies in favour of Petitioner No. 13 in terms of the Scheme;*
- iii. Condone any inadvertent omissions / errors / shortcomings and permit to add, change, modify alter this filing and make further submissions as may be required at a future date; and*
- iv. Pass such other order(s) as are deemed necessary in the facts and circumstances of the case.*

2. The Petitioners have mainly submitted as under:

(a) The Petitioners, wholly owned subsidiaries of POWERGRID Corporation of India Limited (POWERGRID) have set up as project based Special Purpose Vehicle by the Bid Process Coordinator (BPC) and acquired by POWERGRID pursuant to tariff-based competitive bidding (TBCB) mechanism, wherein POWERGRID emerged as a successful bidder to execute a power transmission project on a Build, Operate, Own and Transfer (BOOT)/ Build, Operate, Own and Maintain (BOOM) basis. The Petitioners are engaged in a similar nature of business, i.e., operation and management of the power transmission systems spread over various parts of the country. POWERGRID is the major creditor for these companies in which credit facility is extended through Inter Corporate Loans.

(b) In addition, the Petitioners cater to distinct geographical locations across India, the proposed amalgamation/ merger *vide* the Scheme, envisages to consolidate the business for 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 POWERGRID's Regulated Tariff Mechanism (RTM) business. Further, the amalgamation, pursuant to the Scheme, would *inter alia* have following advantages:

- (a) Consolidation of business would achieve simplification of administrative tasks, improve management efficiencies, streamline the decision-making process, and at the same time maintaining POWERGRID's TBCB business distinct from its Regulated Tariff Mechanism (RTM) business;
- (b) reduction in the number of companies within the group, as well as achieving a reduction in the multiplicity of legal and regulatory compliance.
- (c) The Scheme of amalgamation/ merger and assignment/transfer/amendment of transmission licences of the Transferor Companies in favour of the Transferee Company that forms the subject matter of the present Petition was approved by the Board of Directors of all the Transferor Companies and the Transferee Company on following dates:

Company	Date of Board Meeting
POWERGRID ERWR Power Transmission Limited	12-08-2024
POWERGRID Khavda RE Transmission System Limited	14-08-2024
Powergrid Khavda II- B Transmission Limited	20-08-2024
POWERGRID Khavda II-C Transmission Limited	21-08-2024
POWERGRID KPS2 Transmission System Limited	20-08-2024
POWERGRID Raipur Pool Dhamtari Transmission Limited	12-08-2024
POWERGRID Dharamjaigarh Transmission Limited	12-08-2024

POWERGRID KPS3 Transmission Limited	12-08-2024
POWERGRID Bhadla Sikar Transmission Limited	12-08-2024
POWERGRID Ananthpuram Kurnool Transmission Limited	12-08-2024
POWERGRID Neemrana Bareilly Transmission Limited	12-08-2024
POWERGRID Koppal Gadag Transmission Limited	12-08-2024
POWERGRID Bidar Transmission Limited	12-08-2024

(d) The Scheme provides for the amalgamation/ merger of the Transferor Companies into the Transferee Company. The Scheme has been filed before the Ministry of Corporate Affairs (hereinafter referred to as “MCA”) on 23rd September 2024 in terms of the Notification G.S.R. 582 (E) dated 13th June, 2017 read with G.S.R. 463 (E) dated 5th June, 2015 of the Ministry of Corporate Affairs for sanction and approval under relevant provisions of the Companies Act, 2013.

(e) As per clause 1.1 (v) of the Scheme, the effectiveness of the Scheme is conditional upon the grant of approval by this Commission. The Petitioners have also placed on record a copy of the Petition filed before the MCA for sanction and approval of the amalgamation/merger of the Transferor Companies into the Transferee Company.

(f) The salient features of the Scheme are as follows:

A. The Appointed Date (hereinafter referred to as “Appointed Date”) under the Scheme is 1st April, 2024;

B. The Effective Date (hereinafter referred to as “Effective Date”) will mean the date of filing of the certified copy of the order passed by the MCA approving the Scheme with the Registrar of Companies (“RoC”) or the date on which all the Conditions Precedent are completed, whichever is later. Notably, the grant of

approval by this Commission under this Petition is a Condition Precedent for the effectiveness of the Scheme.

C. The Business Undertaking (hereinafter referred to as “Business Undertaking”/ “Undertaking”) under the Scheme shall mean the Transferor Companies and all undertakings and entire business of each Transferor Company, as a going concern, and shall include as of the Appointed Date (without limitation):

- i. all assets and property wherever situated, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal of whatever nature, including land (whether freehold or leasehold), transmission assets viz; transmission towers, plant and machinery, building, offices (including liaison offices), any interest in properties co-owned, premises, capital, work-in-progress, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, godowns, stocks and stores, warehouses, furniture, fixtures, office equipment, appliances accessories, water pipelines, all contingent rights and entitlements, trade mark, patents, copyrights, all other intellectual property share of any joint assets, subsidiaries, associates, investments, and other facilities and all cash and bank balance;
- ii. all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, memorandum of undertaking expression of interest, permissions, approvals, consents, clearances, authorizations, orders for adoption of annual transmission charges from various Governmental Authorities including municipal (whether granted or pending), subsidies, receivables, benefit of any deposits, financial assets including investments of all kinds, funds belonging to or utilised by the Transferor Companies, bank accounts, privileges and all other rights and benefits including tax, direct or indirect including advance tax paid or any tax deducted in respect of any income received, sales tax deferrals and exemptions and other benefits, lease, rights, membership, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any agreements, contracts and arrangements and all other interest in connection with or relating to the Transferor Companies;
- iii. all earnest money and/or security deposits paid by the Transferor Companies;

- iv. all employees of the Transferor Companies immediately preceding the Appointed Date;
- v. all records, files, papers, engineering and process information, websites, domain names, software licences, manuals data, catalogues, quotations, sales and advertisement materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Transferor Companies; and
- vi. all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature involving the Transferor Companies.

D. The Scheme provides that after the Effective Date, but with effect from the Appointed Date, subject to the provisions of this Scheme, the Business Undertakings shall stand transferred to and vest in Petitioner No. 13/ Transferee Company, as a going concern, together with all the respective estates, properties, assets, contracts, employees, records, approvals (including Governmental Approvals), rights, claims, title and authorities, benefits, liabilities and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Appointed Date, the estate, properties, assets, rights, claims, entitlements, title and authorities, benefits, liabilities and interest of the Transferee Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the MCA and the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act.

E. Upon the Scheme becoming effective, each of the Transferor Companies shall be dissolved without being wound up, without any further act or deed.

(g) The Scheme provides that in consideration of the transfer and vesting of the Undertakings of the Transferor Companies in the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, shall allot to the shareholders of the Transferor Company fully paid-up equity shares of Rs. 10 (Rupees Ten) each in proportion to the ratio of net asset value of the Transferor Company in the merged entity. Further, pursuant to the Scheme, the equity shares of the Transferor Companies shall stand cancelled and extinguished. The consideration to be paid to the shareholder of the Transferor Companies is determined as per the Share Exchange Ratio Report dated 12th July 2024, issued by CA Vijay Deep Singh (Registered Valuer), IBBI Registration No: IBBI/RV/06/2018/10139, and RVO Membership No: ICAIRVO/06/RV-P00027/2018-19, recommending the aforesaid share exchange ratio in respect of the Scheme.

(h) The auditors of each of the Petitioners have certified that the accounting treatment in the Scheme is in conformity with the accounting standard prescribed under Section 133 of the Companies Act. The Petitioners have also placed on record a copy of the Auditors' Certificate(s) with respect to the accounting treatment proposed in the Scheme as issued to each of the Transferor Companies and Transferee Company.

(i) The present Petition has also been filed to seek prior approval for the transfer/assignment of transmission licences of the Transferor Companies in favor of the Transferee Company, pursuant to the Scheme. In view of Section 17 of the Act, the approval of the Commission is sought for the assignment/transfer of the

transmission licences granted to the Transferor Companies in favour of Petitioner No. 13/Transferee Company as a consequence of the Scheme.

(j) Pursuant to the Scheme, all orders passed by the Governmental Authority in favour of the Transferor Companies with respect to adoption of annual transmission charges, under any applicable law including the Act and the rules and regulations made thereunder, shall, pursuant to the MCA Approval Order, continue to apply to the respective projects for which such orders have been passed, and shall accrue to the benefit of the Transferee Company with respect to such projects without any further act, instrument or deed. Further, separate accounts will be maintained for all the respective projects of the Petitioners after the Scheme becomes effective. In light of the aforesaid and given that the transfer of the Business Undertaking is on a going concern basis, no separate prayer or direction is being sought for the adoption of annual transmission charges for the respective projects of the Petitioners.

(k) The Petitioners have submitted that the arrangement as proposed in the Scheme is in the interest of the shareholders, creditors and all other stakeholders of the Transferor Companies and Transferee Company and is not prejudicial to the interests of any of the concerned shareholders, creditors, or the public at large.

Hearing dated 30.12.2024

3. The matter was admitted, and notices were issued to the Respondents to file their respective replies. During the course of the hearing, the learned counsel for the Petitioners mainly reiterated the submissions made in the Petition. The 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 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 MCA 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.

4. In response to a specific query of the Commission as to why the Petitioners and POWERGRID have opted for two separate schemes for the merger/amalgamation, one as covered in the present Petition and the other in Petition No. 500/MP/2024, the 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.

5. Vide Record of proceedings dated 30.12.2024, the Petitioners were directed to furnish the following information/clarification:

- 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 the

TSAs, including the requirement of Equity Lock-in Commitment therein; and

c. A copy of the Scheme of Arrangement approved by the MCA in terms of the provisions of the Companies Act 2013.

6. The Petitioners, in compliance with the RoP dated 30.12.2024, vide affidavit dated 24.1.2025, have submitted as under:

a. With respect to compliance with the requirement of notice under Section 17(2) of the Act, a notice under the said provision was issued on 21st January 2025.

b. The scheme does not contravene any of the provisions of the Transmission Services Agreements (“TSAs”), including the requirement of Equity Lock-in. Upon amalgamation, the entire shareholding of the Transferee Company (i.e., the merged company) will continue to be held by POWERGRID along with its nominees, and therefore, the Proposed Scheme is in compliance with the requirement of Equity Lock-in Commitment of POWERGRID. Further, the terms of the TSAs executed by all the Petitioner Companies (including Transferor Companies), including with respect to Equity Lock-In Commitment, will be applicable *mutatis mutandis* to the Transferee Company.

c. The TSAs for all the BOOT projects, i.e., all Petitioner Companies except Petitioner No. 8 (POWERGRID Bhadla Sikar Transmission Limited), have been executed with CTUIL, and on 12th November 2024, a no-objection certificate was issued by CTUIL in favour of such Petitioner Companies in terms of the provisions of the TSAs. The Petitioners have placed on record a copy of the NOC received from CTUIL.

d. As regards the BOOM project, i.e., Petitioner No. 8 (POWERGRID Bhadla Sikar Transmission Limited), the TSA has been executed with ACME Solar Holdings Private Limited (hereinafter referred to as “ACME”), which is Respondent No. 4 under this Petition. As per the TSA executed with ACME, the

TSP, i.e., Petitioner No. 8, can transfer its rights and obligations under the TSA with the prior approval of the Appropriate Commission.

e. The application for approval of the Scheme of Arrangement filed before the MCA is pending adjudication.

Hearing dated 25.2.2025

7. During the course of the hearing, the learned counsel for the Petitioners submitted that no reply has been filed by the Respondents despite notice. He further submitted that pursuant to the directions issued vide Record of Proceedings for the hearing dated 30.12.2024, the Petitioners have filed their compliance affidavit dated 24.1.2025. Learned counsel added that the CTUIL has also submitted its no-objection in relation to the amalgamation of the SPVs with the Transferee Company. The representative of CTUIL confirmed that CTUIL has issued its no-objection for the amalgamation/ merger of the Petitioner companies.

8. In response to a specific query of the Commission regarding the issuance of notice by the concerned licensee(s) under Section 17(2) of the Act, the learned counsel for the Petitioners submitted that a common notice under Section 17(2) of the Act has been served on behalf of POWERGRID, the Holding company and its 19 Wholly Owned Subsidiary (WOS) i.e., TBCB SPVs. The learned counsel further clarified that the said notice had been issued by a common Company Secretary, acting on behalf of the Holding company as well as its Wholly Owned Subsidiaries.

9. Considering the submissions made by the learned counsel for the parties, the Commission reserved the matter for order. Notices were issued to the Respondents to file

their replies; however, none of the other Respondents has filed any reply.

Analysis and decision

10. We have considered the submissions of the Petitioners. The present Petition has been filed invoking the sub-sections (1) and (3) of the Section 17 of the Act seeking the approval of the Commission to the amalgamation/merger of Petitioner Nos. 1 to 12 (Transferor Companies) with Petitioner No.13 (Transferee Company) pursuant to the Scheme of Arrangement under Section 230-232 of the Companies Act along with assignment/transfer of the transmission licences granted to the Transferor Companies in the favour of the Transferee Company in terms of the Scheme.

11. The rationale of the Scheme, as submitted by the Petitioners, is to consolidate the business for the creation of a single larger unified entity and reduce the number of entities within the group to achieve operational and management efficiencies, simplification of administrative tasks, and a simplified organizational structure. It has also been submitted that the amalgamation, pursuant to the Scheme, would *inter alia*, have the advantages of (i) consolidation of business would achieve simplification of administrative tasks, improve management efficiencies, streamline the decision making process, and at the same time maintaining the POWERGRID's TBCB business distinct from its RTM business; and (ii) reduction in the number of companies within the group as well as achieving reduction multiplicity of legal and regulatory compliances. The salient features of the Scheme as pointed out by the Petitioners have already been noted at paragraph 7 of this order.

12. The Petitioners have prayed for the approval of the Commission under sub-sections

(1) and (3) of the Section 17 of the Act. Section 17 of the Act reads as under:

“Section 17. (Licensee not to do certain things): --- (1) No licensee shall, without prior approval of the Appropriate Commission, -

(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee; or

(b) merge his utility with the utility of any other licensee:

Provided that nothing contained in this sub-section shall apply if the utility of the licensee is situate in a State other than the State in which the utility referred to in clause (a) or clause (b) is situate.

(2) Every licensee shall, before obtaining the approval under sub-section (1), give not less than one month's notice to every other licensee who transmits or distributes, electricity in the area of such licensee who applies for such approval.

(3) No licensee shall at any time assign his licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Appropriate Commission.

(4) Any agreement, relating to any transaction specified in sub-section (1) or sub-section (3), unless made with the prior approval of the Appropriate Commission, shall be void.”

13. Sub-section (1) of Section 17 provides that no licensee shall, without the prior approval of the Appropriate Commission, (i) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other licensee, or (ii) merge its utility with the utility of any other licensees. However, the proviso to the said sub-section further clarifies that the said sub-section shall not apply if the utility of the licensee is situated in a State other than the State in which the utility referred to in (i) or (ii) above is situated. Sub-section (2) of Section 17 requires every licensee, before obtaining the approval under sub-section (1), to give not less than one month's notice to every other licensee who transmits or distributes, electricity in the area of such licensee who applies for such approval. Further,

sub-section (3) of Section 17 provides that no licensee shall at any time assign its licence or transfer its utility, or any part thereof, by sale, lease, exchange, or otherwise without the prior approval of the Appropriate Commission. Whereas, sub-section (4) of Section 17 stipulates that any agreement, relating to any transaction specified in sub-section (1) or sub-section (3), unless made with the prior approval of the Appropriate Commission, shall be void.

14. The brief details of the Transferee Companies (Petitioner Nos. 1-12) and Transferor Company (Petitioner No.13) are as under:

Sr.	Transferors/ Transferee Company	Name of Company	Project Name	Location of Licensee's Utilities/Project	Order by which Licence was granted
1	Transferors	POWERGRID Khavda II-B Transmission Limited	"Transmission Scheme for Evacuation of 4.5 GW RE Injection at Khavda PS under Phase II – Part B" (BOOT Basis)	Gujarat	Order dated 22.8.2023 in Petition No. 141/TL/2023
2	Transferors	POWERGRID Khavda RE Transmission System Limited	Transmission Network Expansion in Gujarat associated with integration of RE Projects from Khavda Potential RE Zone (BOOT Basis)	Gujarat	Order dated 17.8.2023 in Petition No. 143/TL/2023
3	Transferors	POWERGRID KPS 2 Transmission System Limited	(i) Establishment of Khavda Pooling Station (KPS 2) in Khavda RE Park (BOOT Basis) (ii) Interconnection of RE Developers' Dedicated Transmission Line at Khavda Pooling Station -2 (KPS) 2 (RTM Mode)	Gujarat	(i) Order dated 4.8.2023 in Petition No. 126/TL/2023, and (ii) Order dated 17.10.2024 in Petition No. 168/TL/2024
4	Transferors	POWERGRID KPS3 Transmission Limited	(i) Khavda Pooling Station-3 (KPS3) in Khavda RE Park (BOOT Basis) (ii) Transmission System for evacuation of power from potential renewable energy zone in Khavda area of Gujarat under Phase IV (7 GW) : Part E3 (RTM Mode)	Gujarat	(i) Order dated 31.8.2023 in Petition No. 145/TL/2023, and (ii) Order dated 3.5.2024 in Petition No.58/TL/2024
5	Transferors	POWERGRID ERWR Power Transmission Limited	Inter-regional ER-WR Interconnection (BOOT Basis)	Odisha & Chhattisgarh	Order dated 31.7.2023 in Petition No. 130/TL/2023
6	Transferors	POWERGRID Raipur Pool Dhamtari Transmission Limited	Western Region Expansion Scheme XXVII (BOOT Basis)	Chhattisgarh	Order dated 23.8.2023 in Petition No.147/TL/2023
7	Transferors	POWERGRID Dharamjaigarh Transmission Limited	Western Region Expansion Scheme XXVIII & XXIX (BOOT Basis)	Chhattisgarh	Order dated 31.7.2023 in Petition No. 139/TL/2023
8	Transferors	POWERGRID Bhadla Sikar Transmission Limited	Transmission System Strengthening Scheme for Evacuation of Power from Solar Energy Zones in Rajasthan (8.1	Rajasthan	Order dated 30.8.2023 in Petition No.

Sr.	Transferors/ Transferee Company	Name of Company	Project Name	Location of Licensee's Utilities/Project	Order by which Licence was granted
			GW) under Phase II Part E (BOOM Basis)		149/TL/2023
9	Transferors	POWERGRID Ananthpuram Kurnool Transmission Limited	(i) Transmission Scheme for Solar Energy Zones in Ananthpuram (2500 MW) and Kurnool (1000 MW), Andhra Pradesh (BOOT Basis) (ii) 3 Nos. of 400 kV Line bays at Ananthpuram PS for integration of RE Projects (RTM Mode)	Andhra Pradesh	(i) Order dated 29.2.2024 in Petition No.340/TL/2023 (ii) Order dated 30.9.2024 in Petition No. 172/TL/2024
10	Transferors	POWERGRID Neemrana Bareilly Transmission Limited	Transmission System for Evacuation of Power from Rajasthan REZ Phase IV (Part 1) Bikaner Complex Part D (BOOT Basis)	Rajasthan & Uttar Pradesh	Order dated 22.4.2024 in Petition No. 55/TL/2024.
11	Transferors	POWERGRID Koppal Gadag Transmission Limited	Transmission Scheme for integration of Renewable Energy Zone (Phase II) in Koppal II (Phase A & B) and Gadag II (Phase A) (BOOT Basis)	Karnataka	Order dated 26.7.2024 in Petition No. 52/TL/2024
12	Transferors	POWERGRID Bider Transmission Limited	Transmission Scheme for Solar Energy Zones in Bidar (2500 MW), Karnataka (BOOT Basis)	Karnataka & Telangana	Order dated 15.10.2024 in Petition No. 116/TL/2024
13	Transferee	POWERGRID Khavda II-C Transmission Limited	Transmission Scheme for evacuation of 4.5 GW RE Injection at Khavda PS under Phase II Part C (BOOT Basis)	Gujarat	Order dated 31.7.2023 in Petition No. 128/TL/2023

15. Given the Scheme provides for the merger/amalgamation of the Transferor Companies into the Transferee Company and since the utilities of some of the Transferee Companies and Transferor Companies are situated in the same State (Gujarat), the Petitioners were asked to confirm the compliance with the requirement of notice as envisaged in sub-section (2) of the Section 17 of the Act. Pursuant thereto, the Petitioners have submitted that a notice dated 21.1.2025 was issued to every other licensee who transmits or distributes electricity in the area of these licensees under Sub-Section (2) of Section 17 of the Act. We have gone through the notice dated 21.1.2025, and it is observed that a common notice under sub-section (2) of Section 17 of the Act has been served on behalf of Power Grid Corporation of India Limited, the Holding company and its Wholly owned Subsidiary (WOS) TBCB SPVs, i.e., Petitioners in the present case. It is also observed that the said notice has been issued by a common Company Secretary, acting

on behalf of the Holding company as well as its Wholly owned Subsidiaries. After perusal of the said notice, we are of the view that the Petitioners have complied with the provision of sub-section (2) of Section 17 of the Act.

16. Further, a Transmission Service Agreement (TSA) for all the BOOT Projects i.e., all Petitioner Companies except Petitioner No. 8 (POWERGRID Bhadla Sikar Transmission Limited) have been executed with CTUIL and as per Article 15.3 of the TSA, the Petitioners are required to obtain a prior approval of CTUIL for assigning the transmission licence or transfer of the Project or Part thereof to any other person by sale, lease, exchange or otherwise. Article 15.3 of the TSA is reproduced below:

“15.3 Substitution Rights of the Lenders

15.3.1 The TSP would need to operate and maintain the Project under the provisions of this Agreement and cannot assign the Transmission License or transfer the Project or part thereof to any person by sale, lease, exchange or otherwise, without the prior approval of the Nodal Agency.”

17. Regarding the prior approval of the Nodal Agency, i.e. CTUIL, in all BOOT Projects, the Petitioners have placed on record a copy of the no-objection certificate issued by CTUIL in favour of such Petitioner Companies in terms of the provisions of the TSAs, except Petitioner No. 8 (POWERGRID Bhadla Sikar Transmission Limited), who is implementing the TBCB project under BOOM mode and not required to obtain from CTUIL a no objection certificate. Accordingly, CTUIL has also granted its approval for the assignment of the transmission license or the transfer of the Project or part thereof to any person by sale, lease, exchange, or otherwise.

18. As regards the BOOM project, i.e., Petitioner No. 8 (POWERGRID Bhadla Sikar

Transmission Limited), the TSA has been executed with ACME Solar Holdings Private Limited (ACME), which is Respondent No. 4 under this Petition. As per the TSA executed with ACME, the TSP, i.e., Petitioner No. 8, can transfer its rights and obligations under the TSA with the prior approval of the Appropriate Commission, i.e., this Commission.

19. Further, the Petitioners have also submitted that the Scheme does not contravene any of the provisions of the TSAs, including the requirement of Equity Lock-in. The Petitioners have submitted that upon amalgamation, the entire shareholding of the Transferee Company (i.e., the merged company) will continue to be held by POWERGRID along with its nominees, and therefore, the Proposed Scheme is in compliance with the requirement of Equity Lock-in Commitment of POWERGRID. Further, the terms of the TSAs executed by all the Petitioner Companies (including Transferor Companies), including with respect to Equity Lock-In Commitment, will be applicable *mutatis mutandis* to the Transferee Company.

20. Also, the Scheme that forms the subject matter of the present Petition has also been approved by the Board of Directors of all the Transferor Companies and the Transferee Company, and the Petitioners have placed on record a copy of the Resolutions passed at the respective Meetings of the Board of Directors.

21. The Petitioners have submitted that as per the Scheme, after the effective date, but with effect from the Appointed Date, the Business Undertakings shall stand transferred to and vest in Petitioner No. 13/ Transferee Company, as a going concern, together with all the respective estates, properties, assets, contracts, employees, records, approvals (including Governmental Approvals), rights, claims, title and authorities, benefits, liabilities

and interest therein, subject to existing charges thereon in favour of the banks and financial institutions or otherwise, as the case may be, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Appointed Date, the estate, properties, assets, rights, claims, entitlements, title and authorities, benefits, liabilities and interest of the Transferee Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the MCA and the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act. Upon the Scheme becoming effective, each of the Transferor Companies shall be dissolved without being wound up, without any further act or deed.

22. The Petitioners have further submitted that, under the Scheme, the undertakings of the Transferor Companies shall vest in the Transferee Company, which, in turn, shall allot fully paid-up equity shares of Rs. 10 each to the shareholders of the Transferor Companies in proportion to their net asset value in the merged entity. Upon the Scheme taking effect, the equity shares of the Transferor Companies shall stand cancelled and extinguished. The share exchange ratio has been determined as per the report dated 12th July 2024, issued by CA Vijay Deep Singh, a Registered Valuer. The Petitioners have also submitted that the Scheme's accounting treatment conforms to Section 133 of the Companies Act, as certified by the respective auditors. Additionally, all orders passed by the governmental authorities regarding the adoption of annual transmission charges under the Electricity Act shall continue to apply to the respective projects and shall benefit the Transferee Company without requiring further action. It has also been submitted that separate accounts will be maintained for each project post-merger. Since the transfer is on a going-concern basis, no

separate direction is sought for the adoption of annual transmission charges. The Petitioners have, accordingly, emphasized that the arrangement as proposed in the Scheme is in the interest of the shareholders, creditors, and all other stakeholders of the Transferor Companies and Transferee Company and is not prejudicial to the interest of any of the concerned shareholders, creditors, or public at large.

23. Regulation 12 of the Transmission Licence Regulations *inter alia* requires a licensee to maintain the separate accounts for each business, including the business undertaken in terms of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020, in such form and containing such particulars as may be specified by the Commission and till such time these are specified by the Commission, the accounts shall be maintained in accordance with the Companies Act, 2013, as amended from time to time. Further, Regulation 16(5) of the Transmission Licence Regulations also provides that when there is an addition/modification of the licence, the licensee shall be required to maintain separate accounts for such additional elements. Since the arrangement under the proposed Scheme not only includes the merger of various TBCB (BOOT & BOOM) Projects but also the RTM Projects, the Transferee Company shall maintain separate accounts for all the respective Projects after the Scheme becomes effective.

24. Further, since the assets and liabilities of Petitioner Nos. 1 to 12 would be valued and shown in the books of Petitioner No. 13 at the same value which are reflected in the present balance sheets of Petitioner Nos. 1 to 12, the question of any premium or its distribution would not and does not arise. Taking note of the submission of the Petitioners, we direct

that Petitioner No. 13 after the merger will reflect the assets and liabilities of Petitioner Nos. 1 to 12 at the same value as are reflected in the present balance sheet of Petitioner Nos. 1 to 12 and not at any discount/premium as it will disturb the debt-equity ratio of Petitioner Nos. 1 to 12 which are regulated entities-

25. In view of the above, we find that the Petitioners have complied with the requirement stipulated under the Act, TSA regarding amalgamation/ merger of Petitioner No. 1 to Petitioner No. 12 with Petitioner No. 13 pursuant to the Scheme of Arrangement under Sections 230-232 of the Companies Act. Accordingly, we approve the amalgamation/ merger of Petitioner No. 1 to Petitioner No. 12 with Petitioner No. 13 pursuant to the Scheme of Arrangement under Section 230-232 of the Companies Act under sub-sections (1) & (3) of Section 17 of the Act.

26. The Petitioners have sought assignment/ transfer of licences granted to Petitioner No. 1 to Petitioner No. 12 in favour of Petitioner No. 13 pursuant to and as an effect of the Scheme in terms of sub-section 17(3) of the Act. Given that we have already accorded our approval to the amalgamation/merger of the Petitioner Nos. 1 to 12 with the Petitioner No.13 in terms of the Scheme of Arrangement under Section 230-232 of the Companies Act, we also accord *in-principle* approval the consequent assignment of the transmission licences granted to Petitioner Nos. 1 to 12 in favour of Petitioner No. 13. Needless to add, consequent to the assignment of licences, all rights, assets, liabilities and obligations of these licensees in respect of the transmission business shall vest in Petitioner No. 13 i.e. POWERGRID Khavda II-C Transmission Limited. POWERGRID Khavda II-C Transmission Limited shall also remain bound by the terms and conditions of licences

granted to Petitioner Nos. 1 to 12.

27. However, as noted above, the Scheme of Arrangement under Section 230-232 of the Companies has been filed before the Ministry of Corporate Affairs (MCA) for its sanction and approval under the relevant provisions of the Companies Act, read with the Ministry of Corporate Affairs' Notification No. GSR 582(E) dated 13.6.2017 and Notification No. G.S.R 463(E) dated 5.6.2015 and the approval of the MCA thereof is currently pending. Accordingly, the approval of the amalgamation/merger as well as the consequent assignment of the transmission licence(s) of the Petitioner Nos.1 to 12 with Petitioner No.13, as accorded by us in the foregoing paragraphs, shall be subject to the MCA's sanction and approval of the Scheme. Further, upon the receipt of the MCA's sanction and approval of the Scheme, the Petitioners shall also place on record a copy of such sanction and approval in the file of the present case.

28. Further, pursuant to MCA's sanction and approval to the Scheme and the Petitioners having furnished such sanction and approval as directed in paragraph 27 above, the necessary endorsements to this effect shall be made to the transmission license(s) issued to the Petitioner Nos. 1 to 12 herein.

29. Petition No. 439/MP/2024 is disposed of in terms of the above findings.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson