

Dated the 9th March, 2021

ORDER

In exercise of powers conferred under sub-section (1) of Section 38 and other applicable provisions of the Electricity Act, 2003, the Central Government hereby makes the following Scheme for the division of Power Grid Corporation of India Limited, a Government of India Undertaking which has been notified as the Central Transmission Utility (CTU) under the said sub-section (1) of Section 38 into two entities namely, one for undertaking the functions assigned under the Electricity Act, 2003 of the 'Central Transmission Utility' and another for undertaking the activities and functions of a 'Transmission Licensee' and for the purpose of transfer and vesting of properties, interests, rights, assets, liabilities, obligations, proceedings and personnel on the terms and conditions provided herein:

1. Short Title, Extent and Commencement:

(1) This Scheme may be called "The division and demerger of the Central Transmission Utility and Power Grid Corporation of India Limited Transfer Scheme, 2021."

(2) The Scheme shall extend to the whole of India including properties, interests, rights, assets, liabilities, obligations, proceedings and personnel of the undertakings of the legal entity Power Grid Corporation of India Limited, wherever situated.

(3) The Scheme shall come into force from 1st April 2021.

2. Definitions :

(1) **In the Scheme, unless the context otherwise requires :-**

(a) **"Act"** means the Electricity Act, 2003 (36 of 2003) and any subsequent amendments thereto;

(b) **"Assets"** means all assets and properties including power systems, plant, machinery, land, building, offices, stores, furniture, fixtures, vehicles, residential quarters and guest houses and amenities and installations pertaining and attached thereto and other movable and immovable assets, cash in hand, cash at bank, investments, book debts - corporeal and incorporeal, tangible and intangible assets, benefits, licenses, consents, authorities, registration, patents, trademarks and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, contracts, deeds, schemes, bonds, agreements and other instruments and interest of whatever nature and wherever situated and including the contingent assets, which may arise in regard to dealings before the effective date of division in respect of and limited to the Undertakings as specified in this scheme;

(c) **"Central Government"** means the Government of India;

(d) "**Central Transmission Utility of India Limited**" or "**CTUIL**", as the case may be means a Government Company incorporated under the Companies Act, 2013 [Act 18 of 2013] with the registered office at Plot No.2, Sector-29, Gurgaon, Gurgaon, Haryana, 122001 for the purpose of vesting the functions of 'Central Transmission Utility' in accordance with Section 38 of the Act;

(e) "**Effective Date of Division**" means 1st April 2021.

(f) "**Liabilities**" means all liabilities, debts, duties, obligations and other out-standings including statutory liabilities and Government levies of whatever nature and contingent liabilities which may arise in regard to the dealings before the Effective Date of the Division in respect of the relevant Undertaking, as specified in this Scheme.

(g) "**Part A Undertakings**" means the undertakings together with such Assets, Liabilities, Personnel and Proceedings as per this Scheme and the Schedule annexed herewith to discharge the functions of 'Central Transmission Utility' under the Electricity Act, 2003; and functions assigned under regulations/directions by Central Commission/Authority and also any other directions/functions assigned by the Central Government.

(h) "**Part B Undertakings**" mean all the remaining undertakings consisting of all the functions, Assets, Liabilities, Personnel and Proceedings other than those provided in sub-clause (g) above, namely, other than those specified in the Schedule to this scheme;

(i) "**Power Grid Corporation of India Limited**" or "**POWERGRID**", as the case may be, means:

- i. before the Effective Date of Division, the Power Grid Corporation Of India Limited, an existing company under the Companies Act, 2013 with registered office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 with the functions of Central Transmission Utility; and
- ii. from and including, the Effective Date of Division the said Power Grid Corporation Of India Limited, a deemed transmission licensee without the functions of Central Transmission Utility.

(j) "**Personnel**" means all workmen, employees, staff and officers by whatever name called and includes probationers, working on the Effective Date of Division in the Undertaking(s) of POWERGRID;

(k) "**Proceedings**" means the proceedings of whatever nature including suits, appeals, complaints, petitions, applications, conciliatory, arbitration whether civil or criminal or otherwise;

(l) "**Schedule**" means the Schedule appended to this Scheme;

(m) "**Undertakings**" mean the functions, business and a block or blocks of properties, interest, rights, assets, liabilities, obligations, proceedings and personnel to the extent and in the manner specified and such other properties, interests, rights, assets,

liabilities, obligations and proceedings and wherever the context so admits shall include the Personnel as specified in this Scheme relevant to the functions.

(2) Words and expressions which are used in the Scheme and also defined in the Act but not specifically defined in this Scheme shall have the same meaning as assigned to them in the Act.

3. Division of Undertakings:

(1) On and from the Effective Date of Division, the Undertakings of POWERGRID as existing before the Effective Date of Division shall stand divided into Part A Undertakings, and Part B Undertakings by virtue of the notification of this Scheme without any further act or thing to be done by the Central Government or the POWERGRID or the CTUIL or any other person, subject however to the terms and conditions specified in this Scheme.

(2) The Part A Undertakings shall stand transferred and vested in the CTUIL on a going concern basis on and from the Effective Date of Division.

(3) The CTUIL shall be vested with only the assets, interest, properties, liabilities, obligations, proceedings and Personnel as specifically provided in this Scheme.

(4) As consideration for the transfer and vesting of the Part A Undertakings as specified in this Scheme, the CTUIL shall have the financials and opening balance sheet and shall pay the consideration as specified in the Schedule to this Scheme and the books of Accounts of POWERGRID shall be appropriately adjusted to give effect to the transfer and vesting of the Part A Undertakings.

4. Transfer of Personnel :

(1) The Personnel of POWERGRID who have been undertaking the functions and activities of the Central Transmission Utility as immediately before the Effective Date of Division and so designated by POWERGRID shall continue to serve the CTUIL, on secondment basis from POWERGRID till the finalisation of the transfer and absorption of Personnel in the CTUIL in terms of this scheme. During the period of secondment, CTUIL shall be responsible and liable to meet all obligations pertaining to such Personnel including contribution to terminal and other benefits admissible to such Personnel and such cost and expenses of CTUIL shall be a part of the operation and maintenance expenses of CTUIL.

(2) (a) Such Personnel working in CTUIL on secondment basis would be given option to be permanently absorbed in CTUIL. The option once exercised by the Personnel would be irrevocable.

(b) The Personnel who do not exercise the option for absorption in the CTUIL in terms of sub-clause (a), above, shall be retained by POWERGRID but POWERGRID may in consultation with the CTUIL deploy such personnel or any other Personnel to the CTUIL for undertaking the functions of the Central Transmission Utility, for such period as may be considered necessary.

(c) In case there is shortfall in the number of Personnel who opt for absorption in CTUIL, then, the applications would be invited by POWERGRID from willing Personnel in POWERGRID for absorption in CTUIL and a selection process would be put in place.

(3) The absorption of Personnel to CTUIL shall further be subject to the following conditions, namely;

(a) The terms and conditions of the services applicable to Personnel on the date of their absorption shall not be less favorable than those applicable to them immediately before the said date. Accordingly the salary, allowances and other pecuniary benefits including terminal benefits applicable on the date of transfer shall be protected and shall not be adversely changed;

(b) All such Personnel shall have continuity of service in all respects;

(c) All benefits of service accrued before the date of transfer shall be fully recognized and taken into account for all purposes including the payment of terminal benefits;

(d) The existing inter-se seniority of Personnel opting for permanent absorption in CTUIL would be maintained;

(e) The absorption shall also be subject to any orders that may be passed by the Courts in the proceedings pending on the date of transfer in regard to seniority or other matters concerning the service conditions of the Personnel.

(4) In respect of all statutory and other schemes and employment related matters including Provident Fund, Gratuity, Pension, Leave and any other Superannuation or special fund existing or required to be maintained for the benefit of Personnel, POWERGRID shall be liable to and shall make arrangements for transfer and/or payment of all the amounts due or required to be funded as up to the date of absorption.

(5) All proceedings including disciplinary proceedings pending against the Personnel prior to the date of the absorption of the Personnel to the CTUIL, or which may relate to misconduct, lapses or acts of commission or omission committed before the date of transfer, shall not abate and be continued by the CTUIL consistent with the applicable service rules.

(6) CTUIL shall be deemed to have entered into an agreement with POWERGRID to repay loans, advances and other sums due and perform obligations undertaken by the Personnel absorbed in CTUIL from POWERGRID which remain outstanding as on the date of absorption in the same manner and on the same terms and conditions as contained in the arrangement between such Personnel and POWERGRID and consequent adjustments will be arrived at between the CTUIL and POWERGRID. On their part, the Personnel absorbed into CTUIL shall be deemed to have entered into an agreement with CTUIL for individual repayment of loans, advances and other sums due and perform obligations undertaken by the Personnel from POWERGRID.

(7) Subject to this Scheme, the Central Transmission Utility of India Limited shall frame its Policies for Personnel and till such time, the Policies in POWERGRID shall apply mutatis mutandis.

5. Rights and obligations of third parties restricted :

Upon the division being effected in accordance with the Act and this Scheme, the rights and obligations of all persons shall be restricted to the CTUIL, to the extent of transfer and vesting in the CTUIL notwithstanding anything contained in any deed, documents, instruments, agreements or arrangements which such person has with the POWERGRID, the person shall not claim any right or interest against the Central Government or the POWERGRID.

6. Pending suits, Proceedings, etc.:


All Proceedings of whatever nature by or against POWERGRID, as on the Effective Date of Division shall not abate or discontinue or otherwise in any way prejudicially be affected by reason of this Scheme and the proceedings shall be continued, prosecuted and enforced by or against the CTUIL or POWERGRID, as the case may be, as per the division of Part A and Part B Undertakings contained in this Scheme, in the same manner as it would or might have been continued, prosecuted and enforced by or against POWERGRID if the transfers specified in this agreement had not been made.

7. Division and Transfer by operation of law :

The division and transfer under this Scheme shall operate and be effective pursuant to action of the Central Government by publishing this Scheme and Orders issued in terms of this Scheme and without any further act, deed or thing to be done by the Central Government, POWERGRID or the CTUIL or any other person, subject to the terms and conditions of this Scheme.

8. Power to remove difficulties :

The Central Government may, by order publish in the Official Gazette, amend this Scheme and make such provisions, not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulties arising in implementing the division and transfers under this Scheme.


(Mritunjay Kumar Narayan)
Joint Secretary (Transmission)

To,

1. Chief Secretaries of all States
2. Energy/Power Secretaries of all the State Governments
3. Chairmen of State Electricity Boards / CMDs of State Power Utilities
4. CMD, PGCIL, Gurgaon

Copy forwarded to :

1. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi
2. Secretary, MNRE, Block-14, CGO Complex, Lodhi Road, New Delhi – 03
3. CEO, NITI Aayog, New Delhi
4. Secretary, Department of Public Enterprises, CGO Complex, New Delhi
5. Secretary, Department of Disinvestment, Ministry of Finance, , New Delhi
6. The Secretary, Department of Legal Affairs, Ministry of Law and Justice,
7. Secretary, Ministry of Corporate Affairs, Shashtri Bhavan, New Delhi
8. Chairperson, Central Electricity Authority, New Delhi
9. Secretary, CERC, New Delhi
10. CMD, POSOCO, New Delhi
11. Chief Controller of Accounts, Ministry of Power, Sewa Bhavan, R.K Puram, New Delhi.
12. Pay & Accounts office, Ministry of Power, R.K Puram, New Delhi.
13. Principal Director of Audit, Economic & Service Ministry, AGCR Building, New ITO, New Delhi – 110002.
14. **NIC Cell, Ministry of Power with the request to upload the Office Memorandum in the Ministry's website.**

I. Functions transferred from Power Grid Corporation of India Limited to the Central Transmission Utility of India Limited

- i. All functions assigned under the Act to the Central Transmission Utility;
- ii. All functions assigned under the Regulations or the directions issued by the Central Commission or Authority ;
- iii. Such other functions as have been or may be assigned to the Central Transmission Utility under the Act or the Policy, Plan, guidelines, rules directions issued thereunder.

II. PART A UNDERTAKINGS

- i. The Assets, Liabilities and Proceedings of POWERGRID prior to the Effective Date of Division in so far as they exclusively relate to the functions of Central Transmission Utility being discharged by Power Grid Corporation of India Limited and identified as forming part of Part A Undertakings.
- ii. All data, records and documents related to the functions, assets, liabilities and proceedings of CTUIL.
- iii. All taxes, duties, cess, levies and penalties, if any, chargeable on the activities, assets and properties related to the functions of the CTUIL.

III. PERSONNEL

As per Clause 4 of this Scheme.

IV. FINANCIALS OF THE CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED as on 1st April, 2021.

To be provided by POWERGRID at appropriate time

V. FINANCIAL ADJUSTMENTS TO BE EFFECTED IN THE ACCOUNTS AND BALANCE SHEET OF POWERGRID CORPORATION OF INDIA LIMITED

To be provided by POWERGRID at appropriate time