

**BEFORE THE HONOURABLE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT ALLAHABAD**

C.A.(CAA) NO. 18/ALD/2025

In the matter of Section 230-232 and other applicable provisions of the Companies Act, 2013
and the Rules framed thereunder

And

In the matter of Megha Engineering & Infrastructures Limited
("Demerged Company")

And

In the matter of Western U.P. Power Transmission Company Limited
("Resulting Company")

And

Their respective Shareholders

Western U.P. Power Transmission Company Limited,
CIN: U40105UP2009PLC038219
Having its registered office at
400/220/33 KV Sub Station,
Indirapuram, Kalapatthar,
Ghaziabad, Uttar Pradesh,
India, 201014,
Represented by its Authorised Signatory,
Mr. N. Thirupathi Rao

... Resulting Company

**EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTION 230,
232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013
AND THE RULES MADE THEREUNDER**

In this statement, Megha Engineering & Infrastructures Limited is referred to as "Demerged Company" and Western U.P. Power Transmission Company Limited is referred to as "Resulting Company". The other definitions contained in the enclosed Scheme of Arrangement ("Scheme") will apply to this explanatory statement.

Notice of the meeting together with the copy of the Scheme which has been approved by the Board of Directors of the Company is sent herewith. The following statement as required under Sections 230 and 232 of the Companies Act, 2013 sets forth the details of the Scheme, its effects and any material interest of the directors and Key Managerial Personnel in their capacity as members.

- I. This is a statement accompanying the notice convening the meeting of the Secured Creditor of the Resulting Company, pursuant to the Order dated June 9, 2025 passed by



the Hon'ble National Company Law Tribunal, Allahabad Bench in Company application no. 18 of 2025 to be held on 25th July, 2025, at 12:00 PM at the registered office of the Demerged Company at S-2, Technocrat Industrial Estate, Balanagar, Hyderabad, Telangana, 500037 for the purpose of considering and, if thought fit, approving with or without modifications, the Scheme of Arrangement between Megha Engineering & Infrastructures Limited ("Demerged Company"), and Western U.P. Power Transmission Company Limited ("Resulting Company") and their respective shareholders ("Scheme") with effect from the Appointed Date.

II. Background of the Companies involved in the Scheme is as under:

Relationship between the Scheme entities:

The Scheme is in relation to the proposed demerger between the Demerged Company and the Resulting Company. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

A. Background of the Applicant Company/ Resulting Company:

1. Western U.P. Power Transmission Company Limited (hereinafter referred to as "Applicant Company" or "Resulting Company") is a company incorporated under the Companies Act, 1956, validly existing under the Companies Act, 2013. The Applicant Company / Resulting Company was incorporated on 11 September 2009 vide Corporate Identity Number U40105UP2009PLC038219.
2. The Applicant Company / Resulting Company has its registered office situated at 400/220/33 KV Sub Station- Indirapuram Kalapatthar, Ghaziabad, Uttar Pradesh, India - 201014. Further, the address for service of notices on the Applicant Company/ Resultant Company is that of its counsel Mr. Rahul Agarwal having their office at 74/62, Lal Bahadur Shastri Marg, Allahabad, 211001.
3. The Main objects of the Applicant Company / Resulting Company, as mentioned in its Memorandum of Association, are set out as under:
 1. *"To acquire, establish, construct, take over, erect, lay, operate, run, manage, hire, lease, buy, sell, maintain, enlarge, later renovate, modernize, work and use electrical transmission lines and/ or network through extra high voltage, high voltage and associated sub-stations, cables, wires, connected with transmission ancillary services, telecommunication and telemetering equipment in the Western State of U.P. for transmission of power through 765/400 KV Sub-Station transmission lines.*
 2. *To undertake for an on behalf of others the erection, operation, maintenance, management of extra high voltage high voltage transmission lines and associated sub-stations, equipment, apparatus, cables and wires.*
 3. *To execute agreements for transmission of power to distribution companies and other persons and to coordinate aid and advise on the activities of other companies and concerns, including subsidiaries, associates and affiliated engaged in transmission and wheeling of electrical energy."*

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4. **NATURE OF BUSINESS**

The Applicant Company/ Resulting Company is primarily engaged, inter alia, in the business of developing, operating and maintaining power transmission lines including sub-stations and associated schemes in specific geographical areas under the Build, Own, Operate, Maintain and Transfer (BOOT) mode.

5. The authorised, issued, subscribed and paid-up share capital of the Applicant Company / Resulting Company is as follows:

Authorised Capital	Amount (INR)
15,00,00,000 Equity Shares of INR 10 each	1,50,00,00,000
12,00,00,000, 0.01% Compulsory Redeemable Cumulative Preference shares of INR 100 each	12,00,00,00,000
Total	13,50,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
1,41,60,000 Equity Shares of INR 10 each	14,16,00,000
7,20,91,650, 0.01% Compulsory Redeemable Cumulative Preference shares @ Rs.100 each	7,20,91,65,000
Total	7,35,07,65,000

6. The Provisional Financial Statement of the Applicant Company / Resulting Company as on December 31, 2024, is given below:

Particulars	INR (in Crores)
ASSETS	
1.Non-current assets	
a) Property, plant and equipment	0.00
b) Intangible Assets	0.01
c) Financial Assets:	
i) Financial asset under service concession arrangement	2,559.53
ii) Investments	514.97
iii) Loans	1750.00
iv) Other financial assets	00.00
d) Other non-current assets	205.34
2.Current assets	
a) Financial Assets	
i) Trade Receivables	193.70
ii) Cash and cash equivalents	4.23
iii) Other financial assets	152.33
b) Other current assets	164.56
c) Current Tax Assets (net)	-
Total assets	5544.67
EQUITY AND LIABILITIES	
A. Equity	
a) Equity share capital	735.08

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b) Other equity	309.67
B. Liabilities	
1.Non-current liabilities	
a) Financial Liabilities	
i) Long Term Borrowings	3,672.68
b) Provisions	18.25
c) Deferred Tax liabilities (Net)	274.07
Current liabilities	
a) Financial liabilities	
i) Short Term Borrowings	480.85
ii) Trade Payables	
Dues of micro and small enterprises	-
Dues of others	-
iii) Other Financial liabilities	-
b) Other current liabilities	16.05
c) Short Term Provisions	0.96
d) Current tax liabilities(net)	37.11
Total equity and liabilities	5,544.67

7. The present directors of the Applicant Company / Resulting company are:

S.No.	Name of the Directors	Address
1	Srinivasa Reddy Bonthu	15-31 RTP Block No 26, Flat No 105, Raintree Park Malaysian Township, KPHB Colony Kukatpally, Tirumalagiri, Hyderabad, 500085
2	P.P. Reddy	H. No. 8-2-293/82/A/265/P, Road No. 10, Jubilee Hills, Hyderabad, 500033
3	P.V. Krishna Reddy	H. No. 8-2-293/82/A/295/1, Road No. 25, Jubilee Hills, Hyderabad, 500033
4	P. Sudha Rani	H. No. 8-2-293/82/A/295/1, Road No. 25, Jubilee Hills, Hyderabad, 500033
5	Ch. Peda Subbaiah	Villa No. 40, H. No. 1-55/208 and 209, Esmeralda Fortune Villas, Kondapur, Near Chirec School, Hyderabad, Telangana, India, 500084

8. In view of the advantages mentioned in Part III below, the Board of Directors of the Applicant Company / Resulting Company vide their resolution dated 24 February 2025, approved the Scheme of Arrangement between the Demerged Company and Resulting Company and their respective Shareholders.
9. The name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

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S. No.	Voted in favour	Voted Against	Absent
1	Srinivasa Reddy Bonthu	NA	NA
2	NA	NA	P.P. Reddy
3	P.V. Krishna Reddy	NA	NA
4	NA	NA	P. Sudha Rani
5	Ch. Peda Subbaiah	NA	NA

10. None of the directors of the Applicant Company / Resulting Company involved in the Scheme has any material interest in the said Scheme except as shareholders in general, the extent of which it will appear from the Registrar of directors shareholding maintained by the companies involved in the Scheme.
11. None of the KMPs of the companies involved in the Scheme has any material interest in the said Scheme except as employees in general.
12. Copy of the resolution of the Board of Directors of the Applicant Company / Resulting Company approving the Scheme dated 24 February 2025 along with the report adopted by such Board in relation to the effect of the Scheme on the various stakeholders of the Resulting Company is available for inspection at the Registered Office of the Resulting Company.

B. Background of the Demerged Company:

1. Megha Engineering & Infrastructures Limited, (hereinafter referred to as "Demerged Company") having its registered office in the State of Telangana, was incorporated under the provisions of the Companies Act, 1956, on June 07, 2006, and is validly existing under the Companies Act, 2013 with Corporate Identity Number U45202TG2006PLC050271.
2. The Demerged Company has its registered office at S-2, Technocrat Industrial Estate, Balanagar, Hyderabad, Telangana- 500037, India.
3. The main objects of Demerged Company are set out in the Memorandum of Association which are briefly as under: -
 1. *"To carry on the business of developers of infrastructure projects of every kind and description, industrial parks, townships, real estate developers, builders, engineers, contractors of civil, mechanical, electrical and structural engineering, construction of drinking water and irrigation projects, roads, sewers, bridges, embankments, dams, canals, ports, etc.*
 2. *To carry on business as manufacturers, importers, exporters, dealers and traders in MS Pipes, PSC Pipes, GRP Pipes, Surge, Protection Devices, electrical, electronic, mechanical and engineering products, devices, tools, goods and accessories of every kind and description, ferrous and non-ferrous metals, metal casting, forgings and structures.*

3. To carry on business in Power sector comprising of trading, generation, transmission and distribution with conventional and non-conventional sources and renewable and alternative energy sources.
4. To carry in business in Hydrocarbon sector comprising exploration, production, processing and engineering procurement and construction of related plant and equipment in petroleum and gas sector.
5. To plan, establish, develop, provide, operate, maintain and market various services, including cable or satellite based communications and networking services or broadcasting or broadcasting content services, direct-to-home services, satellite based transmission services and maintain telecommunication networks, systems, services including telephones, telex, message, relay, data transmission, facsimile, television, telematics, value added network services, paging, cellular, mobile, audio and video services, maritime and Aeronautical communication services and other telecommunication services as are in use elsewhere or to be developed in future and to act as satellite based service provider and carry on the business of generation, distribution, redistribution, reception, transmission, re-transmission of audio, video, data and radio signals.
6. To carry on the business of design, development, manufacture, installation, commissioning, integration, up-gradation, repairs and to act as maintainers, buyers, sellers, hirers, exporters, importers, distributors, representatives and dealers of all military grade products including weapons, small arms, medium & large arms, ammunition, military transport, Infantry Combat Vehicles, defence electronics, avionics, communication equipment, naval systems for Defence Forces including Army, Navy, Air Force, Para Military forces and State police forces and to run the said activity by itself or through partnership, joint venture, Transfer of Technology (ToT) in association with any private, public or foreign technology partners.
7. To carry on in India or elsewhere the business of exploring, operating and working on mines, quarries, to acquire mining and other rights on coal mines, metals, ores or minerals by purchase, lease, license, grant or otherwise, to engage in the production, extraction, sale and disposal, gasification, liquefaction, trading, import, export, sub-contracting and to deal with coal, metals, minerals and its by products, to mine, quarry or beneficiate coal, coke and other by-products of minerals, to treat and render marketable such of the aforesaid and any other minerals as are capable of commercial exploitation, beneficiation, to install, operate and manage all necessary plants, mines, establishments in India and abroad.
8. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate, lease the passenger services, freight forwarders, transport, cartage and haulage contractors in India and abroad and to provide carrier, freight, transport and delivery services by land, road, railway, sea, river, canal, water or air through any kind of vehicle or mode of transport and to act as booking agents, indenting agents and travel agents for and in connection with the passengers, containers, packages, parcels, articles, mails, goods or bulk commodities."

4. The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on March 31, 2024, is as follows:

Authorised Capital	Amount (INR)
1,50,00,00,000 Equity Shares of INR 10 each	15,00,00,00,000
Total	15,00,00,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
15,60,10,000 Equity Shares of INR 10 each fully paid-up	1,56,01,00,000
Total	1,56,01,00,000

Subsequent to the above date and till the date of filing of the Scheme, there has been no change in the authorised, issued, subscribed and paid-up capital of the Demerged Company.

5. The present directors of the Demerged Company are:

S.No.	Name of the Directors	Address
1	N. Thirupathi Rao	H No. 8-2-269/S/101/B. Plot No. 101, Road No. 2, Sagar Society Banjara Hills, Hyderabad, 500034
2	P.P. Reddy	H. No. 8-2-293/82/A/265/P, Road No. 10, Jubilee hills, Hyderabad, - 500104, Telangana
3	Rama Reddy Pamireddy	H. No. 8-2-293/82/A/265/P, Road No. 10, Jubilee Hills, Hyderabad - 500018, Telangana
4	P.V. Krishna Reddy	H.No. 8-2-293/82/A/295/1, Road No. 25, Jubilee hills, Hyderabad, 500033
5	P. Sudha Rani	H.No. 8-2-293/82/A/295/1, Road No. 25, Jubilee hills, Hyderabad, 500033
6	P. Doraiah	8-3-320/G-106, Keerthi Apartments, Yellareddy guda, Hyderabad, 500073
7	B. Srinivas Reddy	Villa No. 218, Indu Fortune Fields, Phase-13, Near Hitech City, Railway Station, KPHB Colony, Kukatpally, Hyderabad, 500072
8	Ch. Peda Subbaiah	Villa No. 40, H. No. 1-55/208 and 209, Esmeralda Fortune Villas, Kondapur, Near Chirec School, Hyderabad ,500084
9	Boppudi Apparao	205, Vishnu Residency Block-A, 1-1-770/A, Gandhinagar, Hyderabad, 500080
10	Divakar Atluri	Plot No. 114, 8-2-293/82/N1/114, Mla's & Mp's Colony, Road No. 10c, Jubilee Hills, Hyderabad, Telangana, India, 500033

6. In view of the advantages mentioned in Part III below, the Board of Directors of Megha Engineering & Infrastructures Limited vide their resolution date 24 February 2025 approved the Scheme of Arrangement between Megha Engineering & Infrastructures

Limited and Western U.P. Power Transmission Company Limited and their respective Shareholders.

7. The name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

S. No.	Voted in favour	Voted Against	Absent
1	N. Thirupathi Rao	NA	NA
2	NA	P.P. Reddy	NA
3	NA	NA	Rama Reddy Pamireddy
4	P.V. Krishna Reddy	NA	NA
5	NA	NA	P. Sudha Rani
6	P. Doraiah	NA	NA
7	B. Srinivas Reddy	NA	NA
8	Ch. Peda Subbaiah	NA	NA
9	Boppudi Apparao	NA	NA
10	Divakar Atluri	NA	NA

8. None of the directors of the Demerged Company involved in the Scheme has any material interest in the said Scheme except as shareholders in general, the extent of which it will appear from the Register of directors' shareholding maintained by the companies involved in the Scheme.
9. None of the KMPs of the companies involved in the Scheme has any material interest in the said Scheme except as employees in general.
10. Copy of the resolution of the Board of Directors of the Demerged Company approving the Scheme dated 24 February 2025, along with the report adopted by such Board in relation to the effect of the Scheme on the various stakeholders of the Demerged Company is available for inspection at the Registered Office of the Demerged Company.

III. RATIONALE FOR THE PROPOSED SCHEME

The Scheme of Arrangement is being proposed broadly for the ease of doing businesses by the group companies by the demerger of the Demerged Undertaking into Resulting Company. The circumstances that have necessitated or justified the proposed Scheme of Arrangement and its main benefits are, inter alia, summarized as under:

OBJECTIVES/ RATIONALE FOR DEMERGER OF THE SCHEME

- (i) The demerged undertaking is subject to different rates of profitability, growth opportunities, prospects and risks. The nature of risk and competition involved in

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this business is distinct. With an endeavor to enhance shareholder's value, it is proposed to reorganize and segregate the businesses of the Demerged Undertaking of the Demerged Company into WUPPTCL.

- (ii) Enable each business to pursue growth opportunities and offer investment opportunities to potential investors.
- (iii) This Scheme will also provide flexibility to rope in strategic/financial investors for the Demerged Undertaking which best suit their investment strategies and risk profile; and
- (iv) The Demerger will allow the shareholders of the Demerged Company to unlock their value to the extent it relates to the Demerged Undertaking.

The Creditors are requested to read the entire text of the Scheme to get acquainted with the provisions thereof.

- IV. The effectiveness of the Scheme is subject to the approval of the Hon'ble National Company Law Tribunal at Hyderabad and Hon'ble National Company Law Tribunal Allahabad and/or such other appropriate authorities as identified in the Scheme and as may be necessary under the applicable law.
- V. In consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to the Scheme, the Resulting Company shall allot 1,000(one thousand) fully paid-up equity shares of INR 10 (Rupees Ten Only) each of the Resulting Company for every 11,018 (eleven thousand eighteen) equity shares of INR 10/- (Rupees Ten Only) each held on the Record Date by the equity shareholders in the Demerged Company.
- VI. The Scheme does not affect the rights of the creditors of the Demerged Company and Resulting Company. There will not be any reduction in amounts payable to the creditors of the Resulting Company post sanctioning the Scheme.
- VII. The Board of the Demerged Company and the Resulting Company are of the view that the rights and obligations of each of the equity shareholders of the Demerged Company and Resulting Company are not impacted in any way post sanctioning of the Scheme.
- VIII. The employees of the Demerged Company in service shall deem to have become the employees of the Resulting Company without interruption in their service. Further the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment with the Demerged Company.
- IX. The amount due to the Secured Creditor of the Resulting Company as on March 31, 2025 in INR 3687,03,58,274/-
- X. The Scheme would not be prejudicial to the interest of the shareholders or creditors, if any, of either of the companies. There is no likelihood that any secured creditor of either of the companies would lose or be prejudiced as a result of Scheme being passed nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of the Demerged Company or Resulting



Company nor it will effect the interest of any of the shareholders or creditors as post arrangement.

- XI. As on date there are no proceedings/investigation pending against the Demerged Company and Resulting Company under the Companies Act, 2013.
- XII. As required by the NCLT Order, the notice of the proposed meeting and the Scheme of Arrangement shall be filed with the Registrar of Companies, Regional Director, the Income Tax Authorities and Uttar Pradesh Electricity Regulation Commission and the representation if any to the Scheme shall be made within 30 days of receipt of such notice.
- XIII. A copy of the Scheme setting out the terms and conditions of the Arrangement of the Demerged Company and the Resulting Company and their respective shareholders and creditors as approved by the Board of Directors of the respective companies in their respective Board meetings is enclosed herewith.
- XIV. The proposed Scheme of Arrangement is in the best interests of the Demerged Company and the Resulting Company and their respective shareholders and creditors.
- XV. A copy of proposed notice along with the Scheme has been filed with the Registrar of Companies, Uttar Pradesh online in e-form GNL-1.
- XVI. Copy of the Scheme and of this notice and explanatory statement, may be obtained free of charge during ordinary business hours on all working days except Saturdays, Sundays and public holidays from the registered office of the Resulting Company.
- XVII. Copies of the following documents for obtaining extract from or for making or obtaining copies of or for inspection are available at the registered office of the Resulting Company between 10:00 A.M. and 12:00 Noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
 - a) Memorandum and Articles of Association of the Resulting Company.
 - b) Latest audited financial statements of the Resulting Company as on March 31, 2024.
 - c) Latest provisional financial statement of accounts of Resulting Company as on December 31, 2024.
 - d) Copy of the order of the Hon'ble National Company Law Tribunal, Allahabad Bench dated June 9, 2025.
 - e) Copy of the Scheme of Arrangement between Megha Engineering & Infrastructures Limited ("Demerged Company") and Western U.P. Power transmission Company Limited ("Resulting Company") and their respective Shareholders as applicable.
 - f) Copy of the contracts or Arrangements material to the Scheme.
 - g) Copy of the certificate issued by the statutory auditor of the Resulting Company, Meenavalli & Associates, Chartered Accountants, that the accounting treatment proposed in the Scheme is in conformity with the applicable accounting standards prescribed under Sec 133 of the Companies Act, 2013.
 - h) Copy of the Share Entitlement Ratio Report obtained from Budabulla Srinu, Registered Valuer.
 - i) Register of Directors, shareholdings of Directors and members of the Resulting Company.
 - j) Copy of Board Resolution of the Resulting Company approving the Scheme along with report adopted by Board in relation to the effect of the Scheme on various stakeholders.

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- k) Copy of Board Resolution of the Resulting Company approving the Scheme along with report adopted by Board in relation to the effect of the Scheme on various stakeholders.

Dated this 17th of June, 2025

At Ghaziabad

(Sd/-)



Narender Kumar Bhola

Chairman appointed for the secured
creditor meeting