
SUMMARY OF THE PROPOSED COMBINATION

[UNDER REGULATION 13(1A) OF THE COMPETITION COMMISSION OF INDIA
(PROCEDURE IN REGARD TO THE TRANSACTION OF BUSINESS RELATING TO
COMBINATIONS) REGULATIONS, 2011 (AS AMENDED)]

A. Name of the parties to the combination

1. NTPC Limited (**NTPC**);
2. Axis Bank Limited, Bank of India, Life Insurance Corporation of India, Punjab National Bank, State Bank of India, UCO Bank, Union Bank of India, Power Finance Corporation Limited and REC Limited (formerly known as Rural Electrification Corporation Limited), are collectively referred to as **Secured Financial Creditors**; and
3. Jhabua Power Limited (**Jhabua Power / Target**).

(NTPC and the Secured Financial Creditors are collectively referred to as the **Acquirers**.)

B. The nature and purpose of the combination

4. This notification is an acquisition within the meaning of Section 5(a) of the Competition Act, 2002, and concerns the acquisition of 100% equity shares of Jhabua Power by the Acquirers (**Proposed Transaction**).
5. The Proposed Transaction is being notified pursuant to the Resolution Plan, dated 14 June 2021, submitted with the Resolution Professional (**Revised Resolution Plan**).

C. The nature of the products, services and business(es) of the parties to the combination

NTPC

6. NTPC is a listed public sector undertaking categorized as a 'Maharatna' company. It is under the administrative control of the Ministry of Power,

Government of India (**GoI**) that holds 51.10% of its total paid-up share capital. NTPC is an energy conglomerate having presence in the entire value chain of the power generation business.

Secured Financial Creditors

7. All the entities forming part of the Secured Financial Creditors are banks / public financial institutions.

Jhabua Power

8. Jhabua Power is private limited company based in the Seoni district of Madhya Pradesh, which is engaged in the business of power generation. Jhabua Power is undergoing Corporate Insolvency Resolution Process (**CIRP**).

D. Respective markets in which the parties to the combination operate – No competition concern

Horizontal Overlaps

Jhabua Power and NTPC

- 6 NTPC had earlier submitted a resolution plan for Jhabua Power. Subsequently, NTPC had also filed a merger notification (Form I) (bearing Combination Registration No. – C-2020/02/728) in relation to the acquisition of 100% of the equity share capital of Jhabua Power. The Hon'ble Commission, vide its order under Section 31(1) of the Competition Act, dated 1 April 2020, had approved the transaction. Under the terms of the Revised Resolution Plan, NTPC would acquire only 50% of the equity share capital of Jhabua Power. Accordingly, as a result of the Proposed Transaction, NTPC would not acquire any incremental / additional rights in, or control over, Jhabua Power, when compared with what has already been approved by the Hon'ble Commission.

Jhabua Power and the Secured Financial Creditors

- 7 The Revised Resolution Plan, *inter alia*, provides for a debt settlement mechanism so far as the Secured Financial Creditors are concerned. Further,

given, financing and / or banking is the primary business of the Secured Financial Creditors, they will not be managing or running the day-to-day operations of Jhabua Power.

Vertical relationship

- 6 There exist no competition concerns from the perspective of notional / hypothetical vertical relationships as a result of the Proposed Transaction.
