

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 114/MP/2012

Coram

1. Dr. Pramod Deo, Chairperson
2. Shri S.Jayaraman, Member
3. Shri V.S.Verma, Member
4. Shri M.Deena Dayalan, Member

DATE OF ORDER: 26.3.2012

In the matter of

Approval of panel for appointment as Independent Directors on the Board of Power Exchange of India Limited (PXIL).

And

In the matter of

Power Exchange of India Limited, Mumbai

Respondent

ORDER

The Commission in its order dated 3.5.2010 while approving the names of persons for appointment as Independent Directors on the Board of PXIL had observed as under:

"6. As per Para 1.13 of the Articles of Associations of Power Exchange of India Ltd., the number of Directors of the Company shall not be less than 3 and not more than 12. As per the Petitioner, the number of Directors in the Board of PXIL at present is eight. One-third of the Members of the Board works out to 2.66 which rounds up to 3. Therefore, the Petitioner is required to bring 3 Independent Directors on the Board of PXIL in order to meet the statutory requirement of Clause (ii) of Regulation 22 of Power Market Regulations. We are of the view that the panel size and actual number of Independent

Directors shall be in the ratio of 2:1. Accordingly, the Petitioner is directed to suggest more names for approval of a panel of six for appointment of 3 Independent Directors."

2. We had approved the names of Shri C.M. Vasudev and Shri C. Achuthan to be included in the panel of PXIL for appointment as Independent Directors and directed PXIL to appoint one of them as Independent Director at present and the other person may be appointed after an enhanced panel is approved by the Commission.

3. By order dated 1.6.2011, we had also approved the name of Shri Vineet Nayyar to be included in the panel of PXIL for appointment as Independent Director on the Board of PXIL.

4. The petitioner in its letter dated 27.12.2011 has submitted that due to demise of Shri C. Achuthan, who was also head of Market Surveillance Committee of PXIL, the said position is vacant. The petitioner has further submitted that it has received the consent of Shri V.K.Agarwal, former Additional Chief Secretary (Finance and Planning) Government of Maharashtra to act as an Independent Director of PXIL and accordingly, permission has been sought for inclusion of the name of Shri V.K.Agarwal in the panel of Independent Directors.

5. We have considered the proposal of PXIL. Shri V.K.Agarwal is a highly

qualified and eminent professional who has held important positions in Government. We approve the name of Shri V.K.Agarwal for inclusion in the panel for appointment as Independent Director on the Board of PXIL.

6. PXIL is further directed to submit on affidavit that the person appointed as Independent Director do not have any fiduciary relationship with any of the existing shareholders of the Power Exchange.

Sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(V.S.VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER

sd/-
(Dr. PRAMOD DEO)
CHAIRPERSON