

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 337/2010

Subject : Petition under Regulation 21 (Sharing of Inter-State transmission charges and losses) Regulations, 2010 read with Regulation 111 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 to remove the difficulties arising on account of billing, collection and disbursement of transmission charges activity entrusted to the petitioner.

Date of hearing : 1.4.2014

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri M. Deena Dayalan, Member
Shri A.K. Singhal, Member

Petitioner : Power Grid Corporation of India Limited, Gurgaon

Respondents : Himachal Pradesh State Electricity Board and others

Parties present : Shri Pradeep Mishra, Advocate, PGCIL
Shri Manoj Kumar Sharma, Advocate, PGCIL
Shri N.K.Jain, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K Tyagi, Northern Railways
Shri K.P. Singh
Shri Suraj Das Gupta
Shri Sandeep Sharma

Record of Proceedings

Learned counsel for the petitioner submitted that as per the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, the petitioner has been entrusted with the responsibility of billing, collection and disbursement of transmission charges under the PoC regime. He further submitted that the petitioner is facing difficulties pertaining to tax deduction at source. Learned counsel for the petitioner submitted that TDS is presently being deducted @ 10% under section 194 (j) of the Income Tax Act, 1961 by a set of beneficiaries. The petitioner has already approached the tax authorities under Section 197 for allowing deduction of TDS @ 2% and the same has been refused. Learned counsel submitted that beneficiaries have resorted to deduction of TDS @10% under section 194 (j) of the Income Tax, 1961 which involves fee for technical services and royalty. Learned counsel for the petitioner submitted that the Commission`s intervention is required in this matter.

2. Learned counsel for the petitioner submitted that DICs should be directed to pay the transmission charges directly to the licensees pending resolution of the issues.
3. The Commission observed that the petitioner should raise consolidated bills on the DICs, clearly indicating therein the amount of transmission charges payable to the petitioner and the transmission licensees. The DICs should accordingly pay the transmission charges to each of the licensees, which will address the problem being faced by the petitioner on account of collection and disbursement of transmission charges for other licensees. The Commission directed the petitioner to convene a meeting of all DICs to resolve the dispute regarding deduction of TDS within period of six weeks and submit the report, on affidavit, by 15.5.2014.
4. Subject to above, the Commission reserved order in the petition. However, if any issue pertaining to TDS remained unresolved, the Commission granted liberty to the petitioner to seek hearing of the matter.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**