

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 343/MP/2019

- Subject : Petition under Section 74 of the Electricity Act, 2003 read with Regulations 79, 111 and 114 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Regulations 12 and 13 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, Regulation 44 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and Regulations 54 and 55 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for recovery of impact of pay regularization of below board level executives of NHPC Limited for the period 1.1.2007 to 31.3.2019.
- Date of Hearing : 5.3.2021
- Coram : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner : NHPC Limited (NHPC)
- Respondents : Punjab State Power Corporation Limited and 27 Ors.
- Parties Present : Shri Rajiv Shankar Dvivedi, Advocate, NHPC
Shri Piyush Kumar, NHPC

Record of Proceedings

Case was called out for virtual hearing.

2. Learned counsel for the Petitioner submitted that the instant Petition has been filed, *inter-alia*, for recovery of impact of pay regularization of below Board level executives of the Petitioner for the period from 1.1.2007 to 31.3.2019. Learned counsel submitted that the Petitioner being Central Public Sector Enterprise, the salary & wages of its employees are fixed on IDA pattern based on Guidelines issued by Department of Public Enterprise. The third pay revision was implemented with effect from 1.1.2017 (first and second pay revisions being effective from 1.1.1997 and 1.1.2007 respectively). It was further submitted by the learned counsel that owing to certain disparity/ anomaly in pay scales and rate of increment consequent to the implementation of the 1st pay revision, the 2nd pay revision as implemented w.e.f. 1.1.2007 was on notional basis and not based on actual pay drawn by the employees. However, pursuant to long negotiation and persuasion, the Union Cabinet in its meeting held on 16.1.2019 approved the regularisation of pay scales implemented w.e.f. 1.1.1997 and accordingly, the Petitioner has re-fixed the pay in respect of below Board level executives w.e.f. 1.1.2007, which was earlier fixed on notional basis. Learned counsel stated that the additional expenses incurred

on account of regularization of pay scales of its employees and claimed in the instant Petition is to tune of Rs.135.86 crore.

3. After hearing the learned counsel for the Petitioner, the Commission admitted the Petition and directed to issue notice to the Respondents.

4. The Commission directed the Petitioner to serve copy of the Petition on the Respondents, immediately, if not already served. The Respondents were directed to file their reply by 20.4.2021, with advance copy to the Petitioner, who may file its rejoinder, if any, by 7.5.2021.

5. The Commission also directed the Petitioner to furnish the following details/information on affidavit by 19.4.2021:

(a) With regard to claim on account of pay regularization for the financial years from 2007 to 2019, reference of the Petition(s) for the period prior to 2014-19 in which the Petitioner has raised the issue for consideration of the Commission and order of the Commission, if any, in which such liberty to consider the claim, as and when finalized by the Petitioner, has been granted by the Commission; and

(b) Clarify whether any provisions were made in the employee cost for the period from 1.1.2007 to 31.3.2019 against this expected pay regularization. If yes, whether it was communicated to the Commission while formulating the norms for the tariff periods 2009-14, 2014-19 and 2019-24.

6. The due date of filing of reply, rejoinder and information should be strictly complied with.

7. The Petition shall be listed for hearing in due course for which separate notice will be issued.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Legal)**