

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 494/MP/2020

- Subject : Petition under Regulation 8(4) of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 seeking prior approval of the Commission for incorporating a wholly owned subsidiary company of the Petitioner to undertake Telecommunications and Digital Technology Businesses.
- Date of Hearing : 15.4.2021
- Coram : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner : Power Grid Corporation of India Limited (PGCIL)
- Respondents : Rajasthan Rajya Vidyut Prasaran Nigam Limited and 57 Ors.
- Parties Present : Shri Manoj Dubey, Advocate, MPPMCL
Shri Doman Yadav, PGCIL
Shri V. C. Shekhar, PGCIL
Shri Sudesh Kumar Yadav, PGCIL
Shri Anindya Khare, MPPMCL

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner submitted that the instant Petition has been filed under Regulation 8(4) of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 seeking approval for incorporation of a wholly owned subsidiary company of the Petitioner to undertake the telecommunication and digital technology business for the works related to telecommunication services & products, infrastructure, system integration and consultancy, etc.

3. Learned counsel for the Respondent No. 24, Madhya Pradesh Power Management Company Limited ('MPPMCL') submitted that the instant Petition, amongst the others, involves an issue as to whether the subsidiary company sought to be incorporated by the Petitioner would carry the colour of a transmission licensee or not. Learned counsel requested for additional time to file reply to the Petition.

4. In response to the specific query of the Commission as to the rationale for incorporating the separate subsidiary company, the representative of the Petitioner submitted in order to maintain clarity in business operation and transparency in revenue of two businesses and also for better control & management of two business, the Petitioner has proposed to incorporate a wholly owned subsidiary



company, which shall hold all telecom licences currently held by the Petitioner and to undertake all telecom activities. It was further submitted that the beneficiaries will not be prejudiced in any way by incorporation of wholly owned subsidiary company as the Petitioner will continue to share 10% of the gross revenue earned by its subsidiary company with the beneficiaries in accordance with the provisions of Regulations.

5. Considering the request of the learned counsel for the Respondent, MPPMCL, the Commission directed the Respondent to file its reply by 29.4.2021 with advance copy to the Petitioner, who may file its rejoinder, if any, by 13.5.2021.

6. Subject to the above, the Commission reserved order in the matter.

By order of the Commission

Sd/-

(T.D. Pant)

Joint Chief (Law)