

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 84/MP/2021**

Subject: Petition for recovery of additional cost incurred consequent to Pay & Wages revision of SJVNL/ NJHPS Employees, Central Industrial Security Forces (CISF) as well as impact of Minimum wage Revision and GST in respect of Nathpa Jhakri Hydro Power Station (NJHPS).

**Petition No. 123/MP/2021**

Subject: Petition for recovery of additional cost incurred consequent to Pay & Wages revision of SJVNL, RHPS Employees, Central Industrial Security Forces (CISF) as well as impact of Revision in Minimum Wages and Implementation of GST Act in respect of Rampur Hydro Power Station (RHPS).

Petitioner: SJVNL

Respondents: PSPCL and ors

Date of Hearing: **15.2.2022**

Coram: Shri I.S. Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas Kumar Singh, Member

Parties present: Shri Sachin Dutta, Senior Advocate, SJVNL  
Shri Jayant Kumar, Advocate, SJVNL  
Shri Harish Kumar Sharma, SJVNL  
Shri Aman Katoch, SJVNL  
Shri K.L. Dhiman, SJVNL  
Shri Sanjay Kumar, SJVNL  
Shri Naveen Yadav, SJVNL  
Shri Varun Dang, SJVNL  
Shri Ravindra Khare, MPPMCL

**Record of Proceedings**

These Petitions were called out for virtual hearing.

2. During the hearing, the learned Senior counsel for the Petitioner submitted that these Petitions have been filed by the Petitioner seeking recovery of additional O&M expenses incurred on account of pay revision (salary/ wage revision) due to (i) implementation of 1997 pay scales of employees with effect from 1.1.2007 vide Office circular dated 29.3.2019; (ii) implementation of 2017 pay scales of employees with effect from 1.1.2017 vide Office circular dated 6.6.2018, 11.2.2019 and 2.8.2019; (iii) implementation of the 7<sup>th</sup> Central Pay Commission of CISF with effect from 1.1.2016; (iv) implementation of Minimum Wage revision of outsourced manpower (contract & HIMPESCO) with effect from 1.4.2017; and (v) implementation of GST Act with effect from 1.7.2017, in respect of Nathpa Jhakri Hydro Power Station (NJHPS) and Rampur



Hydro Power Station (RHPS). He also submitted that the pay revision of employees of these stations have been implemented by the Petitioner, in terms of the Ministry of Power, GOI letter dated 29.1.2019 and various Office Memoranda issued by the Department of Public Enterprises and the notification of the Department of Expenditure, Ministry of Finance, GOI with regard to implementation of 7<sup>th</sup> CPC. The learned Senior counsel further submitted that there has been substantial upward revision in the minimum wages to be paid to the workers under different categories of these projects, with effect from 1.4.2017, on account of the Notification dated 19.1.2017 of the Ministry of Labour & Employment, GOI. The learned Senior counsel added that the impact on account of implementation of the pay revision, minimum wages and GST in respect of NJHPS and RHPS is Rs 112.01 crore and Rs 51.21 crore respectively. He, accordingly, prayed that the claim of the Petitioner in these petitions, may be allowed in exercise of 'Power to Relax/ Power to Remove Difficulties' (for pay revision) and under 'Change in law' (for GST and Minimum Wages) as these events were not within the control of the Petitioner.

3. The Commission, after hearing the learned Senior Counsel for the Petitioner, admitted both the Petitions and directed issue of notice to the Respondents.

4. The Petitioner is directed to furnish the following additional information, on or before 4.3.2022, in respect of both the petitions, after serving copy to the Respondents:

a) *Breakup of actual O&M expenditure for the tariff period 2014-19 under various sub-heads (as per **Annexure-A enclosed**) after including the pay revision impact (employees, CISF and KV), wage revision impact (minimum wages) and impact of pay regularization in the employee cost. (To be provided in both MS Excel and PDF format);*

b) *Break-up of actual O&M expenses including pay revision impact for Corporate Centre/other offices & breakup of claimed wage revision impact on employee cost, expenses on corporate center and on salaries of CISF & KV employee of the generating station(as per enclosed **Annexure-B and Annexure- C**, respectively) for the period 2014-19 along with allocation of the total O&M expenditure to various generating stations under construction, operational stations and any other offices along with basis of allocating such expenditure.(in both MS Excel and PDF format);*

c) *Certificate to the effect that the employee cost and any other cost booked to IEDC has not been indicated as a part of the actual O&M expenses;*

d) *Basis and rationale for claim on account of impact due to revision of minimum wages & Impact of revision in salaries & wages paid to employees on account of finalization of 1997 Pay Scales w.e.f. 01.01.2007 to 31.03.2019. Further, a certificate to the effect that the above impact was not part of actual O&M expenses for this project for the period 2007-19, based on which normative O&M expenses is allowed by Commission;*

e) *With regard to claim on account of pay regularization for 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;*

f) *Comparative statement of the normative O&M expenses allowed to the generating station versus the actual audited O&M expenses for the period from 2014-15 to 2018-19, clearly stating that the impact of wage revision claimed is part/ not part of the above actual O&M expenses.*



5. The Respondents shall file their replies by 18.3.2022, after serving copy to the Petitioner, who may file its rejoinder, if any, by 25.3.2022.
6. The Petitions shall be listed for hearing in due course for which separate notice shall be issued to the parties.

**By order of the Commission**

**Sd/-**  
B. Sreekumar  
Joint Chief (Law)

**Annexure A**

**Details of the actual O&M expenses (Common for Hydro / Thermal Generating Station)**



Sl. No.	Items	Amount (₹ in lakh)				
		2014-15	2015-16	2016-17	2017-18	2018-19
1	Consumption of stores & spares					
2	Repair & Maintenance					
3	Insurance					
4	Security					
5	Water Charges					
6	Administrative Expenses					
6.1	Rent					
6.2	Electricity charges					
6.3	Travelling & Conveyance					
6.4	Communication Expenses					
6.5	Advertising					
6.6	Foundation Laying & Inauguration					
6.7	Donation					
6.8	Entertainment					
6.9	Filing fee					
	<b>Subtotal (Administrative Expenses)</b>					
7.0	Employee Cost					
7.1.1	Salaries, Wages & Allowances					
7.1.2	Pension					
7.1.3	Gratuity					
7.1.4	Provident Fund					
7.1.5	Leave Encashment					
7.2	Staff welfare expenses					
7.2.1	-Medical expenses on superannuated employees					
7.2.2	-Medical expenses on regular employees & others					
7.2.3	-Uniform/Liveries & safety equipment					
7.2.4	-Canteen expenses					
7.2.5	-Other staff welfare expenses					
	Subtotal (Staff welfare Expenses)					
7.3	Productivity linked Incentive					
7.4	Expenditure on VRS					
7.5	Ex-gratia					
7.6	Performance Related Pay (PRP)					
	Sub Total (Employee Cost)					
8	Loss of Store					
9	Provisions					
10	Prior Period Expenses					
11	Corporate Office expenses allocation					
12	Others					
12.1	Rates & Taxes					
12.2	Water cess					
12.3	Training & recruitment expenses					
12.4	Tender Expenses					
12.5	Guest house expenses					
12.6	Education expenses					
12.7	Community Development Expenses					
12.8	Ash utilisation expenses					
12.9	Books & Periodicals					
12.10	Professional Charges					
12.11	Legal expenses					
12.12	EDP Hire & other charges					
12.13	Printing & Stationery					
12.14	RLDC Fee & Charges					
12.15	Brokerage & Commission					
12.16	Bank charges					
12.17	Claims/advances written off					
12.18	Hiring of vehicle					



<b>Details of the actual O&amp;M expenses (Common for Hydro / Thermal Generating Station)</b>						
<b>Sl. No.</b>	<b>Items</b>	<b>Amount (₹ in lakh)</b>				
		<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
12.19	Payment to auditors					
12.20	Misc. Expenses					
	(Break-up of Misc.)					

**Annexure B**

**DETAILS OF CORPORATE CENTRE EXPENSES ALLOCATED TO VARIOUS OPERATING STATIONS**



		<i>Amount (₹ in lakh)</i>				
	<b>PARTICULARS/YEAR</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
	Total Expenses of CC & RHQs-(A)					
	Transferred to Construction Projects -(B)					
	Transferred to any other business activity - (C)					
	Expenses related to stations under operation (D)=(A)-(B)-(C)					
	<b>Head Wise Details of D</b>					
1	<b>Employee Expenses</b>					
A	Salaries, Wages and Allowance					
B	Staff Welfare Expenses					
C	Productivity Linked Incentive					
D	Expenditure on VRS					
E	Ex-Gratia					
2	<b>Administrative Expenses</b>					
A	Repair and maintenance					
B	Training and Recruitment					
C	Communication					
D	Travelling and Conveyance					
E	Rent					
F	Others -Break Up as per details given below:					
f-1	Advertisement and publicity					
f-2	Books & Periodicals					
f-3	EDP Hire and other charges					
f-4	Education expenses					
f-5	Ent. and hospitality					
f-6	Fin Expenses-IndAS					
f-7	Guest house expenses					
f-8	Hiring of Vehicles					
f-9	Insurance					
f-10	Legal Expenses					
f-11	Miscellaneous Expenses					
f-12	Community develop. Exp.					
f-13	Others.					
f-14	Payment to auditors					
f-15	Power Charges					
f-16	Printing and Stationery					
f-17	Prof chg & cons fees					
f-18	R&D EXPS					
f-19	Rates and taxes					
f-20	Tender expenses					
f-21	Trpt Veh running Exp.					
f-22	Water charges					
f-23	Workshop & Conf. Exp.					
	<b>Sub Total (Administrative Expenses)</b>					
3	Security					
4	Donations					
5	Provisions					
6	Depreciation					
7	Prior period expenses					
8	Total Expenses from 1-7					
	Less Recoveries (if any)					
9	Expenses related to Operation - D					
	<b>ALLOCATION TO OPERATIONAL STATIONS</b>					
S.No	Name of The Unit/Station					
	<b>Operational Station (1)</b>					
	<b>Operational Station (2)</b>					

### Annexure C



**FORMAT FOR CLAIMING WAGE REVISION IMPACT**

**YEARWISE IMPACT OF REVISION IN SALARIES & WAGES PAID TO THE EMPLOYEES AND STAFF  
OF CISF**

**1. Wage revision impact on employee cost of generating station**

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
1.1 Basic Pay									
1.2 Dearness Allowance									
1.3 HRA									
1.4 Allowances & Perquisites									
1.5 PRP/Ex Gratia									
2.1 Super Annuation Benefits (PF, Pension & PRMS)									
2.2 Gratuity									
2.3 Leave encashment (HPL/EL)									
Total									
Less: EDC									
Net employee cost									

**Wage revision impact on Corporate Centre cost of generating station**

Component	2016-17			2017-18			2018-19		
	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
CC									
1.1 Basic Pay									
1.2 Dearnes									
1.3 HRA									
1.4 Allowances									
1.5 PRP/E									
Total									

**2. Wage revision Impact on Salaries of CISF employee (if applicable)**

Compone	2015-16			2016-17			2017-18			2018-19		



nt	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact	Pre Revised	Post Revision	Wage revision Impact
1.CISF												
Total												

Total Wage revision Impact												
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