

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 308/MP/2015

- Subject : Petition under Section 79 (1) (f) of the Electricity Act, 2003 read with Regulations 14 and 15 of the Central Electricity Regulatory Commission (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010
- Date of hearing : 7.1.2016
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioners : Nu Power Renewables Pvt. Ltd
Enchanda Urja Pvt. Ltd.
- Respondents : National Load Despatch Centre and others
- Parties present : Ms. Swapna Seshadri, Advocate for the petitioner
Ms. Jayantika Singh, NLDC

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition has been filed seeking direction to NLDC to grant REC certificates to the petitioners for the period from 24.4.2015 to 7.10.2015. Learned counsel for the petitioner further submitted as under:

(a) The petitioner No. 1, NuPower Renewables Pvt. Ltd. has set up a 100.5 MW wind energy project in the State of Tamil Nadu. The petitioner has 100.5 MW wind farms, out of which 6 projects with a capacity of 61.5 MW has been registered by NLDC under REC mechanism.

(b) On 1.4.2015, the petitioner No. 2, Echanda Urja Pvt. Ltd. entered into a Slump Sale Agreement with the petitioner No. 1 for transfer of assets, liabilities, etc. of NuPower Renewables Pvt. Ltd. into Echanda Urja Pvt. Ltd.

(c) In Slump Sale Agreement, block of assets is transferred from one company to other for lumpsum value without allocating values of individual assets. This transition is under Section 2 (42C) of the Income Tax Act,1961.

(d) Pursuant to Slump Sale Agreement, the petitioner No. 1 vide its letter dated 16.9.2015 requested SLDC and NLDC to revoke its registration. SLDC vide its email dated 19.9.2015 revoked the accreditation in the name of the petitioner No. 1. However, NLDC vide its email dated 29.9.2015 informed the petitioner No. 2 to pay one time registration fee for 61.5 MW which was liquidated by the petitioner No. 2 on 30.9.2015. The petitioner No. 1 was deregistered on 1.10.2015 and the registration of the petitioner No. 2 was carried out on 7.10.2015. However, due to delay in completion of formalities, NLDC did not issue REC certificates to the petitioners for the period 24.4.2015 to 7.10.2015.

2. In response to the Commission's query as to whether Slump Sale Agreement has been approved by the Hon'ble High Court in accordance with the provisions of the Companies Act, learned counsel for the petitioner submitted that the Slump Sale Agreement has been entered into under the provisions of the Income Tax Act, 1961 and therefore, approval of the High Court in terms of the Companies Act, 2013 is not necessary. Learned counsel submitted that she will submit the legal provisions with regard to Slump Sale Agreement on record with necessary documents.

3. After hearing the learned counsel for the petitioner, the Commission admitted the petition and directed to issue notices to the respondents.

4. The Commission directed the petitioner to serve copy of the petition on the respondents immediately. The respondents were directed to file their replies by 22.1.2016 with an advance copy to the petitioner who may file its rejoinder, if any, on or before 3.2.2016.

5. The Commission directed the petitioner to submit the following clarification/information, on affidavit, by 22.1.2016:

(a) Whether the proposal of Slump Sale Agreement has been approved under the Income Tax Act, 1961, submit relevant documents in this regard.

(b) Copy of the order of the Commissioner of Income Tax;

(c) All documents and provisions of the Companies Act, 2013 with regard to Slump Sale Agreement and compliance thereof.

6. The petition shall be listed for hearing on 16.2.2016.

By order of the Commission

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