

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY
COMMISSION SHIMLA**

Petition No: 157 of 2025
Instituted on: 12.06.2025
Heard on: 17.06.2025
Decided on: 16.07.2025

CORAM:

DEVENDRA KUMAR SHARMA
CHAIRMAN.

YASHWANT SINGH CHOGAL
MEMBER (Law).

SHASHI KANT JOSHI
MEMBER .

In the matter of:-

The HP State Electricity Board Limited.
through Chief Engineer (System Operation),
Vidyut Bhawan, Shimla-171004.**Joint Petitioner No.1.**

AND

M/s Indira Priyadarshani Hydro Power Pvt. Ltd.,
Registered Office at 301/J, 3rd Floor, D-21,
Corporate Park, Dwarka,
Sector 21, Delhi South West, New Delhi-110077.
through Sh. Pawan Kumar Soni, Authorised Representative
.....**Joint Petitioner No.2.**

Joint Petition under Section 86 (1) (b) of the Electricity Act, 2003 for the approval of Power Purchase Agreement to be executed by the HPSEBL with M/s Indira Priyadarshani Hydro Power Pvt. Ltd. in respect of Manuni-II Small Hydro Electric Project (4.80 MW).

Present:-

Sh. Kamlesh Saklani, Authorised Representative for Joint
Petitioner No. 1
Sh. Ashok Kumar Verma, Ld. Counsel for the Joint
Petitioner No. 2.

ORDER

This Joint Petition has been filed under Section 86 (1)(b) of the
Electricity Act, 2003 (Act for short) read with Regulations 56 and 57 of

the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 (the CBR, 2024 for short) by the Himachal Pradesh State Electricity Board Limited (the HPSEBL/ Joint Petitioner No. 1 for short) and M/s Indira Priyadarshani Hydro Power Pvt. Ltd (the Joint Petitioner No. 2 for short) for the approval of long term Power Purchase Agreement (PPA for short) under generic levelized tariff in respect of Manuni-II Small Hydro Electric Project (4.80 MW) situated on Manuni Khad, a tributary of river Beas, in Distt. Kangra, Himachal Pradesh (Project for short).

2. According to the Petition, initially M/s IND-BARATH Energies Limited signed an Implementation Agreement, Annexure-III (IA for short) with the Government of Himachal Pradesh (GoHP for short) on 06.03.2010 for the implementation of the Project. By virtue of a tripartite agreement, signed between the GoHP, M/s IND-BARATH Energies Ltd. and Indira Priyadarshani Hydro Power Ltd. on 09.06.2012, all assets, liabilities, obligations, statutory and non-statutory clearances etc. in respect of the Project were assigned/ transferred in favour of M/s Indira Priyadarshani Hydro Power Pvt. Ltd. by way of supplementary implementation agreement (SIA) dated 19.06.2012, signed between the GoHP and M/s Indira Priyadarshani Hydro Power Pvt. Ltd., all the assets, obligations, liabilities, rights, privileges etc. accrued as per IA dated 06.03.2010 were transferred to the Joint Petitioner No. 2.

3. The Joint Petitioner No. 2 underwent the insolvency proceedings before the National Company Law Tribunal (NCLT) i.e. Corporate Insolvency Resolution Process (CIRP) in accordance with the provisions of Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT vide order dated 02.07.2021 in Petition No. CP (IB) No. 110/9/HDB/2019 has approved the Resolution Plan and Scheme of arrangement as submitted by the resolution applicant M/s Manikaran Power Ltd., on behalf of the Joint Petitioner No. 2.

4. The GoHP on the basis of the approved Resolution by the NCLT signed the 2nd Supplementary Implementation Agreement (2nd SIA) on 28.02.2023 with Joint Petitioner No. 2, whereby the GoHP has consented to transfer/ assign all the assets, liabilities, obligations, privileges, statutory/ non-statutory clearances obtained and benefits arising out of IA dated 06.03.2010 and SIA dated 19.06.2012 accrued to the new entity of the Joint Petitioner No. 2.

5. The Directorate of Energy (DoE), GoHP accorded revised Technical Concurrence for the Project vide office order No. DOE/CE(Energy)/TC-Manuni-II SHEP (Rev)/2023-820-27 dated 04.05.2023 as Annexure-X.

6. The Joint Petitioner No. 2 has also executed the Connection Agreement (Annexure-V) with the Joint Petitioner No. 1 on 23.03.2024, whereby, the HPSEBL agreed to connect the Project at interconnection point at Proposed 33 kV bay at 2x10 MVA, 33/11 kV Sidhpur Sub-

station using the Distribution and Communication System of the Distribution Licensee/ SLDC to transmit electricity as well as real time data to and/ or from the facility through electrical system of the Distribution Licensee.

7. It is averred that as per the provisions of IA/ SIA's, the Joint Petitioner No. 2 has agreed to sell entire net saleable energy from project to the Joint Petitioner No. 1/ HPSEBL at the generic levelled tariff as may be applicable to project as per the provisions of the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from Renewable Energy Sources and Terms & Conditions for Tariff Determination) Regulations, 2017, as amended from time to time, (RE Regulations 2017).

8. The GoHP vide notification dated 15.05.2018, further amended vide order dated 10.10.2018 has mandated the HPSEBL to purchase the power from Hydro Electric Projects with capacity upto 25 MW on generic levelled tariff as determined by the Commission.

9. It is also averred that till date, no agreement has been executed by the Joint Petitioner No. 2 for disposal/ use of energy from the Project on long term basis or under REC Mechanism. Similarly, no other joint petition for the approval of Power Purchase Agreement has been filed before the Commission prior to the filing of the present Petition.

10. According to the Petitioners, the current case is covered under the RE Regulations, 2017. As per the construction schedule, the SCOD of

the Project is 31.12.2025 and falls within the ambit of the 4th control period, i.e. 01.10.2023 to 31.03.2027, as defined under RE Regulations, 2017 and, the generic levelled tariff as determined by the Commission on 17.11.2023 in Suo Moto Petition No. 07 of 2023 for the Small Hydro Electric Projects above 100 kW under the Regulation 14 of the Himachal Pradesh Electricity Regulatory Commission (Promotion of Generation from the Renewable Energy Sources and Terms and Conditions for Tariff Determination) Regulations, 2017 shall be applicable. The SHP Tariff order dated 17.11.2023 provides that the Projects having installed capacity above 2.0 MW and upto 5.0 MW shall be entitled to the tariff of Rs. 5.03 per kWh. However, the tariff is subject to adjustment on account of the following:-

- Adjustment on account of Incentive and/or subsidy and/ or grant available, if any, to project
- Additional tariff on account of O&M
- Variation in free power structure
- Rounding

11. Further, the Ministry of Commerce and Industry, vide Notification No. 2(2)/2018-SPS dated 23-04-2018, introduced the 'Industrial Development Scheme for Himachal Pradesh & Uttarakhand' (IDS, 2017 for short). Under this scheme, the Central Capital Investment Incentive was provided at 30% of the investment in plant and machinery, subject to a maximum limit of ₹ 5.00 crores. The scheme was applicable from

01-04-2017 to 31-03-2022. As per the mandatory requirement specified in Item No. 17 of the scheme, all eligible units were required to register under the scheme through the Department of Industrial Policy and Promotion (DIPP) Portal, Ministry of Commerce and Industry, Government of India, prior to becoming eligible for any benefits.

12. It is also averred that the GoHP has signed the 2nd SIA on 28.02.2023 with the Joint Petitioner No. 2, whereby the GoHP has granted its consent to transfer/ assign all the assets, liabilities, obligations, privileges, statutory/ non-statutory clearances obtained and benefits incurred by the Board of Directors and shareholdings to the new management of M/s Indira Priyadarshani Hydro Power Private Limited, arising out of the Implementation Agreement dated 06.03.2010, Supplementary Implementation Agreement on 19.06.2012. Consequently, the Company was unable to apply for subsidy/incentive under the IDS, 2017, as the said scheme had already been closed on 31.03.2022. In view of the above, no adjustment on account of subsidy/incentive under IDS, 2017 is proposed. The Petitioners further submit that the non-accounting of subsidy/incentive under IDS-2017 in the generic levellised tariff shall remain subject to the approval of the Commission, considering the facts and circumstances of the present case.

13. Also averred that no additional tariff on account of O&M is required as the Project capacity is less than 5.00 MW. Averments in respect of free power, royalty and rounding have also been made in the Petition.

14. We have heard Sh. Sh. Kamlesh Saklani, Authorised Representative for the Joint Petitioner No. 1 and Sh. Ashok Kumar Verma, Ld. Counsel for the Joint Petitioner No. 2 and perused the case file carefully.

15. It is apparent from the record that M/s IND-BHARATH Energies Limited had signed the IA with the GoHP on 06.03.2010 (Annexure-III) for the implementation of the Project for the capacity of 4.80 MW. It is also evident from the Supplementary Implementation Agreement (SIA for short) dated 19.06.2012 signed between the GoHP and M/s Indira Priyadarshani Hydro Power Pvt. Ltd. that all the assets, obligations, liabilities, rights, privileges and benefits accrued as per IA dated 06.03.2010 were transferred in favour of the new management of the Joint Petitioner No. 2. However, the Project was not constructed. The GoHP, M/s IND BARATH Energies Ltd. and M/s Priyadarshani Hydro Power Pvt. Ltd. also signed a tripartite agreement on 19.06.2012 whereby all rights, liabilities, assets, obligations, privileges, statutory and non-statutory clearances in respect of the Project were assigned/ transferred in favour of the erstwhile management of M/s Indira Priyadarshani Hydro Power Pvt. Ltd. The record reveals that the Joint

Petitioner No. 2 underwent insolvency proceedings in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT vide order dated 02.07.2021 in Petition No. CP (IB) No. 110/9/HDB/2019 has approved the Resolution Plan and Scheme of arrangement submitted by the resolution applicant M/s Manikaran Power Ltd., on behalf of the Joint Petitioner No. 2. Pursuant thereto, the GoHP has signed the 2nd SIA dated 28.02.2023 with the new management of M/s Indira Priyadarshani Hydro Power Pvt. Ltd.

16. It is also evident from the 2nd SIA dated 28.02.2023 that various modalities for the Project have been defined as under:-

- (i) That the First Party hereby grants its consent to transfer/assign all the assets, liabilities, obligations, privileges, NOCs and the benefits of the project incurred by the Board of the Directors and shareholdings to the Second Party, arising out of the Implementation Agreement signed on 06.03.2010 and SIA dated 19.06.2012 with the unequivocal acceptance of the Second Party to accept and take over all the assets, rights, liabilities, obligations, privileges and benefits arising out of the above mentioned Implementation Agreement and SIA.
- (ii) The First Party hereby releases old shareholders of this firm of all the obligations under the Implementation Agreement signed on 06.03.2010 and SIA dated 19.06.2012 as mentioned above and agrees to bind Second Party in terms thereof.
- (iii) That the Second Party hereby agrees that it shall be bound and liable for all the liabilities, obligations and operation, maintenance of Project on the terms and conditions as specified in the Implementation Agreement signed on 06.03.2010 and SIA dated 19.06.2012 to the First Party.

- (iv) All the terms and conditions of Implementation Agreement signed on 06.03.2010 and SIA dated 19.06.2012 shall remain the same and except as provided herein and wherever the expression of Second Party appear in the Implementation Agreement and SIA, the same shall be read, construed, mean and deemed to be referring to firm.
- (v) That the Second Party agrees to perform under the Implementation Agreement signed on 06.03.2010 and SIA dated 19.06.2012 as if they were the original party to the aforesaid Implementation Agreement/ SIA.

17. The DoE, GoHP has also accorded the revised Technical Concurrence vide office order No. DoE/CE (Energy)/TC-Manuni-II SEHP (Rev)/2023-820-27. The record also shows that the SCOD of the Project is 31.12.2025.

18. It is also evident from the record that the Joint Petitioner No. 2 has signed the Connection Agreement with the HPSEBL on 22.03.2024 which shows that the HPSEBL has agreed to the connection of the Project (Manuni-II SHEP 4.80 MW) at proposed 33 kV Bay at 2x10 MVA, 33/11 kV Sidhpur Sub-station.

19. The record also shows that the Project is not eligible for the incentive available under the “Industrial Development Scheme for Himachal Pradesh & Uttarakhand” as SIA with the GoHP was signed only on 28.02.2023 after the approval of Resolution plan and scheme of arrangement before the Company Law Tribunal i.e. Corporate Insolvency Regulation Process (CIRP) in accordance with the provisions of Insolvency and Bankruptcy Code, 2016 vide order dated

02.07.2021 in Petition No. CP (IB) No. 110/9/HDB/2019. The subsidy scheme was valid uptill 31.03.2022. In view of the above, the subsidy under the Industrial Development Scheme was not available to the Petitioner. Thus no adjustment in the tariff on account of subsidy/incentive under IDS, 2017 in accordance with RE Regulations 2017 is required to be made.

20. The SCOD of the Project is 31.12.2025 meaning thereby that the SCOD falls within the 4th Control Period of generic levelized tariff. The Commission has determined the tariff for the 4th Control Period w.e.f. 01.10.2023 to 31.03.2027 vide Order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023 under RE Regulations, 2017, as amended. The capacity of the Project is 4.80 MW. Therefore, as per SHP Order dated 17.11.2023 in Suo Moto Petition No. 7 of 2023, the applicable tariff for the Projects shall be Rs. 5.03 per kWh.

21. The Petition is duly supported by affidavits of the Joint Petitioners.

22. Therefore, taking into consideration the aforesaid facts and circumstances and in exercise of the powers vested in the Commission under Section 86 (1) (b) of the Electricity Act, 2003 and Regulations 56 and 57 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024 and also taking into consideration the notifications dated 15.05.2018 and 10.10.2018 of the GoHP, along order dated 02.07.2021 in the Petition No. CP (IB) 110/9/HDB/2019 the Connection Agreement dated 22.03.2024, the

Implementation Agreement dated 06.03.2010, the Supplementary Implementation Agreement dated 19.06.2012, the 2nd Supplementary Implementation Agreement dated 28.02.2023, the Joint Petitioners have made out a case for the approval of the Long Term PPA under the Generic Levellised Tariff.

23. Accordingly the Petition succeeds and allowed. The PPA is ordered to be approved subject to the following terms and conditions:-

- (i) The provisional tariff of 5.03 per kWh (Five Rupees and Three Paise only) is allowed.
- (ii) The Interconnection Point for the Project shall be as per the Connection Agreement dated 22.03.2024.
- (iii) The entire cost of the dedicated line from the power house site to 2x10 MVA, 33/11 kV Sidhpur Sub-station and 1 No. 33 kV bay alongwith the cost of interconnection facilities and allied works involved shall be borne by the Joint Petitioner No. 2.
- (iv) In case any subsidy or incentive is made available for the Small Hydro Projects or the Joint Petitioner No. 2 avails any subsidy or incentive in future the appropriate deduction shall be made in the tariff.
- (v) Other additions, alterations and deletions shall be as per the RE Regulations, 2017, as amended from time to time, and SHP order dated 17.11.2023 passed in Suo Moto Petition No. 7 of 2023.

15. The Joint Petitioners are directed to execute the Power Purchase Agreement accordingly within a period of 30 days from the date of this order after carrying out necessary additions, alterations and deletions. Three copies of the executed Power Purchase Agreement be submitted to the Commission for record.

Let a copy of this order be supplied to the Joint Petitioners forthwith.

The file after needful be consigned to records.

Announced

16.07.2025

-sd-
(Shashi Kant Joshi)
Member

-sd-
(Yashwant Singh Chogal)
Member (Law)

-sd-
(Devendra Kumar Sharma)
Chairman