



नई दिल्ली  
NEW DELHI

याचिका संख्या./ Petition No. 725/MP/2020

कोरम/ Coram:

श्री आई. एस. झा, सदस्य/ Shri I. S. Jha, Member  
श्री अरुण गोयल, सदस्य/ Shri Arun Goyal, Member  
श्री पी. के. सिंह, सदस्य / Shri P. K. Singh, Member

आदेश दिनांक/ Date of Order: 5<sup>th</sup> of December, 2023

**IN THE MATTER OF:**

Petition under Section 79 of the Electricity Act, 2003 and Regulation 24 read with Regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and 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 and in compliance to the Commission's order dated 27.01.2020 in Petition No. 61/MP/2019, whereby POSOCO was directed to file Petition before the Commission with all the facts of the case for the Commission to take the appropriate action.

**AND IN THE MATTER OF:**

**The Nodal Officer, REC Mechanism,**  
1<sup>st</sup> floor, National Load Despatch Centre (NLDC) office,  
Power System Operation Corporation Ltd.  
B- 9, Qutab Institutional Area, Katwaria Sarai,  
New Delhi – 110016

...Petitioner

## Versus

### **1. Weizmann Limited,**

Empire House, 214,  
Dr. D. N. Road, Ent. A.K. Nayak Marg,  
Fort, Mumbai – 400 001

### **2. Karma Energy Limited,**

Empire House, 214,  
Dr. D. N. Road, Ent. A.K. Nayak Marg,  
Fort, Mumbai – 400 001

### **3. Maharashtra State Load Despatch Centre,**

Thane - Belapur Rd, MSEB Staff Colony,  
TTC Industrial Area, Airoli,  
Navi Mumbai, Maharashtra 400708

### **4. Maharashtra Energy Development Agency,**

91A, 2nd Floor, Mahada Complex,  
Nagpur Chawl Road, Tridal Nagar,  
Maharashtra Co-Operative Housing Society  
Yerawada, Pune, Maharashtra 411006

**... Respondents**

**Parties Present:** Shri Kailash Chang Saini, NLDC  
Shri Gajendra Singh Vasava, NLDC  
Shri Ankur Singh, Advocate, NLDC  
Ms. Khushboo Mittal, Advocate, NLDC  
Shri Alok Mishra, NLDC  
Ms. Dipali Seth, Advocate, Weizmann Ltd.

## आदेश/ ORDER

The Petitioner, National Load Despatch Centre (NLDC), has filed the petition under Section 79 of the Electricity Act, 2003 and Regulation 24 read with Regulation 111 of the *Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999* and 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* and in compliance with the Commission's order dated 27.01.2020 in Petition No. 61/MP/2019, whereby POSOCO was directed to file Petition before the Commission with all the facts of the case for the Commission to take the appropriate action.

2. We observe that the Commission vide Order dated 27.01.2020 in Petition No. 61/MP/2019 has held as under:

*47. The Respondent has submitted that the Petitioners have admitted that even after the legal entities changed hands, the records of the various State Electricity Boards as well as the Central Agency remained unchanged. Such misconduct on part of the Petitioners in suppressing the material information amounts to fraud and should not be allowed by the Commission. A strict action should be taken against such applicants who wilfully misrepresent the authorities.*

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*68. As discussed at para 47 the Respondent NLDC has submitted that there is a wilful misconduct and suppression of material information by the Petitioner and the same is required to be dealt firmly. In the above circumstances, the Respondent is hereby directed to investigate into the matter and prepare report within six months of the date of this Order. The Respondent shall file a petition before the Commission with all facts of the case for Commission to take appropriate action.*

### **Submission by National Load Despatch Centre**

3. NLDC in compliance with the Commission's order in Petition No. 61/MP/2019 submitted the report with the following inputs:
- M/s Weizmann Limited and Karma Energy Limited belonged to the same Group viz. Weizmann Group and Karma Energy Limited was the subsidiary company of Weizmann Ltd. (Weizmann Ltd). M/s Weizmann Limited (two projects having capacity 4.5 MW each) and Karma Energy Limited (two projects having capacity 4.5 MW each) were having wind

energy projects of 9 MW each at Vankusavade site, Patan Taluka, Satara District, which were commissioned in December 2000 / March 2001/ May 2001. Commissioning Certificate in the name of “Weizmann Limited” was issued by Maharashtra State Electricity Board (present MSEDCL) vide letter dated 21.12.2000, 02.05.2001 and 16.07.2001. The 9 MW wind power plant owned by M/s Weizmann Limited was taken on operating lease by Karma Energy Ltd. Consequently, all income and expenses were recorded in the books of Karma Energy Ltd. even though the ownership remained with M/s Weizmann Limited. The Weizmann group underwent a restructuring through a Scheme of Arrangements sanctioned by the Hon’ble High Court of Bombay vide Order dated October 29, 2010. Under the Scheme, two (2) subsidiaries of the Group viz. Karma Energy Limited and Weizmann Forex Limited merged with the holding company, Weizmann Limited, w.e.f. April 01, 2009. Under the same Scheme, the power business undertaking and forex business undertaking of the merged Weizmann Limited then demerged into two (2) resultant companies i.e. Karma Wind Power Limited and Chanakya Holdings Limited. The demerger came into effect from April 01, 2010. Subsequent to the demerger, all assets and liabilities of the specific business undertakings of Weizmann Limited were transferred to the Resultant Companies. Subsequent to the demerger, the names of the Resultant Companies changed to Karma Energy Limited and Weizmann Forex Limited, with the approval of the Registrar of Companies. Post demerger, all the assets and liabilities of the power business undertaking from the M/s Weizmann Limited were transferred and recorded in the books of accounts of Karma Energy Limited.

- b) Registration: On 24.09.2011, M/s Weizmann Limited got registration of the two wind plants (4.5 MW each) having off-take route of electricity as Third Party Sale through Open Access, located at Gojegaon & Divshi Village, Vankusawade, Taluka Patan, District Satara, Maharashtra (hereinafter referred to as ‘RE projects’) under REC Mechanism in its own name. Thus, NLDC has been issuing RECs to M/s Weizmann Limited which was in fact not the “generating company”. NLDC did this relying on Accreditation certificate issued by State Agency and also relying on the Energy Injection Reports issued by Maharashtra SLDC. Karma Energy Limited failed to register as generating company after the demerger/restructuring exercise. As per Regulation 5 of REC Regulations, only a generating

company producing renewable energy is eligible for registration for issuance of REC Certificates.

- c) Re-registration: The above mentioned two wind projects of M/s Weizmann Limited got revalidation of accreditation and registration of the RE projects in November 2016 and May 2017 respectively. Till 2017, the records of MSEDCL also showed M/s Weizmann Limited as the owners of wind farms. Commissioning Certificate in the name of “Weizmann Limited” was issued by Maharashtra State Electricity Board (present MSEDCL) vide letter dated 21.12.2000, 02.05.2001 and 16.07.2001.
- d) Fresh accreditation: On 01.07.2017, the Goods and Services Tax (hereinafter referred to as ‘GST’) Act was enacted pan India. As per GST Act, it was mandated that an entity having permanent business has to get itself registered in each State in which it is conducting business. Subsequent to the notification of GST Act and the circular issued by IEX regarding the applicability of GST on REC, M/s Weizmann limited approached MSEDCL and other relevant authorities for changing the registration in the name of M/s Karma Energy Limited. On 25.07.2017, M/s Weizmann Limited initiated the name change formalities in favour of Karma Energy Limited in the records of various State Electricity Boards including Maharashtra State Electricity Distribution Company Limited (hereinafter referred to as ‘MSEDCL’) under Regulation 10.4 of the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005.
- e) On 12.04.2018, MSEDCL approved change of name in favour of Karma Energy Limited. On 11.05.2018, subsequent to receiving the approval from MSEDCL, the M/s Weizmann Limited made its application to Maharashtra Energy Development Agency (hereinafter referred to as ‘MEDA’/’State Agency’) informing about the change in name of M/s Weizmann Limited.
- f) On 17.05.2018, M/s Weizmann Limited requested NLDC to record the change in name of M/s Weizmann Limited entity in accordance with approval of MSEDCL and the State Agency. On 14.06.2018, NLDC informed M/s Weizmann Limited to submit re-registration/fresh accreditation application to the State Agency since it was a change in the legal status of the eligible entity and not merely a change in name. On 30.06.2018 & 01.07.2018, M/s Weizmann Limited filed fresh application of re- registration/fresh accreditation certificate. On 14.07.2018, M/s Weizmann Limited submitted further

documentation as were required by the State Agency. On 09.07.2018, 27.07.2018 & 07.08.2018, based on the Energy Injection Reports (EIRs) received from SLDC, M/s Weizmann Limited made applications for the issuance of RECs for the relevant period to NLDC in the name of M/s Weizmann Limited since the REC project status was still active in the name of M/s Weizmann Limited. NLDC directed that the RECs would be issued to Karma Energy Limited from 14.07.2018 onwards being the date of application of accreditation of M/s Karma Energy Limited. M/s Weizmann Limited and Karma Energy Limited filed the Petition before CERC to direct NLDC to issue the RECs.

- g) NLDC communicated to Maharashtra SLDC vide email dated 19.02.2020 & 01.04.2020 for clarification on issuance of EIRs in the name of “Weizmann Limited” from October- 2011 to March-2018. In response, SLDC vide email dated 07.04.2020 wrote to RE Generator for clarification in this regard. Due to lack of proper response from both the RE Generators and SLDC, NLDC again sent a reminder vide email dated 22.07.2020 for clarification in the matter
- h) The RE Generator responded vide email dt. 31.7.2020 to NLDC that it had already replied vide its email dt. 24.4.2020 to SLDC with relevant details and information. Therefore, NLDC wrote to SLDC vide email dated 13.08.2020 and sought copy of the RE Generator’s reply dated 24.04.2020 (sent to SLDC) & clarification about the basis of EIRs in the name of “Weizmann Ltd.” from October 2011 to March 2018.
- i) In response to NLDC email dated 13.08.2020, SLDC vide email dated 18.08.2020 submitted that as per the communication and email received regarding the fresh Accreditation certificate dated 29.09.2018 and thereafter Energy Injection Reports received from Maharashtra State Electricity Distribution Company Ltd., Maharashtra SLDC has issued the EIR to the newly registered project i.e. “Karma Energy Limited” after due verification of the data.
- j) Maharashtra SLDC was unaware of the any changes of the entity till the information received either from the RE Generator itself or State Agency.
- k) The RE Generator vide email dated 18.8.2020 to NLDC submitted the following:
  - (i) Since both Weizmann and Karma belong to same Weizmann Group, both the Companies have same Registered office, same Promoter and Promoter Group and even Public shareholders were same, the fact of the demerger and the name change

- was unfortunately and inadvertently not informed at that time to the relevant agencies as in effect the persons holding and operating the Wind Farm remained the same, albeit under a different name. There was also no change of the company to any different entity like a partnership and thus there was no change in the legal status of the company.
- (ii) Regretfully, the administrative oversight continued even while renewing the RECs in 2016 and the same were renewed in the name of Weizmann.
  - (iii) The continuance of the RECs in the name of Weizmann was an unfortunate action on their part but the same was not done with any intent to mislead the agencies or otherwise. Even though REC was never claimed twice by same entity or by two different entities and recording of RECs were correctly made in Karma only from the beginning, the management has commenced disciplinary actions against the persons who ought to have informed the agencies of the demerger and change of name.
  - (iv) As soon as it was discovered that the RECs continue to be issued in the name of Weizmann, they immediately initiated the name change formalities in the records of the various State Electricity Boards including MSEDCL by making an application to Director Finance, MSEDCL vide letter dated July 25, 2017.
  - (v) The non-updation of records by Weizmann was completely unintentional. There was no fraud or suppression or mis-statement reflecting a bad intention of a person for obtaining any undue benefit or to defraud the revenue. In the subject case there is not even an iota of any such intention or objective.
- 1) MEDA vide letter dated 11.08.2020 made the following submission before Central Agency:
- (i) At the time of fresh accreditation of project “Karma Energy Limited”, RE Generator submitted the basic name change documents to the State Agency.
  - (ii) At the time of fresh accreditation and revalidation of accreditation of “Weizmann Limited”, RE Generator submitted all the documents in the name of “Weizmann Limited”. At the time of fresh accreditation of two wind project of “Weizmann Limited”, MEDA collected the basic company and project related documents along with the checklist mentioned in CERC REC Procedures for issuance of Accreditation & Re-accreditation Certificate.

(iii) On the basis of documents submitted in the name of Weizmann Limited, following two projects were accredited by the State Agency:

Sr. No.	Accreditation Number	Issue Date	Expiration Date
1	MH0NSWEIZM001A030911	03.09.2011	02.09.2016
2	MH0NSWEIZM002A030911	03.09.2011	02.09.2016

(iv) At the time of revalidation of accreditation of two wind project of “Weizmann Limited”, MEDA collected the basic company details and project related documents. On the basis of documents submitted in the name of M/s Weizmann Limited, following two projects were Re-accredited by the State Agency:

Sr. No.	Accreditation Number	Issue Date	Expiration Date
1	MH0NSWEIZM001A030911	22.11.2016	21.11.2021
2	MH0NSWEIZM002A030911	22.11.2016	21.11.2021

m) **NLDC has concluded its report as under:**

- *Since the Commissioning Certificate in the name of “Weizmann Limited” was issued by Maharashtra State Electricity Board (present MSEDCL) vide letter dated 21.12.2000, 02.05.2001 and 16.07.2001, therefore at all the stages of REC mechanism viz. Accreditation, Registration, Issuance of REC, it seems that the concerned agency relied on the said Commissioning Certificate and it appears that they were unable to detect the change in ownership of the company following the High Court order dated 29<sup>th</sup> Oct, 2010.*
- *It appears that the onus was on the RE Generator to bring to the notice of the concerned authorities the change in the legal status of the company owning the concerned renewable plants. The records were not updated by the RE Generator.*
- **The RE Generator in his reply has accepted and admitted his mistake and said that it was done unintentionally. Further, the RE Generator admitted that the fact of name change was unfortunately and inadvertently not informed within the prescribed time to the relevant agencies. It was also admitted by the RE Generator that the administrative oversight continued even while renewing the RECs. The RE Generator humbly submitted that the same was not done with any intent to mislead the agencies or otherwise. Further, the RE Generator has stated that he has commenced disciplinary proceedings against the concerned persons.**

**Submissions of Respondents**

4. Both the Respondents vide their reply dated 20.08.2021 submitted as under:



- a) In the order dated 27.01.2020, the Commission besides upholding the grant of REC certificate by NLDC only from July 14, 2018 i.e. fresh accreditation, was also pleased to take notice of the submissions of the Petitioner in Para 46.
- b) Revalidation of accreditation and registration was not sought in the year 2016. It was only in July 25, 2017 that Weizmann initiated the name change formalities in the records of the various State Electricity Boards including MSEDCL by making an application in respect thereof. The initial contention of the Respondents before the Petitioner was that pursuant to Court Order sanctioning the arrangement all licences, approvals, permissions, registrations granted to demerged entity Weizmann stand transferred and vested with respective Resultant Companies. However, since the officers of Petitioner insisted that fresh accreditation need to be applied for, such application was made.
- c) Procedure for Issuance of Renewable Energy Certificate to the eligible entity by Central Agency dated March 17, 2010 which was in existence at the time of the execution of the Scheme, had no provision regarding the procedure to be followed by the eligible entity in case of change in its name/status. With the advent of the GST in 2017, Weizmann had notified the State Agency and the Petitioner as soon as it was feasible for them to do so.
- d) The change in the status of the Respondents was recorded by SLDC and MSEDCL and the application for the issuance of the EIRs was made in the name of Karma Energy Limited
- e) The generator had fully co-operated with the Petitioner and acted in a diligent manner to comply with the Commission's directions.
- f) With respect to the averments regarding the inadvertent errors admitted by the Respondents stated of the Investigation Report, the Respondents submitted as follows:
  - (i) The perusal of the Investigation Report established that there was no finding of any wilful misconduct or suppression of material information of the order dated 27.01.2020. The Commission envisaged the matter to be dealt firmly if there was any such aspect of wilful misconduct or suppression of material information. The term "wilful misconduct" implies bad faith or *mens rea* to doing or causing damage to others.
  - (ii) The Respondents admittedly inadvertently failed to register as generating company after demerger/restructuring exercise. In view of the aforesaid order of the

Commission, the Respondents prayed that such error which was not with any culpable intent and causing no harm is not of the nature to be dealt firmly.

- (iii) Regulation 24 and Regulation 111 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, distinctly stipulates that the Commission has the inherent powers to take the requisite measures to meet the ends of justice.
- (iv) There was no intention on part of the Respondents to disguise its name or the Scheme from the concerned authorities or claim RECs twice or obtain undue benefits or wrongful gains etc. The Commission in view of its inherent powers may pardon the inadvertent error on part of the Respondents. Further, the Petitioner submitted that there appears to be an inadvertent error on part of the Respondents in not recording the name change and no findings have been placed on record after the detailed investigation carried out by the Petitioner to suggest that any wrongful gains have been made by the Respondents by such mistake of not recording name change with relevant entities.
- (v) From the date of demerger i.e. 01.04.2010, Weizmann was acting in the capacity of Trustee of Karma Energy Limited and there was no intentional suppression of facts and relevant information. Due to an inadvertent error, the Respondents should not be deprived of the benefits attached to promoting non- conventional energy sources. The bonafide of the Respondents is also substantiated by the fact that the Respondents themselves approached for intimation of such change and not that it was compelled by the Petitioner and therefore, there was no malafide intent or intentional withholding of information by the Respondents.
- (vi) The Respondents pray to the Commission to dispose of the present Petition as no unlawful gains are made by Respondents and as by the Petitioner's own findings there is no case made out for any malafide intent on part of the Respondents.

### **Hearing dated 23.03.2023**

5. During the hearing dated 23.03.2023, the parties made detailed submissions and vide Record of Proceedings, it was held as under:

*Learned counsel for the Petitioner submitted that the present Petition has been filed in compliance of the Commission's order dated 27.1.2020 in Petition No. 61/MP/2019 wherein the Petitioner was directed to investigate & prepare a report on the matter of*

wilful misconduct and suppression of material information by Weizmann Limited and consequently, to file a Petition before this Commission with all relevant facts of case for the Commission to take an appropriate action. Learned counsel submitted that the Petitioner, in compliance with the above direction, has prepared its report and filed along with the Petition. Learned counsel further referred to the said report and mainly submitted as under:

(a) Since the commissioning certificate in the name of Weizmann Limited was issued by Maharashtra State Electricity Board Limited vide letters dated 21.12.2000, 2.5.2001 and 16.7.2001, therefore at all the stage of REC mechanism viz. accreditation, registration & issuance of RECs, it seems that the concerned agency relied on the said commissioning certificate and it appears that they were unable to detect the change in ownership of the company (arising out of demerger scheme) following the High Court order dated 29.10.2010 pursuant to which all the assets & liabilities of power business undertaking from Weizmann Ltd. were transferred and recorded in the books of account of Karma Energy Limited.

(b) The onus was on the renewable energy generator to bring to the notice of concerned authorities the change in the legal status of the company owing the concerned renewable plants.

(c) The renewable generator, in its reply, has accepted and admitted its mistake stating it is unintentional.

(d) With effect from 14.7.2018 i.e. from the date of application for fresh accreditation by Karma Energy Limited, the RECs are being issued in its name. However, for the period prior thereto, the RECs have been issued in the name of Weizmann Ltd., which as per the REC Regulations of the Commission, was not an eligible entity and hence, the Commission may either revoke such RECs or consider condoning the same.

**2. Learned counsel for the Respondents 1 & 2, Weizmann Limited & Karma Energy Limited submitted that the Respondents had inadvertently failed to register Karma Energy Limited as generating company after the demerger/restructuring exercise. There was, however, no intention on part of the Respondents to disguise their name or the scheme from the concerned authorities or to claim RECs twice or to obtain undue benefits or wrongful gains, etc. Learned counsel also submitted that, in this regard, disciplinary proceedings had also been initiated against the concerned persons.**

**3. After hearing the learned counsel for the parties, the Commission directed the Respondents to file on affidavit the details of internal actions/disciplinary proceedings undertaken by the Respondents against the concerned persons responsible for the above lapse, on an affidavit, within two weeks.**

**4. Subject to the above, the Commission reserved the matter for order.**

6. In response to above, the Respondents have filed an affidavit dated 05.04.2023 and has submitted that all expenses and income pertaining to power business including RECs were accounted with Karma Energy Limited. After having analysed detailed records, correspondences, application and books of accounts, it was observed that there was no unlawful gain in respect of

such error. The two concerned employees were summoned vide letters dated 17.12.2019 and detailed explanation was sought in respect of such serious lapse of not following due procedure. They expressed their remorse for failing to undertake relevant steps for following procedure of law and failing to inform seniors of the same. The Company had withheld the salaries of both the employees during the course of internal investigation. Due to remorse, one of the concerned employees had offered his resignation on 03.02.2020 which was duly accepted by the Company. Another employee was also diligent and never fell short of his commitment towards work and discipline and therefore, it was decided to give him a warning. The Company revamped its reporting system in the concerned department for avoidance of such serious lapses. The Company further directed Head of Legal to undertake monthly exercise of conducting inhouse sessions for updating the departments in respect of new judgements, change in procedures and changes in law.

**Analysis and decision**

7. We have heard the learned counsels for the Petitioner and the Respondents and have carefully perused the records.
8. Vide Order in Petition No. 61/MP/2019 dated 27.01.2020 it was held as under:

*47. The Respondent has submitted that the Petitioners have admitted that even after the legal entities changed hands, the records of the various State Electricity Boards as well as the Central Agency remained unchanged. Such misconduct on part of the Petitioners in suppressing the material information amounts to fraud and should not be allowed by the Commission. A strict action should be taken against such applicants who wilfully misrepresent the authorities.*

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*54. The brief facts of the case are that 2 (two) wind energy projects in the State of Maharashtra were accredited and registered under the name of M/s Weizmann Limited. The details of the projects are as under:*

<b>Project</b>	<b>Capacity</b>	<b>Location</b>	<b>COD</b>	<b>Accreditation</b>	<b>Registration</b>
Phase 1	4.5 MW	Vankusawade, Patan taluka, Satara district, Maharashtra	07-12-2000/ 09.05.2001	MHONSWEIZ M001A030911	MHONSWEIZ M001R240911
Phase 2	4.5 MW		29.03.2001	MHONSWEIZ M002A030911	MHONSWEIZ M002R240911

55. Pursuant to restructuring of the business vide Order dated 29.10.2010 of the Hon'ble High Court of Bombay, Karma Energy Limited and Weizmann Forex Limited were merged with the holding company Weizmann Limited. Under the same scheme, the power business undertaking of Weizmann Limited (Petitioner No. 1) was demerged to Karma Wind Power Limited and the forex business undertaking was demerged to Chanakya Holdings Limited. Post the demerger, the names of the resultant companies were changed from "Karma Wind Power Limited to Karma Energy Limited" and "Chanakya Holdings Limited to Weizmann Forex Limited" respectively.

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67. From the above, the Commission observes that the eligible entity in the event of change in legal status is eligible to seek issuance of RECs from the date of application for reaccreditation/fresh accreditation and the RECs shall be issued to the new entity. Therefore, the RECs need to be issued to the Petitioner No. 2 from the date of application for fresh accreditation. In the instant case it is observed that the copy of the application enclosed at Annexure 'H' filed alongwith the petition clearly indicates that application was made on 14.07.2018. Accordingly, we direct the Respondents to process the applications for issuance of RECs for the energy generated during the relevant period from 14.07.2018 to Petitioner No. 2, in line with the Energy Injection Report.

68. As discussed at para 47 the Respondent NLDC has submitted that there is a wilful misconduct and suppression of material information by the Petitioner and the same is required to be dealt firmly. In the above circumstances, the Respondent is hereby directed to investigate into the matter and prepare report within six months of the date of this Order. The Respondent shall file a petition before the Commission with all facts of the case for Commission to take appropriate action.

9. We observe that National Load Despatch Centre has placed its report on records and has submitted that the Respondents have already taken internal action/disciplinary proceedings against the concerned persons responsible for the above lapse.
10. We observe that 2 (two) wind energy projects (4.5MW each) were accredited and registered under the name of M/s Weizmann Limited in the State of Maharashtra. The Hon'ble High Court of Bombay vide its Order dated 29.10.2010, allowed restructuring and M/s Karma Energy Limited and M/s Weizmann Forex Limited were merged with the holding company M/s Weizmann Limited. Under the same scheme, the power business of M/s Weizmann Limited (Petitioner No. 1) was demerged to M/s Karma Wind Power Limited and the forex business undertaking was demerged to M/s Chanakya Holdings Limited. Post the demerger, the names of the resultant companies were changed from M/s Karma Wind Power Limited to M/s Karma

Energy Limited and M/s Chanakya Holdings Limited to M/s Weizmann Forex Limited respectively. NLDC in petition No. 61/MP/2019 submitted that the Petitioners have admitted that even after the legal entities changed hands, the records of the various State Electricity Boards as well as the Central Agency remained unchanged. NLDC further submitted that such misconduct on the part of the Petitioners in suppressing the material information amounts to fraud and should not be allowed by the Commission. A strict action should be taken against such applicants who wilfully misrepresent the authorities.

11. The Commission directed NLDC to inquire into the matter and submit the report and file a petition before the Commission with all facts of the case for the Commission to take appropriate action. NLDC vide its report has submitted that since the Commissioning Certificate in the name of “Weizmann Limited” was issued by Maharashtra State Electricity Board (present MSEDCL) vide letter dated 21.12.2000, 02.05.2001 and 16.07.2001, therefore at all the stages of REC mechanism viz. Accreditation, Registration, Issuance of REC, it seems that the concerned agency relied on the said Commissioning Certificate and it appears that they were unable to detect the change in ownership of the company following the High Court order dated 29.10.2010. However, the onus was on the RE Generator to bring to the notice of the concerned authorities the change in the legal status of the company owning the concerned renewable plants. The records were not updated by the RE Generator. The RE Generator has accepted and admitted its mistake and said that it was done unintentionally. The RE Generator has further reiterated that the inadvertent error was unfortunate and not intentional. RE Generator has admitted that the administrative oversight continued even while renewing the RECs, however, the same was not done with any intent to mislead the agencies or otherwise. The RE Generator has confirmed that it has already taken disciplinary proceedings against the concerned persons.
  
12. We note that the Petitioners have admitted that even after the legal entities changed hands, the records of the various State Electricity Boards as well as the Central Agency remained unchanged. We observe that the irregularity was pointed out by NLDC. Now as per the report submitted by NLDC, it is brought to our notice that since the Commissioning Certificate in the name of “Weizmann Limited” was issued by the MSEDCL, at all the stages of REC mechanism the concerned agency relied on the said Commissioning Certificate and it appears that they were

unable to detect the change in ownership of the company following the High Court order dated 29.10.2010. Further, the RE Generator has accepted and admitted the mistake and has submitted that it was done unintentionally. The RE Generator has admitted that it was an administrative oversight and the RE Generator has already taken disciplinary proceedings against the concerned persons who inadvertently failed to update the records with the relevant authorities. It seems that NLDC is satisfied with the submissions of the RE generators and it has not recommended any further action. It is pertinent to mention here that the Commission vide its Order dated 27.01.2020 in 61/MP/2019 has already held that “*we direct the Respondents to process the applications for issuance of RECs for the energy generated during the relevant period from 14.07.2018 to Petitioner No. 2, in line with the Energy Injection Report.*” In view of above we accept the report of NLDC and caution the Respondents (RE generators) to be vigilant in future.

13. Accordingly, Petition No. 725/MP/2020 is disposed of in terms of the above.

Sd/-  
पी. के. सिंह  
सदस्य

Sd/-  
अरुण गोयल  
सदस्य

Sd/-  
आई. एस. झा  
सदस्य