

Rajasthan Urja Vikas Nigam Ltd. Vs. SECI & Ors.



Rajasthan Electricity Regulatory Commission (“RERC”) by way of Order dated 31.08.2022 was pleased to recognize the Change in rate of Safeguard Duty, Increase in rate of Basic Custom Duty on import of Solar Inverters, Levy of Basic Custom Duty on import of Solar Cells, Modules/Panels and increase of GST on Solar PV Modules from 5% to 12 % by way of Notification dated 30.09.2021 as Change in Law events while disposing off the Adoption Proceedings.

The Commission has rightly considered that the change in rates of Safeguard duty, GST and Basic Custom Duty are primarily affected by the Notification issued by Ministry of Finance, Government of India which qualifies to be an Indian Government Instrumentality under the PPA, therefore, in terms of the agreement between the parties, the compensation payment on account of change in rates of such duties will be provided to the Generating Companies as per the mechanism provided under the PPA.

The Commission has gone a step further by clarifying that there shall be corresponding extension of the Schedule Commercial Operation Date and Financial Closure equivalent to the delay that has occurred in conclusion of the Adoption Proceedings. The clarification would ensure certainty over the Projects.

NTPC Renewable Energy Limited was represented by Shri Venkatesh (Managing Partner), Siddharth Joshi (Senior Associate) and Abhishek Nangia (Associate).

Link of the order can be found [here](#).