

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 226/MP/2016

- Subject : Petition for approval under Section 17(3) and 17(4) of the Electricity Act, 2003 for substitution/addition of lenders by the Borrower/Petitioner no.1 and to take on record appointment of the SBICAP Trustee Company Limited, the Security Trustee/Petitioner No.2, acting on behalf of the SBICAP Trustee Company Limited, the Security Trustee/Petitioner No.2, acting on behalf of and for the benefit of India Infrastructure Finance Company Limited and IndusInd Bank Limited and their successors, assigns, novatees and transferees in connection with the Package B of Western Region System Strengthening Scheme-II (WRSSS-B) in state of Maharashtra and Karnataka.
- Date of hearing : 24.1.2017
- Coram : Shri Gireesh Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioners : 1. Reliance Infrastructure Limited.
2. SBICAP Trustee Company Limited
- Respondents : Power Grid Corporation of Limited & Others.
- Parties present : Shri Buddy Rangnathan, Advocate for the petitioner
Shri Hasan Murtaza, Advocate for the petitioner
Shri Rupin Rawat, WRTMPL

Record of Proceedings

Learned counsel for the petitioners submitted that Reliance Infrastructure Limited has filed the present petition under Sections 17(3) and 17(4) of the Electricity Act, 2003 for seeking approval for creating and perfecting the security in favour of the SBICAP Trustee Company Limited, acting on behalf of and for the benefit of the takeout lender by way of execution of security documents and for the benefit of new consortium of lenders where the composition of consortium of lenders has been changed due to takeout of part of the existing outstanding loan by the new lenders. Learned counsel further submitted as under:

- (a) The Commission vide order dated 22.9.2015 accorded approval for assignment of transmission licence of WRTMPL's in favour of Reliance Infrastructure Limited under Section 17 (3) of the Electricity Act, 2003 consequent to merger of WRTMPL with Reliance Infrastructure Limited.

(b) The proposed security documents in relation to the Takeout Agreement have been settled and initialed between the petitioners. The settled drafts of Supplemental Indenture of Mortgage, Declaration and Undertaking and Memorandum of Entry are placed on record.

(c) The petitioner has refinanced part of the existing loan under Takeout Scheme of India Infrastructure Finance Company Limited (IIFCL). Such refinancing has helped the borrower to reduce the interest expense on overall loan availed for part financing the project as interest rate offered by IIFCL for takeout/refinanced loan of Rs. 285 crore was 10.50% as compared to existing rate of 10.85%-11.00%.

(d) The refinancing of part of existing loan shall help the borrower to save an interest expense of Rs.1 crore on an annual basis.

2. In response to the Commission's query regarding the nature of rate of interest, learned counsel for the petitioners submitted that the existing loan is at floating rate and the proposed re-financing is on fixed rate of interest. Learned counsel further submitted that the instant asset is under transfer to Adani Group and the petitioner has filed the petition for the approval the same.

3. After hearing the learned counsel for the petitioners, the Commission admitted the petition and directed to issue notices to the respondents. The Commission directed the petitioner to serve copy of the petition if already not served, on the respondents immediately. The respondents were directed to file their replies by 15.2.2017 with an advance copy to the petitioner who may file its rejoinder, if any by 28.2.2017.

4. The Commission directed the petitioner to file on affidavit, on or before 15.2.2017, the following information:

(a) How would the petitioner pass the benefit of refinancing to the beneficiaries?

(b) The reason for going at fixed rate of interest in the proposed refinance from the existing loan at floating rate of interest, when the rate of interest is in downward trend?

(c) Whether the proposed re-financing has been considered on the transfer of assets?

5. The Commission directed the petitioner and the respondents that due date of filing the information, replies and rejoinder should be strictly complied with. No extension shall be granted on that account.

6. The petition shall be listed for hearing on 9.3.2017.

By order of the Commission

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