

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 31/MP/2017

- Subject : Petition under Section 17(3) of the electricity Act, 2003 for permission to transfer the Utility and assignment of licence comprising the transmission business/assets of the petitioner No.1/Reliance Infrastructure Limited formerly under Licence No.6 /Transmission/CERC in the name of Western Region Transmission (Maharashtra) Private Limited and Licence No.7/ Transmission/CERC in the name of Western Region Transmission (Gujarat) Private Limited in favour of petitioner No.2 Western Transco Power Limited and Petitioner No.3 Western Transmission (Gujarat) Limited respectively.
- Date of hearing : 15.6.2017
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member
- Petitioners : Reliance Infrastructure Limited and Others.
- Respondents : Power Grid Corporation of India Limited & Others.
- Parties present : Shri Sanjay Sen, Senior Advocate, Rlnfra
Shri Buddy Ranganadhan, Advocate, Rlnfra
Shri Saswat Patnaik, Advocate, Rlnfra
Shri Naveen Nagpal, Rlnfra
Shri Rupin Rawat, Rlnfra
Shri Alok Roy, Rlnfra
Shri Harsha Manal, Advocate, PGCIL
Ms. Jyoti Prasad, PGCIL
Shri R.P. Padhi, PGCIL
Shri S.M. Singh, PGCIL
Shri Sitiesh Mukherjee, Advocate, CA-CIB & MBL
Shri Gautam Chawla, Advocate, CA-CIB & MBL
Shri Deep Rao, Advocate, CA-CIB & MBL

Record of Proceedings

Learned senior counsel for the petitioner submitted that as per the Commission's directions dated 25.4.2017, the petitioners have impleaded the lenders as parties to the

petition and have filed an amended Memo of Parties. Learned senior counsel further submitted as under:

(a) To divest its transmission business, Rlnfra proposes to sell its undertakings to Adani Transmission Limited (ATL). There are two stages involved in the process, firstly, the transmission lines which were formerly under WRTM and WRTG are proposed to be transferred to two special purpose vehicles (SPVs). The SPVs, wholly owned subsidiaries of Rlnfra, namely, Western Transco Power Limited (WTPL) and Western Transmission (Gujarat) Limited (WTGL) were set up for the purpose of holding the assets of WRTM and WRTG. Secondly, pursuant to the transfer of the said utilities to WTPL and WTGL (SPVs), their entire equity shareholdings would be transferred to ATL.

(b) The petitioners have received the NoC for transfer of utility from Rlnfra to SPVs from the lead consortium of the Maharashtra assets i.e. L&T Infrastructure Finance and NoC from the other two lenders namely, IndusInd Bank and IIFCL would be submitted by the end of this month.

(c) For the Gujarat assets, two foreign lenders namely, Credit Agricole & Investment Bank (CA-CIB) and Mizuho Bank Limited (MBL) have issued the NoC and have specified that upon the sale of equity shareholding of Rlnfra in WTGL to ATL, their credit facility to WTGL should be replaced by another lender. Accordingly, ATL has availed suitable arrangements from Standard Chartered Bank (SCB), such that upon the transfer of shares of WTGL from Rlnfra to ATL, the facility from CA-CIB and MBL to WTGL would be replaced by a facility from SCB. The commitment letter of SCB dated 17.5.2017 in this regard has been forwarded to CA-CIB and MBL.

(d) There will be no additional financial burden by way of revision of tariff on the beneficiaries by reason of transfer of assets to ATL.

(e) The transmission project was vested in the petitioner based on qualification and criteria fulfilled by the bidder. The petitioners have assured that the essential qualifications and criteria are met by the successors. ATL is already in the business of transmission operating inter-State and intra-State transmission lines of 400 kV, 765 kV, etc. and is also constructing various transmission systems under TCB route.

2. Learned counsel for CA-CIB and MBL submitted that CA-CIB and MBL have given their contingent consents for the transfer of utility from Rlnfra to WTGL upon their credit facility being transferred to another lender on or prior to the second part of transaction i.e. transfer of shares of WTGL to ATL. Learned counsel further confirmed that a commitment letter dated 17.5.2017 of Standard Chartered Bank for replacing the

credit facility of CA-CIB and MBL by a facility of SCB upon the transfer of shares from WTGL to Rlnfra has been received from the petitioners.

3. After hearing the learned senior counsel for the petitioners and learned counsel for the respondents, the Commission directed the petitioners to submit on affidavit, by 26.6.2017, the following information/clarifications:

(i) Valuation of the assets to be transferred under the proposed transfer scheme; and

(ii) A detailed write up giving the chronological order of events regarding assignment of licence for drawal of loan, transfer of WRTM and WRTG to Rlnfra, transfer of Rlnfra to WTPL and WTGL and proposed transfer of shares from WTPL and WTGL to ATL alongwith independent Balance Sheet before the merger of WRTM and WRTG with Rlnfra, Separate Balance Sheet for these assets in Rlnfra. The write up must also include the basis of valuation of assets at first level, second level, third level and finally at the level of transfer to the prospective buyer. Copies of arrangement of transfer at each stage may also be furnished. The Balance Sheet of the respective companies must be certified by the Statutory Auditors.

4. The Commission directed the petitioner that due date of filing the information should be strictly complied with. No extension shall be granted on that account.

5. Subject to the compliance of the above directions, order in the petition was reserved.

By order of the Commission

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