

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.113/MP/2018**

Subject :Petition for approval under Section 17 (3) and 17 (4) of the Electricity Act,2003 for creation of security interest over all assets including all the movable and immovable assets of the Petitioner in favour of the Security Trustee/Lenders.

Date of Hearing : 3.5.2018

Coram : Shri P.K. Pujari, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K. Iyer, Member

Petitioners : 1. NER II Transmission Limited  
2. Piramal Trusteeship Services Private Limited

Respondents : Assam Electricity Grid Corporation Limited and Others

Parties present :Shri Deep Rao, Advocate, NER II  
Shri Rohit Dwivedi, Advocate, NER II  
Shri Pulkit Sharma, NER II  
Ms. Anjali, Piramal

**Record of Proceedings**

Learned counsel for the Petitioner submitted that the present petition has been filed *inter-alia* for seeking approval under Section 17(3) of the Electricity Act, 2003 for creation of security interest over all its assets including the movable and immovable assets of NER II Transmission Limited in favour of Piramal Trusteeship Services Pvt. Ltd., the Security trustee as per the liberty granted by the Commission vide order dated 27.2.2018 in Petition No. 256/MP/2017, to approach the Commission with the relevant documents. Learned counsel further submitted that the Facility Agreement has been executed for total facility of Rs. 2200 crore. Out of the total facility of Rs. 2200 crore, Piramal Finance Limited is lending Rs. 480 crore and the remaining amount of Rs. 1720 crore will be brought in by other banks and financial institutions who will accede to the Facility Agreement as acceding lenders. Learned counsel submitted that in the event other banks and financial institutions are not forthcoming in committing to the balance amount of Rs. 1720 crore and acceding to the Facility Agreement, Piramal Enterprises Limited shall fund the balance amount by way of subscription of the debentures issued by the Borrower or in any other manner and shall execute such undertakings and documents necessary in relation thereto.

2. After hearing the learned counsel for the Petitioner, the Commission admitted the petition and directed to issue notice to the respondents.

3. The Commission observed that as per the First Amendment Agreement to the Facility Agreement executed on 22.2.2018, identified lender is only for Rs. 480 crore (i.e. by Piramal Finance Limited) and the balance amount of Rs. 1720 crore need to be tied up with the prospective lenders (acceding lender) in future. However, the Petitioners have sought the approval under Section 17(3) and (4) for the entire amount in favour of the Security Trustee. The Commission further observed that the Petitioners should seek approval under Section 17(3) and (4) for the amount of loan for which the lenders have actually been identified and loan agreements have been entered into with them. The Commission directed the Petitioners to place on record the details of identified acceding lenders. The First Petitioner was further directed to confirm that equity lock-in requirement in terms of Article 18.2.1 of the TSA shall remain undiluted after raising Rs. 2200 crore through Security Trustee, on an affidavit on or before 5.6.2018.

4. The Commission directed the Petitioner to serve copy of the petition on the respondents immediately, if not served already. The respondents were directed to file their replies, by 15.6.2018, with an advance copy to the Petitioner, who may file its rejoinder, if any, by 30.6.2018.

5. The Commission directed 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 10.7.2018.

**By order of the Commission**

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