



Petition No. 586/MP/2025

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 14th August, 2025

In the matter of

Petition under Sections 17(3) and 17(4) of the Electricity Act, 2003 for creation of the security interest over all the movable and immovable assets of the Petitioner in favour of the Catalyst Trusteeship Limited, Respondent No. 10.

And

In the matter of

**Nangalbibra - Bongaigaon Transmission Limited,
DLF, Cyber Park, Tower-B, 9th Floor,
Udyog Vihar Phase-III, Sector-20,
Gurugram-122008, Haryana.**

... Petitioner

VERSUS

- 1. Assam Power Distribution Company Limited,
4th Floor, Bijulee Bhawan,
Paltan Bazar-781001, Guwahati**
- 2. Meghalaya Energy Corporation Limited,
Lumjingshai, Short Round Road-793001, Shillong.**
- 3. Tripura State Electricity Corporation Limited,
Bidyut Bhaban, Banamalipur-799001.**
- 4. Department of Power, Arunachal Pradesh,
Power Department Office, Kharsang,
Arunachal Pradesh-792122.**
- 5. Manipur State Power Distribution Corporation Limited,
3rd Floor, New Directorate Building,
Near 2nd MR Gate,
Imphal-Dimapur Road-795001, Imphal.**
- 6. Department of Power, Nagaland,
Electricity House, A.G Colony- 797001, Kohima.**

7. Department of Power & Electricity, Mizoram,
Power & Electricity Department,
Kawlpheta Building,
New Secretariat Complex, Khatla–796001, Aizawl.

8. HVDC BNC PowerGrid,
Power Grid Corporation of India Limited
Biswanath Ghat Road, Biswanath Chariali,
Burigang–784176, Sonitpur.

9. PFC Consulting Limited,
First Floor, Urjanidhi, 1, Barakhamba Lane,
Connaught Place, New Delhi-110001.

10. Catalyst Trusteeship Limited,
GDA House, Plot No. 85,
Bhusari Colony (Right),
Kothrud Pune–411038, Maharashtra.

11. HDFC Bank Limited,
HDFC Bank House, Senapati Bapat Marg,
Lower Parel-400013, Mumbai.

12. Tata Capital Limited,
11th Floor Tower, A Peninsula Business Park,
Ganpatrao Kadam Marg,
Lower Parel-400013, Mumbai.

....Respondents

Parties present:

Shri Arjun Agarwal, Advocate, NBTL
Ms. Shikha Sood, Advocate, NBTL
Ms. Anisha Chopra, NBTL
Shri TAN Reddy, NBTL

ORDER

The Petitioner, Nangalbibra-Bongaigaon Transmission Limited, has filed the present Petition under Section 17(3) and 17(4) of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with Regulation 6 (8) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2024 (hereinafter referred to as "Transmission License Regulations") to seek the approval over the Petitioner's Assets and to secure the total commitment to the New Lenders and its subsequent transferees, assignees, novatees thereof and any refinancing lenders to the Project by way of hypothecation/



assignment/ mortgage aggregating to Rs. 520 crore. The Petitioners have made the following prayers:

“(a) admit and list the instant Petition for an urgent hearing;

(b) approve the creation of the security interest by the Petitioner over the Petitioner’s Assets to the extent described in this Petition, to secure the total commitment to the New Lenders aggregating to Rs. 520,00,00,000/- (Rupees Five Hundred Twenty) Crores only, in favour of Catalyst Trusteeship Limited, Respondent No. 10 for the benefit of the New Lender;

(c) approve the creation of the security interest by the Petitioner over the Petitioner’s Assets to the extent described in this Petition, to secure the total commitment to the New Lenders aggregating to Rs. 520,00,00,000/- (Rupees Five Hundred Twenty Crores only), in favour of Catalyst Trusteeship Limited, Respondent No. 10 for the benefit of the New Lenders and its subsequent transferees, assignees, novatees thereof and any refinancing lenders to the Project by way of hypothecation/ assignment/ mortgage;

(d) allow the New Lender to down-sell or transfer its financial commitment either in part or full along with the underlying security, in favour of some other bank or financial institution that agree to take over/ novate the debt; and

(e) pass any such other relief as the Commission deems fit and appropriate in the facts and circumstances of the case.”

2. The Petitioner has been granted a transmission licence under Section 14 of the Electricity Act, 2003 (hereinafter referred to as ‘the Electricity Act’) to establish the “new 220/132 kV substation at Nangalbibra” (hereinafter referred to as ‘the Transmission System’ or ‘Project’), the details of which are specified in the schedule attached to the licence issued vide order dated 28.7.2022 in Petition No. 33/TL/2022. Further, vide Order dated 27.5.2022 in Petition No. 24/AT/2022, the Commission adopted the competitively discovered levelized tariff of Rs. 558.59 million per annum for the Project.

Background

3. The Petitioner had availed a term loan facility amounting to Rs. 439.95 crore from Tata Capital Limited, acting through its subsidiaries Tata Cleantech Capital Limited and Tata Capital Financial Services Limited (collectively referred to as



“Previous Lenders”). The said loan facility was secured through a Facility Agreement dated 25.2.2022, and Catalyst Trusteeship Limited (hereinafter referred to as “Respondent No. 10”) was appointed as the security trustee under the Security Trustee Agreement executed on the same date. Pursuant thereto, the Petitioner had approached the Commission for approval to create a security interest over its assets in favour of the said security trustee for the benefit of the Previous Lenders, and the Commission, vide its Order dated 3.11.2022 in Petition No. 260/MP/2022, granted approval for such creation of security. The Tata Capital Limited has issued 'No Dues Certificates' dated 9.4.2025, certifying that the aforesaid loan facilities have been repaid in full by the Petitioner.

4. The Petitioner has further submitted that with a view to refinancing the Project more efficiently, the Petitioner has availed a Rupee Term Loan facility amounting to Rs. 520 crore from HDFC Bank (hereinafter referred to as “the New Lender”), in accordance with the Sanction Letter dated 19.3.2025 and the Facility Agreement dated 8.4.2025 executed between the Petitioner and the New Lender. Catalyst Trusteeship Limited continues to act as the Security Trustee in respect of the said facility. It is noted that Schedule-I of the Facility Agreement enables the New Lender to induct additional lenders to participate in the loan arrangement.

5. The Petitioner has submitted that, in terms of Articles 15.2.2 and 15.2.4 of the Transmission Service Agreement, it is entitled to create encumbrances over the Project Assets only in accordance with the terms of the TSA and with necessary consents, including compliance with regulatory approvals as required under the applicable law, subject to obtaining prior approval from this Commission.



Hearing dated 5.6.2025

6. The matter was admitted on 5.6.2025, and notices were issued to the parties to file their respective replies. However, no reply has been filed by the Respondents.

7. Vide Record of Proceedings (hereinafter referred to as "RoP") for the hearing on 5.6.2025, the Petitioner was directed to submit information regarding the application of funds and sources of funds as on the date of the filing of the Petition. The Petitioner, vide affidavit dated 18.6.2025, in compliance with the RoP dated 5.6.2025, has submitted the requisite information, which has been placed on record.

Hearing dated 3.7.2025

8. During the course of the hearing, the learned counsel for the Petitioner primarily reiterated the submissions made in the Petition and further submitted that the Project of the Petitioner was commissioned on 26.11.2024. Considering the submissions of the parties, the Commission reserved the matter for order.

9. Vide RoP dated 3.7.2025, the Petitioner was directed to submit, within a week, an affidavit furnishing information regarding the updated project cost and the date of commercial operation of the Project. The Petitioner, vide affidavit dated 11.7.2025, in compliance with the RoP dated 3.7.2025, has submitted the requisite information, which has been placed on record.

Analysis and Decision

10. We have considered the submissions of the Petitioner and perused the documents available on record. The Commission, vide Order dated 3.11.2022 in Petition No. 260/MP/2022, granted approval under Section Sub-sections (3) and (4) of Section 17 of the Act for creation of security interest over all assets, including movable



and immovable assets, accounts, Project documents, etc., of Nangalbibra-Bongaigaon Transmission Limited, in favour of the previous lenders. Tata Capital Limited has issued 'No Dues Certificates' dated 9.4.2025, certifying that the aforesaid loan facilities have been repaid in full by the Petitioner. In terms of the Facility Agreement dated 8.4.2025, the Petitioner, HDFC Bank (as the New Lender), HDFC Bank (as the agent of the New Lender), and Respondent No. 10 (the Security Trustee) have executed a Security Trustee Agreement dated 8.4.2025. It is noted that the New Lender has, as on date, disbursed the entire loan amount of Rs. 520 crore to the Petitioner, which has been duly utilized for the purposes of the Project.

11. In compliance with the RoP dated 5.6.2025, the Petitioner has submitted the source of funds as on 31.5.2025. A Statement of Project Cost, as certified by the CA, is as under:

Source of Funds

SOURCE OF FUNDS	
PARTICULARS	Amount (Rs. Crore)
Equity Share Capital	38.13
Rupee Term Loan	520.00
Borrowing from Promoters	136.02
Collections	2.26
Total Sources of Funds	696.41

Applications of funds

The details are as under:

Application of Funds (as on date of filing of Petition)		
Sr. No.	Particulars	Amount (Rs. Crore)
1.	EPC Supply	232.17
2.	EPC Service	175.12
3.	Land, Right of Way ("RoW"), Forest	76.03



Application of Funds (as on date of filing of Petition)		
Sr. No.	Particulars	Amount (Rs. Crore)
4.	Special Purpose Vehicle (SPV) Acquisition Cost	8.63
	Total Hard Cost	491.95
5.	Preoperative and Project expenses	7.02
6.	Interest During Construction	71.6
	Total Utilisation	570.57
7.	Operation and maintenance (O&M) and other costs	27.24
8.	Cash	98.6
	Total	696.41

12. In addition to the above, in compliance with RoP dated 3.7.2025, the Petitioner has submitted that the project achieved its CoD on 26.11.2024 and also submitted information regarding the updated project cost. The details of the updated Project Cost are as under:

Updated Project Cost		
Sr. No.	Particulars	Amount (Rs. Crore)
1	EPC Supply	232.17
2	EPC Service	175.12
3	Land, Right of Way ("RoW"), Forest	76.03
4	Special Purpose Vehicle (SPV) Acquisition Cost	8.63
	Total Hard Cost	491.95
5	Preoperative and Project expenses	7.02
6	Interest During Construction	71.6
	Total Project Cost	570.57

13. As per the Certificate issued by the Chartered Accountant dated 17.6.2025, the Petitioner has submitted that from the date of commissioning of the Project and up to 31.5.2025, it has incurred an expenditure aggregating to Rs. 27.24 crore towards Operation and Maintenance (O&M) activities of the Project. The Petitioner has further submitted that, as on 31.05.2025, an amount of Rs. 98.60 crore is available and has



been maintained in its accounts for being utilized towards future requirements of the Project. The Petitioner has placed on record the copy of 'No due certificate' dated 9.4.2025 issued by the Previous lenders.

14. The transmission projects are capital intensive projects requiring huge capital investment. These projects are financed through the equity of the project developer and loans from financial institutions, and/or issuance of debentures and/or issuance of Senior Secured Notes, which is a form of loan. It is a normal practice followed by financial institutions/ the banking industry to ask for sufficient security from the borrower to back the loan in order to mitigate the credit risk of the lenders. In the instant case, the Commission, in its order dated 3.11.2022 in Petition No. 260/MP/2022, had granted in-principle approval for the creation of a security interest in favour of the Security Trustee, i.e., Catalyst Trusteeship Limited. The Petitioner, HDFC Bank (as the New Lender), HDFC Bank (as the agent of the New Lender), and Respondent No. 10 (the Security Trustee) have executed a Security Trustee Agreement dated 8.4.2025 for the loan of Rs. 520 crore. It is noted that the New Lender has, as on the date, disbursed the entire loan amount of Rs. 520 crore to the Petitioner, which has been duly utilized for the purposes of the Project.

15. In accordance with Article 15.2 of the TSA, the Transmission Service Provider has been allowed to create encumbrance over all or part of the receivables, Letter of Credit or other assets of the Project in favour of the lenders or the lender's representatives, as security for amounts payable under the Financing Agreements and any other amounts agreed by the parties.



16. As per Article 15.2.4 of the TSA, the First Petitioner is required to obtain prior approval of this Commission before creating any encumbrance over all or part of the receivables, letter of credit or other assets of the Transmission Project, in favour of its lenders or the lender's representative.

“15.2.4 Neither the TSP nor any of the Long-Term Transmission Customers can relinquish or transfer its rights and obligations, without prior approval of the Appropriate Commission.”

17. Article 15.3 of the TSA provides as under:

“15.3 Substitution Rights of the Lenders:

15.3.1 The TSP would need to operate and maintain the Project under the provisions of this Agreement and cannot assign the Transmission License or transfer the Project or part thereof to any person by sale, lease, exchange or otherwise, without the prior approval of the Nodal Agency.

15.3.2 However, in the case of default by the TSP in debt repayments or in the case of default by the TSP as per Article 13 of this Agreement during the debt repayments, the Commission may, on an application from the Lenders, assign the Transmission License to the nominee of the Lenders subject to the fulfilment of the qualification requirements and provisions of the Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of Transmission License and other related matters) Regulations, 2006 and as amended from time to time.”

18. Sub-sections (3) and (4) of Section 17 of the Act provide as under:

“17. (3) No licensee shall any time assign his licence or transfer his utility, or any part hereof, by sale, lease, exchange or otherwise without the prior approval of the Appropriate Commission.

(4) Any agreement relating to any transaction specified in sub-section (1) or subsection (3), unless made with the prior approval of the Appropriate Commission, shall be void.”

As per the above provisions, a licensee is required to obtain approval of the Commission for assigning its licence or transferring its utility or any part thereof by way of sale, lease, exchange, or otherwise and entering into an agreement relating to any of these transactions.

19. We, therefore, accord in-principle approval to the First Petitioner to create a security interest in favour of Catalyst Trusteeship Limited acting as Security Trustee on behalf of the Secured Parties and other secured parties, and their respective successors, assignees, novatees and transferees as per the Facility Agreement dated 8.4.2025 (as amended and supplemented).

20. This in-principle approval is being approved with the condition that the transmission licence granted by the Commission to the Petitioner shall not be assigned in favour of the Debenture Trustee or any nominee of the Debenture Holders without the prior approval of the Commission. In the event of any such proposal, the Commission shall assess the technical and financial capability of the proposed nominee with respect to the development, design, construction, operation, and maintenance of transmission systems and its ability to execute and operate the licensed transmission project. The Petitioner, the Debenture Trustee, the Debenture Holders, and the nominee shall be jointly required to approach the Commission to seek such prior approval. This will allow the Commission to satisfy itself of the circumstances necessitating such a transfer. This decision of ours is in accordance with Regulation 8 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024, which reads as under:

“8. Assignment of Licence : -

In case of default by a licensee in debt repayment, the Commission may, on an application made by the lenders of the licensee, assign the licence to a nominee of the lenders.”

21. Accordingly, in case of default by the licensee in debt repayment, the Commission may, on a joint application made by the Petitioner, the lender, Security



Trustee and their nominee, consider the assignment of the transmission licence to such nominee after conducting appropriate due diligence. Therefore, specific prior approval of the Commission for assigning the licence to the nominee of the Security Trustee or transferring any assets to them is a mandatory requirement. Lastly, the financial documents and statements are to be filed by the Petitioner as and when directed by the Commission.

22. Petition No. 586/MP/2025 is disposed of in terms of the above.

sd/- (Ravinder Singh Dhillon) Member	sd/- (Harish Dudani) Member	sd/- (Ramesh Babu V.) Member	sd/- (Jishnu Barua) Chairperson
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