

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 727/MP/2025 along with IA No. 115/IA/2025**

**Coram:**

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

**Date of Order: 4<sup>th</sup> December, 2025**

**In the matter of**

Petition under Section 17 (3) and (4) of the Electricity Act, 2003, seeking approval for the creation of security interest by way of mortgage, hypothecation, and other encumbrances over the movable and immovable assets, present and future, of the Petitioner, Rajasthan IV 4B Power Transmission Limited.

**And**

**In the matter of**

**Rajasthan IV 4B Power Transmission Limited,**

(a 100% wholly owned subsidiary of Dineshchandra R. Agrawal Infracon Private Limited),

**Registered Office:**

161, First Floor, Vardhman Crown Mall,  
Amberhai, South West Delhi, New Delhi-110075.

**Address for correspondence:**

DRAIPL 2nd Floor, Incuspaze, Plot No. 17,  
Phase-4, Udyog Vihar, Sector 18,  
Gurugram, Sarhol, 122015, Haryana.

**...Petitioner**

**Versus**

**1. Central Transmission Utility of India Limited,**

Saudamini, Plot No. 2, Sector-29,  
Gurugram- 122001, Haryana.

**2. IDBI Trusteeship Services Limited,**

Asian Building, Ground Floor, 17, R. Kamani Marg,  
Ballard Estate, Mumbai – 400001,  
Maharashtra.

**3. National Bank for Financing Infrastructure and Development,**

The Capital, A Wing,  
15th Floor, 1503, G Block,  
Bandra Kurla Complex, Bandra (East),

Mumbai – 400051, Maharashtra.

**4. India Infrastructure Finance Company Limited,**  
5th Floor, Office Block-2,  
Plate A & B, NBCC Tower  
East Kidwai Nagar,  
New Delhi – 110023.

**5. Bank of Maharashtra,**  
Lokmangal, 1501, Shivajinagar,  
Pune – 411005.

...Respondents

**Parties present:**

Shri Abhishek Jebaraj, Advocate, RIV4BPTL  
Shri Rohit Anand Das, Advocate, RIV4BPTL  
Ms. Srishti Agnihotri, Advocate, RIV4BPTL  
Ms. A. Reyna Shruti, Advocate, RIV4BPTL  
Ms. Sanjana Grace Thomas, Advocate, RIV4BPTL  
Shri Varun Sharma, RIV4BPTL  
Shri Romichand Rajput, RIV4BPTL  
Ms. Muskan Agarwal, CTUIL  
Ms. Kavya Bhardwaj, CTUIL

**ORDER**

The Petitioner, Rajasthan IV 4B Power Transmission Limited (hereinafter referred to as “Petitioner/RIV4BPTL”), has been granted a transmission licence under Section 14 of the Electricity Act, 2003 (hereinafter referred to as ‘the Act’) to establish the “Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-4: 3.5 GW): Part B” (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 28.4.2025 in Petition No. 175/TL/2025. Further, vide Order dated 22.4.2025 in Petition No. 176/AT/2025, the Commission adopted the competitively discovered levelised tariff of Rs. 5,556.25 million for the Project. The Petitioner has submitted that the Scheduled Commercial Operation Date (hereinafter referred to as “SCOD”) of the Transmission Project is 30.12.2026.

2. The Petitioner has filed the Petition seeking approval for the creation of Security Interest by way of the hypothecation/ mortgage/ charge/ pledge/ assignment, etc., over all assets, including movable and immovable assets, project accounts and documents (including assignment of transmission licence), etc. of the Petitioner in favour of the Security Trustee (or its replacement or successor) i.e., IDBI Trusteeship Services Limited (hereinafter referred to as "Respondent No. 2") to secure the financial assistance availed/ to be availed from the lender and for their subsequent transferees, assigns, novatees including any refinancing lenders, and substitutes thereof and any future or any other Secured Party to the Project by executing the deed of hypothecation and power of attorney in relation thereto, indenture of mortgage, mortgage by deposit of title deeds and such other security documents as per law. The Petitioner has made the following prayers:

*"a) Admit the present Petition and take it on record;*

*(b) Grant prior approval under Section 17(3) and Section 17(4) of the Electricity Act, 2003, for the creation of security interest, including but not limited to mortgage, hypothecation, pledge, assignment, and lien, over all the movable and immovable assets (both present and future), rights, titles, interests, revenues, and undertakings of the Petitioner, Rajasthan IV 4B Power Transmission Limited, pertaining to or arising from the Transmission Project "Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-4: 3.5 GW): Part B", in favour of IDBI Trusteeship Services Limited (Respondent No. 2), as Security Trustee, for the benefit of the Lenders, National Bank for Financing Infrastructure and Development, India Infrastructure Finance Company Limited, and Bank Of Maharashtra and for any subsequent transferees, assignees, novatees thereof, and any refinancing lenders to the Project, in terms of the Facility Agreement dated 26.06.2025, Security Trustee Agreement dated 26.06.2025, and other related Financing Documents, copies of which are annexed or will be submitted upon execution;*

*(c) Take on record the appointment of IDBI Trusteeship Services Limited as the Security Trustee for the Lender(s) to the Project;*

*(d) Pass any other or further order(s) or direction(s) as this Commission may deem fit and proper in the facts and circumstances of the present case and to meet the ends of justice."*

3. The instant Petition was admitted vide Record of Proceedings (hereinafter referred to as "RoP") dated 26.8.2025, wherein the Petitioner was directed to implead the lender, i.e., the National Bank for Financing Infrastructure and Development, as a party to the Petition and to file a revised Memo of Parties. Thereafter, in compliance with the said RoP dated 26.8.2025, the Petitioner, vide its affidavit dated 3.9.2025, filed a revised Memo of Parties and further submitted that it sought to implead two additional lenders, namely India Infrastructure Finance Company Limited and the Bank of Maharashtra, as these lenders had been made parties to the Facility Agreement dated 26.6.2025 on 19.8.2025 and 27.8.2025, respectively. Since the instant Petition had already been filed on 31.7.2025, the said lenders could not be impleaded at that stage and were therefore included in the revised Memo of Parties. Pursuant to the directions issued vide RoP dated 17.10.2025, the Petitioner thereafter filed an Interlocutory Application (hereinafter referred to as "the IA") No. 115/IA/2025 reflecting the change in facts and circumstances on 27.10.2025. The said IA was admitted vide RoP dated 30.10.2025, and the Amended Petition was taken on record.

4. The Petitioner has made the following prayers in the IA No. 115/IA/2025:

*"(a) Allow the amendments to the Petition and take on record Amended Petition filed on 11.10.2025 bearing Ref No. 4364/2025 and Amended Memo of Parties filed on 04.09.2025 bearing Ref No. 3859/2025;*

*(d) Pass any other or further order(s) or direction(s) as this Commission may deem fit and proper in the facts and circumstances of the present case and to meet the ends of justice."*

5. The Petitioner, RIV4BPTL, is registered and incorporated under the Companies Act, 2013. Respondent No. 2, is acting as the Security Trustee for the purpose of holding the securities on behalf of and for the benefit of the lenders i.e., National Bank for Financing Infrastructure and Development (Respondent No. 3), India Infrastructure

Finance Company Limited (Respondent No. 4), and Bank Of Maharashtra (Respondent No. 5), including the Working Capital Lenders (if any) (hereinafter referred to as the “Lender(s)”) in terms of the Facility Agreement dated 26.6.2025.

6. According to the Petitioner, for the purpose of financing the project, the Petitioner requested Respondent Nos. 3, 4 and 5, for which the lenders, namely National Bank for Financing Infrastructure and Development, India Infrastructure Finance Company Limited, and Bank of Maharashtra have agreed to provide the financial assistance to the tune of Rs. 2615.70 crore, Rs. 1,197crore and Rs. 800 crore respectively by way of Rupee Term Loan for the project. For this purpose, the Petitioner and lenders, have appointed Respondent No. 2 as a Security Trustee, who has agreed to act as a Security Trustee for the lender and to hold the security interest created by the Petitioner for and on behalf of the lenders (and any subsequent transferees, assignees, novatees thereof and any refinancing lenders to the Project) and has entered into the Security Trustee Agreement and the Facility Agreement on 26.6.2025.

7. The Petitioner has submitted that pursuant to the terms of the Facility Agreement, the secured obligations are secured by as under:

- a) a first charge by way of mortgage on all the immoveable fixed assets, including but not limited to, land, civil structures, towers and cables, office buildings, both present and future, of the Borrower;
- b) a first charge on the entire moveable fixed assets of the Project, both present and future;
- c) a first charge on all intangible assets of the Borrower, including but not limited to goodwill, uncalled capital, both present and future, in relation to the Project;

d) a first charge over all current assets of the Project and all Project accounts including the Trust and Retention Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with the Facility Agreement or the Trust and Retention Account Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the Receivables, debt service reserve account and all Permitted Investments or other securities;

e) a first charge by way of hypothecation/assignments, of all rights, title and interests of the Borrower under all Project Documents, contracts, Insurance Contracts, Clearances/approvals, etc., related to the Project, to which the Borrower is a party and can be legally assigned;

f) a first charge by way of pledge of not less than 30% (thirty percent) of the total equity share capital of the Borrower till the Final Settlement Date. Provided that such pledge shall at times be in compliance with and subject to Section 19(2) of the Banking Regulation Act, 1949.

g) Non-Disposal Undertaking (NDU) with respect to 21% (twenty one percent) of the total equity share capital of the Borrower (over and above the shares pledged/to be pledged by the Promoter in terms of (f) hereinabove) until the Final Settlement Date.

8. The Petitioner has submitted that in terms of the Financing Documents, the Petitioner is required to create security, which is the transaction security (as defined under the Facility Agreement), in favour of a Security Trustee for the benefit of the lenders.

9. The Petitioner has stated that Article 15.2.2 of the Transmission Service Agreement entered into between the Petitioner and the beneficiaries of the project provides that the Petitioner is free 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 representative of the lenders, as security for the amount payable under the Financing Agreements.

10. The Petitioner has stated that in view of the provisions of sub-sections (3) and (4) of Section 17 of the Act, the Petitioner, as a licensee, cannot create a Security Interest over all the movable and immovable assets of the Petitioner in favour of a Security Trustee acting on behalf of lenders pursuant to a Facility Agreement dated 26.6.2025 and a Security Trustee Agreement dated 26.6.2025 without approval of the Commission. Accordingly, the Petitioner has filed the present Petition seeking prior approval of the Commission for the creation of a Security Interest over all assets, including the movable and immovable assets for the Project in favour of the Security Trustee pursuant to a Security Trustee Agreement and a Facility Agreement.

#### **Hearing dates 26.8.2025, 17.10.2025 and 30.10.2025**

11. The Petition was called out for the hearing on 26.8.2025 after notice to the Respondents. Vide RoP dated 26.8.2025 and 30.10.2025, the Respondents, including the newly impleaded, were granted the opportunity to file their respective replies. However, no reply has been filed by the Respondents despite the issuance of notice. Accordingly, the matter was reserved for order.

#### **Analysis and Decision**

12. We have considered the submissions made by the Petitioner and perused the documents placed on record. The Petitioner approached the lenders for the purpose of financing for the implementation of the Project. The lenders have agreed to grant the financial assistance aggregating to Rs. 4,612.70 crore.

13. The Petitioner has submitted that it appointed IDBI Trusteeship Services Limited as a Security Trustee, who agreed to act as a Security Trustee and has entered into the Security Trustee Agreement and Facility Agreement dated 26.6.2025. As per the Facility Agreement, the estimated cost of the Project is Rs. 5,990.53 crore. In terms of the financing plan submitted by the Petitioner, the Project shall be funded through debt of Rs. 4612.70 crore and Promoter's Contribution of Rs. 1377.83 crore.

14. The Petitioner has submitted the means of finance as on the date of the financial closure as under:

| Particulars             | Total (Rs. in Crore) |
|-------------------------|----------------------|
| Promoter's Contribution | 1377.83              |
| Rupee Facility          | 4612.70              |
| <b>Total</b>            | <b>5990.53</b>       |

15. The Petitioner proposes to finance this Project cost as follows:

| Means of Finance                    | Amount (Rs in Crore) |
|-------------------------------------|----------------------|
| Equity Share Capital/ Share Premium | 275.56               |
| Subordinated Debt from Sponsor      | 1102.26              |
| Debt from Lender(s)                 | 4612.70              |
| <b>Total Means of Finance</b>       | <b>5990.53</b>       |

16. The transmission projects are capital-intensive projects requiring huge capital investments and are financed through loans. It is a normal practice followed by the financial institutions/ banking industry to ask for sufficient security from the borrower to back the loan in order to mitigate the lender's credit risk. In the instant case, the lenders, namely, National Bank for Financing Infrastructure and Development, India Infrastructure Finance Company Limited, and Bank of Maharashtra, has agreed to

provide loan of Rs. 2615.70 crore, Rs. 1197crore and Rs. 800 crore respectively, aggregating to a principal amount of ₹4,612.70 crore under a Facility Agreement including a letter of credit facility for an aggregate principal of Rs 3,500 crore as a sub limit of total rupee facility to the Petitioner.

17. The Petitioner has submitted that, in terms of the Financing documents, the Petitioner is required to create a Security Interest for the lender. The Petitioner has submitted that under the Financing Agreements and on enforcement of a security interest, it shall be lawful for the lender and its assigns, transferees, and novates to enter into and take possession of the assets/ properties mortgaged/ hypothecated/ charges assigned for their benefits and substitute themselves or any one of them or its nominees for the Petitioner under any or all of the project document(s). Article 15.2.2 of the TSA provides as under:

*“15.2.2 However, the TSP may create any encumbrance over all or part of the receivables, Letter of Credit or the other assets of the Project in favour of the Lenders or the Lenders' Representative on their behalf, as security for amounts payable under the Financing Agreements and any other amounts agreed by the Parties.*

*Provided that:*

*i the Lenders or the Lenders' Representative on their behalf shall have entered into the Financing Agreements and agreed in writing to the provisions of this Agreement; and*

*ii any encumbrance granted by the TSP in accordance with this Article 15.2.2 shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the TSP to release from such encumbrances upon payment by the TSP to the Lenders of all amounts due under the Financing Agreements.”*

In accordance with the above provision, the Transmission Service Provider has been allowed to create an encumbrance over all or part of the receivables, Letters of Credit, or other assets of the Project in favour of the lenders or the lenders'

representatives or their representatives, as security for amounts payable under the Financing Agreements and any other amounts agreed by the parties.

18. 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 or as amended from time to time.”*

19. 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 the Commission's approval 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.

20. The Petitioner and the lenders have appointed IDBI Trusteeship Services Limited as a Security Trustee for the creation of a Security Interest over all the movable and immovable assets of the project. In our view, IDBI Trusteeship Services

Limited needs to be given comfort for the creation of security for the benefit of the lenders, namely, National Bank for Financing Infrastructure and Development, India Infrastructure Finance Company Limited, and Bank of Maharashtra, as the security for the financial assistance provided by it. We, therefore, accord approval allowing the Petitioner to create a Security Interest in favour of the IDBI Trusteeship Services Limited by way of mortgage or any other security document on project assets by execution of an indenture of Mortgage and financing documents of the Project. The Petitioner is directed to submit a signed copy of the Indenture of Mortgage for the Project immediately after its execution.

21. This approval is being granted with the condition that the transmission licence granted by the Commission to the Petitioner cannot be assigned in favour of the Security Trustee or nominee of the lender without prior approval of the Commission at the time of creating rights in favour of such a nominee. Before agreeing to the assignment of the licence and the assets of the Petitioner to the nominee of the lenders, the Commission will evaluate such a nominee's expertise in the development, design, construction, operation, and maintenance of the transmission lines and its ability to execute the Project and undertake the transmission of electricity. The licensee, lenders, security trustee, and nominee, accordingly, shall be jointly required to approach the Commission to seek 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.”*

22. In the event of default by the licensee regarding debt repayment, the Commission may, upon a joint application submitted by the licensee, lender, Security Trustee, and their nominee, consider the assignment of the transmission licence to such nominee after conducting appropriate due diligence. Consequently, it is imperative to obtain explicit prior approval from the Commission for the assignment of the licence to the nominee of the Security Trustee or for the transfer of any assets to them. Finally, the Petitioner is required to submit the financial documents and statements in accordance with the directives issued by the Commission.

23. Petition No. 727/MP/2025, along with 115/IA/2025, is disposed of in terms of the above.

Sd-  
**(Harish Dudani)**  
Member

sd/-  
**(Ramesh Babu V.)**  
Member

sd/-  
**(Jishnu Barua)**  
Chairperson