CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 331/MP/2026

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

Date of Order: 09.11.2026

In the matter of

Petition under section 17(3) and 17(4) of the electricity act, 2003 read with regulation 6(8) of the central electricity regulatory commission (procedure, terms and conditions for grant of transmission licence and other related matters) regulations, 2024 and article 15.2 of the transmission service agreement dated 06.11.2024 seeking approval of the commission for creating charge over the assets (immovable & movable), licenses/permits/approvals, current assets and bank accounts of the petitioner in favour of national bank for financing infrastructure and developments.

And
In the matter of

TP Paradeep Transmission Limited,
TPCODL, Powerhouse Square, Unit-8,
Bhubaneswar, Khurdha -751012, Odisha. **…Petitioner**

Versus

1. Central Transmission Utility of India Limited,
4 Floors No. 5-10, Tower 1, Plot No. 16,
IRCON International Tower, Institutional Area, Sector 32,
Gurugram – 122001, Haryana.

2. PFC Consulting Limited,
Urjandhi, 1, Barakhamba Lane,
Connaught Place, New Delhi - 110001.

3. North Bihar Power Distribution Co. Limited,
Third Floor, Vidyut Bhawan Bailey Road,
Patna – 800001, Bihar.

4. South Bihar Power Distribution Co. Limited,
Second Floor, Vidyut Bhawan Bailey Road,
Patna - 800001, Bihar.

5. Jharkhand Bijli Vitran Nigam Limited,
Engineering Building, HEC, Dhurwa,

Ranchi - 834004, Jharkhand.

6. Damodar Valley Corporation,
DVC Towers, 1st Floor, Commercial VIP Road,
Kolkata - 700054, West Bengal.

7. Tata Steel Limited,
Gyanendra Karan LIG (R) - 186,
Adityapur-2 Jamshedpur 831013,
Jamshedpur - 831013, Jharkhand.

8. GRIDCO Limited,
Janpath, Bhubaneswar,
Bhubaneswar – 751022, Odisha.

9. Energy and Power Department, Sikkim
Kazi Road, Gangtok, District - East Sikkim,
Gangtok - 737101, Sikkim.

10. Sasaram HVDC, POWERGRID,
5th & 6th Floors Alanka Place, Boring Road,
ER-I HQ, Power Grid Corporation of Patna,
Patna - 800001, Bihar.

11. NTPC Vidyut Vyapar Nigam Limited,
Core-5, NTPC Scope Complex, 7 Institutional Area,
Lodi Road, New Delhi – 110003.

12. Dans Energy Private Limited,
10th Floor, Building 8, Tower-C, DLF Cyber City,
Phase-II, Gurgaon -122002, Haryana.

13. South Eastern Railway,
11, Garden Reach Road, BNR,
South Eastern Railway,
Kolkata - 700043, West Bengal.

14. HVDC Alipurduar, POWERGRID,
800 kV HVDC Alipurduar Converter Sta Falakata Road,
Topsikhata, P.O. Dist – Alipurduar - 736121, West Bengal.

15. Shiga Energy Private Limited,
10th Floor, Building No-8, Tower-C, DLF Cyber City,
Phase-II, Gurgaon – 122002, Haryana.

16. Sembcorp Energy India limited,
5th Floor, Tower C, Building No.8, DLF Cybercity,
Gurgaon - 122002, Haryana.

17. Arcelormittal Nippon Steel India Limited,
3-A, 3rd Floor, Fortune Tower, Chandrasekharpur,
Bhubaneswar – 751023, Odisha.

18. ReNew E-Fuels Private Limited,
ReNew Hub, Commercial Block-1, Zone-6,
Golf Course Road, DLF City Phase-V,
Gurugram - 122009, Haryana.

19. Odisha Power Transmission Corporation Limited,
Janpath, Saheed Nagar, Bhubaneswar,
Khurda – 751022, Odisha.

20. National Bank for Financing Infrastructure and Developments,
1503, the Capital, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

21. SBICAP Trustee Company Limited,
202, Maker Tower E,
Cuffe Parade, Mumbai – 400005. **….Respondents**

Parties Present:
Shri Venkatesh, Advocate, TPPTL
Shri Siddharth Nigotia, Advocate, TPPTL
Ms. Ananya Dutta, Advocate, TPPTL

ORDER

The Petitioner, TP Paradeep Transmission Limited (hereinafter referred to as "the Petitioner/ TPPTL"), has been granted a transmission licence under Section 14 of the Electricity Act, 2003 ('the Act') to develop the inter-State Transmission System, viz. "Transmission system for evacuation of power from Eastern Region Expansion Scheme-XXXIV (ERES-XXXIV)" (hereinafter referred to as "Transmission Project") on a Build, Own, Operate and Transfer (BOOT) basis, the details of which are specified in the schedule attached to the licence issued vide Order dated 13.2.2026 in Petition No. 73/TL/2025. The Commission adopted the competitively discovered levelised tariff of Rs. 2561.83 million per annum for the Project vide Order dated 4.2.2026 in Petition No. 74/AT/2025.

2. The Petitioner has filed the present Petition for approval for the creation of a security over the Petitioner's assets, including all movable and immovable assets, in

favour of SBICAP Trustee Company Limited, i.e., Respondent No. 21, for the benefit of the lender, National Bank for Financing Infrastructure and Development (hereinafter referred to as "NBFID"), i.e., Respondent No. 20, for a sum of Rs. 1805.00 crore. The Petitioner has made the following prayers:

(a) *"Admit the present Petition; and*

(b) *Grant approval under Article 15.2 of the TSA read with Section 17(3) of the Act and Regulation 6(8) of the CERC Transmission License Regulations in favour of the Petitioner for creation of security over Project documents including Transmission License and also over: -*

i. *the movable assets*
ii. *the current assets (present and future)*
iii. *Immovable property, if any*
iv. *Project-related rights and interests*
v. *Debt Service Reserve and Permitted Investments by way of Mortgage, Hypothecation and Pledge in favour of the Security Trustee.*

(c) *Pass any such further order(s) as this Commission may deem and appropriate in the facts and circumstances of the present case."*

Submissions of the Petitioner

3. The Petitioner has mainly submitted as under:

a) The Petitioner was a wholly owned subsidiary of PFC Consulting Ltd. (hereinafter referred to as "PFCCL") and was incorporated as a Special Purpose Vehicle (SPV) for implementation of the Project, and is acting as the Transmission Service Provider after being acquired by the Tata Power Company Limited ("TPCL") on 6.11.2024.

b) The Petitioner, in its capacity as a Transmission Service Provider, executed a Transmission Service Agreement (hereinafter referred to as "the TSA") on 6.11.2024 with the Central Transmission Utility of India Ltd. (hereinafter referred to as 'Respondent No. 1/CTUIL'). Respondent No. 21, SBICAP Trustee Company Ltd., is a Security Trustee for the benefit of the Lender (Respondent No. 20/NBFID) and for its subsequent transferees, assignees, novatees thereof, and any refinancing lenders to the Project, in terms of the Facility

Agreement dated 1.8.2025 and is permitted to enter into all relevant financing documents pursuant thereto.

c) The Petitioner, for the purpose of development and establishment of the aforementioned Transmission Project, approached the Lender (NBFID) for financing the Transmission Project. Pursuant thereto, the Lender, vide the Facility Agreement dated 1.8.2025, agreed to make available the financial assistance in the form of a Rupee Term Loan facility of an aggregate amount of Rs. 1805.00 crore along with a Capex Letter of Credit facility of Rs. 1805.00 crore as a sub-limit of the Rupee Term Loan facility for financing the construction, development, and implementation of the Transmission Project, on the terms and conditions set out in the said Facility Agreement.

d) Pursuant to the terms of the Facility Agreement (Article VI), it is required to create the necessary charge in favour of the Respondent No. 21, i.e., SBICAP Trustee Company Limited, which agreed to act as the Security Trustee for the benefit of the Lender, i.e., Respondent No. 20 (NaBFID).

4. In terms of the provisions of the Facility Agreement, the Petitioner has submitted that it is required to create a security interest, *inter alia*, as follows:

> (a) *a first pari passu security interest by way of hypothecation on the entire moveable fixed assets including but not limited to machinery, spares, tools and accessories, furniture, fixtures, vehicles, etc, both present and future, of the Borrower;*
>
> *(b) a negative lien on all the immoveable fixed assets including but not limited to, land, civil structures, both present and future, of the Borrower;*
>
> *(c) a first pari passu security interest by way of hypothecation on:*
>
> > *(i) all the rights, title, interest, benefits, claim and demands whatsoever of the Borrower in the Project Documents, in the Clearances; loss protection covers under the Insurance Contracts etc., wherever the same is permitted;*

(ii) all the rights, title, interest, benefits, claim and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond provided by any counterparty to the Borrower/ Project Documents;

(iii) all the rights, title, interest, benefits, claim and demands whatsoever of the Borrower in the Insurance Contracts, Insurance Proceeds, procured by the Borrower or procured by any of its contractors favoring the Borrower/Project.

(d) a first pari passu security interest by way of hypothecation on the entire current assets including but not limited to all operating accounts. Trust and Retention Accounts (other than Debt Service Reserve) reserve accounts, deposits, investments, book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and whenever arising, both present and future, of the Borrower.

(e) an exclusive charge on all the Debt Service Reserve and Permitted Investments therefrom.

5. The Petitioner has submitted that the Petitioner has a right to create a charge over the Transmission Project assets in accordance with Article 15.2.2 of the TSA, which provides that the Petitioner may create any charge over all or part of the receivables, or the Project Assets of the Project in favour of the Lender or the Lender's representative on their behalf, as security for amounts payable under the Financing Agreements and any other amounts agreed by the Parties, subject to conditions mentioned in the TSA. Accordingly, the charge created over the movable and immovable assets of the Petitioner in favour of the Security Trustee is in accordance with Article 15.2.2 of the TSA dated 6.11.2024.

6. The Petitioner has further submitted that in terms of Sections 17(3) and 17(4) of the Act, the Petitioner is required to seek prior approval of this Commission for obtaining necessary approvals for the creation of charge. Considering the documents/ information submitted accompanying the present Petition, the Petitioner has complied with the statutory requirements under Section 17 (3) and (4) of the Act. Hence, the present Petition has been filed by the Petitioner seeking approval of the Commission for creation of charge by the Petitioner over the Petitioner’s Assets in favour of Respondent No. 21

acting for the benefit of the Lender and for its subsequent transferees, assignees, novatees thereof by way of Mortgage, Hypothecation and Pledge, to the extent described in this Petition to secure the total commitment of the Lender aggregating to Rs. 1805.00 Crore.

7. The Petitioner has submitted that Section 17(3) read with Article 15 of the TSA provides that prior approval is to be sought from the Appropriate Commission for creating security over the assets. Further, the TSA executed between the parties specifically provides that this Commission is the Appropriate Commission for the purpose of seeking the requisite approvals under the Act, and the TSA, as the Project of the Petitioner is an ISTS, therefore, this Commission has the requisite jurisdiction to grant approval under Section 17(3) of the Act.

Hearing dated 30.7.2026

8. The matter was admitted on 30.7.2026, and notices were issued to the parties to file their respective replies.

Hearing dated 15.9.2026

9. During the hearing, learned counsel for the Petitioner submitted that no reply has been filed by the Respondents despite service of notice. It was further submitted that, under the Facility Agreement, the Petitioner is required to obtain the said approval by November 2026 and, accordingly, requested that the Petition be decided expeditiously. After hearing learned counsel for the Petitioner, the matter was reserved for orders.

Analysis and Decision

10. We have considered the submissions made by the Petitioner and perused the material available on record. The Petitioner has entered into the Facility Agreement dated 1.8.2025 with the Lender to avail financial assistance aggregating Rs. 1805.00 crore for the implementation of the Transmission Project. Further, the Lender entered into a Safe Keeping Agreement dated 1.8.2025 wherein it appointed Respondent No.

21/ SBICAP Trustee Company Limited as safe keeper of the Financing Documents. SBICAP Trustee Company Limited has also agreed to act as the Security Trustee for the benefit of the Lender for the purpose of holding the security on behalf of and for the benefit of the Lender (or their assignees, novatees or transferees).

11. The Petitioner, vide the Facility Agreement, has furnished the estimated project cost and financial plan as on the date of execution of the Facility Agreement, as detailed below:-

Particulars	**Amount in Rupees Crore**
Contribution	602.68
Rupee Facility	1805.00
Estimated Project Cost	2407.68

12. The transmission projects are capital-intensive projects requiring large capital investment in the form of substantial borrowings from financial institutions. These projects are financed through loans. It is normal commercial practice for financial institutions/banking industry/lenders to insist on adequate security from the borrower to safeguard the financial assistance they extend or to mitigate their credit risk. In the instant case, the Lender, Respondent No. 20 (NBFID), has agreed to provide a Rupee Term Loan of Rs. 1805.00 Crore and, for the said purpose, has entered into a Facility Agreement dated 1.08.2025 with the Petitioner. Further, the Petitioner has executed an Agreement dated 1.8.2025 with the Security Trustee, Respondent No. 21/SBICAP Trustee Company Limited, for the purpose of holding the security and the securities on behalf of and for the benefit of the Lender (or their assignees, novatees or transferees).

13. The Petitioner has submitted that it is permitted to create encumbrances over Project Assets in accordance with Article 15 of the TSA. Under Article 15.2.2 of the TSA, the Petitioner may create any encumbrance over all or part of the receivables, or

the Transmission Project assets, in favour of Respondent No.21 or its representatives, as security for amounts payable under the Financing Agreements and any other amounts agreed by the parties. The relevant extract of Article 15 of the TSA is reproduced as under:

> *"15.2. Permitted Charges:*
>
> *15.2.1. Neither Party shall create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement.*
>
> *15.2.2. However, the TSP may create any encumbrance over all or part of the receivables, or the Project 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.*

14. Sub-sections (3) and (4) of Section 17 of the Act provides 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 sub-section (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. Accordingly, we accord approval to the Petitioner for the creation of a security over the Petitioner's assets, including all movable and immovable assets, in favour of SBICAP Trustee Company Limited, i.e., Respondent No. 21 for the benefit of

lender NaBFID, i.e., Respondent No. 20, by way of mortgage or any other security document over the 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.

15. 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 lenders 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 their ability to execute the Project and undertake the transmission of electricity. Accordingly, the licensee, lenders, security trustee, and nominee shall jointly apply to the Commission for 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."*

16. Accordingly, in case of default by the licensee in debt repayment, the Commission may, on a joint application made by the licensee, lender, security trustee and the nominee, approve the assignment of the licence to a nominee of the lenders. Therefore, specific prior approval of the Commission for assigning the licence to the nominee of the Security Trustee, or transfer of any assets to them, shall always be

needed. Lastly, finance documents and statements may be filed by the Petitioner as and when required by the Commission for any specific purpose.

17. Petition No. 331/MP/2026 is disposed of in terms of the above.

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