CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 387/MP/2026

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

Date of Order: 14th October, 2026

In the matter of

Petition seeking approval under Section 17 of the Electricity Act, 2003 for bringing on record the appointment of Vardhman Trusteeship Private Limited as the Security Trustee and for creation of security interest over the assets of Petitioner in favour of the Security Trustee, acting on behalf of and for the benefit of the Lenders (and for any subsequent transferees, assign, novatees thereof and any refinancing lenders to the Project), by way of hypothecation and equitable mortgage on the Project assets, pursuant to unattested Deed of Pledge, Declaration, Undertaking and other Financing Agreements, for the development of the Transmission Project.

And
In the matter of

Rajgarh Neemuch Power Transmission Limited,
2nd Floor, Novus Tower Plot No. 18,
Sector-18 Gurugram -122015, Haryana. **…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. Vardhman Trusteeship Private Limited,
The Capital, A Wing, 412A,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051.

3. Standard Chartered Bank,
Crescenzo C-38/39 ‘G’ Block Bandra Kurla Complex Bandra East,
Mumbai - 400051.

4. ICICI Bank Limited,
ICICI Bank Tower, Near Chakli Circle, Old Padra Road,
Vadodara - 390007, Gujarat.

5. Yes Bank Limited,
Yes Bank House, Off Western Express Highway,
Santacruz (East), Mumbai – 400055.

6. Union Bank of India,
7th Floor, Union Bank Bhavan, 239,
Vidhan Bhavan Marg, Nariman Point,
Mumbai – 400021.

7. Punjab National Bank,
Plot no. 4, Sector 10, Dwarka,
New Delhi – 110075. **…Respondents**

Parties Present:
Shri Hemant Singh, Advocate, RNPTL
Shri Biju Mattam, Advocate, RNPTL
Ms. Lavanya Panwar, Advocate, RNPTL

ORDER

The Petitioner, Rajgarh Neemuch Power Transmission Limited (hereinafter referred to as 'the Petitioner/ RNPTL'), has been granted a transmission licence under Sections 14, 15 and 79 (1) (e) of the Electricity Act, 2003 (hereinafter referred to as 'the Act') to establish the Inter State Transmission System for "Evacuation of Power from RE Projects in Rajgarh (1500 MW) SEZ in Madhya Pradesh-Phase III and Evacuation of Power from RE Projects in Neemuch (1000 MW) SEZ in Madhya Pradesh-Phase II" 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 15.1.2026 in Petition No. 860/TL/2025. The Commission adopted the competitively discovered levelised tariff of Rs 3670.73 million for the Project *vide* Order dated 29.12.2025 in Petition No. 861/AT/2025.

2. The Petitioner has filed the present Petition under Section 17 of the Act seeking approval for the creation of security interest over the assets in favour of Respondent No. 2, Vardhman Trusteeship Private Limited (hereinafter referred to as the "Security Trustee"), acting for and on behalf of and for the benefit of Respondent Nos. 3 to 7, i.e.,

Standard Chartered Bank, ICICI Bank Limited, Yes Bank Limited, Union Bank of India, and Punjab National Bank (hereinafter collectively referred to as the "Lenders"), including their subsequent transferees, assigns, novatees and any refinancing lenders to the Project, pursuant to the Security Trustee Agreement, Facility Agreement and other financing documents executed in connection with the Project. The Petitioner has made the following prayers:

> *"(a) Approve the creation of security Interest, over the movable and immovable assets of the Petitioner and to the extent as mentioned in the Facility Agreement, Security Trustee Agreement and other financing documents, in favour of Security Trustee/ Respondent No. 2 acting on behalf of and for the benefit of the Lenders and for subsequent transferees, assigns, novates thereof and any refinancing lenders of the Project, by way of creation of security on Project assets, pursuant to the Financing Agreements executed in this regard;*
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> *(b) Approve any future security creation, over the movable and immovable assets of the Petitioner, in favour of Security Trustee acting on behalf of and for the benefit of the Lenders and for subsequent transferees, assigns, novates thereof and any refinancing lenders of the Project, by way of hypothecation and equitable mortgage on Project assets, pursuant to the requisite Financing Agreements executed in this regard; and*
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> *(c) Pass such other order/orders, as may be deemed fit and proper in the facts and circumstances of the case."*

Background

3. The Petitioner was initially incorporated as a Special Purpose Vehicle (SPV) and was a wholly owned subsidiary of REC Power Development and Consultancy Limited (RECPDCL) for the implementation of the Project. Subsequently, upon being selected as the successful bidder, G R Infraprojects Limited acquired the Petitioner from RECPDCL on 29.9.2025, following which the Petitioner became the Transmission Service Provider (TSP).

4. The Petitioner has mainly submitted as under:

(a) The Petitioner, in its capacity as an Inter-State Transmission Licensee and Transmission Service Provider, executed a Transmission Service

Agreement (hereinafter referred to as the "TSA") dated 29.9.2025 with the Central Transmission Utility of India Limited (hereinafter referred to as "Respondent No. 1/CTUIL") for a period of 35 years. Respondent No. 2, Vardhman Trusteeship Private Limited, is a company incorporated under the Companies Act and has been appointed as the Security Trustee under the Security Trustee Agreement dated 5.2.2026, to hold and administer the security interest on behalf of and for the benefit of the Lenders, including their subsequent transferees, assigns, novatees and any refinancing lenders to the Project, and to execute the relevant financing documents in connection therewith. The Lenders have extended financial assistance to the Petitioner pursuant to the Facility Agreement dated 5.2.2026, whereby they agreed to provide a rupee term loan facility of up to Rs. 2,623.20 crore for financing the development and implementation of the Transmission Project.

5. The Petitioner has submitted that, pursuant to the terms of Article 9.1.13 of the Facility Agreement (read with Schedule II of the Security Trustee Agreement), it is required to create a security interest in favour of Vardhman Trusteeship Pvt. Limited, *inter alia,* as follows:

(a) The Borrower shall procure that the Security Providers shall secure the Secured Obligations at all times till the Final Settlement Date by the Transaction Security, i.e., a Security Interest comprising the following:

(i) a negative lien to be created by the Borrower in favour of the Security Trustee (for the benefit of the Finance Parties) on the Immovable Properties, both present and future;

(ii) a first ranking pari passu charge by way of a hypothecation supported by a power of attorney to be granted by the Borrower in favour of the Security Trustee (for the benefit of the Finance Parties) on the Hypothecated Properties; and

(iii) a first ranking pari passu pledge over the Pledged Securities to the extent of the Specified Percentage.

(b) The Transaction Security will rank pari passu by way of first charge *inter s*e the Lenders with no preference or priority amongst them. The Transaction Security will be shared on a *pari passu* basis with the Lenders, the Working Capital Lenders and the Hedging Banks. Provided, however, that the Transaction Security created or to be created on the:

(i) Immovable Properties; and

(ii) the Debt Service Reserve Account and the Project Documents mentioned in paragraphs (c) and (f) of the definition of the Hypothecated Properties shall not be shared with the Working Capital Lenders and/ or the Hedging Bank and no Security Interest on such Transaction Security shall be created for the benefit of the Working Capital Lenders and/ or the Hedging Bank.

(c) Each Security Interest shall be created and perfected, and each Security Document shall be furnished in a form and manner acceptable to the Finance Parties and within the following timelines:

(i) The Security Providers shall execute the Pledge Agreement along with the power of attorney thereto, and shall ensure the perfection of the Security Interest to be created pursuant thereto (including filing of Form CHG-I with the Registrar of Companies, filing with the Central Registry under the SARFAESI and SARFAESI Rules (as applicable), filing of Form 28 / Annexure W, as more particularly set out in Part B of the Schedule 2 (Conditions Precedent)) prior to Initial Utilization Date.

(ii) The Borrower shall execute the Deed of Hypothecation, along with the power of attorney thereto, prior to the initial Utilization Date. Within 30 (thirty) days from the date of receipt of approval from the CERC (in case of the Original Lenders other than Yes Bank Limited) or within such time period as prescribed under the sanction letter/ term sheet (in case of Yes Bank Limited), the Borrower shall ensure creation and perfection of security over the Hypothecated Properties (including filing of Form CHG-1 with the Registrar of Companies, filing with the Central Registry under the SARFAESI and SARFAESI Rules). Provided that, in case of Yes Bank

Limited, until the Borrower avails a Utilization from Yes Bank Limited, failure of the Borrower to create and perfect the security over the Hypothecated Properties within the time period prescribed above (for Yes Bank Limited), shall not result in a breach of this condition by the Borrower.

(iii) The Borrower shall execute the Negative Lien Undertaking and shall provide certified true copies of the title documents pertaining to the Immovable Properties to the Security Trustee, prior to the Initial Utilization Date.

(d) Each of the Security Documents and the Security Interests over the assets created thereunder in favour of the Security Trustee for the benefit of the Finance Parties shall be in full force and effect from and after the time of execution and delivery thereof.

(e) The Borrower shall maintain and preserve the Security Interests created by the Security Documents and the priority of such Security Interests and shall do all things necessary to ensure that any Project Assets acquired by the Borrower after the Execution Date are made subject to the Security Documents promptly after they are acquired. The Borrower undertakes to promptly notify the Agent in writing of all its acquisitions of immovable properties for the Project until the Final Settlement Date.

(f) The Borrower shall undertake and the Borrower shall ensure that each of the other Security Provider undertakes all necessary steps to ensure the perfection of such Security Interests including the giving of notice, order or direction and the making of any registration which the Security Trustee may require from time to time, including filing of Form CHG-I with the Registrar of Companies, necessary filings with the Central Registry under the SARFAESI and the SARFAESI Rules and necessary filings with the information Utility as per IBC, the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 and bye laws of the Information Utility.

(g) Each Security Provider shall provide and/or procure all necessary Authorizations, documents, opinions, assurances, and any other approvals or registration, which the Security Trustee considers to be necessary in connection

with the creation and perfection of the Security Interests or which are required to be obtained by each Security Provider under Applicable Law.

(h) The Borrower shall make an application to CERC to obtain Authorisation from the CERC under Sections 17(3) and 17(4) of the Electricity Act for creation and perfection of the Security proposed to be created vide the Deed of Hypothecation within 30 (thirty) days of the Initial Utilization Date. In the event there is a delay in receipt of the Authorisation from the CERC on account of reasons beyond the control of the Borrower, upon the request of the Borrower, the Borrower and the Lender shall mutually agree on a revised time period for creation and perfection of Security Interest vide the Deed of Hypothecation. Provided that, if the Borrower and the Lender have not agreed on such a time period within 15 (fifteen) days from the date of the Borrower's request, the extension shall be at the sole discretion of the Lenders.

(i) Prior to creation of any Security Interest in favour of the Security Trustee, the Security Providers shall submit:

(i) ROC Search Report in respect of the relevant Security Provider; and

(ii) a copy of the no-objection certificates received from the tax authorities for the creation of such Security Interest under Section 281 of the Tax Act. In case such no-objection certificates from the tax authorities are not furnished by the relevant Security Provider, then such relevant Security Provider shall furnish the following prior to creation of such Security Interest:

(A) submit applications to the tax authorities for the creation of such Security Interest under Section 281 of the Tax Act, and

(B) a certificate (in a form satisfactory to the Agent) from the Independent Chartered Accountant confirming that, except as disclosed, no tax proceedings are pending and no tax liability is outstanding against the relevant Security Provider as contemplated under the provisions of Section 281 of the Tax Act and other relevant State Legislations in relation to any direct Taxes or Indirect Taxes.

6. The Petitioner has submitted that, as per Article 15.2.2 of the TSA, it is entitled to create any encumbrance over all or part of the receivables or the Transmission Project Assets in favour of the lender(s) or lenders' representative (as defined in the

TSA) as security for the amount payable under the Financing Agreements. Therefore, the Petitioner has submitted that it has the full right to create a security interest and charge in favour of Vardhman Trusteeship Private Limited for the benefit of the lenders, subject to conditions prescribed under Article 15 of the TSA.

7. The Petitioner has further submitted that in terms of Sections 17(3) and 17(4) of the Act, no licensee can assign his licence or transfer his utility or any part thereof by sale, lease, exchange or otherwise without prior approval of the appropriate Commission, and any agreement made without the prior approval of the appropriate Commission shall be void. Further, under Article 15.3 of the TSA, the Petitioner is required to obtain the Commission's approval to assign its licence or transfer its utility or any part thereof by way of sale, lease, exchange or otherwise and to enter into an agreement relating to any of these transactions.

8. Accordingly, the Petitioner has filed the present Petition under Sections 17(3) and 17(4) of the Act seeking Commission`s prior approval for creation of security interest over its movable and immovable assets pertaining to the Project in favour of Respondent No. 2, Vardhman Trusteeship Private Limited, acting as the Security Trustee for and on behalf of the Lenders, including their subsequent transferees, assigns, novatees and any refinancing lenders to the Project, by way of hypothecation, assignment and/or mortgage, in accordance with the Facility Agreement, Security Trustee Agreement, and other financing documents, to secure the financial assistance comprising a rupee term loan facility of Rs. 2,623.20 crore.

Hearing dated 25.8.2026

9. The Petition was listed for hearing on 25.8.2026 after notice to the Respondents. Vide Record of Proceedings (hereinafter referred to as "RoP") dated 25.8.2026, the Respondents were granted the opportunity to file their respective replies.

Hearing dated 22.9.2026

10. During the hearing, the learned counsel for the Petitioner mainly reiterated the submissions made in the Petition and further submitted that, despite notice, none of the Respondents has filed a reply. Accordingly, it was requested that the matter be reserved for orders. In view of the submissions made by learned counsel for the Petitioner, the matter was reserved for orders.

Analysis and Decision

11. We have considered the submissions made by the Petitioner and perused the documents placed on record. The Petitioner approached the Lenders for financing the Petitioner's Project and availed a Rupee Term Loan Facility of an aggregate amounting to Rs. 2,623.20 crore as per the terms and conditions stipulated in the Facility Agreement with the Lenders on 5.2.2026. Further, the Petitioner, Vardhaman Trusteeship Private Limited and the Lenders entered into the Security Trustee Agreement dated 5.2.2026 and the Unattested Pledge Agreement dated 5.2.2026. A Securities Pledge Power of Attorney was executed among G R Infraprojects Limited, as Pledgor, the Petitioner, as Borrower, and the Security Trustee. The Pledgor agreed to secure the obligations under the Financing Documents, *inter alia*, by a first-ranking *pari passu* charge over the specified percentage of the equity shares and compulsorily convertible securities of the Petitioner, subject to applicable legal restrictions.

12. The Petitioner has submitted that the details of the lender-wise commitment under the Rupee Term Loan Facility are as under:

S. No.	Name of Lender	Commitment under RTL Facility (Rs. in crore)	Commitment under LC Facility as sub limit of Rupee TL Facility (Rs. in crore)
1	Standard Chartered Bank	560.00	300.00
2	ICICI Bank Limited	485.20	260.00

3	Yes Bank Limited	485.00	260.00
4	Union Bank of India	453.00	240.00
5	Punjab National Bank	640.00	340.00
	Total	2623.20	1400.00

13. The Petitioner has further submitted that the estimated total cost of the Transmission Project is Rs. 3,406.70 crore, comprising equity of Rs. 783.50 crore and Rupee Term Loan Facility of Rs. 2,623.20 crore. The Petitioner has submitted that, as on the date of filing of the Petition, the Lenders had not disbursed any amount towards development of the Transmission Project. The details of the sources of funds for the Project, as per the Facility Agreement dated 5.2.2026, are as under:

Particulars	**Amount (in Rupees crore)**
Equity	783.50
Rupee TL Facility (including sublimit of LC Facility)	2623.20
Total	3406.70

14. The transmission projects are capital-intensive projects requiring large capital investment. These projects are financed through loans. It is normal practice for financial institutions/the banking industry to ask for sufficient security from the borrower to back the loan and mitigate lenders' credit risk. In the instant case, lenders, i.e., Standard Chartered Bank, ICICI Bank Limited, Yes Bank Limited, Union Bank of India, and Punjab National Bank have agreed to provide the Rupee Term Loan Facility of an aggregate amount of Rs. 2623.20 crore and for the said purpose have entered into a Facility Agreement dated 5.2.2026 with the Petitioner. Further, the Petitioner executed a Security Trustee Agreement dated 5.2.2026 with the Security Trustee, Vardhman Trusteeship Private Limited and the lenders for the purpose of holding the security interest and holding the securities on behalf of and for the benefit of the lender (or its assignees, novatees or transferees).

15. 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 the lenders, i.e., Respondent Nos. 3 to 7 or their 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 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."*

16. 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 for the Petitioner to create a security interest in favour of the Security Trustee, namely, Vardhman Trusteeship Private Limited, 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.

18. 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."*

19. 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.

20. Petition No. 387/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**