CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 475/MP/2026

Coram:
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 Sections 17(3) and 17(4) of the Electricity Act, 2003 for creation of security interest over all the movable and immovable assets of the Petitioner in favour of the Security Trustee, Respondent No. 2, for the benefit of the lender, Respondent No. 3.

And
In the matter of

Beawar Transmission Limited,
5th Floor, RMZ Infinity, Plot No 15, Phase IV,
Sector 18, Gurugram– 122015, Haryana **…Petitioner**

Versus

1. **Central Transmission Utility of India Limited,**
   Floors No. 5-10, Tower 1, Plot No. 16,
   IRCON International Tower, Institutional Area,
   Sector 32, Gurugram – 122003

2. **Catalyst Trusteeship Limited**
   GDA House, First Floor,
   Plot No. 85, S. No. 94 & 95,
   Bhusari Colony (Right), Kothrud
   Pune– 411038, Maharashtra

3. **REC Limited**
   Core-4, SCOPE Complex, 7, Lodhi Road,
   New Delhi- 110003 **…Respondents**

Parties Present:
Ms. Iqra Khan, Advocate, BTL

ORDER

The Petitioner, Beawar Transmission Limited (hereinafter referred to as 'the

Petitioner/BTL'), has been granted a transmission licence under Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') for development and operation of the *"Inter-State Transmission System for Evacuation of Power from REZ in Rajasthan (20 GW) under Phase-III Part F"* (hereinafter referred to as 'the Transmission System' or 'the Project'), the details of which are specified in the schedule attached to the licence issued *vide* Order dated 2.3.2024 in Petition No. 332/TL/2023. Further, *vide* Order dated 6.2.2024 in Petition No. 331/AT/2023, the Commission adopted the competitively discovered annual transmission charges of Rs. 2749.39 million per annum for the Project.

2. The Petitioner has filed the present Petition under Section 17 of the Act seeking approval for creation of additional security interest over the Petitioner's assets, including all movable and immovable assets, in favour of Respondent No. 2, Catalyst Trusteeship Limited ("Catalyst"/ "Security Trustee") and for the benefit of Respondent No. 3, REC Limited ("REC"/ "Lender") including its successors, transferees, novatees, and assigns for an additional amount of Rs. 387,37,00,000/- (Rupees Three Hundred Eighty-Seven Crores and Thirty-Seven Lakhs only). The Petitioner has made the following prayers:

> *"a) admit and list the instant Petition for an urgent hearing;*
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> *b) approve the creation of the additional security interest by the Petitioner by way of hypothecation/ mortgage/ charge/ pledge/ assignment/hedging (as applicable) over all the Petitioner's assets including the movable and immovable assets, Project accounts, Project documents (including the transmission license) etc. of the Petitioner in favour of Respondent No. 2/ Security Trustee (or its replacement or successor) for the benefit of the Lender under the Loan Agreement dated 21.12.2023, as amended by Amendment No. 1 dated 25.10.2024 and Amendment No. 2 dated 22.06.2026 (read with the other Financing Documents), in respect of the additional Cost Overrun Facility of INR 387.37 Crores;*
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> *c) approve the creation of additional Security Interest by way of hypothecation/ mortgage/ charge/ pledge/ assignment/hedging etc., over all the assets including the movable and immovable assets, Project accounts, Project documents (including the transmission license) etc. of the Petitioner in favour of*

Respondent No. 2/ Security Trustee (or its replacement or successor) to secure the Petitioner's obligations towards the Lender;

d) allow the Lender to down-sell or transfer its financial commitment either in part or in 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."

Background of the case

3. The Petitioner has mainly submitted as under:

(a) The Petitioner, in its capacity as a Transmission Service Provider, executed a Transmission Service Agreement (hereinafter referred to as 'the TSA') dated 20.9.2023 with the Central Transmission Utility Limited (hereinafter referred to as 'Respondent No. 1/CTUIL'). Respondent No. 2, Catalyst Trusteeship Limited, a company incorporated under the Companies Act, 2013, is a Security Trustee for the benefit of the lender, and for its successors, subsequent transferees, assignees, novatees thereof, assigns and any refinancing and top up from existing as well as new lenders to the Project, and to enter into all relevant financing documents pursuant thereto. Respondent No. 3, REC Limited, i.e., the lender, is a company incorporated under the Companies Act, 1956.

(b) For the purposes of part financing the estimated cost of the Project, the lender had agreed to grant to the Petitioner, a Rupee Term Loan of an aggregate principal amount of Rs.2367.36 crore on the terms and conditions contained in the Sanction Letter dated 20.11.2023, the Loan Agreement dated 21.12.2023 (hereinafter referred to as 'the Loan Agreement') and other Financing Documents.

(c) To secure the said loan facility aggregating to Rs.2367.36 crore, the Petitioner had approached this Commission seeking approval for creation of a security interest over the Petitioner's assets in favour of Catalyst /Security Trustee.

The Commission, *vide* Order dated 25.6.2024 in Petition No. 166/MP/2024, had accorded the approval for the creation of security interest in favour of the Security Trustee.

(d) Thereafter, there has been a demerger and transfer of transmission infrastructure business services from 'Sterlite Electric Limited' (formerly known as Sterlite Power Transmission Limited) to 'Sterlite Grid 5 Limited'. Accordingly, the Petitioner and lender executed Amendment No. 1 to the Loan Agreement dated 25.10.2024 along with other Financing Documents to incorporate the modified terms and conditions stipulated by the lender.

(e) Subsequently, there has been a merger of the transmission infrastructure business services from 'Sterlite Grid 27 Limited' to 'Resonia Limited' (earlier known as Sterlite Grid 32 Limited). Pursuant to the merger and internal restructuring, the promoters of the Petitioner are now 'Resonia Limited and Sterlite Grid 5 Limited'.

(f) During the implementation of the Project, there has been a cost overrun to the extent of Rs. 387.37 crore (debt component of total cost overrun) and Rs.129.13 crore (equity component of total cost overrun), resulting in a revision of the total estimated project cost from Rs. 3156.48 crore to Rs. 3672.98 crore. Subsequently, the Petitioner has accordingly sought additional financial assistance from the lender ("Cost Overrun Facility"). The lender, *vide* various amendments to sanction letters, approved the aforesaid changes, including sanction of the Cost Overrun Facility and modification of existing financing terms. In this regard, the lender, *vide* amendment sanction letter dated 8.4.2026, approved the sanction of the additional Rupee Term Loan to the Petitioner.

(g) In pursuance thereof, Amendment No. 2 dated 22.06.2026 to the Loan Agreement dated 21.12.2023 was executed to incorporate, *inter alia*, the Cost

Overrun Facility, revised project cost and financing plan, updated promoter obligations, security structure and other consequential changes in the Financing Documents. Simultaneously, the Security Trustee Agreement dated 21.12.2023 was amended by Amendment No. 1 dated 22.06.2026 to reflect the revised facility and security structure.

4. The Petitioner has submitted that pursuant to the terms of the amended Loan Agreement (Clause 3.1), the Petitioner is required to create the necessary security interest in favour of Catalyst Trusteeship Limited, for the benefit of the lender, REC Limited, *inter alia,* as follows:

> *"3.1.1 The Secured Obligations, shall be secured by (the "Security"):*
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> *(i) A first charge by way of mortgage in favour of the Lender of all the immovable properties present and future, of the Borrower. It is clarified that the Project envisages one substation at Beawar district in Rajasthan. However, in case at a later stage, if any more immovable property (land) is involved, the same will also be mortgaged to the Lender;*
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> *(ii) first charge by way of hypothecation of all the movables properties, including movable Project Assets, movable plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles, stocks and all other movable assets, book debts, bills, monies including bank account, operating cash flows, receivables, commissions, claims of all kinds, stocks including consumables and other general stores, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill, uncalled capital, present and future, of the Borrower;*
>
> *(iii) a first charge over all accounts of the Borrower, including, the Trust and Retention Account and the Sub-Account(s), or any account created for any reserve(s) to be created and maintained (or any account in substitution thereof) that may be opened in accordance with the Trust and Retention Account Agreement and the Financing Documents, or any of the other Project Documents and all funds from time to time deposited therein, the receivables and all Permitted Investments or other securities representing all amounts credited to the Trust and Retention Account, any letter of credit and other reserves of the Borrower present and future wherever maintained;*
>
> *(iv) first ranking charge by way of assignment in the form and manner acceptable to the Lenders;*

(A) all the right, title, interest, benefit, claims and demand whatsoever of the Borrower in the Project Documents, as amended, varied or supplemented from time to time;

(B) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances relating to the Project;

(C) all the rights titles, interest, benefits, licenses, claims and demands, whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee and bank guarantee provided by any party to the Project Documents in relation to the Project; and

(D) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in all Insurance contracts and Insurance Proceeds;

(v) Pledge of Equity Shares representing at least 51% of the Equity Share Capital of the Borrower and carrying at least 51% (fifty one percent) voting rights in the Borrower on the terms and conditions contained in the relevant Deed of Pledge.

(vi) Pledge of 51% (fifty one percent) of the Convertible Instruments issued by the Borrower to the Promoters on the terms and conditions contained in the relevant Deed of Pledge.

The Equity Shares, Convertible Instruments, present and future, held by the Pledgor(s), to be pledged pursuant to this sub-clause (vi) and (vii) shall be in dematerialized form, together with all accretions thereon (in dematerialized form), and shall be free from any security interest, including but not limited to, any restrictive covenants / liens or other encumbrance or charges under any contract/ agreement/ arrangement including shareholders agreements / joint venture agreements/ financing arrangement. In case the Project Equity Capital of the Borrower increases in future, the number of Equity Shares, Convertible Instruments, pledged with the Lender shall be increased proportionately to maintain the pledge as stipulated above.

(vii) An irrevocable and unconditional Corporate Guarantee which shall be valid until the Final Settlement Date or the Corporate Guarantee Release Date, whichever is earlier. The Corporate Guarantee will automatically fall off on the Guarantee Release Date. The Corporate Guarantee can be invoked upon non fulfilment of any of the following conditions within the timelines stipulated in the Financing Documents:

a) Infusion of Equity Contributions required to fund the Estimated Project Cost/Project Cost (including any Cost Overruns, if any) for achieving successful commissioning of the Project;

b) Creation and perfection of Security Interest as mentioned in Clause 3.1.1 of the Facility Agreement;

c) Any default by the Borrower in servicing of the Secured Obligations.

(B) Resonia Limited shall provide an irrevocable and unconditional Revolving Corporate Guarantee for an amount equivalent to the Servicing Amount and the same shall become valid of the Revolving Guarantee Effective Date and shall continue till the Revolving Guarantee Release Date. The Revolving Corporate Guarantee shall be valid for any event of shortfall in the Debt Service Reserve Amount from the Effective Date till the Revolving Guarantee Release Date.

(viii) Promoter Deed of Hypothecation along with Promoter Agreement to Assign.

3.1.2 The aforesaid Security Interest listed under Article 3.1.1 (i) to Article 3.1.1 (viii) shall, in all respects, be on first charge basis for the benefit of the Lender.

3.1.3 The aforesaid Security Interests listed under Article 3.1.1 [i] to Article 3.1.1 [iv] shall, in all respects, rank pari passu inter se amongst, the Lender, the Working Capital Lenders up to a maximum of the extent of the Working Capital Facility (being an amount not exceeding INR 100 Crores).

3.1.4 The Borrower shall submit consent of the Counterparties in the relevant Project Documents (if required in terms thereof) for creation of charge/assignment, prior to creation of security interest under Article 3.1.1(iv) hereinabove."

5. The Petitioner has submitted that the Petitioner is permitted to create encumbrances over its 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. The financing structure, including execution of the Loan Agreement and Security Trustee Agreement, contemplates security creation that is consistent with the TSA framework and requires this Commission's prior approval before creation of the charge.

6. The Petitioner has further submitted that in accordance with Sections 17(3) and (4) of the Act and the provisions of the TSA, prior approval of this Commission is essential for creation of the additional Security Interest over the Project Assets to facilitate the tie-up of the necessary financing required for the Cost Overrun Facility, involving the same lender and Security Trustee.

7. Accordingly, the Petitioner has filed the present Petition seeking approval of the Commission for the creation of a Security over the Petitioner's assets in favour of the Security Trustee acting for the benefit of the lender and its subsequent transferees, assignees, novatees thereof, by way of hypothecation/ assignment/ mortgage/ pledge/ guarantee, to the extent described in this Petition, to secure the additional facility aggregating to Rs 387.37 crore.

Hearing dated 17.9.2026

8. Notice was issued to the Respondents to complete the pleadings.

Hearing dated 6.10.2026

9. During the hearing, the learned counsel for the Petitioner submitted that no reply has been filed by the Respondents despite notice. Upon consideration of the Petitioner's submissions, the matter was reserved for order.

Analysis and Decision

10. We have considered the submissions made by the Petitioner and perused the documents placed on record. For the purpose of part-financing the Petitioner's Project, the lender agreed to grant a Rupee Term Loan Facility amounting to Rs. 2367.36 crore to the Petitioner in terms of the Loan Agreement dated 21.12.2023. Thereafter, the Petitioner had approached the Commission for creation of security over the Petitioner's assets in favour of Catalyst Trusteeship Limited. The Commission, vide its Order dated 25.6.2024 in Petition No. 166/MP/2024 accorded approval for creation of such security interest in favour of the Security Trustee.

11. The Petitioner and the lender executed Amendment No. 1 in Loan Agreement dated 25.10.2024 to incorporate the modified terms and conditions stipulated by the lender. Further, there has been a cost overrun during the implementation of the Project to the extent of Rs. 387.37 crore (debt component of total cost overrun) and Rs.129.13

crore (equity component of total cost overrun), resulting in a revision of the total estimated project cost from Rs. 3156.48 crore to Rs. 3672.98 crore. Accordingly, the Petitioner sought additional financial assistance from the lender, REC Limited and the lender had approved the aforesaid changes including sanction of the Cost Overrun Facility and modification of existing financing terms.

12. The lender, vide amendment sanction letter dated 8.4.2026, has approved the sanction of the additional Rupee Term Loan to the Petitioner. In pursuance thereof, Amendment No. 2 to the Loan Agreement dated 22.6.2026 was executed to incorporate, *inter alia*, the Cost Overrun Facility, revised project cost and financing plan, updated promoter obligations, security structure and other consequential changes in the Financing Documents. Simultaneously, the Security Trustee Agreement dated 21.12.2023 was amended by the Amendment No. 1 to the Security Trustee Agreement dated 22.6.2026 to reflect the revised facility and security structure.

13. As per the Amendment No. 2 dated 22.6.2026 to the Loan Agreement, the Financial Plan of the Petitioner was revised as follows:

Means of Finance	**Original as per the Existing Loan Agreement**	**Cost Overrun Facility**	**Amount in Rs. crore (Approx.)**
Debt	2367.36	387.37	2754.73
Equity	789.12	129.13	918.25
Total	**3156.48**	**516.50**	**3672.98**

14. The transmission projects are capital-intensive projects requiring large capital investment. These projects are financed through loans. 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 lender's credit risk. In the instant case, the lender, REC Limited, has agreed to provide the additional Rupee Term Loan of Rs.

387.37 crore and, for the said purpose, has amended the Loan Agreement dated 21.12.2023 vide Amendment No. 2 dated 22.6.2026 and the Security Trustee Agreement dated 21.12.2023 vide Amendment No. 1 dated 22.6.2026 with the Security Trustee, Catalyst Trusteeship Limited and the lender, REC Limited 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 the Petitioner 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 lender, i.e., Respondent No. 3 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 thereof, 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.

17. The Petitioner and the lender, REC Limited, have appointed Catalyst Trusteeship 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, Catalyst Trusteeship Limited needs to be given comfort for the creation of security interest for the benefit of the lender, REC Limited as the security for the financial assistance provided by it. We, therefore, accord in-principle approval allowing the Petitioner to create a Security Interest in favour of Catalyst Trusteeship 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.

18. This in-principle 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

lender, 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. The licensee, lender, security trustee, and nominee shall accordingly 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 the 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. 475/MP/2026 is disposed of in terms of the above.

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