

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 855/MP/2025

Coram:

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 19th January, 2026

In the matter of

Petition seeking approval under Section 17(3) and 17(4) of the Electricity Act, 2003 read with Article 15 of the Transmission Service Agreement dated 6.1.2016 for creation of security interest in the transmission project assets and other relevant documents of Warora Kurnool Transmission Limited in the favour of new Security Trustee.

And

In the matter of

Warora Kurnool Transmission Limited,

C-105, Anand Niketan,

New Delhi- 110021

...Petitioner

Versus

- 1. Tamil Nadu Generation and Distribution Corporation Limited,**
144, Anna Salai,
Chennai-600002
- 2. Southern Distribution Company of Andhra Pradesh Limited,**
D.No. 19-13-65/A, Srinivasapuram Tiruchhanur Road,
Kesavayana Gunta, Tirupati- 517503
- 3. Eastern Distribution Company of Andhra Pradesh Limited,**
P&T Colony, Seethmmadhara,
Vishakhapatnam- 530013
- 4. Southern Distribution Company of Telangana Limited,**
2nd Floor, H.No. 6-1-50, Mint Compound,
Hyderabad-500063
- 5. Northern Distribution Company of Telangana Limited,**
H.No. 2-5-31/2, Corporate Office, Vidyut Bhawan,
Hanamkonda, Warangal - 506001
- 6. Bangalore Electricity Supply Company Limited,**
Krishna Rajendra Circle,
Bangalore-560001

7. **Gulbarga Electricity Supply Company Limited,**
Station Road, Kalaburagi,
Karnataka – 585102
8. **Hubli Electricity Supply Company Limited,**
Corporate Office, P.B. Road Navanagar,
Hubli- 580025
9. **Mangalore Electricity Supply Company Limited,**
Paradigm Plaza, A.B Shetty Circle,
Pandeshwar, Mangalore- 575001
10. **Chamundeshwari Electricity Supply Company Limited,**No. 29, CESC Corporate
Office, Hinkal,
Vijaynagar 2nd Stage, Mysuru – 570017
11. **Kerala Electricity Supply Company Limited,**
Vyduthi Bhawanam, Pettom,
Tiruvananthapuram- 695004
12. **Electricity Department, Govt. of Puducherry,**
137, NSC Bose Salai,
Puducherry-605001
13. **Electricity Department, Govt. of Goa,**
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa- 403001
14. **Catalyst Trusteeship Limited**
GDA House, First Floor,
Plot No. 85 S.No.94 & 95,
Bhusari Colony (Right), Kothrud,
Pune – 411038
15. **HDFC Bank Limited**
HDFC Bank House, Senapati Bapat Marg.
Lower Parel, Mumbai - 400013
Branch Office: HDFC Bank House,
Opp. Jain Derasar, Navrangpura, Ahmedabad - 380009

...Respondents

Parties Present:

Ms. Sakshi Kapoor, Advocate, WKTL

ORDER

The Petitioner, Warora Kurnool Transmission Limited (hereinafter referred to as 'the Petitioner/ **WKTL**'), 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 the "*Additional inter-Regional AC link for import into Southern*

Region i.e. Warora – Warangal and Chilakaluripeta – Hyderabad – Kurnool 765kV link” (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 29.9.2016 in Petition No. 111/TL/2016. The Transmission System was commissioned on 28.9.2023.

2. According to the Petitioner, for the purpose of financing the project, the Petitioner had earlier approached the lender, namely, State Bank of India (SBI) (hereinafter referred to as ‘Original Lender’), for a term loan facility of Rs. 2368 crore to meet a part of the construction cost of the transmission system and re-finance the then existing debt facilities. Accordingly, the Petitioner had approached the Commission for approval of creating a security interest of Rs. 2,368 crore over the Transmission System in favour of the SBICAP Trustee Company Limited (“SBI Trustee”) under sub-sections (3) and (4) of Section 17 of the Act. The Commission, *vide* its order dated 31.8.2021 in Petition No. 135/MP/2021 accorded in-principle approval allowing the Petitioner to create security interest only with respect to loan facility of Rs. 2,254 crore and excluded Performance Bank Guarantee (“BG facility”) of Rs. 110 crore and Hedging facility of Rs. 4 crore in favour of SBI Trustee. Aggrieved by the said order, the Petitioner filed a Review Petition No. 25/RP/2021 seeking limited review of the Order dated 31.8.2021 in Petition No. 135/MP/2021. The Commission, *vide* its order dated 28.2.2022 in Review Petition No. 25/RP/2021 accorded in-principle approval to the Petitioner to create the security interest in respect of the entire loan facilities of Rs.2,368 crore which includes a term loan facility of Rs.2,254 crore, BG facility of Rs.110 crore, and Hedging facility of Rs.4 crore in favour of Security Trustee, namely, SBI Trustee.

3. The Petitioner has submitted that it has substituted the existing lender with new

lender i.e. HDFC Bank Limited and appointed Catalyst Trusteeship Limited as a Security Trustee for the benefit of secured party i.e. HDFC Bank Ltd. as per the Facility Agreement dated 29.04.2025 and the Security Trustee Agreement dated 29.04.2025. Accordingly, the Petitioner is seeking approval for assignment of the transmission licence by way of security in favour of Security Trustee and creation of security interest by way of mortgage, hypothecation, charge or assignment over all movable and immovable assets including over rights, title, interest, claims, demands, benefits under mortgage properties, project assets, clearance, project documents, and agreements in favour of the Security Trustee, Respondent No.14 i.e., Catalyst Trusteeship Ltd.. The Petitioner has made the following prayers:

“(a) Allow the present Petition;

(b) Take on record the New Lender i.e. HDFC Bank Ltd. and the appointment of Catalyst Trusteeship Limited acting as Security Trustee for the benefit of secured party i.e., HDFC Bank Ltd. as per Facility Agreement dated 29.04.2025 and Security Trustee Agreement dated 29.04.2025;

(c) Grant in principle approval for creation of security over all movable and other immovable assets of WKTL (including over WKTL’s benefits, rights, title and interest under the Transmission Service Agreement dated 06.01.2016, the transmission license dated 29.09.2016 and other Transmission System documents) by execution of relevant security creating documents in favour of Catalyst Trusteeship Ltd. acting as Security Trustee for the benefit of secured lenders including HDFC Bank Ltd. and any other lender (banks or financial institutions) to which the rights and/ or obligations of all or any one or more of the aforementioned Lenders are assigned, novated and/ or transferred, as per Facility Agreement dated 29.04.2025 and Security Trustee Agreement dated 29.04.2025; and

(d) Pass such other and further orders as may be deemed fit under the facts and circumstance of the present case.”

Background

4. The Petitioner has mainly submitted as under:

(a) The Petitioner is an inter-State transmission licensee under Section 14 of the Act. The Petitioner executed a Transmission Service Agreement with Long-Term Transmission Customers (hereinafter referred to as ‘Respondents No. 1-13’) on 6.1.2016 for availing the transmission services under the

Transmission System. Respondent No. 14 i.e., Catalyst Trusteeship Limited, is a company incorporated under the Companies Act, and acting as a Security Trustee for the purpose of holding securities on behalf of or for the benefit of the new lenders.

(b) The Petitioner had executed a Facility Agreement with the State Bank of India on 30.1.2021, to meet a part of the construction cost of the Transmission System and to re-finance the then existing debt facilities. Pursuant to the execution of the said Facility Agreement, the State Bank of India agreed to provide the financial assistance in the form of a Term Loan Facility amounting to Rs.2,254 crore with a Letter of Credit Facility (as a sub-limit of the Term Loan Facility) amounting to Rs.1,300 crore Performance Bank Guarantee up to Rs.110 crore/- and Hedging Facility of up to Rs.4 crore for the construction, development, and implementation of the Transmission Project, on the terms and conditions set out in the said Agreement.

(c) The Petitioner and the State Bank of India had appointed SBI Trustee, as a Security Trustee by entering into a Security Trustee Agreement dated 7.4.2021 for the benefit of the lender, as defined under the Facility Agreement dated 30.1.2021, and to execute all relevant financing documents. Vide order dated 31.8.2021 in Petition No. 135/MP/2021, the Commission allowed creation of security interest only with respect to loan facility of Rs. 2,254 crore and excluded BG facility and Hedging facility. Aggrieved by the said order, the Petitioner filed a Review Petition 25/RP/2021 seeking limited review of the order dated 31.8.2021. The Commission, thereafter, vide its order dated 28.2.2022, accorded the in-principle approval to create the security interest in respect of the entire loan facility of Rs. 2,368 crore, including term loan of Rs. 2,254 crore, BG facility of Rs. 110 crore and Hedging facility of Rs. 4 crore.

(d) The Petitioner approached HDFC Bank for financial assistance to pre-pay the existing loan from the State Bank of India, under the Facility Agreement dated 30.1.2021. Pursuant to the Petitioner's request, HDFC Bank, vide sanction letter dated 24.3.2025, sanctioned a total facility of Rs. 2,960 crore to the Petitioner, subject to the terms and conditions set forth in the said sanction letter.

(e) Subsequently, on 29.4.2025, the Petitioner executed a Facility Agreement with HDFC Bank substituting the State Bank of India. Pursuant to the said Facility Agreement, the new lender (HDFC Bank) has agreed to provide the Petitioner with term loan facilities aggregating to Rs. 2,910 crore (hereinafter referred to as the 'Facility') (against the sanctioned amount of 2,960 crore), on the terms and conditions set out in the Agreement. As per Schedule IA of the Facility Agreement, the new loan facility includes Rupee Loan Facility 1 of Rs. 2,180 crore and Rupee Loan Facility 2 of Rs. 730 crore including a BG Facility of Rs. 110 crore (as a sub-limit for Rupee Loan Facility 2).

(f) As per Clause 2.2 (Purpose) of the Facility Agreement dated 29.4.2025, the New Loan Facility will be utilised by the Petitioner in the following manner:

"Rupee Facility 1 - Towards repayment of dues of the Existing Project Lenders to the extent of the outstanding amounts of the Existing Project Lenders existing as on the date of execution of this Agreement;

*Rupee Facility 2 - Towards payment of capital creditors, if any, and repayment of the monies infused by the Promoter in the Borrower which was used for incurring capital expenditure of the Project ("**Refinanced Sub-debt**")*; and

BG Facility - Towards guarantee to be provided in favour of the Beneficiary-BG."

(g) As per Clause 3.1 of the Facility Agreement dated 29.4.2025, the loan obligations under the said agreement and/or the other documents entered/to be entered into in relation to the Original Loan Facility shall be secured by first pari passu security interest on the movable and immovable assets of the Petitioner/Transmission System in favour of the Security Trustee (for the benefit of HDFC).

5. Accordingly, on 29.4.2025, the Petitioner, HDFC Bank and Catalyst Trusteeship Limited have executed a Security Trustee Agreement authorising Catalyst Trusteeship Limited to act as the New Security Trustee in relation to the New Loan Facility (as sanctioned by HDFC) for the benefit of the HDFC/ secured party pursuant to the trust created under the said Agreement.

6. The Petitioner has submitted that pursuant to the terms of the Facility Agreement, the secured obligations are secured by,

(i) a first mortgage and charge on all the immovable properties (owned and/or leased) of the Borrower pertaining to the Project, together with all structures and appurtenances thereon, whether owned or leased (both present and future) pertaining to the Project, in the form satisfactory to the Lenders/ Lenders' Agent;

(ii) a first charge by way of hypothecation on all the tangible moveable assets of the Borrower pertaining to the Project, including but not limited to movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets pertaining to the Project, both present and future;

(iii) a first charge by way of hypothecation on all current assets and intangibles of the Borrower pertaining to the Project, including but not limited to, book-debts, Receivables, operating cash flows, commissions, revenues of whatsoever nature and wherever arising, goodwill, intellectual property rights, uncalled capital and undertaking pertaining to the Project, both present and future;

(iv) a first charge by way of hypothecation over all accounts of the Borrower, including but not limited to the Account and the Sub-Accounts (including the DSRA) (or any account in substitution thereof) that may be opened in accordance with the Transaction Documents pertaining to the Project and in all funds from time to time deposited therein (including the reserves), all non-fund based reserves maintained by way of letters of credit / bank guarantees or otherwise including DSR Instrument, and the Permitted Investments credited to the Account;

(v) a first charge by way of hypothecation of:

A. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all the Project Documents including the Transmission Services Agreement, duly acknowledged and consented to by the counter parties to the Project Documents, all as amended, varied or supplemented from time to time;

B. rights, title, interest, benefits, claims and demands of the Borrower in, to and under all the Clearances pertaining to the Project;

C. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the Project Documents, both present and future; and

D. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all Insurance Contracts (obtained by the Borrower or by any Contractor for the benefit of the Project or favouring the Borrower) and Insurance Proceeds pertaining to the Project, both present and future

(vi) Pledge (in dematerialised form) over the 51% (fifty one percent) Equity Share Capital and Preference Share Capital held by the Promoter, free from any Security Interest, so as to maintain the Required Cover....”

7. The Petitioner has submitted that as per Articles 15.2.2 and 15.2.4 of the Transmission Service Agreement (hereinafter referred to as ‘the TSA’) dated 6.1.2016, the Petitioner is required to take prior approval of the Commission, before creating any encumbrance over all or part of the receivables, letter of credit or other assets of the Transmission System, in favour of its lenders or the lender’s representative. Upon receiving approval of the Commission, the Petitioner shall enter

into relevant security creating document(s) with Catalyst Trusteeship Limited to create a first ranking security interest on the movable and immovable properties of WKTL/ Transmission System in favour of the Catalyst Trusteeship Ltd. (acting as the Security Trustee) for the benefit of the secured party i.e. HDFC.

8. Accordingly, the Petitioner has filed the present Petition under Section 17 of the Act, and Article 15 of the TSA, 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 the Security Trustee Agreement and the Facility Agreement and for bringing on record the change of existing lender viz. State Bank of India with the new lender i.e. HDFC Bank.

Hearing dated 6.11.2025

9. The Petition was called out for the hearing on 6.11.2025 after notice to the Respondents. Vide Record of Proceedings (hereinafter referred to as "RoP") for the hearing dated 6.11.2025, the Respondents were granted the opportunity to file their respective replies and the Petitioner was directed to implead the lender(s) as a party to the Petition and further to file the details of application and source of funds as on date of filing of this Petition and a No Due Certificate from the previous lender. In compliance, the Petitioner has filed the information called for.

Hearing dated 16.12.2025

10. During the course of the hearing, the learned counsel for the Petitioner submitted that the Petitioner has filed its compliance affidavit placing on record the additional information sought vide RoP dated 6.11.2025. He further submitted that neither any reply has been filed by the Respondents nor was anyone present on

behalf of the Respondents during the hearing, despite notice. Considering the submissions of the Petitioner, the matter was reserved for order.

Analysis and Decision

11. We have considered the submissions made by the Petitioner and perused the documents placed on record. The Petitioner initially approached the State Bank of India ("Original Lender") for the purpose of securing financial assistance of Rs. 2,368 crore for the implementation of the Transmission Project and to refinance the debt availed from the then existing lenders. The State Bank of India, vide Sanction Letter dated 11.8.2020 sanctioned Rs. 2,368 crore (Term loan facility of Rs. 2,254 crore, BG facility of Rs. 110 crore and Hedge Facility of Rs. 4 crore) in favour of the Petitioner. Further, the Original Lender entered into a Facility Agreement dated 30.1.2021 with the Petitioner and agreed to provide the above-mentioned facilities to the Petitioner amounting to Rs. 2,368 crore. In terms of the Facility Agreement, Rs. 508 crore was to be utilised towards repayment of the sustainable debt portion of the loan obligations to then existing lenders as full and final settlement. The balance facility of Rs. 1,746 crore sanctioned by the SBI is the additional debt available for drawdown for completion of the Transmission System. As per the said Facility Agreement, the estimated project cost was Rs. 3,220 crore and the SCOD was 1.1.2022, thus, the project were under commissioning.

12. The Commission, vide Order dated 31.8.2021 in Petition No. 135/MP/2021, accorded in-principle approval allowing the Petitioner to create a security interest in favour of SBICAP Trustee Company Limited ("SBI Trustee") only against the term loan facility of Rs. 2,254 crore, excluding BG Facility and Hedging Facility. Aggrieved by the said exclusion, the Petitioner filed a Review Petition - 25/RP/2021 seeking limited review of the Order dated 31.8.2021. Further, vide Order dated 28.2.2022, the

Commission accorded in-principle approval to the Petitioner to create the security interest in respect of entire Original Loan Facility of Rs. 2,368 crore (which include term loan facility of Rs. 2,254 crore, BG facility of Rs.110 crore and Hedging facility of Rs. 4 crore). Accordingly, the Petitioner entered into a Security Trustee Agreement on 7.4.2021 with SBI and SBI Trustee.

13. Subsequently, the Petitioner approached the lender, namely, HDFC Bank (New Lender) for refinancing the original loan facility availed from the SBI. The New Lender has agreed to sanction the same *vide* its sanction letter dated 24.3.2025 in favour of the Petitioner. Consequently, the Petitioner entered into a Facility Agreement on 29.4.2025 with the New Lender, HDFC to provide a New Loan Facility of Rs. 2,910 crore including Rupee Loan Facility 1 of Rs. 2,180 crore, Rupee Loan Facility 2 of Rs. 730 crore and BG Facility of Rs. 110 crore (as a sublimit for Rupee Loan Facility 2). Consequently, the Petitioner entered into a Security Trustee Agreement on 29.4.2025 with HDFC Bank and Catalyst Trusteeship Limited. The Date of Commercial Operations of the project as mentioned in the Facility Agreement dated 29.4.2025 is 28.09.2023.

14. The Facility Agreement dated 29.4.2025 under which a New Loan Facility was agreed to be extended, includes Rupee Loan Facility -1 of Rs 2,180 crore, to be utilised for repayment of existing project lenders' dues and Facility- 2 of Rs 730 crores, and a Bank Guarantee Facility of Rs. 110 crore as a sublimit under Facility 2 for payment to capital creditors, and reimbursement of promoter funds infused for the project capital expenditure. The Petitioner has submitted the following details for utilization of disbursement received from HDFC Bank of Rs 2800 crore.

1.	Towards repayment of dues of the Existing Project Lenders - State Bank of India	Rs 2180 crore
2.	Towards repayment of Inter-corporate Deposits	Rs 620 crore

Additionally, a Bank Guarantee Facility of Rs. 110 crore.

15. The Petitioner, vide affidavit dated 12.12.2025, has also submitted the following Financing Plan and the details of Contribution as on the date of filing of the Petition, i.e., 29.09.2025 :

Schedule II
PART A
FINANCING PLAN

Particulars	Amount in crore (Rs.)
Contributions	1483.97
Facility	2762.16

PART B
DETAILS OF CONTRIBUTION

Particulars	Amount in crore (Rs.)
Subscription to Equity Share Capital	537.00
Subscription to OCD	186.07
Subordinate Loan	760.90

16. The transmission projects are capital intensive projects requiring large capital investment. These projects are financed through loans. It is normal practice followed by financial institution/ 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 new lender (HDFC) has agreed to provide rupee term loan Rs. 2,910 crore and for the said purpose has entered into a Facility Agreement dated 29.4.2025 with the Petitioner for, *inter-alia*, refinancing of the existing loan. In addition, the Petitioner, in compliance with the RoP dated 6.11.2025, has submitted the 'No Due Certificate' issued by the existing lender (State Bank of India) dated 15.10.2025, confirming that there is no outstanding amount against the credit facilities of Rs. 2,254 crore availed by the Petitioner/ Warora Kurnool Transmission Limited. The relevant portion of the letter dated 15.10.2025 is extracted as under:

“This is with reference to your Term loan of Rs. 2254,00,00,000 (Rupees Two Thousand Two Hundred and Fifty-Four Crore Only) and NFB Limit of Rs.

114,00,00,000 (Rupees One hundred and Fourteen Crore only) in the name of M/s Warora Kurnool Transmission Limited with our Bank. We would like to inform that the Term Loan Account and NFB has been fully repaid and closed on 01.05.2025 and 06.10.2025 and there are no dues outstanding in the loan account as on date.”

17. The Petitioner has submitted that, in terms of the Financing documents, the Petitioner is required to create a Security Interest on a first charge basis 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 the Transmission License granted by the Appropriate Commission and the provisions of this Agreement and can not 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 Appropriate Commission.

15.3.2 However, in the case of default by the TSP in debt repayments, the Appropriate 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 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 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.

20. Accordingly, we accord approval for substitution of new lender, who has agreed to refinance the projects/ transmission assets and accord in-principle approval for creation of security interest in favour of Security Trustee, namely, Catalyst Trusteeship Limited for the benefit of the lender. In this regard, the Petitioner has placed on record the relevant documents pertaining to the involvement of HDFC Bank as the new lender and the creation of a security interest in favour of Catalyst Trusteeship Limited, acting as the Security Trustee on behalf of the new lender, have been duly placed on record.

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 lender, 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, lender, 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.

22. 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 licence, assign the licence to a nominee of the lenders."

23. 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, grant approval for the assignment of the licence to a nominee, contingent upon the satisfactory completion of due diligence procedures. 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.

24. Petition No. 855/MP/2025 is disposed of in terms of the above.

sd/-
(Ravinder Singh Dhillon)
Member

Sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member