

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 840/MP/2025

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 28th January, 2026

In the matter of

Petition under Section 17 of the Electricity Act, 2003 read with Article 7 of Part B of Debenture Trust Deed dated 3.6.2025 read with Article 15 of the Transmission Service Agreement dated 2.12.2021 for approval/bringing on record the issuance of debentures (INR dominated, senior, rated, listed, unsecured and redeemable non-convertible) and appointment of Vardhman Trusteeship Private Limited as the Debenture Trustee and creation of security in favour of the said Debenture Trustee.

And

In the matter of

Rajgarh Transmission Limited,

2nd floor, Novus Tower,

Plot No. 18, Sector-18,

Gurugram- 122015

...Petitioner

VERSUS

1. Rewa Ultra Mega Solar Limited,

Urja Bhawan, Shivaji Nagar,

Link Road No. 2, Bhopal - 462016

2. Vardhman Trusteeship Private Limited,

The Capital, A Wing, 412A,

Bandra Kurla Complex,

Bandra (East) - 400051

3. Indian Bank,

MRC Nagar, Raja Annamalaipuram,

Chennai-600028

4. Axis Bank Limited,

'Axis House', PB Marg,

Worli, Mumbai- 400025

...Respondents

Parties Present:

Shri Hemant Singh, Advocate, RTL
Ms. Ankita Bafna, Advocate, RTL
Ms. Lavanya Panwar, Advocate, RTL

ORDER

The Petitioner, Rajgarh Transmission Limited (hereinafter referred to as 'the Petitioner/ RTL'), has been granted a transmission licence under Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') to establish the "*Transmission system for Evacuation of Power from RE Projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh*" (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 13.9.2022 in Petition No. 171/TL/2022.

2. The Petitioner has filed the present Petition for approval/ taking on record the issuance of 30,846 INR denominated, senior, rated, listed, unsecured and redeemable Non-Convertible Debentures ("NCDs") (on a private placement basis) of a nominal value of Rs.1,00,000/- each aggregating to not more than Rs.308,46,00,000/- in dematerialised form and approve the Vardhman Trusteeship Private Limited as a Debenture Trustee pursuant to the execution of Debenture Trustee Agreement dated 20.5.2025, for the benefit of all debenture holders. The Petitioner has made the following prayers:

"(a) Admit the present petition;

(b) Approve/ take on record the issuance of 30,846 INR denominated, senior rated, listed, unsecured and redeemable non-convertible debentures/ NCDs by the Petitioner, each with a face value of INR 1,00,000/-, aggregating to INR 308,46,00,000/-, issued at par, in dematerialised form, on a private placement basis (in accordance this Section 42 of Companies Act, 2013) to certain identified investors;

(c) Allow appointment of Respondent No. 2 as Debenture Trustee pursuant to the execution of Debenture Trustee Agreement dated 20.05.2025 and in terms of the Debenture Trust Deed dated 03.06.2025;

(d) Pass such other order/orders, as may be deemed fit and proper in the facts and circumstances of the case.”

Background

3. The Petitioner has mainly submitted as under:

(a) The Petitioner, being an inter-State transmission licensee under Section 14 of the Act, executed a Transmission Service Agreement (hereinafter “the TSA”) with Rewa Ultra Mega Solar Limited (RUMSL)/ Long-Term Transmission Customer on 2.12.2021 for availing the transmission services under the Transmission System.

(b) The Petitioner, for the purpose of raising the finance for the development of the Transmission Project, approached Standard Chartered Bank to provide the financial assistance through long-term debt. Pursuant thereto, Standard Chartered Bank vide Facility Agreement dated 20.10.2022 agreed to make available the financial assistance in the form of Term Loan facility (TL Facility) amounting to INR 315,40,00,000/- and Letter of Credit Facility (as a sub-limit of TL facility) (LC Facility) amounting to INR 275,00,00,000/- for financing the construction, development and implementation of the Transmission Project, on the terms and conditions set out in the said Agreement.

(b) Pursuant to the execution of the Facility Agreement and at the request of the Petitioner and Standard Chartered Bank, Respondent No. 2, i.e., Vardhman Trusteeship Private Ltd. agreed to act as the Security Trustee for the lender(s), including their assigns, transferees and novates. Accordingly, on 20.10.2022, Respondent No. 2/ Vardhman Trusteeship Pvt. Ltd. entered into a Security Trustee Agreement and other requisite financing documents with the Petitioner in order to hold the security interest for and on behalf of the lender(s). The

Commission, vide its order dated 10.03.2023 in Petition No. 10/MP/2023, accorded in-principle approval allowing the Petitioner to create a security interest in favour of Vardhman Trusteeship Private Limited, by way of mortgage/ hypothecation on Project assets.

(d) Subsequently, the Petitioner approached Respondent No. 3/ Indian Bank to obtain financial assistance for the purpose of pre-payment of the Existing Loan borrowed from Standard Chartered Bank under the original Facility Agreement dated 20.10.2022. Based on the representation made by the Borrower/ Petitioner, the Respondent No. 3/ Indian Bank vide Sanction Letter dated 21.06.2024 agreed to make available to the Borrower the term loan facility aggregating to Rs. 315,40,00,000/- on the terms and conditions set out in the Sanction Letter.

(e) Thereafter, on 25.6.2024, the Petitioner executed a Facility Agreement with Respondent No. 3/ Indian Bank. As per the Facility Agreement, Respondent No. 2 continued to act as a Security Trustee for the benefit of the New Lender(s) and to enter into all relevant financing documents. In terms thereof, on 25.6.2024, the Petitioner and Respondent No. 3 executed a Security Trustee Agreement with Respondent No. 2. The Commission, vide its order dated 11.12.2024 in petition No. 286/MP/2024, accorded approval for the substitution of the new lender and accorded in- principle approval for the creation of a security interest in favour of the Security Trustee.

(f) Now, the Petitioner executed a Debenture Trustee Agreement with Respondent No. 2/ Vardhaman Trusteeship Limited thereby appointing it as the Debenture Trustee for the benefit of all debenture holders. In this regard, the

following facts are relevant to the issuance of Debentures and appointment of Debenture Trustee:

(i) With a view of raising debt, the Petitioner Company proposed to issue 30,846 INR denominated, senior rated, listed, unsecured and redeemable non-convertible debentures/ NCDs, each with a face value of INR 1,00,000/-, to be issued at par, on a private placement basis, aggregating to INR 308,46,00,000/-, in dematerialised form (in accordance with the Depositories Act), on a private placement basis to certain identified investors, pursuant to Section 42 of the Companies Act and other Applicable Laws.

(ii) For the above purpose, the Petitioner Company passed the resolution of the Board of Directors under Section 179 read with Section 42 of the Companies Act, 2013, in the meeting held on 09.05.2025 and the resolution of the shareholders was passed under Section 180(I) (c) of the Companies Act in the extraordinary general meeting of the shareholders of the Company, held on 17.10.2022. Pursuant thereto, the Petitioner authorised the issuance of the Debentures. Accordingly, the Company proposed to allot the Debentures for cash, at par on a private placement basis in terms of the placement Memorandum.

(iii) Thereafter, pursuant to the provisions of the Companies Act, SEBI NCS Regulations and the SEBI (Debenture Trustees) Regulations, 1993 (as amended/ varied or modified from time to time), the Petitioner was required to appoint the Debenture Trustee for the benefit of the holders of the Debentures so issued.

(iv) In compliance thereof, the Petitioner approached Respondent No. 2, i.e., Vardhman Trusteeship Private Limited, to act as a Debenture Trustee who is registered with the SEBI as a debenture trustee under the SEBI Debenture Trustee Regulations. Respondent No. 2, Vardhman Trusteeship Private Limited, vide letter dated 29.04.2025 (as set out in Schedule I of the Debenture Trustee Agreement) consented to act as

Debenture Trustee for the benefit of the Debenture Holders of the proposed issue of the Debentures.

(v) Accordingly, on 20.05.2025, the Petitioner executed a Debenture Trustee Agreement with Respondent No. 2, thereby appointing it as a Debenture Trustee for the benefit of the debenture holders.

(vi) Meanwhile, on the date of the Placement Memorandum, India Ratings & Research vide its letter dated 12.05.2025, rated the Debentures proposed to be issued by the Petitioner as 'IND AA Stable'. Further, the Petitioner signed Tripartite agreements: (i) dated 24.8.2022 with NSDL; and (ii) dated 30.5.2025 with CDSL, which enabled the investors to hold and trade in securities in a dematerialised form instead of holding the securities in the form of physical certificates.

(f) On 3.6.2025, a Debenture Trust Deed was executed between the Petitioner and Respondent No. 2, Vardhaman Trusteeship Limited, with a view to recording the various terms and conditions and stipulations pertaining to the issuance of Debentures/ NCD, as well as the obligations of the Petitioner and Respondent No. 2/ Debenture Trustee. The said Debenture Trust Deed sets out the general terms of Debentures, which are standard in nature and are terms stipulated pursuant to the statutory or regulatory requirements. The Deed also sets out the terms and conditions of the appointment of the Debenture Trustee, rights, duties and powers of the Debenture Trustee and the Security for securing the repayment of the Debt.

(g) Further, in terms of the conditions as stated in the Debenture Trust Deed, the Petitioner was required to open, establish, and maintain the Final Settlement Date, the Escrow Account with the Escrow Bank, i.e., Axis Bank, and to make firm arrangements for prompt deposit of all Project Revenues and other

stipulated monies to the credit of Escrow Bank. Accordingly, on 3.6.2025, the Petitioner, along with Respondent No. 2/ Vardhaman Trusteeship Limited, entered into an Escrow Agreement with Axis Bank (Escrow Bank).

(h) In terms of the conditions stated in the Debenture Trust Deed, the Sponsor, i.e., GR Infraproject Limited (parent company of the Petitioner), was required to provide certain undertakings in favour of the Debenture Trustee, to induce Debenture Holders to subscribe to the Debentures issued by the Petitioner. As such, an Undertaking dated 3.6.2025 was issued by the Sponsor and the Petitioner in favour of the Debenture Trustee, i.e., Respondent No. 2/ Vardhaman Trusteeship Limited.

4. The Petitioner has submitted that the present petition has been filed under Section 17 of the Electricity Act 2003, read with Article 7 of Part B of Debenture Trust Deed dated 3.6.2025 and Article 15 of the Transmission Service Agreement dated 2.12.2021, for bringing on record the debt raised by way of issuing 30,846 INR denominated, senior rated, listed, unsecured and redeemable non-convertible debentures, each with a face value of INR 1,00,000/-, aggregating to Rs. 308,46,00,000/-, on a private placement basis and, in dematerialised form to certain investors. The Petitioner has further submitted that in accordance with Article 15.2 of the TSA, the Transmission Service Provider has been allowed to create encumbrance over all or part of the receivables, Letter of Credit or other assets of the Project, as security for amounts payable under the executed Financing Agreements and any other amounts agreed by the parties.

Hearing dated 16.10.2025

5. The Petition was called out for the hearing on 16.10.2025 after notice to the Respondents. Learned counsel for the Petitioner submitted that the Petitioner has fully repaid the loan availed from the previous lender, i.e., Indian Bank and will file the No-Objection Certificate (NOC) issued by it. *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. Further, the Petitioners were directed to file the information, namely: (i) Status of the existing term loan from the Indian Bank, whether the same been repaid or not. (ii) Statement of sources of funds as on the date of filing the Petition (iii) Copy of the Board Resolution authorising the issuance of Debentures, and (iv) Copy of the Shareholders’ Resolution authorising the issuance of Debentures.

6. The Petitioner, *vide* affidavit dated 4.11.2025, in compliance with the Record of Proceedings dated 16.10.2025, has submitted the requisite information, including a copy of the ‘No Due Certificate’ dated 10.6.2025, issued by Indian Bank.

Hearing dated 3.12.2025

7. During the course of the hearing, the learned counsel for the Petitioner submitted that the Petitioner has filed its compliance affidavit dated 4.11.2025, placing on record the requisite information sought *vide* RoP dated 6.10.2025. *Vide* RoP for the hearing dated 3.12.2025, the Petitioner was directed to file the information regarding the Hard Cost, IEDC, etc., in the prescribed format. Considering the submissions of the Petitioner, the matter was reserved for order.

Analysis and Decision

8. We have considered the submissions made by the Petitioner and perused the documents placed on record. After the grant of the transmission licence, the Petitioner

approached the Commission by way of Petition No. 10/MP/2023 for the creation of a security interest in favour of the Security Trustee, namely, Vardhman Trusteeship Private Limited, acting as Security Trustee for the benefits of the lender, for the loan availed from the existing lender of Rs. 315.40 crore. The Commission, in its order dated 10.3.2023, accorded in-principle approval allowing the Petitioner to create security in favour of the Security Trustee, namely, Vardhman Trusteeship Private Limited.

9. The Petitioner, subsequently approached the Commission by way of Petition No. 286/MP/2024 for approval of grant of change/ substitution of Existing lenders (Standard Charter) with the New Lenders (India Bank) and creation of security interest in favour of the Security Trustee, namely, Vardhman Trusteeship Private Limited acting as Security Trustee for the benefits of the lender. The Commission, in its order dated 11.12.2024, accorded in-principle approval allowing the Petitioner for substitution of New lenders who have agreed to re-finance the project asset. The Commission also issued a Corrigendum order on 22.12.2025 in Petition No. 286/MP/2024.

10. The Petitioner has submitted that, with a view of raising debt, the Petitioner proposed to issue 30,846 INR denominated, senior rated, listed, unsecured and redeemable non-convertible debentures/ NCDs, each with a face value of INR 1,00,000/-, to be issued at par, on a private placement basis, aggregating to INR 308,46,00,000/-, in dematerialised form (in accordance with the Depositories Act), on a private placement basis to certain identified investors, pursuant to Section 42 of the Companies Act, 2013 and other Applicable Laws.

11. The Petitioner has submitted that, with a view to refinancing the Project, it has availed financial assistance by way of issuance of senior, unsecured, redeemable,

rated, listed Non-Convertible Debentures NCDs, of face value Rs. 1,00,000 each, for an aggregate amount of Rs. 308.46 crore. The said issuance was undertaken pursuant to the Debenture Trustee Agreement dated 20.05.2025 and the Debenture Trust Deed dated 03.06.2025, entered into between the Petitioner and the Debenture Trustee, Vardhaman Trusteeship Limited. The Petitioner has further submitted that in terms of the provision of the Debenture Trust Deed, the Petitioner was required to open, establish and maintain up to the Final Settlement Date, the Escrow Account with the Escrow Bank, i.e., Axis Bank and to make the firm arrangements for prompt deposit of all Project Revenues and other stipulated monies to the credit of Escrow Bank. Accordingly, the Petitioner, along with Respondent No. 2/ Vardhaman Trusteeship Limited, entered into an Escrow Agreement with Axis Bank (Escrow Bank) on 3.6.2025.

12. The Petitioner has further submitted that, in terms of sub-sections (3) and (4) of Section 17 of the Act, 2003, as a transmission licensee, it cannot create any security interest over its assets in favour of the Debenture Trustee without the prior approval of this Commission. Accordingly, the present Petition has been filed seeking approval for creation of security over the Petitioner's assets, in favour of Respondent No. 2, acting as Debenture Trustee for the benefit of the Debenture Holders and their respective transferees, assignees, and novatees, by way of hypothecation, assignment, or mortgage, as detailed in the Petition, to secure the Petitioner's obligations under the Debenture Trust Deed dated 3.6.2025, for the loan facility aggregating Rs. 308.46 crore.

13. In compliance with the Record of Proceedings dated 3.12.2025, the Petitioner has submitted the details regarding the Hard Cost, IEDC, etc. as on the date of commissioning of the project i.e., 2.4.2024 *vide* affidavit dated 16.12.2025:

Project cost as on COD	Rs. (in crore)	Means of Finance as on COD	Rs. (in crore)
EPC Value incl. GST	396.60	Equity	123.22
IEDC, IDC & other costs	42.02	Loan	315.40
TOTAL	438.62	TOTAL	438.62

14. In compliance with the Record of Proceedings dated 16.10.2025, the Petitioner has submitted the statement of sources of funds as on the date of filing of the Petition vide additional affidavit dated 4.11.2025:

Sources of Fund	Rs. (in crore)	Utilisation	Rs. (in crore)
Non-Convertible Debentures	308.46	Repayment of the outstanding loan of the Indian Bank	308.46
Total	308.46	Total	308.46

15. 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, 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.”

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.

16. Article 15.3 of the TSA provides as under:

“15.3 Substitution Rights of the Lenders:

15.3.1 The TSP would need to operate and maintain the Project under the provisions of this Agreement and cannot assign the Transmission License or transfer the Project or part thereof to any person by sale, lease, exchange or otherwise, without the prior approval of the Nodal Agency.

15.3.2 However, in the case of default by the TSP in debt repayments or in the case of default by the TSP as per Article 13 of this Agreement during the debt repayments, the Commission may, on an application from the Lenders, assign the Transmission License to the nominee of the Lenders subject to the fulfilment of the qualification requirements and provisions of the Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of Transmission License and other related matters) Regulations, 2006 and as amended from time to time.”

17. 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.

18. In the context of the present Petition, which pertains to the refinancing of the Project through issuance of Non-Convertible Debentures, the Petitioner has submitted that it has appointed Vardhman Trusteeship Private Limited as the Debenture Trustee for the creation of a Security Interest over its assets. It has been further submitted that the Petitioner has raised funds aggregating to Rs.308.46 crore by issuance of INR-denominated, senior, rated, listed, unsecured and redeemable Non-Convertible Debentures/NCDs in accordance with the Debenture Trustee Agreement dated 20.5.2025 and the Debenture Trust Deed dated 3.6.2025. In our view, Vardhman Trusteeship Private Limited, acting as the Debenture Trustee for the benefit of the Debenture Holders and their successors, assignees, novatees, or transferees, needs to be given adequate comfort by permitting the creation of a Security Interest over the Projects' assets. We, therefore, accord in-principle approval allowing the Petitioner to create a Security Interest in favour of Vardhman Trusteeship Private Limited, by way of hypothecation, assignment, mortgage, or any other security document, in accordance with the terms of the Debenture Trust Deed. The Petitioner is directed to submit a signed copy of the Indenture of Mortgage and associated security documents immediately upon their execution.

19. This approval is being accorded with the condition that the transmission license 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 transmission lines and its ability to execute and operate

the licensed transmission project. The Petitioner, the Debenture Trustee, the Debenture Holders, and the nominee shall be jointly required to approach the Commission to seek such prior 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, assign the licence to a nominee of the lenders.”

20. 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 subject to the proper due diligence of the process. Therefore, specific prior approval of the Commission for assigning the licence to the nominee of the Security Trustee or for transferring any assets to them is mandatory. Lastly, finance documents and statements are to be filed by the Petitioner as and when directed by the Commission for any specific purpose.

21. Petition No. 840/MP/2025 is disposed of in terms of the above.

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