CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 544/MP/2026

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

Date of Order: 18th November 2026

In the matter of

Petition for approval for creation of security interest under Sections 17(3) & 17(4) of Electricity Act, 2003 over Petitioner's Assets in favour of Respondent No. 3 (including its assignees, transferees, novates) for the purpose of Petitioner's Transmission Project.

And
In the matter of

Angul Sundargarh Transmission Limited,
Registered Office:14, Panchwati Colony, Ratanada,
Jodhpur– 342001, Rajasthan **…Petitioner**

Versus

1. **Central Transmission Utility of India Limited (CTUIL)**
   Plot No. 2, Sector-29, Gurgaon-12200
   Haryana

2. **Beacon Trusteeship Limited,**
   715, 7th Floor, Naurang House Building 21,
   Kasturba Gandhi Marg, New Delhi - 110001

3. **HDFC Bank,**
   HDFC Bank House, Senapati Bapat Marg,
   Lower Parel, Mumbai - 400013

4. **H.G. Infra Engineering Limited,**
   14, Panchwati Colony, Ratanada,
   Jodhpur- 342001, Rajasthan

5. **North Bihar Power Distribution Company Limited**,
   Vidyut Bhawan, Bailey Road,
   Patna– 800021, Bihar

6. **South Bihar Power Distribution Company Limited,**
   Second Floor, Vidyut Bhawan,
   Bailey Road, Patna– 800021, Bihar

7. **Jharkhand Bijli Vitran Nigam Limited,**
   Engineering Building, H.E.C.,
   Dhurwa, Ranchi - 834004

8. **Damodar Valley Corporation,**
   NBCC Towers, Hall no. 03,
   Bhikaji Cama Place,
   New Delhi - 110066

9. **Tata Steel Limited,**
   P.O. Bistupur, Jamshedpur- 831001, Jharkhand

10. **GRIDCO Limited,**
    Regd. Office, Janpath, Bhubaneswar – 751022

11. **Energy and Power Department Sikkim,**
    Top Floor, Secretariat Annexe- I,
    Sonam Tshering Marg, Gangtok-737101

12. **Sasaram HVDC POWERGRID,**
    Power Grid Corporation of India Limited,
    B-9, Qutab Institutional Area Rd, NRPC Colony,
    Block B, Katwaria Sarai, New Delhi – 110019

13. **NTPC Vidyut Vyapar Nigam Limited,**
    NTPC Bhawan, Core 7, SCOPE Complex,
    7 Institutional Area, Lodhi Road, New Delhi-110003

14. **Dans Energy Private Limited,**
    10th Floor, DLF Building No-8
    Tower –C, DLF Cyber City, Phase-II
    Gurugram (Haryana) 122002

15. **South Eastern Railway, HQ**
    11, Garden Reach Road, BNR,
    South Eastern Railway, Kolkata-700043

16. **HVDC Alipurduar,**
    Power Grid Corporation of India Limited,
    B-9, Qutab Institutional Area Rd,
    NRPC Colony, Block B, Katwaria Sarai, New Delhi, -110019

17. **Shiga Energy Private Limited**,
    B-1/E-24, Mohan Cooperative Industrial Area
    Mathura Road, New Delhi, Delhi – 110044

18. **Sembcorp Energy India Limited,**
    Building 7A, Level 5, DLF Cyber City,
    Gurugram– 122002, Haryana **…Respondents**

Parties Present:
Shri Aditya Singh, Advocate, ASTL
Ms. Afreen Khan, Advocate, ASTL

ORDER

The Petitioner, Angul Sundargarh Transmission Limited (hereinafter referred to as 'the Petitioner/ASTL'), has been granted a transmission licence under Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') to develop *"Interstate Transmission System for Eastern Region Generation Scheme-I (ERGS-I)"* (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 7.4.2026 in Petition No. 824/TL/2025. Further, *vide* Order dated 7.3.2026 in Petition No. 825/AT/2025, the Commission adopted the competitively discovered annual transmission charges of Rs. 431.11 million per annum for the Project.

2. The Petitioner has filed the present Petition under Section 17(3) and 17(4) for creation of security interest over the Petitioner's assets in favour of Respondent No. 2 Beacon Trusteeship Limited ("Beacon"/ "Security Trustee") and for the benefit of Respondent No.3, HDFC Bank ("HDFC"/ "Lender") in respect of the Petitioner's Transmission Project for a sum of Rs. 295,66,00,000/- (Rupees Two Hundred Ninety-Five Crore and Sixty-Six Lakh only). The Petitioner has made the following prayers:

> *"(a) Admit the present Petition;*
>
> *(b) Approve the creation of Security Interest by way of hypothecation/ mortgage/ charge/ pledge/ assignment (as applicable), over all assets including the assets, and all the movable and immovable assets, Transmission Project accounts, Project Documents (including assignment of transmission licence) etc., both present and future, of Petitioner in terms of the Financing Documents, or as may be agreed between the Petitioner and the Lender from time to time, in favour of Lender / Security Trustee to secure the financial assistance availed / to be availed from the Lender and its subsequent transferees, assigns, novates and substitutes thereof and any refinancing*

lenders to the Project, by executing deed of hypothecation and power of attorney in relation thereto, Indenture of Mortgage, Mortgage by deposit of title deeds and such other security documents as per law or as may be required by the Lender from time to time through which a charge can be created; or

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

Background

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 28.7.2025 with the Central Transmission Utility Limited (hereinafter referred to as 'Respondent No. 1/CTUIL'). Respondent No. 2, Beacon Trusteeship Limited, a company incorporated under the Companies Act, 2013, is a Security Trustee for the benefit of the lender, and for its subsequent transferees, assignees, novatees thereof and any refinancing lenders to the Project, and to enter into all relevant financing documents pursuant thereto. Respondent No. 3, HDFC Bank, i.e., the lender, is a company incorporated under the Companies Act, 1956.

(b) On 30.4.2026, HDFC Bank offered the Term Loan Facility for Rs. 295.66 crore to the Petitioner. The Petitioner, Beacon Trusteeship Limited and HDFC Bank entered into a Facility Agreement dated 19.5.2026 for the purpose of financing the Project. The Petitioner availed a Rupee Term Loan facility amounting to Rs. 295.66 crore, from the lender, HDFC Bank, as per the terms and conditions stipulated in the Facility Agreement dated 19.5.2026. Further, the Petitioner, Beacon Trusteeship Limited and HDFC Bank entered into a Lenders Agent Agreement dated 19.5.2026. Further, the Petitioner, Beacon Trusteeship Limited and HDFC Bank entered into a Tripartite Security Trustee Agreement dated 19.05.2026 wherein, Beacon Trusteeship Limited is acting as a Security

Trustee for the purpose of holding the security interest and the securities on behalf of and for the benefit of the Lender (or its assignees, novatees or transferees).

(c) On 19.5.2026, the Petitioner also issued a Deed of Hypothecation in favour of Beacon. Further, on 19.5.2026, the Petitioner, Beacon and HGIEL (Respondent No. 4) entered into a Deed of Pledge.

(d) In terms of the financing documents, the Petitioner is required to create security, which is the transaction security (as defined in the financing Agreements), in favour of the Security Trustee for the benefit of the lender.

(e) In terms of Article 15.2.2 of the TSA dated 28.7.2025, the Petitioner is free to create any encumbrance over all or part of the receivables, Letter of Credit, or other assets of the project in favour of the lenders or the representative of the lenders as security for the amount payable under the Financing Agreements and any other amounts agreed by the parties. Further, in terms of Article 15 of the TSA, the Petitioner is required to take permission from this Commission prior to relinquishing or transferring its rights and obligations in the TSA.

4. The Petitioner has submitted that pursuant to the terms of the Facility Agreement (Article III, Clause 3.1), the Petitioner is required to create the necessary security interest in favour of Beacon Trusteeship Limited, for the benefit of the lender, HDFC Bank, *inter alia,* as follows:

> *"(a) The Secured Obligations shall be secured by the following security created/to be created in favour of the Security Trustee/ Lenders/ Lenders' Agent, in the form and manner acceptable to the Lenders/ Lenders' Agent:*
>
> *(i) a first ranking charge by way of mortgage on all the immovable properties of the Borrower pertaining to the Project, present and future,*

together with all structures and appurtenances thereon, whether owned or leased Lenders (both present and future), in the form satisfactory to the Lenders/Lender's Agent (If applicable);

(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 intangibles assets of the Borrower pertaining to the Project, including but not limited to, goodwill, intellectual property rights, uncalled capital and undertaking, both present and future;

(iv) a first charge by way of hypothecation on all current assets and Receivables 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, both present and future;

(v) a first charge by way of hypothecation over all accounts and reserves of the Borrower pertaining to the Project, including but not limited to the Account and the Sub-Accounts (including the DSRA and other bank accounts of the Borrower, wherever maintained) (or any account in substitution thereof) that may be opened in accordance with the Transaction Documents 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 DR Instrument, and the Permitted Investments or other securities representing all amounts credited to the Account;

(vi) a first charge by way of hypothecation on and equitable assignment 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 Service 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 whatsoever of the Borrower in, to and under all the Clearances pertaining to the Project including those received from CERC/ Authority;

(C) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under any substitution agreement, 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.

(vii) Pledge over the Equity Share Capital, Preference Share Capital and issued, subscribed and fully paid up compulsorily convertible debenture and compulsory convertible preference shares of the Borrower held by the Promoter, free from any Security Interest, so as to maintain the Required Cover;

Provided that, to the extent of the Equity Shares, Preference Share Capital and issued, subscribed and fully paid up compulsorily convertible debenture and the compulsory convertible preference shares over which pledge cannot be created on account of Section 19 (2) and 19 (3) of the Banking Regulation Act, 1949, as amended from time to time ("Balance Shares"), shall be subject to non-disposal arrangement, to be executed in form and manner satisfactory to the Lenders/ Lenders' Agent such that the pledged shares and the shares provided under non-disposal arrangement shall constitute 51% (fifty one) of the share capital of the Borrower.

These shall be collectively referred to as the "Security" which shall include any further or additional Security Interest created in terms of Articles 3.3 to 3.4.

(b)(i) The Security shall in all respects rank pari passu inter-se amongst the Lenders in relation the Facility, without any preference or priority to one over the other or others.

(ii) The Security stipulated in Article 3.1 (a) (including receipt of CERC/ Authority's Approval, as applicable) (other than Article 3.1 (a) (i) (if applicable)) shall be created on or before the Initial Drawdown Date and perfected within 6 (six) months from the Initial Drawdown Date, except as otherwise set out in this Agreement

(iii) The Parties hereby agree that where there is a delay in receipt of approval from CERC/Authority (as applicable) on account of reasons beyond the control of the Borrower and/or the other Obligors, the Borrower and the Lenders shall mutually agree on revised timeline for the same, before expiry of agreed timelines and in the event the Borrower and the Lenders are unable to mutually agree to a revised timeline for obtaining of CERC/ Authority's (as applicable) approval for perfection of security, within 15 (fifteen) days of the request being made by the Borrower, then the extension (if any) shall be at the sole discretion of the Lenders.

(iv) The Borrower shall within the timelines stipulated herein for perfection of Security, take all actions including (1) obtaining the Clearances and/or no-objection (as applicable) from the Government Authority including CERC/ Authority (as applicable); (2) obtaining the

Clearances and/or no-objection (as applicable) from existing lenders for ceding of pari passu charge; (3) obtaining the Clearance and/or no - objection (as applicable), from the Authority, and from any other Person from whom an approval is required to be obtained (either under contract or under Applicable Laws) for the purpose of creation and perfection of the Security (including assignment of rights in favor of/ for the benefit of the Lenders); (4) making necessary filing with the Government Authority required to be filed under Applicable Laws (including filing form CHG-1 with the relevant Registrar of Companies, subject to the provisions of sub-clause (v) hereinafter, so long as the same does not have the effect of extending the timeline for perfection beyond 6 (six months from the Initial Drawdown Date); and (5) paying all Taxes (including stamp duty and registration fees) in order to perfect the Security.

(v) The Borrower shall forthwith, and in no event later than 30 (thirty days from the date of execution of the relevant Security Document or shorter period, if any, provided under the Applicable Laws, file particulars of the charges created under the said relevant Security Documents under Form CHG-1 with the relevant Registrar of Companies and pay such fees as may be prescribed.

(vi) The Borrower shall promptly provide evidence of perfection of Security Interest over the Security, including certified true copies of CHG 1, along with annexures, cash receipt, charge certificate, etc. in favour of the Security Trustee and all details in relation to registration of the Security Interest in favour of the Security Trustee, which are required to be created as per the terms of the Financing Documents.

(vii) The Equity Shares present and future, held by the Promoter, to be pledged pursuant to sub-clause (vii) of Article 3.1 (a) 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.

(viii) Without prejudice to the provisions of Article 2.8 (b), if the Security is not created and perfected by the Borrower within the time-period prescribed in paragraph (b) (ii) above, any further Disbursements shall be at the sole discretion of the Lenders.

(ix) The Borrower shall take all necessary actions and provide necessary assistance to the Secured Parties for filing/registration of the relevant Security Document and the Security Interest created thereunder with Central Registry of Securitisation Asset Reconstruction and Security Interest of India, forthwith upon execution of the relevant Security Documents and in any event not later than 7 (seven) Business Day from the execution of such Security Documents.

(x) The Promoter shall file and deposit the 'Annexure W/ 'Form 28'

or any other form required to be filed with the concerned depository i.e. either or both of National Securities Depository Limited and Central Depository Services (India) Limited ("Depository"), with the Depository forthwith, and in no event later than 30 (thirty) days from the date of execution of the relevant Security Document 30 (thirty) days from the Initial Drawdown Date."

5. The Petitioner has further submitted that in view of the provisions of sub-sections (3) and (4) of Section 17 of the Act, the Petitioner, as a licensee, cannot create a Security Interest over all the movable and immovable assets of the Petitioner in favour of a Security Trustee acting on behalf of the lender, pursuant to a Facility Agreement dated 19.5.2026 and a Security Trustee Agreement dated 19.5.2026 without approval of this Commission.

6. Accordingly, the Petitioner has filed the present Petition seeking prior approval 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 a Security Trustee Agreement and a Facility Agreement.

Hearing dated 18.8.2026

7. The Petition was called out for the hearing on 18.8.2026 after notice to the Respondents. *Vide* the Record of Proceedings (hereinafter referred to as "RoP") for the hearing dated 18.8.2026, the Respondents were granted the opportunity to file their respective replies.

Hearing dated 6.10.2026

8. 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

9. We have considered the submissions made by the Petitioner and perused the documents placed on record. For financing the Petitioner's Project, HDFC Bank offered a Rupee Term Loan Facility amounting to Rs. 295.66 crore to the Petitioner *vide* Offer letter dated 30.4.2026. Thereafter, the Petitioner, Beacon Trusteeship Limited and HDFC Bank entered into a Facility Agreement on 19.5.2026 for a facility of upto Rs. 295.66 crore, including a non-fund-based sub-limit of ₹200 crore in the form of a Letter of Credit (LC) facility. Further, the Petitioner, Beacon Trusteeship Limited and HDFC Bank entered into a Tripartite Security Trustee Agreement dated 19.5.2026 wherein, Beacon Trusteeship Limited is acting as a Security Trustee for the purpose of holding the security interest and securities on behalf of and for the benefit of the lender (or its assignees, novatees or transferees).

10. As per the Facility Agreement dated 19.5.2026, the estimated total cost of construction and development of the Project is Rs. 369.57 crore, which is proposed to be funded as follows:

Particulars	Rs. (in crore)	% of total amount
Contribution	73.91	20%
Facility	295.66	80%
Total estimated Project Cost	**369.57**	**100%**

11. 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, HDFC Bank, has agreed to provide the Rupee Term Loan of Rs. 295.66 crore and, for the said purpose, has entered into a Facility Agreement dated 19.5.2026 with the Petitioner. Further, the Petitioner has executed a Security

Trustee Agreement dated 19.5.2026 with the Security Trustee, Beacon Trusteeship Limited and HDFC Bank 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).

12. 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."*

13. Sub-sections (3) and (4) of Section 17 of the Act provide 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.

14. The Petitioner and the lender, HDFC Bank, have appointed Beacon 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, Beacon Trusteeship Limited needs to be given comfort for the creation of security for the benefit of the lender, HDFC Bank, 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 Beacon 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.

15. 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."*

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

17. The Petition No. 544/MP/2026 is disposed of in terms of the above.

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