

THURSDAY | 10 MARCH 2022

Case Update



## CERC ALLOWS TRANSFER OF SHAREHOLDING OF NRSS XXXVI TRANSMISSION COMPANY LIMITED



On Tuesday, the Central Electricity Regulatory Commission (“Commission”) allowed Resurgent Power Venture Pte. Limited (“Resurgent Power”), a Joint Venture between Tata Power Company Limited and ICICI Ventures Private Limited, to take control of the NRSS XXXVI Private Limited (“NRSS XXXVI”), a Transmission Licensee, from Essel Infraprojects Limited (“Essel Infra”).

A Joint Petition was filed under Section 17(3) & (4) of the Electricity Act, 2003 (“Act”) by Resurgent Power, NRSS XXXVI and Essel Infra, which was the holding company of NRSS XXXVI in the month of December 2021. The Commission understanding the gravity of the circumstances in which the Petition was filed, fast tracked the proceedings and eventually allowed it upon not receiving any objections from the beneficiaries.

In 2016, Essel Infra, the holding company of the Transmission Licensee, had acquired NRSS XXXVI through an International Tariff Based Competitive Bidding Process (“TBCB”) for implementation of System Strengthening Scheme in Northern Region along with LILO of Sikar-Neemrana 400 KV D/C line at Babai (“Project”). However, with the deteriorating financial condition of Essel Infra, the Project came to a standstill with NRSS XXXVI making continuous default in its debt repayment to its lenders. This forced the Lenders to exercise their Substitution Rights in terms of Article 15.3 of the Transmission Service Agreement (“TSA”), to revive the Project.

In 2020-21, the Lenders, through ABPS Infrastructure Advisory Private Limited, conducted a global competitive bidding and Resurgent Power emerged as the successful bidder. With this, the process of acquisition of NRSS XXXVI was initiated by all concerned which included approval of the Commission.

SKV Law Offices represented Resurgent Power in the Joint Petition before the Commission. It was submitted that the Project is of national importance and has come to a halt due to the financial condition of the holding company. The Commission keeping in mind that the bidding has been conducted in a transparent manner and that Tata Power Company Limited, which has a stake of 26.04%, also has considerable experience in development of high-stake Projects, allowed the transfer of shareholding of NRSS XXXVI from Essel Infra to Resurgent Power in terms of Article 15.3 of TSA read with Section 17(3) of the Act.