

SATURDAY | 18 MARCH 2023

Case Update



IN-PRINCIPLE APPROVAL ACCORDED TO NRSS XXXVI TRANSMISSION LIMITED TO CREATE SECURITY INTEREST IN FAVOUR OF SECURITY TRUSTEE OF LENDERS



SKV Law Offices successfully represented NRSS XXXVI Transmission Limited (“NRSS”) in the case of NRSS XXXVI Transmission Limited vs. U.P. Power Corporation Limited & Ors., Petition No. 29/MP/2023 before the Hon’ble Central Electricity Regulatory Commission (“Hon’ble Commission”).

NRSS had approached the Hon’ble Commission under Section 17(3) & 17(4) of the Electricity Act, 2003 (“Act”) seeking permission of the Hon’ble Central Electricity Regulatory Commission (“Hon’ble Commission”) for creating security interest over the assets (immovable & movable), licenses/permits/approvals, current assets, bank accounts as well as pledge of equity shares of NRSS in favour of the Security Trustee on behalf of the lenders.

In compliance of the provisions of the regulatory regime provided in Section 17(3) & 17(4) of the Act, NRSS approached Respondent No. 13/Kotak Mahindra Bank (“Kotak”) and Respondent No. 14/ICICI Bank (“ICICI”) for availing Credit Facilities viz. Term Loan (“TL”), Overdraft (“OD”) and Letter of Credit (“LC”) for meeting the repayment of existing debt availed by NRSS from existing lenders etc. Accordingly, SBICAP Trustee Company Limited agreed to act as a Security Trustee for creation of security over all the movable and immovable assets of the Project.

One of the conditions imposed by both the banks namely Kotak & ICICI for securing credit facilities, was by way of creation of first and pari-passu charge on all immovable properties, existing and future receivables/current assets/movable assets/movable fixed assets of NRSS.

Pertinently, as the Credit Arrangement Letter (“CAL”) issued by ICICI would have expired unless the approval of the Hon’ble Commission in respect of Facilities/Security were executed and provided on or before 08.04.2023.

After considering the submissions and case made by NRSS, the Hon’ble Commission vide its Order dated 16.03.2023 was pleased to accord its in-principle approval allowing NRSS to create security interest in favour of SBICAP Trustee Company Limited, subject to execution of Security Trustee Agreement, Facility Agreement and by way of mortgage/hypothecation of Project assets by execution of Indenture of Mortgage and financing documents of the Project.

NRSS was advised and represented by Mr. Shri Venkatesh, Managing Partner, Mr. Anant Singh Ubeja and Mr. Mohit Mansharamani, Associates.

The Order passed by the Hon’ble Commission can be accessed [here](#).