

**CTU's Procedure for Inquiry in cases of alleged Fraud or Transgression in
submission of applications, information, eligibility documents, milestones etc.
for grant of Connectivity and GNA (effective from 09.10.2025)**

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CTU's Procedure for Inquiry in cases of alleged Fraud or Transgression in submission of applications, information, eligibility documents, milestones etc. for grant of Connectivity and GNA (effective from 09.10.2025)

1. Applicability

This standard operating procedure shall govern all administrative and regulatory functions of the Central Transmission Utility (CTU) and all applications and related submission of information and documents by Connectivity & GNA applicants as prescribed under the Electricity Act, 2003 or the Regulations specified under the Act, including the functions of receiving, processing and granting applications for Connectivity and GNA under the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.

Further, the procedure shall also extend to all grants, permissions, extensions, enhancements etc. under any applicable provisions of the Act, Rules or Regulations notified thereunder, applicable procedures or advisories.

2. Effective date

This procedure shall be effective from the date as notified by CTU on its official website.¹

3. Definitions

(1) In this procedure, unless the context otherwise requires,

- (a) **“Act”** shall mean the Electricity Act, 2003.
- (b) **“Blacklisting”** shall mean the decision of CTU in its capacity of a statutory utility to impose a debarment on any entity (including its Promoters/Directors) from dealing with CTU in any capacity including by way of any application, claim, request etc. in relation to any of the administrative or regulatory functions of CTU including applying for or being granted Connectivity or GNA for a period which shall be not less than one year and not more than three years, which decision shall be arrived in terms of the provisions of this procedure.

Provided that the general principle for deciding the period of blacklisting shall be dependent on the nature of fraud or transgression, nature and quantum of loss caused to CTU or its stakeholders.

Provided further that in the absence of any supervening factors, the period of blacklisting for first proven act of fraud or transgression shall be for a

¹ The Procedure has been published on CTU's official website on 09.10.2025 and is effective from the said date.

period of one year and for any repeat act of fraud or transgression, may be upto three years.

Provided further that the period of blacklisting shall extend in the ordinary course from the date of blacklisting Order, however in exceptional circumstances and for reasons to be duly recorded, the blacklisting can extend from the date of issuance of show cause notice.

- (c) **“Competent Authority”** shall mean the Board of Directors of CTU or any officer of CTU empowered by the Board of Directors by any general or special order to discharge the functions and powers assigned under this Procedure to the Competent Authority.
- (d) **“CTU”** or Central Transmission Utility shall have the same meaning as per Section 2(10) read with Section 38 of the Electricity Act, 2003.
- (e) **“CTUIL”** shall mean the government company notified as the Central Transmission Utility vide Ministry of Power’s Gazette Notification dated 09.03.2021 to perform to undertake and discharge all functions of Central Transmission Utility.
- (f) **“Fraud”** shall include any of the following acts committed by an entity applying to CTU for or having been granted by CTU, connectivity/GNA/any permission, extension, enhancement, etc. or with the connivance of such entity, or by the agent of such entity, with intent to deceive CTU or any of its officers, or to induce CTU to grant such connectivity/GNA/any permission, extension, enhancement, etc or cause CTU to continue the validity of such connectivity/GNA/any permission, extension, enhancement, etc.:
 - (i) the suggestion, as a fact, of that which is not true, by one who does not believe it to be true;
 - (ii) the active concealment of a fact by one having knowledge or belief of the fact;
 - (iii) a promise made without any intention of performing it;
 - (iv) any other act fitted to deceive;
 - (v) any such act or omission as the law specially declares to be fraudulent.Notwithstanding the above, Fraud shall also include a violation of a similar kind, that may not strictly fall under the above sub-clauses (i) to (v).
- (g) **“Inquiry”** shall mean an Inquiry in terms of this Procedure.
- (h) **“Consequential Actions”** may include Blacklisting or any such measure or action imposed by CTU on any entity for committing a Fraud or a Transgression, including but not limited to revocation of grant of Connectivity or GNA or any other permission/clearance granted by CTU,

encashment of applicable bank guarantees, termination of agreements, withdrawal of allocations etc.

- (i) **“Transgression”** shall include all violations or defaults which demonstrate an act, whether wilful or otherwise or an intent to defeat the provision(s) of the Act / Rules / Regulations / Detailed Procedure /CTU Advisory to obtain an unlawful or unfair advantage.
- (2) Words and expressions used herein and not defined but defined in the Electricity Act, 2003 or any other Act or any of the Regulations framed thereunder or the Detailed Procedure issued by CTUIL shall have the same meaning assigned to them under the Act or Regulation or the Detailed Procedure.

4. Show Cause Notice

- (1) CTU shall issue a Show Cause Notice to such entity against which an Inquiry under this Procedure is initiated, requiring the said entity to show cause within a period of 15 days from the receipt of such notice through email or registered post, whichever is earlier.
- (2) Every notice under clause (1) to any such entity shall explain the nature of Fraud and/or Transgression that prima facie appears to have been committed by the entity.

Provided that for the purpose of this provision, the Inquiry shall be deemed to have commenced with the issuance of show cause notice.

5. Response to Show Cause Notice

The entity under a show cause, shall present its response to the show cause notice in writing within a period of 15 days of receipt of the show cause notice. The response must be supplemented by all necessary documents and evidence as deemed necessary by the entity under show cause.

Provided that in case of non-submission of any response within the stipulated time period, CTU shall proceed to conclude its proceedings based on the material available with it.

Provided further that subsequent to submission of the response to show cause notice in writing, the entity under show cause may, immediately and not later than three (3) days of submitting its response, seek a personal hearing in its defence. In case of such a request, CTU shall fix a date within a period of seven (7) days from the date of request.

6. Consideration of Response to Show Cause Notice

- (1) CTU shall consider the response to show cause notice, if any, in order to ascertain its finding on the alleged Fraud or Transgression, as the case may be.
- (2) On considering the response submitted by the entity under show cause, if any, to the show cause notice, if CTU is of the opinion that a personal hearing is

necessitated, CTU may issue a notice fixing a date for the appearance of an authorized representative of such an entity at CTUIL office.

Provided that any such notice shall be issued by CTU within 7 days of the receipt of such response from the entity.

7. Personal Hearing

- (1) If any personal hearing is necessitated, then CTU shall fix a date for the same and notify the same to the entity under show cause.
- (2) The entity under show cause shall ensure that its representative appearing in the personal hearing is duly authorized to do the same and is able to demonstrate such authorization at the time of hearing.

The entity under show cause shall ensure that its representatives do not record or tape the proceedings under personal hearing on any electronic device.

Provided that CTU shall prepare a small brief or minutes of the personal hearing and provide a copy of the same to the entity under show cause.

Provided further that as far as practicable such minuting shall be undertaken instantaneously and signatures obtained from parties present before conclusion of the personal hearing.

- (3) If the entity under show cause fails, neglects or refuses to appear before CTU, CTU may proceed with the Inquiry in the ordinary course without any personal hearing.

8. Decision after Inquiry

- (1) The CTU shall, after due consideration of the facts and materials presented to it as a part of the inquiry, for reasons to be recorded in writing, issue appropriate decision, including imposing consequential action on the entity or exonerating such entity, as the case may be.
- (2) While arriving at the said decision/ consequential action, the Competent Authority shall be guided by the following factors, namely:
 - (a) The nature and the gravity of the Fraud or Transgression committed by the entity.
 - (b) The loss of opportunity caused or that may have been caused to other entities as a result of the Fraud or Transgression.
 - (c) The repetitive nature of the Fraud or Transgression, if applicable.
 - (d) Any other considerations that may be applicable.
- (3) The decision of the Competent Authority, notwithstanding whether it is regarding exoneration or consequential action, shall be communicated to the entity under show cause.
- (4) Communication of the decision of the Competent Authority to the entity under show cause shall be deemed to have concluded the Inquiry.

9. Processing of Applications under Show Cause and Public Notice

If the subject matter of inquiry pertains to any application or request to the administered for grant of Connectivity or GNA, such an application shall continue to be processed during the proceedings of show cause notice in the ordinary course subject to the outcome of the inquiry.

Provided that due notice shall be provided in the consultative meetings of CTU about inquiry proceedings.

Provided that information about any application or request under inquiry shall be made available on CTU website.

Provided further that under specific facts and circumstances and for reasons recorded in writing, the rights, claims, interests, entitlements, etc. of the entity under show cause pertaining to the subject application or transaction may be suspended for the duration of the inquiry. In such cases, CTU shall be entitled to refuse any transactions with the entity under show cause for the period of the inquiry.

10. Implications of Exoneration

An entity under inquiry, if exonerated shall be restored to its original position, as far as practicable, including in terms of its seniority or priority as an applicant.

11. Implications of Blacklisting

(1) An entity under inquiry, if blacklisted as a consequence of the Inquiry, shall be debarred from applying to CTU (including its Promoters/Directors) for any grant by CTU of Connectivity or GNA; or any permission, extension, enhancement etc. under the applicable provisions of the Act, Rules, Regulations, Detailed Procedure etc. during the period of blacklisting or entering into any other instrument/ arrangement etc. with CTU during the period of blacklisting.

(2) Blacklisting shall operate prospectively from the date of the decision by the Competent Authority on all applications made on or after the date of blacklisting.

Provided that the period of blacklisting shall extend in the ordinary course from the date of blacklisting Order, however in exceptional circumstances and for reasons to be duly recorded, the blacklisting can extend from the date of issuance of show cause notice.

(3) The list of the entities blacklisted by CTU shall be maintained on its official website along with relevant details.

12. Service of notices and orders.

All correspondences including show cause notice, response thereto, orders etc. under these Rules shall be served upon either of the parties i.e. CTU or the entity under show cause through any or both of the following modes, namely:

(a) by delivering or tendering it to the address of such entity as available in CTUIL records through registered post or speed post or courier; or

- (b) by sending it to the entity or its authorized representative (as per CTUIL records) through electronic mail.

Provided that service of any communication or show-cause notice under this Procedure through electronic mail to the authorized representative (as per CTUIL records) shall be deemed to be effective service of such communication or show-cause notice and the date of the email shall be the date of receipt of such communication, notwithstanding the receipt of a physical copy of such communication on a later date.

13. All Applicants to acknowledge the Procedure for Inquiry

All applicants and concerned stakeholders shall provide an additional undertaking in the applications filed for grant of Connectivity & GNA to the effect that applicants are aware of this Procedure and agree to abide by the same.