

Detailed Procedure for Approval of Change in Control of Connectivity Grantee

[For Stakeholder Consultation]

2nd December 2025

PUBLIC NOTICE

Subject: Draft Detailed Procedure for Approval of Change in Control of Connectivity Grantee

As per the mandate of Regulation 39.1 read with Regulation 11A(6)(c) of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022; CTU has prepared the Draft Detailed Procedure for Approval of Change in Control of Connectivity Grantee and the same is available on CTU website, www.ctuil.in [under the tab – **Regulatory Section** as well as under the rolling ticker for **Updates**].

2. Notice is hereby given inviting comments/suggestions/objections from the stakeholders and interested persons on the provisions of above draft Regulation.

3. The comments/ suggestions/ objections may be sent to the office of **COO (CTUIL)** at **Floors No. 5th-10th, IRCON International Tower, Tower 1, Plot No. 16, Institutional Area, Sector 32, Gurugram, Haryana 122003** or may be e-mailed to **contact-ctu@ctuil.in** and may be copied to **swapnilverma@powergrid.in**. The Last date for submission of the comments/suggestions/objections on the aforesaid Draft Detailed Procedure shall be **17th December, 2025**.

3. The comments/ suggestions/ objections received after the stipulated date may not be considered while finalizing the Detailed Procedure for submission to the Central Electricity Regulatory Commission for notification.

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Central Transmission Utility of India Limited

Procedure for Approval of Change in Control of Connectivity Grantee

(Issued under Regulation 11A(6)(c) of the CERC (Connectivity and GNA to ISTS) Regulations, 2022, as amended)

Date: 02.12.2025

1. Background

This Procedure is issued in accordance with Regulation 11A(6)(c) of the CERC (Connectivity and GNA to the ISTS) Regulations, 2022 ["GNA Regulations"] to specify the modalities, process, and timelines for seeking approval of the Nodal Agency in cases where any change in control of a Connectivity grantee is proposed prior to COD. The general extant regulatory prescription mandates promoters/shareholders who applied for Connectivity must retain control till COD. Any change requires prior written approval of CTUIL.

Regulation 11A(6) of the CERC (Connectivity and GNA to the ISTS) Regulations, 2022, is reproduced below for reference:

"11A(6) Control of the Connectivity Grantee which is REGS (excluding hydro generating station) or ESS (excluding PSP) for the period from the date of Connectivity application up to the COD of the project:

- a) In case the Connectivity Grantee is a single company, the promoters or shareholders, as applicable, of the Connectivity Grantee, shall retain control of such Connectivity Grantee.*
- b) In case the Connectivity Grantee is a consortium, the consortium members collectively shall retain control of the Connectivity Grantee.*
- c) Any deviation from the requirement of Control as specified under sub-clauses (a) and (b) of this clause, shall require prior approval of the Nodal Agency. The Nodal Agency shall publish, within 60 days of the date of effect of these amendments after public consultation, a detailed procedure specifying the modalities for such approval, including the timeline for approval and the indicative grounds on which the application for approval shall be considered.*
- d) In case any change in control of the Connectivity Grantee is carried out in contravention to sub-clauses (a) to (c) of this Clause, the Connectivity shall be revoked, Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of these regulations shall be encashed, and ConnBG1, Conn-BG2 and Conn-BG3 shall be treated in*

terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable.

Explanation: - For the purposes of this clause, the words 'Promoter' and 'Control' shall have the same meaning as defined under the Companies Act, 2013. In the case of a Connectivity Grantee where investment is made under the Foreign Direct Investment (FDI) route, the term 'Control' shall have the same meaning as assigned under the Foreign Exchange Management Act, 1999, or the rules and regulations framed thereunder, including any notifications or circulars issued by the Reserve Bank of India"

2. Applicability

This Procedure applies to all Connectivity grantees who are Renewable Energy Generating Stations (excluding hydro generating station) or Energy Storage Systems (excluding PSP). It covers both new and existing grantees who have not achieved COD for full connectivity quantum as on the date of effectiveness of the Third Amendment.

3. Definitions

- a) **'Applicant'** refers to the Connectivity grantee seeking approval for 'change in control' under Regulation 11A(6) of the GNA Regulations, 2022.
- b) **'Change in Control'** or **'Deviation in Control'** shall mean change in 'control' of the Connectivity Grantee in terms of the Explanation to the Regulation 11A(6) of GNA Regulations.
- c) **"Transferee"** shall mean the entity acquiring such control, directly or indirectly.

4. Eligibility and pre-conditions:

4.1. Eligibility

Entities which have been issued final grant of Connectivity and have signed Connection Agreement (Cat-1) shall be eligible entities for seeking 'change in control'.

Change in control without prior approval or if the application is made after the change has already occurred, i.e., *post-facto* without prior approval, shall lead to revocation of connectivity, encashment of Bank Guarantee submitted under sub-clause (c) of Clause (vii) or sub-clause (c) of Clause (xi) of Regulation 5.8 of the CERC GNA Regulations, 2022, and treatment of Conn-BG1, Conn-BG2 and Conn-BG3 in terms of Regulation 24.2 or Regulation 24.3 of these regulations, as applicable, as per Regulation 11(A)(6)(d) of the CERC GNA Regulations, 2022.

4.2. Preconditions for approval of request for 'change in control': -

The approval for change in control of Connectivity Grantee shall be conditional upon:

- a. The transferee entity providing an undertaking to assume all regulatory obligations of the original Connectivity Grantee.
- b. The transferor and transferee providing an undertaking that the 'change in control' shall not involve trading or benami transfer of connectivity rights
- c. The transferor submitting the proposed 'change in control' structure post-change (and the 'control structure' prior to change) as well as the identity and credentials of the new entities exercising 'control'.
- d. As on the date of the request, there shall not exist any default or violation under GNA Regulations.

5. Application for 'change in control' - Grounds on which application can be made:

CTUIL may consider an application for approval of 'change in control' under Regulation 11A(6)(c) based on the following grounds only:

5.1. Connectivity Grantee being admitted into insolvency/liquidation proceedings:

Change in control resulting from orders of the National Company Law Tribunal (NCLT) or other competent court under the Companies Act, 2013 or Insolvency and Bankruptcy Code, 2016 (IBC).

As the result of the CIRP/liquidation process, as the case may be, the control over the Connectivity Grantee company as a going concern may be transferred to a third party, by virtue of approval of a resolution plan or dissolution of the corporate debtor/Connectivity grantee company or sale of the corporate debtor company as a going concern as a result of the liquidation process, the 'Control' in the Connectivity Grantee company may be transferred to a third party.

In such cases, the RP (Resolution Professional) or the liquidator or the entity taking over control of the Connectivity grantee company by virtue of conclusion of the CIRP or liquidation process, as the case may be, shall apply to CTU in terms of this procedure for grant of approval under Regulation 11A(6)(c).

Further, Committee of Creditors (CoC) may also request CTU prior to the conclusion of the CIRP or Liquidation period to allow transfer of the Connectivity to enable recovery of the investment. In such circumstances also

deviation in the requirement of control as specified in Regulation 11A(6) of the Regulations may be permitted by CTU.

5.2. Governmental or Statutory Transfers:

Transfers arising due to Government directives, disinvestment, or restructuring of a government-owned entity.

In such cases, the entity in favour of whom such transfer has taken place, may be permitted by CTU for 'change in control' as specified in Regulation 11A(6) of the Regulation in terms of this Procedure.

5.3. Step-in rights of Lender due to default of the Connectivity Grantee: -

Where a Connectivity grantee entity having obtained a loan/facility/debt funding of any kind from another entity defaults in repayment of necessary amounts, and the lender entity, by virtue of the corresponding agreement gains 'control' over the Connectivity Grantee due to such a default in repayment.

In such cases, the banks/financial institutions/entities/companies that have provided a loan/debt facility to the Connectivity Grantee may have the right to obtain 'control' over the Connectivity Grantee company in a scenario where the Connectivity Grantee defaults in its obligation towards repayment of debt, the terms and conditions of which are specified in the corresponding loan/facility agreement/debt agreement. Accordingly, by virtue of such transfer of shares, the 'Control' in the Connectivity Grantee company is transferred from the shareholders/promoters to the banks/financial institutions/lending entity owning to operation of contractual terms and conditions mutually agreed upon by and amongst the parties.

In such cases, the Connectivity Grantee may apply to CTU for grant of approval for deviation against the requirement of 'Control' as specified under Regulation 11A (6).

5.4. Change in shareholding between the consortium/JV, if the Connectivity grantee is a consortium/JV.

This requirement applies where the entity granted connectivity to the transmission system is a Joint Venture (JV) or the project is being developed by a consortium of entities entering a contractual arrangement to collaborate on a project, without forming a new legal entity.

In the aforesaid cases, Connectivity rights are granted to the JV or the consortium. Any material changes in shareholding or control within the JV or any of the entities under the consortium shall require prior approval of CTU.

In all such cases, the Connectivity Grantee shall apply to CTU for grant of approval for deviation against the requirement of 'Control' as specified under Regulation 11A (6).

5.5. Exit of Foreign Company from India

In case the Connectivity Grantee has a 'control' by a foreign company and who intends to wind up its operation in India and want to exit or intends to sale/transfer its business in India, in such cases, the applicant may be required to transfer its assets, liabilities and obligations to another company/entity. In such cases, the Connectivity Grantee may apply for 'change in control' in favour of the Company/entity who intends to acquire the said assets, liabilities and obligations. Such foreign company shall be responsible for compliances under Companies Act, 2013, and FEMA Regulations, to the extent these are applicable. In such cases, the request for 'change in control' shall be made along with following documents:

- a) Board Resolution: The unambiguous board resolution approving the closure of the operation of the company from India or the sale/transfer of the company to the transferee entity.
- b) Public Notice: A notice published in national newspapers to inform stakeholders and creditors.
- c) Tax Clearance: A tax clearance certificate from the Indian tax authorities.
- d) Instruments/documents effecting such exit: The exit of a company's operations in a country may be due to various reasons and may be caused/ effected through various modes, including liquidation, sale, transfer, merger, acquisition, etc. In all such cases, the concerned grantee shall provide comprehensive documentation effecting such restructuring that results in cessation of operations in India.

~~5.6 Change in shareholding of a Company:~~ *(struck-through as clerical error)*

~~Any transfer of shareholding of the company due to any reasons, including acquisition of shares or assets, mergers, amalgamation, slump sale, etc. or any other transfer of a similar kind leading to a change or deviation in control (as defined under this Procedure) shall require prior approval of CTU.~~

~~In all such cases, the Connectivity Grantee may apply to CTU for grant of approval for deviation against the requirement of 'Control' as specified under Regulation 11A (6).~~

6. Application for Change of Control- Process

Connectivity grantees must submit their request at least 90 days prior to proposed change with the following documents:

Sl. No.	Document / Particulars	Remarks
1.	Cover Letter	Providing justification and reference to relevant grounds for 'change in control'
2.	Board Resolution	Authorizing the proposed change in control and authorizing an officer to submit the application.
3.	'Control' structure (Pre- and Post-Change)	Statement of 'control structure' before and after the proposed transaction. To be certified by a Chartered/Secretary.
4.	Details of Existing entities exercising control	Names, addresses, control being exercised, shareholding percentage, and DIN/PAN of existing entities.
5.	Details of Proposed entities exercising control	Names, incorporation details, corporate profile, financial capability, and shareholding percentage post-change.
6.	Transaction documents	Memorandum of Understanding/Share Purchase Agreement/JV/IBC order etc.
7.	Project Implementation Progress Report	Details of project stage, land acquisition, EPC progress, and financing status.
8.	Consent / NOC from Lenders (if applicable)	Approval or no-objection from financial institutions or lenders for the proposed change in control.
9.	Certificate of Compliance	Statement confirming that no other unapproved change in control has occurred and that the company is compliant with all regulatory and contractual obligations.
10.	Undertaking from Transferee	A sworn affidavit to be submitted by the persons/entity to whom the 'Control' is transferred to undertake to discharge all associated obligations
11.	BG revalidation certificates.	To be submitted along with the request.
12.	Details of earlier transfer/change in control	Applicant along with its request for 'change in control' shall also intimate CTU about any previous transfer/change in control undertaken with respect to the subject Connectivity/Connectivity grantee.

**In addition to the above, the Nodal Agency/CTU may also specify certain conditions which shall necessarily be fulfilled by the transferee person/entity.*

7. Indemnification

The Applicant shall be solely responsible for the authenticity, accuracy, and completeness of all information, documents, and representations furnished to the Nodal Agency in connection with its application for approval of change in control under this Procedure.

The Applicant shall indemnify, defend, and hold harmless the Central Transmission Utility of India Limited (CTUIL), its directors, officers, employees and consultants from and against any and all losses, liabilities, damages, penalties, costs, expenses, or proceedings of whatsoever nature, including legal fees, that may arise directly or indirectly out of or in connection with:

- Change in control of the Connectivity grantee;
- any false, incorrect, misleading, forged, or inaccurate information or document furnished by the Applicant or its authorized representatives with respect to the change in control;
- any material fact or information that has been wilfully suppressed, concealed, or omitted from the application or supporting submissions with respect to the change in control;
- any misrepresentation or non-disclosure that results in the Nodal Agency granting or processing the application based on incorrect premises; or
- any claim, action, or dispute arising from such misinformation, including any third-party claims, regulatory directions, or judicial orders issued as a consequence thereof.

In the event that any approval for change in control has been granted on the basis of false, misleading, or incomplete disclosures, such approval shall be deemed *void ab initio*, and CTUIL shall have the right to:

- revoke the approval and cancel the Connectivity granted to the Applicant;
- encash all Bank Guarantees furnished under the GNA Regulations; and
- initiate appropriate action including blacklisting and reporting the matter to the Central Electricity Regulatory Commission.

Nothing contained in this Procedure or any approval granted hereunder shall be construed to impose any liability upon CTUIL for having accepted or processed an application based on information or representations provided by the Applicant, whether or not such information was later found to be incorrect, incomplete, or misleading.

8. Records and Documentation

CTU shall maintain a register of all changes or deviations in control approved under this Procedure and submit half-yearly reports to CERC for information.

9. Review and Revision

This Procedure may be reviewed periodically by CTUIL in consultation with stakeholders, or as directed by CERC, based on operational experience.

Annexure–I: Form-CC1 – Application for Approval of Change in Control

Annexure–II: Declaration of Promoter / Shareholding Pattern

Annexure–III: Undertaking by Applicant

Annexure-I

Form-CC1 – Application for Approval of Change in Control

S.No.	Head	Information
1.	Name of Applicant (Connectivity Grantee)	
2.	Connectivity Grant Letter No. and Date	
3.	Name of Project / Substation / Voltage Level	
4.	Total Connectivity Quantum (MW)	
5.	Status of Project Implementation	
6.	Entities exercising control in the Connectivity Grantee: (pre-change)	
7.	Entities exercising control in the Connectivity Grantee: (post-change)	
8.	Existing Promoter(s) / Shareholder(s) – Name, Shareholding %	
9.	Proposed New Promoter(s) / Shareholder(s) – Name, Shareholding %	
10.	Nature of ' <i>Change of Control</i> ' Transaction	

11.	Date of Proposed Change in Control	
12.	Whether prior lender consent obtained (Yes/No)	
13.	Documents enclosed (tick):	☐ Board Resolution ☐ Shareholding Pattern (Pre- and Post-Change) ☐ Details of Existing Promoters / Shareholders ☐ Details of Proposed Promoters / Shareholders ☐ Project Implementation Progress Report ☐ Consent / NOC from Lenders (if applicable) ☐ Certificate of Compliance Documents to be enclosed with this form.
14.	Authorized Signatory (Name, Designation, Seal, Date)	

Annexure-II

Declaration of Promoter / Shareholding Pattern

(To be certified by a Chartered Accountant)

Sl. No.	Name of Shareholder / Promoter	Category	Country of Incorporation	Pre-Change entities exercising Control	Post-Change entities exercising Control	Remarks

Certified that the above shareholding pattern is true and correct as per the latest filings and records of the company.

(Signature and Seal of Chartered Accountant)

Undertaking by Applicant

(To be submitted on an affidavit from the authorized person (not below the Director or Company Secretary) of the Connectivity Grantee)

We, [Name of Company], the Connectivity Grantee for [Project Name], do hereby undertake that:

1. The proposed change in control shall not affect the project implementation schedule or obligations under the TSA and related regulatory requirements;
2. The incoming promoter(s)/shareholder(s) shall continue to fulfil all obligations of the Connectivity Grantee;
3. The transaction is in full compliance with the Companies Act, FEMA, and the CERC (Connectivity and GNA) Regulations, 2022 (as amended);
4. In case of any contravention, we accept that the Connectivity may be revoked and associated Bank Guarantees encashed as per applicable regulation.
5. The change in control shall not involve trading or benami transfer of connectivity rights.

Authorized Signatory

Name:

Designation:

Seal:

Date: