

# **GVK Power (Goindwal Sahib) Limited**

## **ASM Report for the m/o June 2022**

Valuation  
Investment Banking  
Restructuring  
Transaction Tax  
Risk Consulting  
Transaction Advisory

To,  
The Deputy General Manager,  
IDBI Bank Limited  
IDBI Tower, WTC  
Cuffe Parade Mumbai

**Subject:** Monthly ASM report for GVK Power (Goindwal Sahib) Limited for the month of June'22

Dear Sir,

In accordance with our Engagement Letter dated August 26, 2020 further revised for 1 year as on 4<sup>th</sup> October 2021 for 1 Year, we enclose our report on the Specialised Monitoring of GVK Power (Goindwal Sahib) Limited (“GPGSL” Or the “Company”) for the month of June 2022. GPGSL is a subsidiary of GVK Energy Limited.

GPGSL has availed fund-based and non-fund-based banking facilities from **IDBI Bank Limited and** various other banks and financial institutions. IDBI Bank wants to get specialized monitoring, clear and effective post-sanction follow-up of GPGSL, in respect of financial assistance extended under consortium to GPGSL. In this regard, IDBI Bank has appointed RBSA Valuation Advisors LLP (“RBSA”) to carry out specialized monitoring as per the agreed scope in the appointment letter ref. no IDBI/LCG/2020-21/GPGSL/944 dated August 26, 2020

This Report has been prepared solely for IDBI Bank in connection with the purpose stated herein and should not be relied upon for any other purpose. The Report is based on information provided by the “Management” (Management hereinafter represents the officials communicated (formally or by action) by **GPGSL management** to assist RBSA for doing specialized monitoring)

The analysis of any change, event, or circumstance that may have occurred in the business and its market after the report date is out of our scope for June 2022 ASM Report.

Thanking you  
For **RBSA Valuation Advisors LLP**

Mitali Shah  
Managing Director  
Place: Mumbai

Praveen Kumar Verma  
(Director)

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# GENERAL INFORMATION

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# TEAM DETAILS

GVK Team			
Sr. no	Name	Designation	Contact No
1	P Ramamohana Rao	Head - Finance & Accounts	9295001251
2	Sudhakar Thottempudi	Chief Financial officer	7013753879
3	Madhusudhana Chary Arudra	Senior Executive - Accounts	7331137112

RBSA Execution Team			
Sr. no	Name	Designation	Contact No
1	Praveen Verma	Director – Risk Advisory	7838663993
2	Pratyaksh Gupta	Assistant Manager – Risk Advisory	9999917465
3	Amit Chhabra	Associate – Risk Advisory	9990835372

# ABBREVIATIONS

Sr. No.	Particulars	Abbreviation
1	Actual Generation	AG
2	Agency for Specialized Monitoring	ASM
3	Boiler Turbine and Generator   Balance of Plant	BTG   BOP
4	Declared Capacity	DC
5	Electricity Charges	EC
6	Giga Watt per hour	GWH
7	Godavari Commodities Limited	GCL
8	Gross Calorific Value	GCV
9	Mega unit	Mu
10	Mega Watt	MW
11	Operating and Maintenance	O&M
12	Plant Load Factor	PLF
13	Punjab State Electricity Regulatory Commission	PSERC
14	Punjab State Power Corporation Limited	PSPCL
15	Scheduled Generation	SG
16	State Load Dispatch Centre	SLDC
17	Surface Transport Charges	STC
18	Trust and Retention Account	TRA
19	Custom House Agent	CHA

# EXTRACTS OF TRA (AMENDED IN MARCH 2021)



**Amended TRA:** Amended TRA got signed in the m/o March 2021 (having effective date of March)

TRA REQUIREMENT					
Sr.No.	Requirement	Submission date	To be submitted by	ASM Review	Submitted to
I	Monthly business plan/budget	5 days prior to the start of the month	CFO/Authorized representative	Before submission to committee of lenders	Committee of lenders

## TRA DEFAULT

If the Borrower is in breach of any of the following obligations under this Agreement and fails to remedy the same:

- A. In the case of a failure to deposit funds received by the Borrower in the appropriate Account in accordance with this Agreement;
- B. in the case of a breach consisting of causing the Account Bank to transfer funds to any Account in breach of the terms of this Agreement;
- C. any other breach by the Borrower under this Agreement,

such breach/default shall be deemed to be a “TRA Default”.

## Payment Instructions of the Borrower

Any payment instructions of the Borrower to the Account Bank under this Agreement shall:

- i. as regards O&M Expenses, be in accordance with the Monthly Plan;
- ii. as regards any liquidated damages payable by the Borrower to the Procurers under the PPA and any other counterparty under any other Project Documents, be in accordance with the provisions of the PPA and such other Project Documents, as the case may be and supported by a certificate from the Authorised Officer of the Borrower and evidence of the copy of the same being submitted to the ASM and the Lenders’ Agent;
- iii. as regards any payments and/or transfers from the Tax, Lease Rent and Statutory Dues Account, be in accordance with the Monthly Plan supported by a certificate from the Authorised Officer of the Borrower;
- iv. as regards any payments and/or transfers, from the Compensation Account, on an instruction received from the Lenders’ Agent and from the Enforcement Proceeds Account, the Security Trustee;
- v. as regards other payments, in accordance with the most recent Monthly Plan;
- vi. as regard payments towards major maintenance reserve, be in accordance with the Major Maintenance Plan.
- vii. as regard Debt Service payments, be in accordance with the most recent Notice of Debt Service.

# REVIEW SCOPE, APPROACH AND METHODOLOGY

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## Background

RBSA Valuation Advisors LLP has been appointed as “Agency for Specialized Monitoring” for the purpose of effective monitoring and follow up in respect of financial assistance extended under consortium to GVK Power (Goindwal Sahib) Limited (‘Company’ or ‘GPGSL’ hereafter) as per the scope and terms outlined in the engagement letter.

This Report presents our key findings for the month of June 2022 inter-alia based on the analysis of the financial information extracted from SAP accounting software maintained by the Company, Bank statements of TRA and Escrow account, details submitted by the Company for seeking payment approval, information submitted by the Company to the banks, discussions with Company officials and information available in public domain.

Our analysis was undertaken primarily in digital mode with regular interactions with the teams sitting at the corporate office and plant.

## Areas covered as per Appointment Letter

Monitoring Working capital: Verify high value transaction/payment, verifying purchases of raw materials, review of inventory built up, Verify quality of book debt and its ageing.

Assessment of financial information provided to lenders including Drawing Power statement, short term and long term cash flows statement

Review of Cash outflow – Review of monthly operational budget Vs. actual expenditure, Creditor’s payment

Verification of timely payment of interest / repayment of term loan

Verification of Inter Corporate Transactions and related party transactions

Report on payment of Government/ Statutory dues

Report on availability of insurance for securities/ stocks / Assets

To highlight diversion of short term fund for long term uses

To report on court cases and litigations

## Approach and Methodology

1. Gain an **understanding** of the company's processes within the ASM scope and identify focus areas
2. Payments authorization and critical aspects identification/ review of the those aspects
3. Review the design and operating effectiveness of the **internal controls**
4. Identify the **Improvement possibilities**/ design gaps
5. **Site visits** to confirm operations and services which are approved time to time.
6. **Discussion of the report** with the borrowers management for seeking their comments
7. Incorporation of **borrowers comments** and suggesting recommendations
8. Distributing the **report to IDBI by 15<sup>th</sup> of the next month** and discussion on all the observations

# COMPANY OVERVIEW

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### 3. COMPANY OVERVIEW

#### GVK Power (Goindwal Sahib) Limited.

**GVK Power (Goindwal Sahib) Limited or GPGSL** was incorporated on December 04, 1997. The Company has become the subsidiary of GVK Energy Limited with effect from June 30, 2010.

<b>Location</b>	: Village Goindwal Sahib, District Tarn Taran, Punjab																			
<b>Approved Capacity</b>	: 540 MW (2 * 270 MW)																			
<b>COD (Date of Commercial Operation)</b>	: Unit 1 - April 06, 2016 & Unit 2 - April 16, 2016																			
<b>Power Purchase Agreement (PPA)</b>	: For 25 years with Punjab State Power Corporation Limited (PSPCL) (From 16.04.2016 till 15.04.2041)																			
<b>Annual contracted quantity (Primary Fuel)</b>	<p>Indian Coal - supplied by Central Coalfields Ltd., from Jharkhand by railway over distance of 1700 kms</p> <p><b>Fuel Supply Agreement for 17 Lakhs MT under Shakti Policy entered on Feb 02, 2018</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Quarter</th> <th rowspan="2">%ge of ACQ</th> <th>UNIT I &amp; II</th> </tr> <tr> <th>MT</th> </tr> </thead> <tbody> <tr> <td>I</td> <td>25%</td> <td>4,25,000</td> </tr> <tr> <td>II</td> <td>22%</td> <td>3,74,000</td> </tr> <tr> <td>III</td> <td>25%</td> <td>4,25,000</td> </tr> <tr> <td>IV</td> <td>28%</td> <td>4,76,000</td> </tr> <tr> <td colspan="2"><b>Annual Contract Quantity</b></td> <td><b>17,00,000</b></td> </tr> </tbody> </table>	Quarter	%ge of ACQ	UNIT I & II	MT	I	25%	4,25,000	II	22%	3,74,000	III	25%	4,25,000	IV	28%	4,76,000	<b>Annual Contract Quantity</b>		<b>17,00,000</b>
Quarter	%ge of ACQ			UNIT I & II																
		MT																		
I	25%	4,25,000																		
II	22%	3,74,000																		
III	25%	4,25,000																		
IV	28%	4,76,000																		
<b>Annual Contract Quantity</b>		<b>17,00,000</b>																		
<b>Validity of FSA</b>	: Till validity of PPA																			
<b>Water source</b>	: Beas River, Punjab – 1 Km away from the plant																			
<b>EPC Contractor</b>	: <b>Bharat Heavy Electrical Limited, India</b> – for Boiler Turbine and Generator (BTG) package <b>PunjLloyd Limited, India</b> – Balance of Plant (BOP) works/surrounding facilities of plant.																			

# KEY BUSINESS INDICATORS

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# KEY BUSINESS INDICATORS

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## 5. BUDGET Vs ACTUAL PAYMENTS FOR THE MONTH OF June 2022 (Projected PLF 45%/PAF 60% vs. Actual PLF 48%/PAF 56%) (TRA Account No: - 0133103000010113)

Comparative Analysis between Budget Vs Actual Receipts and payments for June 2022				(INR in Cr)
Cash Inflows	Budget	Actual	Variance	Remarks
Receipts from PSPCL	91.84	135.66	(43.81)	Difference is due to arrears pertaining to April'22 received in June'22
Fly Ash Sale	-	-	-	
Refund on account of DD Cancellation	-	-	-	
Others	-	0.70	(0.70)	
<b>Total Inflows during June 2022 (A)</b>	<b>91.84</b>	<b>136.36</b>		
Cash Outflows	Budget	Actual	Variance	Remarks for major variance (>1 Crore)
<b>Cost of Coal</b>				
RCR Mode	24.61	18.14	6.47	16000 MT of coal purchased in July'22 instead of June'22
Rail Mode	-	-	-	
Siding charges	0.40	0.34	0.06	
Transport Charges to Railways for Freight	34.22	34.22	-	
Surface Transport Charges	15.32	14.89	0.43	
<b>Taxes A/c</b>				
Statutory Payments (TDS, GST, PF and PT)	1.70	1.64	0.06	
<b>Operation and Maintenance A/c</b>				
Secondary Fuel	0.5	0.56	(0.06)	
Insurance premium	0.03	-	0.03	
Legal & Professional	0.80	0.25	0.55	
Salaries & benefits for May 2022	-	0.09	(0.09)	
Salaries & benefits for June 2022	0.90	-	0.90	
Stores, Spares & Consumables and overhauling	1.50	2.43	(0.93)	
Outsourced manpower costs for May 22	-	-	-	
Outsourced manpower costs for June 22	1.98	1.94	0.04	
Electricity Charges & Water Charges	0.40	0.23	0.17	
Site admn expenses	0.20	-	0.20	
Coal testing charges	0.20	0.08	0.12	
H O Admn expenses	0.25	0.33	(0.08)	
Payments under clearing	-	-	-	
Payment to Senior Lenders	10.46	11.05	(0.59)	
<b>Total Outflows during June 2022 (B)</b>	<b>93.47</b>	<b>86.19</b>	<b>7.28</b>	
<b>Net Cash Flows from Operations during June 2022 (C=A-B)</b>	<b>-</b>	<b>50.17</b>	<b>-</b>	
<b>Opening Balance as on 1 June 2022 (D)</b>	<b>-</b>	<b>2.9</b>	<b>-</b>	
<b>Closing Balance as on 30 June 2022 (C+D)</b>	<b>-</b>	<b>53.07</b>	<b>-</b>	

# WORKING CAPITAL END USE VERIFICATION



## Verification of invoices and end use of money

RBSA had verified the goods and service bills of vendors of GVK Goindwal Sahib. The beneficiary details like

- Account number
- Account holder

were verified for majority of top vendors. This is based on the banking details mentioned on invoice of the vendors and this is the process adopted to confirm the end use and release of funds to proposed vendors.

## 6. PERFORMANCE MEASUREMENT DURING JUNE 2022

### Power Generation during June 2022

Particulars	Unit of Measurement	Unit # 1	Unit # 2	Station
Plant Capacity	MW	270.00	270.00	540.00
Declared Capacity	MW			199.22
DC (Station Availability Factor)	%			56.31
Generation	MU	151.70	34.35	186.04
PLF	%	78.00	17.70	47.90
Scheduled Generation	MW			167.07
Actual Generation (sent out to grid)	MW			166.98
Actual Generation / Scheduled Generation	%			99.94
Auxiliary Power Consumption	MU	14.55	3.70	18.25
Aux. Power Consumption	%	9.59	10.79	9.81
% Scheduled Generation (SG/DC)	%			83.86

### Fuel Consumption during June 2022

Particulars	Unit of Measurement	Unit # 1	Unit # 2	Station
Coal Consumption	Tones	1,05,432	25,040	1,30,471
Specific Coal Consumption	Kg/Kwh	0.69	0.73	0.70
Average GCV of Coal	Kcal/Kg	3,408	3,256	3,379

### Plant Performance during June 2022

Particulars	Unit of Measurement	Unit # 1	Unit # 2	Station
Heat Rate	Kcal/Kwh	2,369	2,398	2,375

Source: Generation reports published by NPP and CEA

# 7. OPERATIONS & CASH FLOWS SUMMARY

## Operational Performance and Billed amount for June 2022

Particulars	June-22
Units Generated (Mu)	186.3
Plant Load Factor (%)	48.00
Plant Availability Factor (%)	56.00
Auxiliary/Captive consumption Consumption (Mu)	18.25
Units Sold (Mu)	167.01
<b>Billed Amount for June 2022 (INR in Cr)</b>	<b>116.39</b>

## Receipts and Payments for June 2022

(INR in Cr)

Particulars	June-22
Receipts from PSPCL	135.66
Fly Ash Sale	-
DD's Cancellation	-
Others	0.70
Refund from IT – Department	-
<b>Total Receipts</b>	<b>136.36</b>

## Payments

### Coal related payments

Advance payment for purchase of coal from Rail mode	-
Advance payment for purchase of coal from Rail cum Road mode	18.14
Railway Siding Charges	0.34

### Coal Transportation related payments

Indian railways for freight	34.22
Surface Transportation Charges	14.90
Secondary Fuel	0.56

O&M related payments	5.01
Insurance Premium	0.08
Legal & Professional	0.25
Tax related payment	1.64
Payment to Lenders	11.05
Salaries & Benefits for June 2022	-

<b>Total Payments</b>	<b>86.19</b>
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<b>Net cash flows from operations</b>	<b>50.17</b>
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<b>Opening Balance as on 1 June 2022</b>	<b>2.90</b>
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<b>Closing Balance as on 31 June 2022</b>	<b>53.07</b>
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Source: Monthly Business Plan and Bank statements

## 8.A BILLING VS COLLECTION DETAILS FY 2022-23

Gross Billing Vs Actual Collections till 30 June 2022 in Revenue A/c against the said bills

Month	Energy Charges (net of STC) (A)	Capacity Charges (B)	Gross Billing (net of STC) (A+B)	Actual Collection in Bank A/c	Outstanding	Reasons
April 2022	49.34	17.60	66.94	405.95	-	Arrears Received INR 326 Crores
May 2022	79.30	30.98	110.28	1.55	108.73	
June 2022	83.60	32.78	116.38	136.36		Arrears pertaining to April received in June
<b>FY. 2022-23</b>	<b>212.24</b>	<b>81.36</b>	<b>293.6</b>	<b>543.86</b>	<b>-</b>	

## 8.B RECEIVABLES AND ITS AGEING ANALYSIS

### Receivable from PSPCL Ageing Analysis as on 30 June 2022

Number of Days	Amount	RBSA Remarks
0 - 30 days	4.30	Balance of billing of Mar-22
31 - 60 days	3.05	Balance collection for the m/o Feb'22
61 - 90 days	100.13	Balance collection for the m/o Jan'22
91 - 180 days	11.73	
More than 180 days (refer detailed breakup below)	294.45	
<b>Total Receivable as on 30 June 2022</b>	<b>413.67</b>	
Less: Provision already created till 31 Mar 2020 (refer Note below)	<b>(39.7)</b>	
<b>Net Receivable as on 30 June 2022 as per books of accounts</b>	<b>373.97</b>	

### Receivables more than 180 days

F.Y.	Net Outstanding (INR)
2015-16 (Jan 2016 onwards)	7.65
2016-17	6.02
2017-18	61.87
2018-19	77.34
2019-20	29.21
2020-21	85.76
2021-2022	26.58
	<b>294.43</b>

**Note:** Receivable due for more than 180 days in FY 2020-21 majorly pertains to Apr 2020/ May 2020/ Nov 2020

## 8.C PERFORMA INVOICE COMPUTATION FOR JUNE 2022

### Computation of Invoice amount billed to PSPCL for June 2022

Particulars	Unit	Claimed by GVK	PSPCL by Approved*
Units available for sale	MU	167,07	Approved
Energy Cost per Unit	INR	5.00	Approved
<b>Estimated Energy Cost recovery (A)</b>	<b>INR in Cr</b>	<b>83.60</b>	<b>Approved</b>
Declared generation (MUs) as per SLDC report	MU	199.23	Approved
<b>Capacity Charges recovery (B) @</b>	<b>INR in Cr</b>	<b>32.78</b>	<b>Approved</b>
<b>Total estimated recovery (A+B)</b>	<b>INR in Cr</b>	<b>116.38</b>	<b>Approved</b>

@ The Company has claimed Capacity Charges as per PSERC regulation

# 9.A COAL STOCK ANALYSIS – MONTH ON MONTH

Closing stock of the coal



Qty. in MT

Month	Opening Stock	Receipt	Consumption	Closing stock (Total paid stock)
Jun-21	3,47,307	59,347	1,35,929	2,70,725
Jul-21	2,70,725	1,24,042	2,10,218	184,549
Aug-21	184,549	99,896	1,64,054	1,20,391
Sep-21	1,20,391	1,04,539	1,50,916	74,014
Oct-21	74,014	92,244	1,25,965	40,293
Nov-21	15,663	24,582	-	40,246
Dec-21	40,246	1,03,559	60,460	83,345
Jan-22	83,345	1,17,372	1,08,903	91,814
Feb-22	91,814	59,164	1,10,060	40,918
Mar-22	40,918	91,536	1,02,623	29,831
Apr-22	29,831	1,43,989	75,891	97,929
May-22	97,929	1,85,603	1,30,191	1,53,341
June-22	1,53,341	90,380	1,30,471	1,13,250
		<b>13,06,257</b>	<b>15,05,681</b>	

**Note: CLOSING COAL STOCK POSITION INCLUDES STOCK IN HAND + STOCK IN TRANSIT (RAILWAY SIDING AND CCL STOCK)**

## 9.B COAL STOCK POSITION IN THE MONTH OF JUNE 22

### Computation of paid stock of Coal at plant during June 2022

Particulars	(In MT)	(In MT)	Lead time
Opening Coal stock at Plant as on 1 June 2022		35,086	NA
Add: Receipt at plant during the month of June 2022			NA
Coal received pertaining to Rail Mode	-		NA
Coal received pertaining to RCR Mode	1,20,108	1,20,108	NA
Less: Transit Loss		(6,564)	NA
Less: Consumption at plant during the month of June 2022		(1,30,471)	NA
<b>Closing Coal Stock at Plant as on 30 June 2022 (A)</b>		<b>18,159.64</b>	

### Computation of paid stock of Coal at Railway siding during June 2022

Particulars	(In MT)	(In MT)	Lead time
<b>RCR Mode - Coal Stock Workings</b>			
Opening coal stock at Railway Siding as on 1 June 2022		9,779	10 days
Add: Lifted from CCL and placed at Railway Siding during the month of June 2022*		1,33,840	3-5 days
Less: Dispatched from Ranchi			
Coal dispatched and received at plant during June 2022		(1,00,348)	NA
Coal dispatched and which are in transit as on 30 June 22		(28,096)	1-2 days
<b>Closing Coal Stock at Railway siding as on 30 June 2022 (B)</b>		<b>15,175</b>	

### Computation of Coal stock for which payment already made

Particulars	(In MT)	(In MT)	Lead time
Stock yet to be lifted from CCL		25,819	
Estimated quantity against O/s advance of RCR Mode	-	26,000	15-20 Days
Estimated quantity against O/s advance of Rail Mode		-	-
Stock in Transit RCR Mode		28,096	15-20 Days
<b>Estimated Qty for Advance payment (C)</b>		<b>79,915</b>	
<b>Total estimated Paid Stock as on 30 June 2022 (A+B+C)</b>		<b>1,13,249.64</b>	

**Source: Coal stock workings and SAP stock details**

**Note:**

For ease of understanding, RBSA has calculated the estimated paid stock as on 30 June 22. Our back of the envelop estimate is not higher than what is estimated by the Company mentioned above. Therefore, we do not have any comments on the same.

## 9.C COAL STOCK POSITION IN THE MONTH OF MAY 22

### Computation of paid stock of Coal at plant during May 2022

Particulars	(In MT)	(In MT)	Lead time
Opening Coal stock at Plant as on 1 May 2022		13,041	NA
Add: Receipt at plant during the month of June 2022			NA
Coal received pertaining to Rail Mode	-		NA
Coal received pertaining to RCR Mode	1,56,306	1,56,306	NA
Less: Transit Loss		(4,069)	NA
Less: Consumption at plant during the month of May 2022		(1,30,191)	NA
<b>Closing Coal Stock at Plant as on 31 May 2022 (A)</b>		<b>35,086</b>	

### Computation of paid stock of Coal at Railway siding during May 2022

Particulars	(In MT)	(In MT)	Lead time
<b>RCR Mode - Coal Stock Workings</b>			
Opening coal stock at Railway Siding as on 1 May 2022		3,012	10 days
Add: Lifted from CCL and placed at Railway Siding during the month of April 2022*		1,82,624	3-5 days
Less: Dispatched from Ranchi			
Coal dispatched and received at plant during May 2022		(1,56,306)	NA
Coal dispatched and which are in transit as on 31 May 22		(19,550)	1-2 days
<b>Closing Coal Stock at Railway siding as on 31 May 2022 (B)</b>		<b>9,779</b>	

### Computation of Coal stock for which payment already made

Particulars	(In MT)	(In MT)	Lead time
Stock yet to be lifted from CCL		56,514	
Estimated quantity against O/s advance of RCR Mode	-		15-20 Days
Estimated quantity against O/s advance of Rail Mode	40,000	40,000	-
Stock in Transit RCR Mode		11,962	15-20 Days
<b>Estimated Qty for Advance payment (C)</b>		<b>1,08,476</b>	
<b>Total estimated Paid Stock as on 31 May 2022 (A+B+C)</b>		<b>1,53,341</b>	

*Source: Coal stock workings and SAP stock details*

**Note:**

*For ease of understanding, RBSA has calculated the estimated paid stock as on 31 May 22. Our back of the envelop estimate is not higher than what is estimated by the Company mentioned above. Therefore, we do not have any comments on the same.*

## 9.D DD'S ISSUED FOR PAYMENT OF TRANSPORT CHARGES

### ▪ Transport Charges paid to Indian Railways :

- Company issues DDs to Indian Railways at various stages of rakes being arranged by Eastern Central Railways. These stages range from coal arrival at the railway siding till the dispatch of rakes.
- Based on the information collected from the Management, below is the statement of DD's utilized and closing DDs in hand:

#### Statement of DD's utilized for month of June 2022

Particulars	INR (In Crores)
Opening DD's in hand as on 01 June 2022	14.69
Opening Balance Lying with East Central Railway	1.55
Add: DD's Issued during the June 2022 by GVK	34.22
Less : DD's Utilized during June 2022 (for which Coal Received)	(29.49)
Less: DD's Utilized during June 2022 (for which coal transit)	(8.28)
Less : DD Cancelled during the June 2022	-
Less : Balance lying with East Central Railways	(5.29)
<b>Closing DD's in hand as on 30th June 2022</b>	<b>10.10</b>

# 10.A POSITION OF TERM LOAN FACILITY

Statement of Term Loan Principal and Interest outstanding as per books of account as on 30 June 2022 (Provisional) (in INR Cr)

S.No.	Name of Lenders	Opening Balance		Interest charged during June 22	Repayment		Closing Balance	
		Principal	Interest accrued and due		Principal	Interest	Principal	Interest accrued and due
1	IDBI Bank Limited	733.85	371.52	12.76	-	2.40	733.85	381.88
2	Union Bank of India	366.95	225.25	6.87	-	1.25	366.95	230.87
3	Axis Bank Limited	293.55	191.80	5.64	-	0.93	293.55	196.51
4	United Bank of India	287.04	201.92	5.70	-	0.90	287.04	206.72
5	Bank of Baroda	220.17	138.29	4.16	-	0.75	220.17	141.69
6	UCO Bank	219.73	163.48	4.47	-	0.69	219.73	167.27
7	Punjab & Sind Bank	214.08	146.72	4.20	-	0.67	214.08	150.25
8	Bank of India	146.79	93.62	2.79	-	0.41	146.79	95.99
9	AB ARC	146.78	98.22	2.86	-	0.50	146.78	100.57
10	Indian Bank	143.97	93.14	2.76	-	0.45	143.97	95.45
11	OBC	140.63	102.50	2.84	-	0.43	140.63	104.90
12	IIFCL	293.55	203.05	5.78	-	0.83	293.55	208.00
13	LIC of India	293.55	196.51	5.70	-	0.83	293.55	201.39
	<b>Total</b>	<b>3500.64</b>	<b>2226.00</b>	<b>66.53</b>	<b>-</b>	<b>11.05</b>	<b>3500.64</b>	<b>2281.49</b>

Note: There is repayment of INR 26.2 Cr for loan in the month of January-2022 which is 38% of total interest charged by the consortium of banks, it was 53% during FY. 2020-21

# 10.B POSITION OF WORKING CAPITAL FACILITY

Statement of Working Capital Principal and Interest outstanding as per Books of Account as on 30 June 2022  
(provisional)

(in INR Cr)

S. No.	Name of Lenders	Opening Balance		Interest charged during June 22	Repayment		Closing Balance	
		Principal	Interest accrued and due		Principal	Interest	Principal	Interest accrued and due
1	IDBI bank Ltd	117.13	112.23	2.69	-	-	117.13	114.92
2	Union Bank	76.89	65.11	1.66	-	-	76.89	66.77
3	Bank of Baroda	46.12	35.28	0.95	-	-	46.12	36.23
4	Axis Bank	37.20	29.61	0.78	-	-	37.20	30.39
5	United bank	32.20	27.66	0.70	-	-	32.20	28.36
6	AB ARC	30.75	27.11	0.63	-	-	30.75	27.74
7	UCO Bank	24.15	22.46	0.55	-	-	24.15	23.01
8	Punjab & Sindh Bank	24.15	20.05	0.52	-	-	24.15	20.57
9	Indian Bank	16.10	14.50	0.36	-	-	16.10	14.85
10	OBC	11.49	9.84	0.25	-	-	11.49	10.09
	<b>Total</b>	<b>416.18</b>	<b>363.85</b>	<b>9.09</b>	<b>-</b>	<b>-</b>	<b>416.18</b>	<b>372.93</b>

Note #1: No repayment towards Interest accrued

Note #2: No repayment towards principal amount

# 11. RELATED PARTY TRANSACTIONS

## Status Update

- Company has maintained different type of bank account for various purpose.
- All revenue and payments related to procurement of Coal and related direct cost, O&M Vendors, Statutory liabilities and servicing of debts (Repayment of Principal and payment of interest) are done through TRA account.

## Salaries to the employees of GVK Technical and Consultancy Services Private Limited:

- GVK Technical & Consultancy Services Private Limited (“GVKTCS”) is a related party entity to the Company
- GPGSL has entered into an agreement with GVKTCS for a period of 60 months commencing from April 1, 2020.
- Under the said agreement, GVKTCS shall provide staff/manpower on an exclusive or non-exclusive basis in locations across India. For the said services GVKTCS shall be Charging an administrative fee of 10% on actual payments (Value of Service) along with applicable taxes.
- During May 2022, GVKTCS has provided 6 employees and 1 retainer to GVK Power against which they have raised an invoice dated 30 May 2022 amounting to INR 6,39,378/- including GST. For providing the said personnel, GVKTCS has charged an administrative Fees of INR 39,909/- which is included in the above amount.
- We have reviewed the agreement between GPGSL and GVKTCS, and have the following observations:
  - ❖ It is not specifically provided as to how many and what skill set of personnel will be supplied by GVKTCS under the agreement.
  - ❖ No capping in the agreement for service charges paid for different personnel with the different skill sets
    1. No benchmarking available for the payment made for the services offered by these 7 personnel.

## Transactions with Related Parties during June 2022

S.No.	Paid from	Nature of Transaction	Amount (INR in Cr)	Remarks
1	O&M Account	Salary Payment	0.05	Paid to GVK Technical & Consultancy Services Private Limited
		<b>Total</b>	<b>0.05</b>	

## 12. EMPLOYEE/WORKER RELATED COST

Employee Benefit Expenses for the month	(INR in Cr)
<b>Particulars</b>	
Salaries to employees of GPGSL for the month	0.70
Salaries to employees of GVK Technical and consultancy services private limited for the month	0.05
<b>Total Salaries and benefit expenses</b>	<b>0.75</b>

### Statement showing computation of Average Salary / Wages

Particulars	Purpose	Type of Contract	No. of Employee/ Manpower	Gross Salary (in Cr)
GVK Goindwal Employees	On the payrolls of Company	Permanent Employees	112	0.70
GVK TCS Employees	On the payrolls of Group Co	Permanent Employees	6	0.05
		<b>Total</b>	<b>118</b>	<b>0.75</b>

### Statement showing computation of Average Salary / Wages

Particulars – April'22 Invoice paid in June 22	Type of Contract	Nature of Service	No. of Employee/ Manpower (End of the month)	Gross Billing of June'21 (in Cr)
SWIFT Securitas Pvt Ltd	Contractual Employees	Annual security and fire Manpower	152	0.33
Simar Infrastructure Limited	Contractual Employees	O&M services of BTG, BOP, switchyard & auxiliary services	226	0.63
Walsons Facility Solutions Pvt Ltd	Contractual Employees	Housekeeping Services	57	0.10
Globus Engineers	Contractual Employees	O&M Ash handling unit 1 and 2	110	0.29
Phoenix	Contractual Employees	Job Work – CHP operations, Housekeeping, Electrical	262	0.58
	<b>Total</b>		<b>807</b>	<b>1.93</b>

# 13. STATUTORY PAYMENT DURING MONTH OF JUNE 2022

## Statutory Payments during June'2022

S.No.	Particulars	INR in Cr
1	TDS	0.60
2	GST	0.96
3	PF	0.08
	<b>Total</b>	<b>1.64</b>

## Statutory Payments during of May'22 paid in June-2022

Head	Liability (Amount)	Payment	Payment date	Due Date	Interest on Delay
94 I	12,054	12,054	07-Jun-22	07-Jun-22	-
94 J	8,21,905	8,21,905	07-Jun-22	07-Jun-22	-
92 B	4,64,248	4,64,248	07-Jun-22	07-Jun-22	-
94C	43,08,882	43,08,882	07-Jun-22	07-Jun-22x	-
94Q	3,98,415	3,98,415	07-Jun-22	07-Jun-22	-
GST	95,64,566	95,64,566	18-Jun-22	20-Jun-22	-
PF	8,06,442	8,06,442	10-Jun-22	15-Jun-22	-
<b>Total</b>	<b>1,63,76,512</b>	<b>1,63,76,512</b>	-	-	-

# Status of Legal cases filed by/against GVK as on 30<sup>th</sup> June'22



Legal cases status as on 30<sup>th</sup> June 2022 for cases filed by GVK

INR in Crore

SN	Authority	Total No. of Cases	Present Status of the Case		Total Claim Amount	Balance Recovery Amount	Case details
1	High Court (Telangana)	2	Open	To be listed	110.00	110.00	GVK filed cross Appeal against the order dt.08.11.2018 passed in COP No.174 of 2017 by Commercial Court cum XXIV Additional Chief Judge, City Civil Court, Hyderabad, challenging a finding of the Commercial Court that opening of 'TG bearing' by GVK without BHEL's permission tantamount to fraud; and on that count, Court restrained GVK from invoking the BG.
				Disposed on 08.04.22	989.70	989.70	IDBI Trusteeship invoked the corporate guarantee issued by GVK Energy on behalf of GVK Power (Goindwal Sahib) with a demand to pay a sum of Rs.989.66 Cr by a demand notice dated 08.02.2019 and also invoked the pledge agreement, wherein shares of GVK Power (Goindwal Sahib) Limited owned by the GVK Energy pledged with IDBI Trustee.
2	High Court (Delhi)	1	Open	To be Listed	14.28	14.28	ArcelorMittal India Ltd. and GVK Power (Goindwal Sahib) Ltd. filed this Petition on behalf of Seregarha Mines Limited challenging the proposal of the Ministry of Coal (MoC) to invoke Bank Guarantee vide Letter No.FNo.13016/46/2009-CA-1 dt. 21.11.2012. Subsequently, GVK sought the Court to consider BG arranged by Arcelor for Rs.18.00 Cr. was also submitted on its behalf as the total amount claimed by MOC was only Rs.11.34 Cr. MoC has objected in reducing the Bank Guarantee amount. <b>Hearing in the main matter was scheduled for 23.04.2020. hearing did not take place due to the lockdown.</b> <b>Next date of hearing has been posted to 06.01.2023.</b>
3	PSERC	3	Open	15.06.2022	270.00	270.00	Petition for determination of tariff for the control period 2020-23. <b>Orders were issued on 26.10.2021. The Commission has approved revised provisional AFC of Rs. 750.63 Cr, Rs. 588.94 Cr &amp; Rs. 595.56 Cr for the MYT Control Period of FY 2020-21, 2021-22 and 2022-23</b>
							Petition for challenging arbitrary and illegal acts of PSPCL. <b>06.04.2022</b>
							Petition for Truing up of the tariff petition for FY 2019-20. <b>Arguments are going on. Next date of hearing has been fixed for 09.09.2022.</b>

# Status of Legal cases filed by/against GVK as on 30<sup>th</sup> June'22



Legal cases status as on 30<sup>th</sup> June 2022 for cases filed by GVK

INR in Crore

SN	Authority	Total No. of Cases	Present Status of the Case		Total Claim Amount	Balance Recovery Amount	Case details
4	APTEL	7	Open	To be listed	55.00	55.00	Appeal No2. 189 and192 of 2019-Cross Appeals filed by GVK and PSPCL challenging the PSERC's order dt. 06.03.2019 in Petition No. 68 of 2017. directing PSPCL to pay surface transportation on actual basis, GCV to be computed on ARB instead of Equilibrated as claimed by GVK itself in its monthly tariff bills of Jan – April, 2016, June – August, 2016 and for the months of June-October, 2017.
							Appeal No. 349 of 2019 (old No. DFR 2202 of 2019) Next date of Appeal <b>03.03.22</b>
							DFR 2391 of 2019 Cross Appeal filed by PSPCL challenging the PSERC's order dt. 27.05.2019. <b>next date of Appeal 03.03.2022</b>
							Appeal No. 258 of 2019 (old No. DFR 2214 of 2019) Appeal filed challenging the PSERC's order dt.19.07.2019 in Tariff Petition No. 54 of 2017 filed by GVK
				Final arguments have been commenced. GVK has concluded its arguments. Next date of hearing has been fixed for 09.09.2022.			Appeal No. 41 of 2020 (old No. DFR 36 of 2020) Appeal filed challenging PSERC order dt. 17.01.2020 in Tariff Petition No.54 of 2017. <b>Final arguments have been commenced. GVK has concluded its arguments. Next date of hearing has been fixed for 15.07.22</b>
				To be listed			Appeal No. 338 of 2019 (old No. DFR 2304 of 2019).Appeal filed challenging PSERC order dt. 12.09.2019 in Petition No.37 of 2018 on the imposition of penalty by PSPCL towards <b>Seller Event of Default</b> (Procurer Preliminary Default) through Notices dt.25.05.2018 and 26.06.2018. PSPCL contended that the average availability of the Project was below 65% for FY 2017-18. GVK also sought APTEL to stay the operation of PSPCL notice to GVK's lenders for substituting GVK. <b>31.05.22 next hearing</b>

				To be listed	113	113	Aggrieved by the PSERC's order dt.21.05.2018 in Petition No.45 of 2017 GVK filed this appeal. PSERC held in Petition No. 45 of 2017 that the penalty of Rs.113 Cr. imposed by PSPCL was proper as GVK could not achieve the normative PLF envisaged under the PPA.
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# Status of Legal cases filed by/against GVK as on 30<sup>th</sup> June'22



Legal cases status as on 30<sup>th</sup> June 2022 for cases filed against GVK

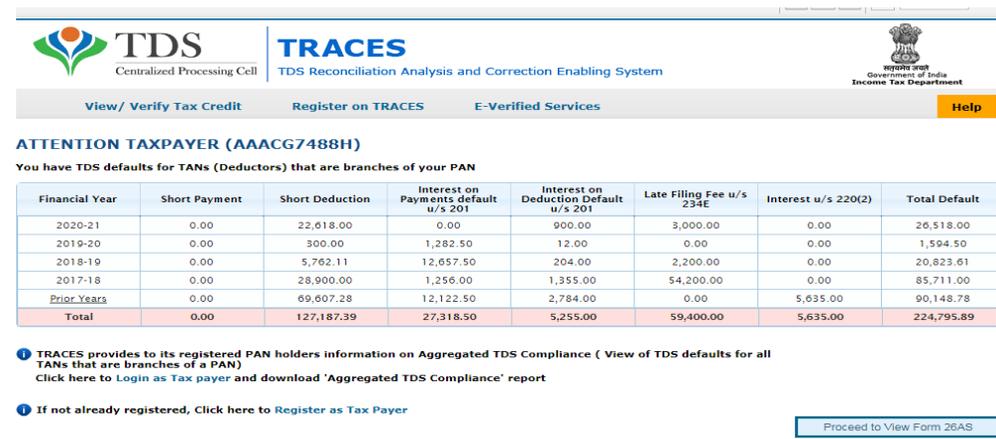
INR in Crore

SN	Authority	Total No. of Cases	Present Status of the Case		Total Claim Amount	Balance Recovery Amount	Case details
5	NCLT	1	Open	Listed on 15.07.2022 and adjourned to 22.07.2022.	442.20	442.20	DB has filed an IA seeking NCLT to implead DB as a party to the case. IDBI Trusteeship Services Ltd has filed a contempt petition alleging that IDBI Bank has violated NCLT's interim order dt. 25.02.2020 by withdrawing funds from the TRA Account. On 10.07.2020, NCLT insisted that arguments on the admissibility of the main case should be completed.  Listed on 15.07.2022 and adjourned to 22.07.2022.
6	Arbitral Tribunal (Hyderabad)	1	Open	Both Parties concluded arguments. Matter reserved for orders on 10-08-2021. The date of hearing is yet to be given by the Arbitrators.	BHEL claimed 266.31 cr. and GVK filed counter claim for 851.11 cr.	266.31	Both Parties concluded arguments. Matter reserved for orders on 10-08-2021. In the meanwhile, Presiding Arbitrator died. Co-Arbitrators have appointed Presiding Arbitrator and will commence the hearings soon. The date of hearing is yet to be given by the Arbitrators.
7	DRT	2	Open	04.08.2022	609.49	609.49	17-05-2022 for filing Written Statement.
8	Civil court (Patiala)	1	Open	Next hearing 01.08.2022	NA	NA	PSPCL has filed a stay application against the Arbitral Awards dt. 10.04.2017. GVK filed replies on 26.09.2019.  19.05.2022 for arguments.

# **REPORTING – Follow up and current month observations as on 30<sup>st</sup> June 2022**

5

# STATUS OF FOLLOW-UP POINTS

S. No.	Observation	Section	Status	GVK Comments	RBSA Comments																																																								
1	BHEL has not furnished the details such as manufacturing drawing, general arrangement (GA) drawing, list of part, internal manufacturing drawing, assembly machine drawing and MOC of the spares at the time of handover.	Spares and stores	Open	Case is pending at arbitral tribunal. Final verdict to be announced on 25 <sup>th</sup> August.2021	-																																																								
2	<p><b>Default in Deduction and Payment of TDS in various years as per TRACES report</b></p> <p>GVK Power (GS) LTD. was having list of TDS defaulters in Traces which are to be either rectified or paid by the company. Aggregate amount <b>INR 2,24,795</b></p>  <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Short Payment</th> <th>Short Deduction</th> <th>Interest on Payments default u/s 201</th> <th>Interest on Deduction Default u/s 201</th> <th>Late Filing Fee u/s 234E</th> <th>Interest u/s 220(2)</th> <th>Total Default</th> </tr> </thead> <tbody> <tr> <td>2020-21</td> <td>0.00</td> <td>22,618.00</td> <td>0.00</td> <td>900.00</td> <td>3,000.00</td> <td>0.00</td> <td>26,518.00</td> </tr> <tr> <td>2019-20</td> <td>0.00</td> <td>300.00</td> <td>1,282.50</td> <td>12.00</td> <td>0.00</td> <td>0.00</td> <td>1,594.50</td> </tr> <tr> <td>2018-19</td> <td>0.00</td> <td>5,762.11</td> <td>12,657.50</td> <td>204.00</td> <td>2,200.00</td> <td>0.00</td> <td>20,823.61</td> </tr> <tr> <td>2017-18</td> <td>0.00</td> <td>28,900.00</td> <td>1,256.00</td> <td>1,355.00</td> <td>54,200.00</td> <td>0.00</td> <td>85,711.00</td> </tr> <tr> <td>Prior Years</td> <td>0.00</td> <td>69,607.28</td> <td>12,122.50</td> <td>2,784.00</td> <td>0.00</td> <td>5,635.00</td> <td>90,148.78</td> </tr> <tr> <td><b>Total</b></td> <td><b>0.00</b></td> <td><b>127,187.39</b></td> <td><b>27,318.50</b></td> <td><b>5,255.00</b></td> <td><b>59,400.00</b></td> <td><b>5,635.00</b></td> <td><b>224,795.89</b></td> </tr> </tbody> </table>	Financial Year	Short Payment	Short Deduction	Interest on Payments default u/s 201	Interest on Deduction Default u/s 201	Late Filing Fee u/s 234E	Interest u/s 220(2)	Total Default	2020-21	0.00	22,618.00	0.00	900.00	3,000.00	0.00	26,518.00	2019-20	0.00	300.00	1,282.50	12.00	0.00	0.00	1,594.50	2018-19	0.00	5,762.11	12,657.50	204.00	2,200.00	0.00	20,823.61	2017-18	0.00	28,900.00	1,256.00	1,355.00	54,200.00	0.00	85,711.00	Prior Years	0.00	69,607.28	12,122.50	2,784.00	0.00	5,635.00	90,148.78	<b>Total</b>	<b>0.00</b>	<b>127,187.39</b>	<b>27,318.50</b>	<b>5,255.00</b>	<b>59,400.00</b>	<b>5,635.00</b>	<b>224,795.89</b>	Statutory payments	Open	The defaults appearing in traces are only on account of PAN numbers not captured properly or some other problem, which needs to be rectified	<p>Process of return filing is to be improved.</p> <p>Further: provide target date to close this observation</p>
Financial Year	Short Payment	Short Deduction	Interest on Payments default u/s 201	Interest on Deduction Default u/s 201	Late Filing Fee u/s 234E	Interest u/s 220(2)	Total Default																																																						
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3	Dispute with PSPCL wrt Declared capacity for the month of April and May 2020 aggregate to INR 84 Crores still pending to be resolved.	Billing V/s collection	Open	It may take longer time to dispose the case but company expects the outcome in its favor	Provide expected target date to close these disputes																																																								

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comments	RBSA comments													
4	<p><b>Less recovery of cost wrt coal from PSPCL due to lower gcv on ARB</b></p> <ul style="list-style-type: none"> <li>It is to be noted that Coal payments has been made to Coal India against the weighted Average GCV of 4,163.1 Kcal/kg (as per QCI reports) while the fuel charges recovered from PSPCL are based on weighted average GCV estimated by GVK on as received basis and certified by PSPCL is 3,402.5 Kcal/kg.</li> <li><b>The variation of ~18% seems to be on a higher side.</b></li> </ul> <p><i>Note: IDBI had approached SGS for the above subject matter evaluation. As per SGS evaluation the sampling methods for coal quality verification are not uniform. hence doing any further exercise on this matter, is not possible.</i></p> <p>Subject matter expert has concluded that there is no uniformity in sampling procedure and methodology across multiple stages during coal transportation that is resulting in variation in GCV of coal which needs to be plugged</p> <table border="1"> <thead> <tr> <th rowspan="2">Sr No</th> <th rowspan="2">Particular</th> <th colspan="3">Observations</th> </tr> <tr> <th>Mines Head</th> <th>Railway Siding</th> <th>GVK Plant Receipt</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Covered area considering rake qty approx. 4000 t and truck qty 25 t.</td> <td>Considering sample collected from 3 trucks out of every 20. Approx. 15% qty accessed and that also from the top of the truck digging single point up to 0.25m.</td> <td>Sample collected from 6 wagons out of 59-60 wagons. Approx. 10% qty accessed and that also from the top of the truck digging single point up to 0.25m.</td> <td>Sample collected from 18 wagons out of 59-60 wagons. Approx. 30% qty accessed and that also penetrating 1.5 to 1.8 m, indicates that in terms of depth and quantity volume plant covering more area than Mine head and railway siding.</td> </tr> </tbody> </table>	Sr No	Particular	Observations			Mines Head	Railway Siding	GVK Plant Receipt	1	Covered area considering rake qty approx. 4000 t and truck qty 25 t.	Considering sample collected from 3 trucks out of every 20. Approx. 15% qty accessed and that also from the top of the truck digging single point up to 0.25m.	Sample collected from 6 wagons out of 59-60 wagons. Approx. 10% qty accessed and that also from the top of the truck digging single point up to 0.25m.	Sample collected from 18 wagons out of 59-60 wagons. Approx. 30% qty accessed and that also penetrating 1.5 to 1.8 m, indicates that in terms of depth and quantity volume plant covering more area than Mine head and railway siding.	Coal	In Progress	<p>CCL makes invoices on equilibrated basis as per their own records and not as estimated by QCI.</p> <p>When it comes to GVK's claim with PSPCL, the GCV of coal is considered as "As Received Basis" which is as per the regulations and as allowed by PSERC. In this process, GVK is recovering full cost of coal.</p> <p>Hence, there is no variation in recovering the coal cost.</p>	<p>RBSA re checked this point and provided comments to bankers with further exercise of comparing the GVK point with other thermal based plant with more or less same capacity</p>
Sr No	Particular			Observations														
		Mines Head	Railway Siding	GVK Plant Receipt														
1	Covered area considering rake qty approx. 4000 t and truck qty 25 t.	Considering sample collected from 3 trucks out of every 20. Approx. 15% qty accessed and that also from the top of the truck digging single point up to 0.25m.	Sample collected from 6 wagons out of 59-60 wagons. Approx. 10% qty accessed and that also from the top of the truck digging single point up to 0.25m.	Sample collected from 18 wagons out of 59-60 wagons. Approx. 30% qty accessed and that also penetrating 1.5 to 1.8 m, indicates that in terms of depth and quantity volume plant covering more area than Mine head and railway siding.														
5	Provision amounting to INR 39.7 Cr pertains to under recovery in the STC during FY 2018 but the provision has been made for the same in FY 2019 after receiving PSERC order dated 06 March 2019.	Receivables ageing	Close	In anticipation of favorable order from PSERC, GVK holds to create provision till actual order received.	-													

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comments	RBSA Comments
6	<b>Ongoing dispute between GPGSL and GCL:</b> INR 2.32 Crores yet to be recovered/collected from Godavari commodities limited on account of over/Under loading of coal in rakes.	Surface transportat ion charges	Close	Amount recovered from Godavari commodities Limited	Amount recovered from GCL on 06 <sup>th</sup> September 2021
7	<b><u>Challenges associated with recovery of STC as part of the Monthly Power Bills</u></b> <ul style="list-style-type: none"> <li>▪ Currently, PSPCL is paying STC @ INR 160 / MT. Thereby, the entire STC charges being incurred by GPGSL are not being passed through to PSPCL and thus resulting in lower power bill collection. PSPCL is doing the same based on the PSERC Order dated 06 March 2019. GPGSL has filed an appeal against the order of PSERC with APTEL and the APTEL's Order is awaited in this regards.</li> <li>▪ GVK has incurred avg. STC of INR 1,140 / MT as per following details: Rail mode: Rs 443 / MT RCR mode: Rs 1217 / MT</li> </ul>	Surface Transportat ion charges	Open	Currently PSERC is paying STC at Rs.8/- per ton per km as per PSERC Order dt. 06 March 2019 and not fixed amount of Rs.160/- per ton. In this regard, we are expecting favorable order from APTEL since PSPCL is paying other IPPs also transport charges at actuals. The company has appealed in APTEL and arguments are going on.	-
8	<b>Emphasis of Matter:</b> This is to be noted that in the daily generation report shared from Plant Site, the actual receipt of Coal is recognized i.e., Coal received after adjustment for transit loss. However, as per books of accounts maintained at Corporate Office, the Coal is recognized as per the Railway Receipt (RR) quantities. At month end, stock records at Plant Site are revised every month. There is an accounting inconsistency between Plant Site and Corporate Office during the month and adjustment entries are passed at the month end. We believe that such accounting approach should not be encouraged.	Accounting	Open	There is no accounting inconsistency. We appreciate if ASM can suggest a better way in case it is felt that there is an inconsistency in accounting of coal receipts.	Accounting method wrt coal receipts will be shared

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comments	RBSA Comments																							
9	<p><b>Comparable Companies Man to MW ratio:</b> Further to our analysis of the Comparable companies operating thermal power using domestic coal, the Man to MW ratio is 0.60 vis-à-vis 1.77 in GVK Goindwal. We are of opinion that the manpower resources deployed are relatively higher than the Industry standard. <b>(For details Refer annexure)</b></p>	Man to mega Watt	In Progress	GVK requested ASM to share the basis of reporting such comparison.	Basis shared as on 09 <sup>th</sup> Sep'21. MW ratio of comparable companies were less than 1.																							
10	<p><b>Background:</b> Company transports coal through 2 different modes i.e. Rail Mode and Rail Cum Road Mode (RCR) The cost per MT in rail mode is cheaper by 774.5/ MT i.e. 12% viz-a-viz RCR mode due to involvement of surface transport from mines to railway sidings and multiple loading and unloading points in RCR mode (coal cost &amp; railway freight remains constant. Data Presentation has been tabulated below:</p> <table border="1"> <thead> <tr> <th>Sr.No.</th> <th>Mode</th> <th>Coal Charges (per MT)</th> <th>Rail Freight (per MT)</th> <th>STC/Loading, unloading Charges (Per MT)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>RCR</td> <td>2,037</td> <td>3,100</td> <td>1,217</td> </tr> <tr> <td>2</td> <td>Rail</td> <td>2,037</td> <td>3,100</td> <td>442</td> </tr> </tbody> </table> <p>During the non-peak season i.e. Oct 2020-Feb 2021, company had purchased 3.97 Lakhs MT coal.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Mode</th> <th>Coal Qty (MT)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Oct'20- Feb'21</td> <td>RCR</td> <td>2.97</td> </tr> <tr> <td>Rail</td> <td>1.00</td> </tr> </tbody> </table> <p>Due to this, company had incurred additional cost of INR 774/MT approx. <b>ASM Observation:</b> Company shall continuously prefer the rail mode over the RCR mode in non-peak season as company get very less load and even sometime no load from PSPCL. Any consideration for use of RCR mode in peak &amp; non-peak season, shall be with written justifications keeping in view potential saving attached to this decision.</p>	Sr.No.	Mode	Coal Charges (per MT)	Rail Freight (per MT)	STC/Loading, unloading Charges (Per MT)	1	RCR	2,037	3,100	1,217	2	Rail	2,037	3,100	442	Period	Mode	Coal Qty (MT)	Oct'20- Feb'21	RCR	2.97	Rail	1.00	Coal Procurement	Open	<p>The company has been putting its efforts to get the maximum coal allocation through Rail Mode only</p> <p>coal under Rail Mode is only at CCL's discretion and there is no obligation under FSA.</p>	<p>As per subsequent discussion with GVK, There are no written communications with CCL for rejecting GVK requirement for coal under rail mode. There were only tele-communication between CCL and GVK.</p>
Sr.No.	Mode	Coal Charges (per MT)	Rail Freight (per MT)	STC/Loading, unloading Charges (Per MT)																								
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# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA Comments																												
11	<p><b>Background:</b> Company had deployed 822 workers on contractual basis from 5 different contractors for variety of works (refer table) <b>Contractor wise manpower details are mentioned in table below:</b></p> <table border="1"> <thead> <tr> <th>Contractor</th> <th>No. of workers</th> <th>Monthly Bill</th> <th>Nature of Job</th> </tr> </thead> <tbody> <tr> <td>SWIFT Securitas Pvt Ltd</td> <td>149</td> <td>0.3</td> <td>Fire safety &amp; Security service</td> </tr> <tr> <td>Simar Infrastructures Limited</td> <td>241</td> <td>0.6</td> <td>BTG, BOP, Operations &amp; Maintenance (AMC)</td> </tr> <tr> <td>Walsons Facility Solutions P. Ltd</td> <td>56</td> <td>0.1</td> <td>Housekeeping Facility</td> </tr> <tr> <td>Globus Engineers</td> <td>114</td> <td>0.3</td> <td>Ash Handling Plant (O&amp;M)</td> </tr> <tr> <td>Shiv Ganga Construction</td> <td>262</td> <td>0.6</td> <td>Coal Handling (O&amp;M)</td> </tr> <tr> <td></td> <td><b>822</b></td> <td><b>1.9</b></td> <td></td> </tr> </tbody> </table> <p>The number of workers remains the same in peak as well as non-peak season though revenue get reduced by almost 50-60% Vs peak season <b>ASM Observation:</b> Keeping in view the overall operations and PLF, revenue downsizing in the non-peak season, etc. Company shall evaluate to bring scalability in deployment of contractual manpower in peak and non-peak season to the extent possible say 40-50%. The cash flows saved can be used for the purpose of other critical operations and maintenance expenses.</p>	Contractor	No. of workers	Monthly Bill	Nature of Job	SWIFT Securitas Pvt Ltd	149	0.3	Fire safety & Security service	Simar Infrastructures Limited	241	0.6	BTG, BOP, Operations & Maintenance (AMC)	Walsons Facility Solutions P. Ltd	56	0.1	Housekeeping Facility	Globus Engineers	114	0.3	Ash Handling Plant (O&M)	Shiv Ganga Construction	262	0.6	Coal Handling (O&M)		<b>822</b>	<b>1.9</b>		Coal Procurement	In Progress	Manpower of BTG & BOP Operation, Ash Handling and Coal Handling contracts will be utilized for preventive maintenance activities of respective areas during non-peak season.	GVK submitted manpower reduction plan which they will discuss with manpower contractors and finalize the schedule to reduce manpower in non-peak season.
Contractor	No. of workers	Monthly Bill	Nature of Job																														
SWIFT Securitas Pvt Ltd	149	0.3	Fire safety & Security service																														
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	<b>822</b>	<b>1.9</b>																															
12	<p><b>ASM Observation:</b> Income/ repayment by GVK during the whole FY. 2020-21 was not able to meet even the interest obligations on term loans and working capital facilities. Position of TL/ WC as on 31-Jul-2021 is as follows: (INR in Crore)</p> <table border="1"> <thead> <tr> <th>Facility Type</th> <th>Principal</th> <th>Interest</th> <th>Jul.21 Interest</th> <th>Jul.21 Repayment</th> </tr> </thead> <tbody> <tr> <td>Term Loan</td> <td>3,500.6</td> <td>1,945.7</td> <td>64.6</td> <td>31.0</td> </tr> <tr> <td>Working Capital</td> <td>416.2</td> <td>273.5</td> <td>7.8</td> <td>-</td> </tr> </tbody> </table>	Facility Type	Principal	Interest	Jul.21 Interest	Jul.21 Repayment	Term Loan	3,500.6	1,945.7	64.6	31.0	Working Capital	416.2	273.5	7.8	-	Lenders Payment	Open	AFC reduced due to: PSERC approves lower project cost and allowed interest on debt subject to actual payment. This made GVK unable to meet debt service obligations in full. Case is ongoing before APTEL.														
Facility Type	Principal	Interest	Jul.21 Interest	Jul.21 Repayment																													
Term Loan	3,500.6	1,945.7	64.6	31.0																													
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# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment																
13	<p><b>1) Coal Procurement:</b> Requisite details/ clarifications sought to validate variation in GCV of coal received from CCL vs. Billing to PSPCL (variation in GCV of 18%)</p> <p><b>2) Payroll:</b> SAP user access rights report (view/ modify/ add/ delete) and SAP audit log for all modifications w.r.t HR module</p> <p><b>3) O&amp;M Expense:</b></p> <ul style="list-style-type: none"> <li>a) Vendor Master/ details like code, name, address, contact, GSTIN, PAN, credit period, etc.</li> <li>b) Credit period allowed &amp; it's utilization</li> <li>c) Unadjusted advances/ reasons for advance payment</li> <li>d) Details of professional services obtained from Mr. John Fernandes, Mr. Brij Bhushan details of Service Level agreement (SLA), Deliverables, Attendance, Authorization from respective user department/ plant &amp; HO (Monthly retainer-ship fees)</li> </ul>	Audit Limitation	Open	Payroll : We do not have HR module in SAP, hence not provided. O&M expenses Will be provided shortly																	
14	<p><b>Background:</b> Overall amount outstanding to be received amounting to INR 383.3 Crore includes amount outstanding for earlier years <b>Receivables more than 180 days from PSPCL: INR 276.4 Crore</b></p> <table border="1"> <thead> <tr> <th>F.Y.</th> <th>Net Outstanding (INR)</th> </tr> </thead> <tbody> <tr> <td>2015-16 (Jan 2016 onwards)</td> <td>7.7</td> </tr> <tr> <td>2016-17</td> <td>6.0</td> </tr> <tr> <td>2017-18</td> <td>61.9</td> </tr> <tr> <td>2018-19</td> <td>77.3</td> </tr> <tr> <td>2019-20</td> <td>29.2</td> </tr> <tr> <td>2020-21 (till Jan 2021)</td> <td>94.3</td> </tr> <tr> <td></td> <td><b>276.4</b></td> </tr> </tbody> </table> <p><b>ASM Recommendation:</b> There is a need to define principle for repayment to lenders out of disputed receivables (petition pending against order of PSERC). We recommend payment of 80% to Lenders considering GVK's inability to meet interest/ principal obligation</p>	F.Y.	Net Outstanding (INR)	2015-16 (Jan 2016 onwards)	7.7	2016-17	6.0	2017-18	61.9	2018-19	77.3	2019-20	29.2	2020-21 (till Jan 2021)	94.3		<b>276.4</b>	Collections from PSPCL	Open	The same can be decided between the company and the lenders on receipt of favorable order from APTEL.	-
F.Y.	Net Outstanding (INR)																				
2015-16 (Jan 2016 onwards)	7.7																				
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# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment																								
15	<p>Inconsistency in the invoices of Manpower Contractor</p> <p>In below table there is inconsistency observed in invoice of manpower contractor.</p> <p>In case of Swift, Man days in Jun-21 (3,520.5) is less as compared to Man days in May-21 (3,891) but invoice value was higher in May-21</p> <table border="1"> <thead> <tr> <th rowspan="2">Type of service</th> <th rowspan="2">Contact value basis</th> <th rowspan="2">Vend or Name</th> <th colspan="3">May-21</th> <th colspan="3">Jun-21</th> </tr> <tr> <th>Manpower</th> <th>Man days</th> <th>Amount</th> <th>Manpower</th> <th>Man days</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Annual security and fire Manpower</td> <td>Manpower based</td> <td>Swift</td> <td>145</td> <td>3520.5</td> <td>32,13,216</td> <td>149</td> <td>3891</td> <td>31,35,685</td> </tr> </tbody> </table>	Type of service	Contact value basis	Vend or Name	May-21			Jun-21			Manpower	Man days	Amount	Manpower	Man days	Amount	Annual security and fire Manpower	Manpower based	Swift	145	3520.5	32,13,216	149	3891	31,35,685	Manpower Expenses	Close	The monthly contract value awarded to Swift, the contractor is Rs.38.80 lacs and the bills are certified based on actual attendance by respective category of manpower deployed by them. The average cost per manday depends on mix of various category of manpower deployed by them. Hence, the same can't be compared based mandays and as the mix of various category of manpower varies.	-
Type of service	Contact value basis				Vend or Name	May-21			Jun-21																				
		Manpower	Man days	Amount		Manpower	Man days	Amount																					
Annual security and fire Manpower	Manpower based	Swift	145	3520.5	32,13,216	149	3891	31,35,685																					
16	<p>Process of determination of estimated Plant load factor (PLF) is to be defined based certain factors which affects, so that significant variations could be avoided.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Estimated PLF</th> <th>Actual PLF</th> <th>Variation</th> </tr> </thead> <tbody> <tr> <td>Apr-21</td> <td>65%</td> <td>39%</td> <td>26%</td> </tr> <tr> <td>May-21</td> <td>60%</td> <td>9%</td> <td>51%</td> </tr> <tr> <td>Jun-21</td> <td>70%</td> <td>51%</td> <td>19%</td> </tr> <tr> <td>Jul-21</td> <td>75%</td> <td>76%</td> <td>(1%)</td> </tr> <tr> <td>Aug-21</td> <td>80%</td> <td>59%</td> <td>21%</td> </tr> </tbody> </table>	Month	Estimated PLF	Actual PLF	Variation	Apr-21	65%	39%	26%	May-21	60%	9%	51%	Jun-21	70%	51%	19%	Jul-21	75%	76%	(1%)	Aug-21	80%	59%	21%	Plant Load factor	Close	PLF projections are given completely depending on the scheduling given by PSPCL from time to time based on the power demand and supply in the state of Punjab. However, actual PLF depends on order dispatch by SLDC, which is beyond control of the company and also the coal availability, which is depending upon funds availability. Moreover, the company is not incurring any financial loss on account of lower PLF as long as the plant is declared available	-
Month	Estimated PLF	Actual PLF	Variation																										
Apr-21	65%	39%	26%																										
May-21	60%	9%	51%																										
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Aug-21	80%	59%	21%																										

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment
17	<p>Inconsistency in the process of coal yard maintenance</p> <p><b>1. No Quotations Called:</b> Request for quotations has not been sought from multiple vendors</p> <p><b>2. Vendor experience:</b> GCL had no such background to perform civil construction work.</p> <p><b>3. Permission from Railway has not obtained:</b> It was informed that no permission from railway had been sought.</p> <p><b>4. Cost sheet &amp; Bill of quantities (BOQ) not available:</b> Cost sheet and BOQ for determination of cost of repairs are not available with company.</p> <p><b>5. Details of Sub- Contractors if any were not provided:</b> Details like Invoice of sub-contractors, Name of sub-contractor not provided to ASM.</p> <p><b>6. Inspection reports and work Completion Certificates not available:</b> work completion certificates from any registered architect and inspection reports for work verified by GVK personnel are not available.</p>	Repair and maintenance	Open	<p>Going forward, we will strengthen the process whereby the cost sheet and BOQs will be obtained for determination of actual work. Further, the external agencies will be engaged to inspect and certify the work done by GCL.</p>	
18	<p>Non-Payment of salaries of Railway staff deployed in GVK Power (Goindwal Sahib) Limited contracted as per Demand letter No 380-T/GVK/TPP/Pt-III.. The overall cost amounting to INR 24 Crores including recurring cost towards maintenance, staff and employment cost for a period of 10 years.</p> <p>Demand letter no 2020/E7EG/Cost of staff/Sr. DFM/FZR dated 07<sup>th</sup> July'2021 amounting to INR 0.30 Crores had been handed over to GVK Power (GPGSL) limited from the office of Sr. Manager Finance, Northern railway/FZR for recovering the cost of 3 railway staff deployed on behalf of GVK.</p>	Salaries	Open	<p>The company officials had discussed with the concerned railway officials. stating that there is no requirement of payment to railways on the said subject as the company had already paid an amount of Rs. 24 Cr The company has once again submitted a letter to Northern Railways on the above, copy of the same is attached for ASM.</p>	<p>GVK Shall obtain NOC or Nil demand certificate from Northern Railways.</p>

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment															
19	<p>Major overhauling initiated by GVK at 20,678 equivalent hours. Though OEM recommended it at 50,000 equivalent hours</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>UNIT 1</th> <th>UNIT 2</th> </tr> </thead> <tbody> <tr> <td>Actual running Hours (HRS) (To)</td> <td>20,217</td> <td>17,878</td> </tr> <tr> <td>No. of Start-Ups (NOS) (To) (Ns)</td> <td>101</td> <td>112</td> </tr> <tr> <td>Running Hrs due to starts ups (HRS) (Ns*25)</td> <td>2,525</td> <td>2,800</td> </tr> <tr> <td>Equivalent Running Hours (HRS) (Te)</td> <td>22,742</td> <td>20,678</td> </tr> </tbody> </table> <p>There are certain key issues faced (<b>Highlighted in Background point C</b>) by GVK that made them to initiate major overhauling.</p>	Particulars	UNIT 1	UNIT 2	Actual running Hours (HRS) (To)	20,217	17,878	No. of Start-Ups (NOS) (To) (Ns)	101	112	Running Hrs due to starts ups (HRS) (Ns*25)	2,525	2,800	Equivalent Running Hours (HRS) (Te)	22,742	20,678	Overhauling	Close	As on 10.05.2022, Unit-1 Equivalent operating hours is 26,488. Unit-2 Equivalent operating hours is 22,352. Even though EOH is <50,000 hours but based on operating years, both units completed 6 years of operation. As per the instructions of Turbine Overhaul document by BHEL, major overhauling has been planned. GVK has observed many defects in both units which can be rectified during major overhauling only.	
Particulars	UNIT 1	UNIT 2																		
Actual running Hours (HRS) (To)	20,217	17,878																		
No. of Start-Ups (NOS) (To) (Ns)	101	112																		
Running Hrs due to starts ups (HRS) (Ns*25)	2,525	2,800																		
Equivalent Running Hours (HRS) (Te)	22,742	20,678																		
20	<p>PLF considered for cost benefit analysis @65% which is higher based on last 5 Years PLF analysis:</p> <p>Last 5 years average PLF is 27%</p> <p>Maximum PLF was in Year 2018-19 = 61%</p> <p>Present Year PLF for first 6 months is 48%</p> <p>Hence we need to moderate the PLF to say 50% (keep current year in mind) to calculate benefit. 20% benefit shall be curtailed as proposed by GVK.</p> <p>Though fixed cost of overhauling will remain <b>INR 25 Crores.</b></p> <p><u>Refer annexure 2</u></p>	Overhauling	Close	Overhauling of the plant is mandatory and in the best interest of safeguarding the plant.																

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment
21	<p><b><u>OEM recommendation Vs GVK scope of work</u></b></p> <p>GVK drafted scope of work for major overhauling largely matching OEM recommendation in major overhauling. All the major recommended repair and maintenance were covered in GVK scope</p>	Overhauling	Close	Scope of work for overhauling prepared in line with OEM recommendation	
22	<p><b><u>Notice of frustration and cancellation of the PPA</u></b></p> <p>GVK Power Limited had entered into a power purchase agreement with Punjab state power corporation limited (PSPCL) for generation and sale of electricity.</p> <p>PSPCL vide notice No. 744 dated 29.10.2021 issued notice for frustration and cancellation of PPA due to following reasons:</p> <p><b>(a) GVK declared Less plant availability as contracted in PPA:</b> Only 1.7 MTPA has been obtained under shakti scheme which covers only 62% of the total coal requirement. As per PESRC, they directed GVK to get a firm coal linkage to meet with full coal requirements but GVK has made no concrete efforts and kept its power generation at risk of fuel shortage.</p> <p><b>(b) PESRC claimed GVK tariff is one of the highest in the country and in the state of Punjab, GVK's variable charges is the highest. As per the order getting 27% of the electricity from GVK, PSPCL is loading about 4 times the capacity charges, which makes the net effect of such purchases significantly prohibitive, extraordinary and completely against the larger public interest</b></p>	PPA	Open	PSERC was pleased to grant stay on the termination notice vide its order dated 09.02.2022 and the matter now stands posted for further hearing during the hearing held on 17th Aug 2022 for a later date which is yet to be listed.	

# FOLLOW UP/ACTION TAKEN POINTS

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	<table border="1"> <thead> <tr> <th>Year</th> <th>Variable rate claimed by GVK (E-auction + shakti)</th> <th>Normative fixed rate as per AFC claimed by GVK</th> <th>Total normative rate claimed by GVK</th> </tr> </thead> <tbody> <tr> <td>FY 2016-17</td> <td>3.55</td> <td>2.83</td> <td>6.38</td> </tr> <tr> <td>FY 2017-18</td> <td>3.84</td> <td>2.54</td> <td>6.38</td> </tr> <tr> <td>FY 2018-19</td> <td>4.78</td> <td>2.45</td> <td>7.23</td> </tr> <tr> <td>FY 2019-20</td> <td>4.43</td> <td>1.81</td> <td>6.24</td> </tr> <tr> <td>FY 2020-21</td> <td>4.38</td> <td>2.00</td> <td>6.38</td> </tr> <tr> <td>FY 2021-22 (Till July'21)</td> <td>4.62</td> <td>1.98</td> <td>6.60</td> </tr> <tr> <td>Grand total</td> <td>4.41</td> <td>2.27</td> <td>6.68</td> </tr> </tbody> </table> <p><b>Source: Notice of frustration issued by PSPCL</b></p> <p>c) Proceedings initiated by financial creditors against GVK leading to commercial impracticable for the continuity of the agreement.</p>	Year	Variable rate claimed by GVK (E-auction + shakti)	Normative fixed rate as per AFC claimed by GVK	Total normative rate claimed by GVK	FY 2016-17	3.55	2.83	6.38	FY 2017-18	3.84	2.54	6.38	FY 2018-19	4.78	2.45	7.23	FY 2019-20	4.43	1.81	6.24	FY 2020-21	4.38	2.00	6.38	FY 2021-22 (Till July'21)	4.62	1.98	6.60	Grand total	4.41	2.27	6.68	PPA	Open	Comment not Provided	
Year	Variable rate claimed by GVK (E-auction + shakti)	Normative fixed rate as per AFC claimed by GVK	Total normative rate claimed by GVK																																		
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FY 2021-22 (Till July'21)	4.62	1.98	6.60																																		
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23	<p>GVK Issued following Monthly invoice to PSPCL as part of Tariff as per the power purchase agreement.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Energy Charges (In Cr)</th> <th>Capacity Charges (In Cr)</th> <th>Total Invoice amount (In Cr)</th> </tr> </thead> <tbody> <tr> <td>Oct'21</td> <td>77.65</td> <td>49.07</td> <td>126.73</td> </tr> </tbody> </table> <p>PSPCL issued preliminary default notice vide Memo no 744 hereby gives GVK the notice of frustration and cancellation of the PPA for reasons of there being a fundamental change in the premise on which the PPA was entered into and the PPA becoming commercial impracticable/impossible for PSPCL to continue.</p> <p>On back of some defaults carried out by GVK, PSPCL has not released the above mentioned amount of INR 261.79 Crores to GVK</p>	Month	Energy Charges (In Cr)	Capacity Charges (In Cr)	Total Invoice amount (In Cr)	Oct'21	77.65	49.07	126.73	Collection	Close	PSPCL has released this amount subsequently in the month of December 2021 on giving the stay against default notice by Supreme Court.																									
Month	Energy Charges (In Cr)	Capacity Charges (In Cr)	Total Invoice amount (In Cr)																																		
Oct'21	77.65	49.07	126.73																																		

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment																									
24	<p><b><u>No realistic study/ basis for estimating PLF in the monthly budget.</u></b></p> <p>In the state of Punjab, period October-March will be for paddy season. And demand for electricity from government will be less as compared to other months of the year. Analytics of Plant load factors in the recent year for the same period are shown below:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Estimated PLF (%)</th> <th>Actual PLF (%)</th> <th>Estimated PAF (%)</th> <th>Actual PAF (%)</th> </tr> </thead> <tbody> <tr> <td>Oct'20</td> <td>70</td> <td>21.23</td> <td>100</td> <td>57.09</td> </tr> <tr> <td>Nov'20</td> <td>65</td> <td>3.91</td> <td>100</td> <td>28.45</td> </tr> </tbody> </table> <p>In Current year GVK has estimated PLF and PAF are as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Estimated PLF (%)</th> <th>Actual PLF (%)</th> <th>Estimated PAF (%)</th> <th>Actual PAF (%)</th> </tr> </thead> <tbody> <tr> <td>Oct'21</td> <td>60</td> <td>47</td> <td>100</td> <td>57</td> </tr> </tbody> </table> <p>GVK should estimate PAF And PLF figures based on some Past trends for the figures to touch more realistic base.</p>	Month	Estimated PLF (%)	Actual PLF (%)	Estimated PAF (%)	Actual PAF (%)	Oct'20	70	21.23	100	57.09	Nov'20	65	3.91	100	28.45	Month	Estimated PLF (%)	Actual PLF (%)	Estimated PAF (%)	Actual PAF (%)	Oct'21	60	47	100	57	Monthly Budget	Close	Comment same as Point no 16	
Month	Estimated PLF (%)	Actual PLF (%)	Estimated PAF (%)	Actual PAF (%)																										
Oct'20	70	21.23	100	57.09																										
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Month	Estimated PLF (%)	Actual PLF (%)	Estimated PAF (%)	Actual PAF (%)																										
Oct'21	60	47	100	57																										
25	<p>Delay in payment of statutory liabilities</p> <p>Delay in payment of TDS resulted in additional interest liability of INR 1,62,586/- for the month of September 2021</p> <p>TDS (94C) – 1,19,937/-</p> <p>TDS (92B) – 23,010/-</p> <p>TDS (94J) – 19,236/-</p> <p>TDS (94I) – 403/-</p>	Statutory Dues	Close	Action taken on this point by GVK. ASM checked timely payment of statutory dues for subsequent months and found in order.	RBSA checks stat payments on a monthly basis. We find stat payments in order																									

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment																																																								
26	<p>During past 5 months following employees have resigned/Separated from GVK (Goindwal Sahib)</p> <table border="1"> <thead> <tr> <th>Employee Name</th> <th>Designations</th> <th>Department</th> <th>Date of Leaving</th> </tr> </thead> <tbody> <tr> <td>Mr. Rangadhar Bahera</td> <td>Senior Manager – F&amp;A</td> <td>F&amp;A</td> <td>24-Aug-21</td> </tr> <tr> <td>Mr. Madhusudana Chary Arudra</td> <td>Sr. Executive (Accounts)</td> <td>F&amp;A</td> <td>31-Jul-21</td> </tr> <tr> <td>Mr. Sudhakar Thottempudi</td> <td>Chief Financial Officer</td> <td>F&amp;A</td> <td>31-Jul-21</td> </tr> <tr> <td>Mr. Vijay Bhaskar Reddy</td> <td>Deputy Manager</td> <td>F&amp;A</td> <td>31- Jul-21</td> </tr> <tr> <td>Mr. Gaurav Bhilwar</td> <td>Sr. Engineer - Operations</td> <td>Operations</td> <td>11-Aug-21</td> </tr> <tr> <td>Mr. Prashant Sagar Sharma</td> <td>Sr. Engineer</td> <td>Operations</td> <td>21-Aug-21</td> </tr> <tr> <td>Mr. Yogesh Vasantryao Gabhane</td> <td>Manager</td> <td>Mechanical Maintenance</td> <td>15-Sep-21</td> </tr> <tr> <td>Mr. Romesh Kumar B.</td> <td>Asst. Manager</td> <td>Ash Handling</td> <td>03-Sep-21</td> </tr> <tr> <td>Mr.G Narayana</td> <td>General Manager</td> <td>Mechanical</td> <td>30-Sep-21</td> </tr> <tr> <td>Mr. Kamal Mehta</td> <td>DGM - HR &amp; Admin</td> <td>HR &amp; Dept.</td> <td>09-Jul-21</td> </tr> <tr> <td>Mr. Ravi Shekar</td> <td>Senior Engineer</td> <td>Operations</td> <td>06-Sep-21</td> </tr> <tr> <td>Mr. Gurjit Singh Bhullar</td> <td>Sr. Engineer</td> <td>Ash Handling</td> <td>08-Oct-21</td> </tr> <tr> <td>Mr. Sunny Kumar Singh</td> <td>Executive</td> <td>Materials</td> <td>22-Oct-21</td> </tr> </tbody> </table> <p>We were not receiving data from GVK team in a timely manner from the past 2-3 months due to shortage of employees as few of the members from finance team left the organization and there were multiple audits running parallelly. We request GVK management to provide onwards data on time so that monthly ASM reports submitted to bankers on time.</p>	Employee Name	Designations	Department	Date of Leaving	Mr. Rangadhar Bahera	Senior Manager – F&A	F&A	24-Aug-21	Mr. Madhusudana Chary Arudra	Sr. Executive (Accounts)	F&A	31-Jul-21	Mr. Sudhakar Thottempudi	Chief Financial Officer	F&A	31-Jul-21	Mr. Vijay Bhaskar Reddy	Deputy Manager	F&A	31- Jul-21	Mr. Gaurav Bhilwar	Sr. Engineer - Operations	Operations	11-Aug-21	Mr. Prashant Sagar Sharma	Sr. Engineer	Operations	21-Aug-21	Mr. Yogesh Vasantryao Gabhane	Manager	Mechanical Maintenance	15-Sep-21	Mr. Romesh Kumar B.	Asst. Manager	Ash Handling	03-Sep-21	Mr.G Narayana	General Manager	Mechanical	30-Sep-21	Mr. Kamal Mehta	DGM - HR & Admin	HR & Dept.	09-Jul-21	Mr. Ravi Shekar	Senior Engineer	Operations	06-Sep-21	Mr. Gurjit Singh Bhullar	Sr. Engineer	Ash Handling	08-Oct-21	Mr. Sunny Kumar Singh	Executive	Materials	22-Oct-21	Employees	Close	The required data has already been submitted to ASM and has been providing the data on time in subsequent months.	
Employee Name	Designations	Department	Date of Leaving																																																										
Mr. Rangadhar Bahera	Senior Manager – F&A	F&A	24-Aug-21																																																										
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# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment																																	
27	<p>Trend in Legal and Travel Expenses</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Travel Expenses</th> <th>Legal expenses</th> </tr> </thead> <tbody> <tr> <td>Apr-21</td> <td>-</td> <td>23,05,026</td> </tr> <tr> <td>May-21</td> <td>43,714</td> <td>20,32,466</td> </tr> <tr> <td>Jun-21</td> <td>10,464</td> <td>17,08,662</td> </tr> <tr> <td>Jul-21</td> <td>69,353</td> <td>54,73,831</td> </tr> <tr> <td>Aug-21</td> <td>82,757</td> <td>62,58,533</td> </tr> <tr> <td>Sep-21</td> <td>144,280</td> <td>25,91,633</td> </tr> <tr> <td>Oct-21</td> <td>422,937</td> <td>96,92,560</td> </tr> <tr> <td>Nov-21</td> <td>67,039</td> <td>90,19,499</td> </tr> <tr> <td>Dec-21</td> <td>28,589</td> <td>39,89,123</td> </tr> <tr> <td><b>Total</b></td> <td><b>8,69,133</b></td> <td><b>4,30,71,334</b></td> </tr> </tbody> </table> <p>We would request GVK management to provide clarifications/reasons for the upward trend in legal expenses in the month Jul-Nov'21 and in travel expenses in the month of Sep &amp; Oct'21.</p> <p>Further, GVK have paid INR 3.30 Cr legal expenses from Jul to Nov'21 but there is no such improvement can be seen in the status of legal cases.</p>	Month	Travel Expenses	Legal expenses	Apr-21	-	23,05,026	May-21	43,714	20,32,466	Jun-21	10,464	17,08,662	Jul-21	69,353	54,73,831	Aug-21	82,757	62,58,533	Sep-21	144,280	25,91,633	Oct-21	422,937	96,92,560	Nov-21	67,039	90,19,499	Dec-21	28,589	39,89,123	<b>Total</b>	<b>8,69,133</b>	<b>4,30,71,334</b>	O&M	Close, Subject to Checking	The bills against travelling and legal expenses are accounted for as and when the bills are received, The expenditure in October 21 includes bills pertaining to July to September 21 also that are received in October 21.	RBSA will take up this point in coming months for checking.
Month	Travel Expenses	Legal expenses																																				
Apr-21	-	23,05,026																																				
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<b>Total</b>	<b>8,69,133</b>	<b>4,30,71,334</b>																																				
28	<p>No repayment to consortium of banks for bank's loan facility</p> <p>GVK has taken Term loan and Working capital loan facility from consortium of Banks. Repayment of interest is not uniform for the past 2 months. Details of the same has been tabulated below:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Interest Charged</th> <th>Repayment by GVK</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Oct-21</td> <td>74.3</td> <td>2.0</td> <td>72.3</td> </tr> <tr> <td>Nov-21</td> <td>72.7</td> <td>-</td> <td>72.7</td> </tr> <tr> <td><b>Total</b></td> <td><b>147.0</b></td> <td><b>2.0</b></td> <td><b>145.0</b></td> </tr> </tbody> </table>	Month	Interest Charged	Repayment by GVK	Difference	Oct-21	74.3	2.0	72.3	Nov-21	72.7	-	72.7	<b>Total</b>	<b>147.0</b>	<b>2.0</b>	<b>145.0</b>	Bank loan	Close	Comment same as point no 12																		
Month	Interest Charged	Repayment by GVK	Difference																																			
Oct-21	74.3	2.0	72.3																																			
Nov-21	72.7	-	72.7																																			
<b>Total</b>	<b>147.0</b>	<b>2.0</b>	<b>145.0</b>																																			

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment																																
29	<p>Non- Payment of Statutory Dues Statutory due for the month of October'21 amounting to INR 1.38 Cr which was due in the month of November not paid by GVK.</p> <table border="1"> <thead> <tr> <th>Head</th> <th>Liability (Amount)</th> </tr> </thead> <tbody> <tr> <td>194 I</td> <td>7,022</td> </tr> <tr> <td>194 J</td> <td>14,10,858</td> </tr> <tr> <td>92 B</td> <td>8,08,772</td> </tr> <tr> <td>194C</td> <td>30,22,656</td> </tr> <tr> <td>GST</td> <td>76,61,164</td> </tr> <tr> <td>PF</td> <td>8,49,074</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,37,59,546</b></td> </tr> </tbody> </table> <p>Statutory payments should be paid first as per waterfall mechanism in TRA. GVK expensed INR 12.2 Cr on Coal DD's and salaries in the month of Nov'21.</p>	Head	Liability (Amount)	194 I	7,022	194 J	14,10,858	92 B	8,08,772	194C	30,22,656	GST	76,61,164	PF	8,49,074	<b>Total</b>	<b>1,37,59,546</b>	Stat Liab	Close	PSPCL did not release any payments against Sep 21 and Oct 21 tariff bills on time in view of PPA termination notice issued by them. As a result, the company could not make any payments during the month of Nov 2021 including statutory dues. Now, The payments are regular.																	
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<b>Total</b>	<b>1,37,59,546</b>																																				
30	<p>Allocated coal quantity got lapsed During the period October to March every year there will be less demand of electricity from PSPCL due to Winter season. In that Period the focus of GVK will be for inventory built up for the rest of the period. During the period we have observed that GVK had not purchased the coal allocated to them for the month of October and November resulted in coal lapsed. Details of coal lapsed are tabulated below:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Coal Allocated (MT)</th> <th>Coal purchased</th> <th>Coal Lapsed</th> </tr> </thead> <tbody> <tr> <td>Oct-21</td> <td>1,41,000</td> <td>40,000</td> <td>1,01,000</td> </tr> <tr> <td>Nov-21</td> <td>1,42,000</td> <td>-</td> <td>1,42,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>2,83,000</b></td> <td><b>40,000</b></td> <td><b>2,43,000</b></td> </tr> </tbody> </table> <p>In past years significant coal quantity lapsed. Year wise details are represented below:</p> <table border="1"> <thead> <tr> <th>FY</th> <th>Coal Allocated (MT)</th> <th>Coal purchased</th> <th>Coal Lapsed</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>17,85,337</td> <td>8,33,470</td> <td>9,51,867</td> </tr> <tr> <td>2020-21</td> <td>17,75,336</td> <td>4,06,151</td> <td>13,69,185</td> </tr> <tr> <td><b>Total</b></td> <td><b>35,60,673</b></td> <td><b>12,39,621</b></td> <td><b>23,21,052</b></td> </tr> </tbody> </table>	Month	Coal Allocated (MT)	Coal purchased	Coal Lapsed	Oct-21	1,41,000	40,000	1,01,000	Nov-21	1,42,000	-	1,42,000	<b>Total</b>	<b>2,83,000</b>	<b>40,000</b>	<b>2,43,000</b>	FY	Coal Allocated (MT)	Coal purchased	Coal Lapsed	2019-20	17,85,337	8,33,470	9,51,867	2020-21	17,75,336	4,06,151	13,69,185	<b>Total</b>	<b>35,60,673</b>	<b>12,39,621</b>	<b>23,21,052</b>	Coal	Close	The cancellation of coal allocation was mainly on account of non-payment to CCL, which is due to the constraint of funds during October and November 21 as PSPCL did not release any payments in view of the PPA termination notice issued by them.	The Current Lapse in coal quantity has future consequences of buying coal requirement from the open market or import which will have a cost impact. Hence GVK should try to buy as much coal as possible to maintain a healthy coal availability.
Month	Coal Allocated (MT)	Coal purchased	Coal Lapsed																																		
Oct-21	1,41,000	40,000	1,01,000																																		
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# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment																				
31	Capacity Charges partially billed as GVK operational efficiency was Nil in the month of Nov'21 Capacity charges in full after declaring 85% or more plant availability could be INR 49 Cr. During the month of Nov'21, GVK has billed INR 5 Cr to PSPCL on account of capacity charges on account of non availability of plant.	Revenue	Close	PAF of Nov, 21 was Nil as there no coal stock and due to non release of funds by PSPCL. However, due to cumulative PAF, the company could bill Rs.4.97 Cr though the plant has not run at all during the entire month.	-																				
32	No generation of electricity in the month of Nov'21 No electricity has been generated by GVK in the month of Nov'21 on account of non-receipt of funds from PSPCL which ultimately resulted in non-buying of coal for electricity generation. However, other thermal plants in north India and in India has been operated @ 50% capacity. Comparison of the same has been tabulated below: <b>GVK Vs Industry</b>	Electricity	Close	GVK plant is bound by SLDC instructions which are depending upon demand and supply on day to day basis. In any case, there was no generation of electricity for the reasons stated by ASM and as explained by the company in the above points.	-																				
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Units</th> <th>All India</th> <th>North India</th> <th>GVK Goindwal</th> </tr> <tr> <td>Period</td> <td></td> <td>* Nov 21</td> <td>* Nov 21</td> <td>* Nov 21</td> </tr> </thead> <tbody> <tr> <td>Actual Unit Generated (Thermal)</td> <td>GWH</td> <td>82,708.9</td> <td>16,801.8</td> <td>0</td> </tr> <tr> <td>Plant Load Factor (PLF)</td> <td>%</td> <td>53.5</td> <td>50.6</td> <td>0</td> </tr> </tbody> </table>	Particulars	Units	All India	North India	GVK Goindwal	Period		* Nov 21	* Nov 21	* Nov 21	Actual Unit Generated (Thermal)	GWH	82,708.9	16,801.8	0	Plant Load Factor (PLF)	%	53.5	50.6	0				
Particulars	Units	All India	North India	GVK Goindwal																					
Period		* Nov 21	* Nov 21	* Nov 21																					
Actual Unit Generated (Thermal)	GWH	82,708.9	16,801.8	0																					
Plant Load Factor (PLF)	%	53.5	50.6	0																					
33	Recent developments <ul style="list-style-type: none"> <li>As discussed with GVK management in early Jan'2022, PSPCL has approved Annual Fixed Charges (AFC) for the month Oct, 2021 @ 35.97 Cr (previous AFC/month) as against our claim of Rs. 49.08 Cr (Revised AFC / month). <b>(Source e-mail from GVK as on 06<sup>th</sup> Jan'2022)</b></li> <li>PSPCL issued preliminary default notice vide Memo no 744 hereby gives GVK the notice of frustration and cancellation of the PPA <b>(notice of PSPCL)</b></li> <li>IDBI bank transferred GVK power from LCG Department to NPA Management Group of IDBI bank. <b>(Source: email from IDBI bank as on 03<sup>rd</sup> Jan'2022)</b></li> </ul>	Other	Open	Comment Not Provided	-																				

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Comment	RBSA comment
34	<p>No process for seeking cancelled cheque copy at the time of Vendor registration</p> <p>There was no process of taking “cancelled cheques copy for beneficiary details” from vendors followed by GVK. Payments are being processed on the basis banking information marked on invoices of vendors.</p> <p>At the time of vendor KYC “copy of cancelled cheque” must be sought for upload in SAP system. This is done to make sure that payment credited into correct account nominated by vendor.</p> <p>Company also require to update their vendor master as per changes suggested by vendor.</p>	Vendor Registration	Open	Comment not provided	
35	<p><b>Non-Recovery of penalty from Transporter wrt excessive transit loss:</b></p> <p>There was no penalty levied by GVK on transporter from Sep’20 to Jan’22, even when transit loss is more than tolerance limit of 1.5%. Penalty of INR 5.10 Cr should have been levied on Transporter’s for transit loss of coal quantity in excess of tolerance limit.</p> <p><b>Recommendation:</b> GVK should recover/debit Transit loss from transporter’s immediately</p>	Penalty	Open	Comment not provided	
33	<p><b>Non-Recovery of Railway’s underloading charges from Transporters.</b></p> <p>As per the Transporters agreement, if the underloading is up to 118 MT per rake then GVK will not recover any charges from transporter.</p> <p>(a) INR 4.66 Crores cannot be recovered as the underloading was less than by 118 MT per rake.</p> <p>(b) INR 6.22 crores (10.88-4.66) should have been recovered as per the transporters agreement which is yet to be debited &amp; collected from vendor</p>	Underloading charges	Open	Comment not provided	
34	<p><b>Non- utilization of full quota of Amrapali mines lead to extra cost of INR 2.30 Crores</b></p> <p>(a) GVK would have saved Rs. 2.30 Crores in Apr’21-Jan’22 by lifting full quota of coal from Amrapali mines.</p>	Coal Procurement	Open	Comment not provided	

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
34	<p>No process for seeking cancelled cheque copy at the time of Vendor registration</p> <p>There was no process of taking “cancelled cheques copy for beneficiary details” from vendors followed by GVK. Payments are being processed on the basis banking information marked on invoices of vendors.</p> <p>At the time of vendor KYC “copy of cancelled cheque” must be sought for upload in SAP system. This is done to make sure that payment credited into correct account nominated by vendor.</p> <p>Company also require to update their vendor master as per changes suggested by vendor.</p>	Vendor Registration	Close, subject to checking	Will be taken up with Materials Department and be implemented to the extent possible.	RBSA will check this observation in subsequent months for the compliance
35	<p><b>Non-Recovery of penalty from Transporter wrt excessive transit loss:</b></p> <p>There was no penalty levied by GVK on a transporter from Sep’20 to Jan’22, even when transit loss is more than the tolerance limit of 1.5%. The penalty of INR 5.10 Cr should have been levied on Transporters for transit loss of coal quantity in excess of the tolerance limit.</p> <p><b>Recommendation:</b> GVK should recover/debit Transit loss from transporters immediately</p>	Penalty	Open	In terms of the agreement with CHA, transit loss tolerance of 1.5% is allowed and to arrive at the net weight received at the In-motion weight bridge at the project site versus net weight as per Railway Receipt. Accordingly, the transit losses in excess of 1.5% of the quantity transported are arrived at on the basis of accumulation for the period Sept 20 to March 21 and April 21 to January, 22 amounting to Rs.0.94 Cr as per the workings enclosed. The debit note for the said amount has been raised towards transit losses and sent to the party. The necessary recovery will be made from the payments proposed in August, 22.	-

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
36	<p><b>Non-Recovery of Railway's underloading charges from Transporters.</b></p> <p>As per the Transporters agreement, if the underloading is up to 118 MT per rake then GVK will not recover any charges from transporter.</p> <p>(a) INR 4.66 Crores cannot be recovered as the underloading was less than by 118 MT per rake.</p> <p>(b) INR 6.22 crores (10.88-4.66) should have been recovered as per the transporters agreement which is yet to be debited &amp; collected from vendor</p>	Underloading charges	Open	<p>As per the agreement, it is stipulated that CHA shall take precautions and ensure that coal is being loaded into each wagon within the permissible limits as per extant rules. However, a tolerance of 2 MT per wagon is allowed in respect of coal procurement under RCR mode since CHA has to load the coal manually with JCBs and other loading machines, and hence, underloading beyond 2MT per wagon only will be borne by CHA to be recovered from their dues. In view of this provision, no recovery of transport charges to railways against under loading can be made from CHA in respect of coal procured under RCR mode. It is practically very difficult for CHA to load the exact quantity per wagon and can't stipulate zero MT tolerance. Hence, no recovery of railway transport charges against underloading can be made under RCR mode.</p> <p>Further, you may observe for the coal procured under Railway Mode that the underloading charges are deducted by CCL from their coal cost invoice, hence the same is not incurred by the company. ASM has included the said underloading charges related to Rail Mode invoices also as part of Rs.4.66 Cr, which should be excluded since CCI is giving benefit to the company.</p> <p>The total amount of underloading charges deducted by PSPCL during the period is Rs.10.88 Cr consisting of coal transported by a) M/s. Godavari Commodities Ltd is amounting to Rs.6.99 Cr, M/s. Agrity Minerals amounting to Rs.0.73 Cr and coal loaded under Rail Mode amounting to Rs.3.16 Cr.</p>	-

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
	<p><b>Non-Recovery of Railway's underloading charges from Transporters.</b></p> <p>As per the Transporters agreement, if the underloading is up to 118 MT per rake then GVK will not recover any charges from transporter.</p> <p>(a) INR 4.66 Crores cannot be recovered as the underloading was less than by 118 MT per rake.</p> <p>(b) INR 6.22 crores (10.88-4.66) should have been recovered as per the transporters agreement which is yet to be debited &amp; collected from vendor</p>	Underloading charges	Open	<p>a) As explained above, underloading charges in respect of coal transported under Rail Mode, CCL has already given benefit to the company in their coal invoices and hence, can't be recovered from CHAs and it is not their scope otherwise also.</p> <p>b) Underloading up to 118 MT per rake that can't be recovered as explained above amounting to Rs.4.22 Cr.</p> <p>c) The balance underloading charges deducted by PSPCL after deducting a) and b) above is Rs. 1.41 Cr.</p> <p>d) While you have considered nonrecoverable amount only in respect of underloading of less than 118 MT per rake, you should also consider the tolerance limit of 118 MT per rake in respect of rakes having underloading of more than 118 MT per rake.</p> <p>e) Based on the above, we have worked out the amounts to be recovered from CHAs, which comes to Rs. 1.32 Cr from M/s. Godavari Commodities Ltd and balance from M/s. Agrity Minerals (already recovered from the account bills) for the said period.</p> <p>f) A number of Rs. 1.32 Cr is to be recovered from M/s. Godavari Commodities Ltd for which Debit Notes will be raised on acceptance of the same from CHA. The same will be finalized and recovered during next one- or two-months time.</p>	-

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
37	<p><b>Non- utilization of full quota of Amrapali mines lead to extra cost of INR 2.30 Crores</b></p> <p>(a) GVK would have saved Rs. 2.30 Crores in Apr'21-Jan'22 by lifting full quota of coal from Amrapali mines.</p>	Coal Procurement	Open	The lifting of the coal from Amrapali mines has been given to M/s. Agrity Minerals who has presence at that location as Godavari Commodities do not have exposure at Amrapali Mines. Also note that M/s. Agrity Minerals is a small agency who can lift and load 4-5 rakes of coal in a month.	RBSA recommends to change the transporters in this case.
38	Excess consumption (1,88,148 Litres) of Secondary Fuel During Dec'21 and Jan'22 vis-à-vis normative oil consumption	Oil Consumption	Close	After the Supreme Court and PSPRC granted stay on the PPA termination notice issued by PSPCL during the month of December 21 and January 22 the no of start-ups were more as per SLDC instructions to run the plant based on the demand. Hence, there was an excess consumption of Secondary Fuel when compared to Normative consumption. Normative oil consumption has to be worked out based on no of start-ups and not monthly average consumption.	-
39	No usage of rail mode after Sep'21 even though it was lean period of coal demand	Rail mode	Open	It is not mandate nor any provision in FSA for allocation of coal under rail mode. GVK with its good offices has been pursuing with CCL and getting the coal under rail mode.	-
40	Default in Deduction and Payment of TDS by GVK as per TCS website screenshot	TDS	Open	The differences could be identified for more than 90% of the PANs and will be filed with the department for rectification. It is an ongoing process and will be completed majorly by end August, 2022.	-

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
41	<p><b>Delay of 4 months in opening the bids received for coal transportation from other vendors who submitted quotes</b> As per discussions with GVK management in response to the advertisement, the purchase team have received closed tender bids from a few vendors in Nov'21 (No. of bids not specified) It is recommended that the purchasing team should open the bids and finalize the transportation company. <b>GVK had not provided any insight or data even after multiple follow-ups on the above matter.</b></p>	Coal Transportation	Open	the company has also invited bids for selection of CHA during Nov, 2021 and again requested PSPCL to participate in the bidding process. But, once again PSPCL was reluctant to attend the bidding process and stated that until the matter before APTEL in respect of STC is settled, they cannot participate in the bidding process. Hence, the company has decided not to open the bids received and continue the present CHAs till the outcome from APTEL on the said appeals.	-
42	Godavari commodities Limited agreement is open-ended in terms of its renewal. Quotations from other vendors had not been sought and considered for the last 3 years. Since March'2018 GCL is the vendor for lifting coal.				-
43	Rationale for fixing a blanket rate for coal transportation of INR 1150/MT from mines to railway siding was not documented.	Coal Transportation	Open	Initially when the contract was awarded to Godavari Commodities, the STC was paid mine wise based on the distance from different mines to different railway sidings. The prices were also ranging from Rs. 900/- per MT to Rs. 1,810/- per MT. Later, the company has negotiated with the CHA and fixed the price @ Rs. 875/- per MT irrespective of distance from different mines and different sidings. Further, on request of the CHA that they are incurring losses at an STC of Rs. 875/- per MT, the company has accepted for an increased price to Rs. 1075/- per MT.	-

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
44	<p>Payments Hold during the month:</p> <p>Payment for Shri Laxmi construction proposed for an amount INR 8.61 Lakhs. ASM held back GST portion (INR 1.31 Lakhs) from the total amount proposed due to Suo- moto cancellation of vendor GST number by GST authorities</p>	O&M	Open	The issue of non filing of GST returns informed to the contractor several occasions. Now it is taken up with the contractor and there is no response from them till date. However, GST portion is held up as advised by ASM.	-
45	<p>I. <b>Weak attendance system for security personnel</b>                      II. <b>No marking of coal assigned to GVK power</b>                      III. <b>No fire extinguishers placed at key locations</b>                      IV. <b>Carrier swapping</b></p>	Site Visit Observation	Open	Comment not provided	-
46	<p><b>Splitting of Purchase order:</b></p> <p>There was the splitting of purchase orders of aggregate value INR 3.90 Lacs into 3 smaller amount PO's of less than INR 1.5 Lacs.</p> <p>This aggregate value of PO of INR 3.90 Lacs should have been approved by the Head office but such splitting circumvented such approval from HO.</p> <p>Recommended to avoid such splitting of purchase orders in future.</p>	Purchase Order	Open	Comment not provided	-
47	<p><b>Minimum-inventory level was not defined:</b> As per the general industry practice, a company should define the minimum levels of inventory in SAP for each store and spare item (if not for all at least for insurable and regular stores &amp; spares). This practice is followed to always reduce the idle time of machinery in case of breakdowns and availability of spares in stores.</p>	Inventory Management	Open	We will take it up with IT and Stores to implement stock levels in SAP for regular consumables.	-

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment
48	<p>a) <b>High Price Variation in the sale of Fly Ash:</b> GVK sold fly Ash to different customers at different rates with high price variations. The prices are not linked with the quantity of lifting. Price ranges from INR 150/MT to INR 300/MT.</p> <p>b) <b>GVK had not considered Fly Ash revenue amounting to INR 1.02 Crores (mentioned above in the table) in the monthly budgets for March and April'22.</b></p>	Fly Ash	Open	The standard price fixed for fly ash is Rs.150/- per MT except in few cases, the price was negotiated at a higher price.	<b>GVK should enquire about the market selling price of fly ash by other vendors in the same geography to calculate and implement the basic sale price of flash.</b>
49	Unsettled advances of <b>INR 7.98 Cr were pending for reconciliation/closure as on 30<sup>th</sup> April 2022.</b>	Advances	Open	The issue has been taken up with Materials and will be reviewed as a ongoing practice.	-
50	Outstanding Creditors of <b>INR 36.62 Cr</b> as on 31 <sup>st</sup> March 2022 out of which INR 17.99 Cr is pending for more than 1 Year.	Creditors	Open	<p>a) Northern Railways - Rs.14.12 Cr - This pertains to the demand notice for demurrages and siding charges of freight on through distance basis. A consultant has been appointed to take it up with railways for necessary waiver.</p> <p>b) Mahankal Resources - Rs.2.51 Cr - This payment is pending on account of finalisation of recoveries for under loading, shortage of material, etc.</p> <p>c) GVKTCS - Rs.93.71 lacs - Unpaid manpower bills of earlier years. It is proposed to release this outstanding in due course.</p> <p>d) Mohit Minerals Ltd - Rs.31.14 lacs - Payments are kept pending for finalisation of recoveries.</p> <p>f) GVKEL - Rs.18.90 lacs - Pending reimbursement of expenses of earlier years. It is proposed to clear these dues in due course.</p>	-

# ANNEXURE 1 – POINT NO 9 - MAN TO MW RATIO

## Statement showing computation of Average Salary / Wages

Particulars	Purpose	Type of Contract	No. of Employee/ Manpower	Gross Salary (in Cr)	Avg. Salary
GVK Goindwal Employees	On the payrolls of Company	Permanent Employees	112	0.76	68,002
GVK TCS Employees	On the payrolls of Group Co	Permanent Employees	6	0.038	63,116
		<b>Total</b>	<b>118</b>	<b>0.80</b>	
Outsourced Manpower	Purpose	Type of Contract	Man, days deployed in bill	Gross Bill Amt (in Cr)	Avg. Wages per man day
Swift Securitas Pvt. Ltd.	Security Services at GVK Plant	Billing based on attendance	4,577.50	0.33	
Walsons Facility Solutions Pvt Ltd	Support Services at GVK Plant	Billing based on attendance	1,638.50	0.10	
Phoenix	O&M of Coal Handling at Plant, Locomotive & Track Maintenance	Job contract	6,338.50	0.58	
Simar Infrastructures Ltd	Operations and Maintenance of BTG and BOP	Job contract	6,464.50	0.63	
Globus Engineers	Operations and Maintenance of Ash handling at plant	Job contract	2,813.00	0.29	
		<b>Total</b>	<b>21,832.00</b>	<b>1.93</b>	

## Statement of Man to MW ratio

Particulars	Manpower
GVK Goindwal Employees	112
GVK TCS Employees	6
~ Outsourced Manpower at plant	807
<b>Total Manpower **</b>	<b>925</b>
Megawatt (MW)	540
<b>Man to MW ratio</b>	<b>1.71</b>

*\*\* The total manpower does not consider the security personnel deployed at GVK head Office and also the Coal supervisors at Ranchi. If the same are included the Man to MW ratio shall further increase*

# ANNEXURE 2 – COST BENEFIT ANALYSIS

Efficiency Losses of INR 17.61 Crores per year could be saved:

Overhauling cost benefit per year	
Unit 2	Amount (INR in Crores)
Efficiency Loss	17.6
Declared Capacity Loss	1.8
<b>Total</b>	<b>19.4</b>

Unit 2 Efficiency losses				
Assumed PLF	65%			
Assumed Generation (A)	15,37,380.00		MWH	
	1,537.38		MU	
Assumed GCV (B)	3,500.00		Kcal/Kg	
Coal Cost Per Ton (C)	6,000.00		Rs/T	
Controllable losses Unit-2	Total Actual Losses (Kcal/Kwh) (D)	Losses in terms of (Kcal) E=A*D *1000	Total Losses in terms of Coal (T) F=E/B/1000	Total Losses in terms of INR (in Cr) G=F*C
Superheater Attemperation	1.67	2,56,02,84,188.29	731.51	0.44
Condenser Vaccum (absolute)	14.91	22,91,98,24,696.96	6,548.52	3.93
Makeup Water %	3.56	5,47,39,17,673.16	1,563.98	0.94
Dry Flue Gas Loss(DFG)	33.64	51,72,49,32,815.64	14,778.55	8.87
Loss due to UBC	3.89	5,97,67,61,106.20	1,707.65	1.02
Reheat Attemperation	9.16	14,08,62,60,954.03	4,024.65	2.41
	66.83	1,02,74,19,81,434.28	29,354.85	<b>17.61</b>

DC loss calculation due do barring issue		
DC cost per Unit (A)	1.50	Rs / KWh
DC for one unit / Day (B)	58,96,800.00	KWh
Assuming 02 days of DC loss per year due to barring issue for one unit <b>(2*A*B)</b>	1,76,90,400.00	Rs/Year
	<b>1.76</b>	<b>INR in Crores</b>

# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment																		
51	<b>Excess purchase of Slow-moving/Unconsumed inventory:</b> GVK had purchased, Inventory/spares in the month of April'22 which are already available in the store and are slow-moving. GVK had bought Inventory amounting to <b>INR 7.75 Lakhs</b> in the month of April'22	Inventory Management	Open	Comments not provided	-																		
52	<p>GVK had made provision amounting to <b>INR 334 Crores</b> from period 2018-2022 of which <b>INR 182 Crores</b> pertains to under-recoveries of coal cost as initially PSPCL reimbursed coal cost equivalent to coal cost as per their own mines and not as per the rates of CCIL. Year wise provisioning details are tabulated below. All these figures are disputed and are covered under legal cases on different forums.</p> <table border="1"> <thead> <tr> <th colspan="3">Details of Provision for doubtful debts as on 31st March 2022</th> </tr> <tr> <th>Particulars</th> <th>Amount (INR in Crores)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Provision for Doubtful Debts (2018-19)</td> <td>39.70</td> <td>Under recoveries of coal cost and gcv variance</td> </tr> <tr> <td>Provision for Doubtful Debts (2020-21)</td> <td>142.41</td> <td>Under recoveries of coal cost and gcv variance</td> </tr> <tr> <td>Provision for Deductions (2021-22)</td> <td>152.22</td> <td>Availability declared in SLDC report @0% during April &amp; May 2021 due to covid reasons but plant was 100% available</td> </tr> <tr> <td><b>Total</b></td> <td><b>334.33</b></td> <td></td> </tr> </tbody> </table> <p>As per Companies Act 2013, Debtors aged more than 3 years having less certainty shall proved bad and expense off through P&amp;L Account.</p>	Details of Provision for doubtful debts as on 31st March 2022			Particulars	Amount (INR in Crores)	Remarks	Provision for Doubtful Debts (2018-19)	39.70	Under recoveries of coal cost and gcv variance	Provision for Doubtful Debts (2020-21)	142.41	Under recoveries of coal cost and gcv variance	Provision for Deductions (2021-22)	152.22	Availability declared in SLDC report @0% during April & May 2021 due to covid reasons but plant was 100% available	<b>Total</b>	<b>334.33</b>		Provisions for Bad Debts	Open	Comments not provided	-
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# FOLLOW UP/ACTION TAKEN POINTS

S. No.	Observation	Section	Status	GVK Abridged Comments	RBSA comment																												
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