



सूचना  
का अधिकार

पावर ग्रिड कोर्पोरेशन ऑफ इंडिया लिमिटेड  
Power Grid Corporation of India Limited  
सूचना का अधिकार अभिनियम 2005 के अंतर्गत केन्द्रीय लोक सूचना अधिकारी  
Central Public Information Officer under the RTI Act, 2005  
केन्द्रीय कार्यालय, 'सौदामिनी', प्लॉट नं.2, सेक्टर-29, गुडगांव, हरियाणा-122007  
Corporate Centre, 'Saudamini', Plot No. 2, Sector-29, Gurgaon, Haryana-122007



पावरग्रिड

CP/RTI/2015/324

Date: 13<sup>th</sup> April, 2016

Shri A.K. Mall  
A2Z Infra Engineering Ltd.  
Plot No. B-38, Sector-32  
Industrial Area, Gurgaon-122001

Sub: **Information under Right to Information Act, 2005 (Application No. 324 dated 09.03.2016.)**

Dear Mr. Mall,

This has reference to your RTI request dated 9<sup>th</sup> March, 2016, seeking information under RTI Act, 2005.

Copy of the Assesment Report (9 Pages) is attached at **Annex-I**.

First Appeal, if any, against the reply of CPIO may be made to the first appellate Authority within 30 days of the receipt of the reply of CPIO. Details of Appellate Authority at Corporate Centre, Gurgaon, under RTI Act, 2005 is as below:

Shri B. Mishra  
Executive Director (CP & IT) & Appellate Authority  
Corporate Centre, Power Grid Corporation of India Limited  
"Saudamini", Plot No. 2, Sector-29, Gurgaon – 122007, Haryana.  
Email ID: [bmishra@powergridindia.com](mailto:bmishra@powergridindia.com)  
Phone No. 0124-2571960

Thanking you,

भवदीय,

सतीश  
18/04/16

(सतीश कुमार जे.)

उप महाप्रबंधक (.आ.के) एवं के.लो.सू.अधिकारी  
Phone No. 0124-2822746  
Email ID: [cpioccc@powergrid.co.in](mailto:cpioccc@powergrid.co.in)

To be given after receiving the requisite Amount

ANNEX-I

Confidential

POWER GRID CORPORATION OF INDIA LTD.

Date: 05.02.2016

Sub.: Assessment of M/s. A2Z Infra Engineering Limited (A2Z)

1.0 The undersigned committee was constituted vide Note ref: CC-CS/G2/OIL/Assessment dated 13/11/2015 for assessment of capacity and capability of A2Z for Packages under IPDS Works in Old Kashi Area of Varanasi town of UP under deposit work of PuVVNL. The committee submitted the report dated 28/11/2015 with conclusion inter-alia including the following:-

*However, appropriate view may be taken for other packages based on status of compliance with CDR to be analysed after receipt of such documents from State Bank of Patiala/Statutory Auditor referred to in para (i) above, taking into account other relevant aspects.*

2.0 Vide letter dated 30/11/2015, A2Z forwarded the following documents:

- (i) Copy of summary of projects under execution as on 15/09/2015 certified by CA.
- (ii) Copies of ESI and PF challans paid as on 27/11/2015.
- (iii) Copies of service tax receipt of service tax paid by A2Z during October and November 2015.
- (iv) Copy of Minutes of Monitoring Committee meeting held on 10/8/2015 and Joint Lenders meeting held on 14/10/2015.
- (v) Brief methodology for successful execution of Packages under IPDS Works in Old Kashi Area of Varanasi town of UP under deposit work of PuVVNL, in the event of award.

It was also stated in the letter that the task for credit rating of A2Z has been assigned to M/s Credit Analysis & Research Limited(CARE) and the copy of the report is expected by end December 2015.

1/9.

- 2.1 From the Copy of Minutes of Monitoring Committee meeting held on 10/8/2015 it is noted that the following is inter-alia minuted:

*IDBI Caps appraised the salient features of the Gap Funding Proposal wherein negative cash flow of Rs. 100 Crore for FY 2015-16 expected to be arisen due to time gap in receipt of funds vis-à-vis funds required for day to day operations is to be funded through equity of Rs. 30 Crore and Medium term Loan of Rs. 70 Crore to be shared among the CDR lenders(except ICICI Bank) on pro-rata basis based on the Term Loan & TBWC outstanding as on 31/3/2015. IDBI Bank submitted that their CC limit is out of order due to continuous irregularity for more than 90 days and their WC TL and FITL account are also irregular. Total irregularity in the account as on date is approx. Rs. 2.80 Crore. State Bank of Patiala also advised that company's accounts with them are irregular since 26.06.2015 and total irregularity is Rs. 4.27 Crore.*

*In the last, the MC members advised the company to expedite the process of monetization of properties as per CDR package immediately and build up the margin against the BGs issued by the lenders. The Monitoring Committee advised A2Z (i) to regularize the accounts with all the Banks at top priority and (ii) ensure routing of entire transactions through TRA only.*

- 2.2 From the Copy of Minutes of Joint Lenders Forum meeting held on 14/10/2015 it is noted that the following is inter-alia minuted:

***Present Position of account with the lenders:***

*While discussing the present position of the account of the company with various banks, it came to notice of the house that account of some of the CDR lenders viz SBI, SBH & ICICI Bank Limited and non CDR lenders viz SCB & DBS Bank are NPA(Non Performing Assets), while the accounts with other Banks are running irregular. A2Z was advised to regularize the account with CDR Lenders immediately.*

*Sh Amit Mittal, Managing Director of the company informed that ICICI Bank has not created FITL on CC for 3<sup>rd</sup> year as per the CDR guidelines for Exit Option. Due to this & fact that the company is incurring losses & performance is not in line with the estimates, accounts with ICICI Bank turned into NPA. On this, the representative of ICICI Bank informed the house that the Bank has created FITL for the period of 2 years from the date of implementation of CDR package as per their sanction. Thus, the FITL for 3<sup>rd</sup> year has not been created and at this stage it is difficult to sanction the*

same. In this regard, AGM from CDR cell advised ICICI Bank to follow the guidelines of Reserve Bank of India for creation of 3<sup>rd</sup> year FITL under Exit Option.

**Progress of projects and performance of the Company for half year ended 30/9/2015:**

Update of Package "F" (Being executed on sub-contract basis)

- Out of total distance of 6021 km, the company has completed 1300 km Trenching & Ducting work.
- The company is targeting to complete 5000km by 31<sup>st</sup> March 2016 and expecting the completion of the project before end of June 2016.

Update on Package "G" (Being executed on sub-contract basis)

- Out of total distance of 7518 km, the company has completed 250 km Trenching & Ducting work.
- The company is targeting to complete 3000km by 31<sup>st</sup> March 2016 and expecting the completion of the project before end of September 2016.
- The project has started significantly late as the company could not avail LC limits in time.

A2Z further submitted that to speed up the execution work, the company need to open Bank Guarantees (BGs) for Right of Way (RoW) and also to ensure payment of contractors, they need to open service LCs. In view of the above, the company requested for opening of LC/BG for the above packages.

Performance of the Company for half year ended 30/9/2015

- The company achieved a turnover of Rs. 311.68 Crores during the first 6 months in current financial year.
- Company has got arbitration award in its favour for case filed against NHPC Ltd for works contract Tax (WCT) and works contract cess (WCC) in Leh & Kargil project and hope to receive an amount of Rs. 25.27 crores.
- The company has infused equity of Rs. 13.37 crores during the month of September 2015.

### Other Issues

- A2Z was advised to built-up the LC/BG margin @5% of the LC/BG outstanding as per CDR package by 31/12/2015. However, fresh LC/BG will be opened with stipulated margin of 5%. No further extension in this regard will be granted.
- A2Z was advised to submit the external rating by 31/12/2015.
- A2Z was advised to provide additional collateral security for the proposed Cash Gap funding proposal of the company. Of this, the company official submitted that there is no additional collateral security available at present and there is increase in exposure as the NFB limits is to be earmarked for equivalent amount. However, it was again advised to A2Z to explore the possibility of providing additional collateral to the lenders as security.
- A2Z requested to expedite the process of sanction of Cash Gap funding proposal. On this, DGM SBP informed the house that their proposal for Cash Gap funding has been submitted to Credit Committee of Bank. The other consortium lenders advised that they are in the process of submitting their proposal to the Sanctioning Authority.
- The Representative of SBI apprised that SBI cannot support cash Gap Funding proposal of the company as the account with them is NPA since January 2015. He further told that if the account with them is not immediately regularized, the bank will opt for exit option from CDR and also stated they will initiate the recovery action by transferring the account to their Stressed Assets Management Branch (SAM). On this, it was requested that as per CDR guidelines, 75% consent for exit option is required. Thus, A2Z has to discuss with SBI to sort out the issue.

3.0 It may be mentioned here that second reminder letter dated 08/12/2015 was sent to State Bank of Patiala again requesting for the following:

- a) A copy of implemented CDR scheme with the restructured debt and share of each Bank & status of compliances required as per the scheme.
- b) Copy of minutes of meeting of Monitoring Committee of Bank after CDR implementation.
- c) All copy of letter(s) forwarded to CDR-EG.
- d) Latest copy of Bank internal Credit Audit Report of A2Z.
- e) Details of Term loan sanctioned by CDR Scheme, repayment schedule & dates of installment due.
- f) Details of default in repayment of principal & interest, after implementation of CDR, if any.

g) Since, all receipt and payment of A2Z is monitored by MI therefore, the pending payments of A2Z to be released as on date by MI.

- 3.0 Vide e-mail dated 4/12/2015, A2Z was requested to forward status as on date towards statutory dues viz PF, ESI, Service Tax etc which are mentioned in audited annual report for FY 2014-15, duly certified by Statutory Auditor. However, A2Z forwarded a certificate dated 16/12/2015 issued by M/s VBR & Associates, Chartered Accountants certifying that as per records verified by them and information provided to them, A2Z has deposited all the statutory dues payable towards ESI/EPF & Service Tax upto 30/09/2015.
- 4.0 Vide letter ref No.: CBND/AMT-IV/5949 dated 16/12/2015, SBP informed that as per RBI norms and as per their bank's policy, they cannot share any information to third party and requested to take up the matter with A2Z to seek the required information.
- 5.0 Accordingly, vide e-mail dated 14/01/2016, A2Z was requested to furnish the information sought by POWERGRID from SBP.
- 5.1 Vide letter dated 19/01/2016, A2Z forwarded a copy of Credit Rating of Bank Facilities dated 03/12/2015 by CARE and latest copies of Bank Certificates regarding availability of the Fund/Non-fund based limits.

A2Z also stated that unaudited financial results for Quarter ending December'2015 are expected by February 2016.

- 6.0 As per the copy Credit Rating of Bank Facilities dated 03/12/2015 the following has been assigned by CARE Rating Committee:

Facilities	Amount(in Rs. Crores)	Rating	Remarks
Long-term Bank facilities	1,018.54	CARE D	Assigned
Short-term Bank facilities	1,251.46	CARE D	Assigned
	2,270		

The definition of CARE D rating for Long/Medium Term Debt Instrument means "Instruments with this rating are in default or are expected to be in default soon".

7.0 As mentioned above, A2Z forwarded latest copies of Bank Certificates regarding availability of the Fund/Non-fund based limits. The details are as below:

(A) State Bank of Patiala

Facility	Sanctioned (as on 30.12.2015)	Utilisation (as on 30.12.2015)	Balance for utilisation (as on 30.12.2015)
(a) Fund based Credit Limits :-			
CC	Rs. 105.00 Crore	Rs. 106.24 Crore	Rs. -1.24 Crore
WCTL	Rs. 25.99 Crore	Rs. 26.03 Crore	Rs. -0.04 Crore
FITL	Rs. 27.50 Crore	Rs. 27.56 Crore	Rs. -0.06 Crore
TL(Power)	Rs.7.64 Crore	Rs. 7.77 Crore	Rs. -0.13 Crore
TL(EPC)	Rs. 4.93 Crore	Rs. 5.01 Crore	Rs. -0.08 Crore
Total of Fund based Limits	Rs. 171.06 Crore	Rs. 172.61 Crore	Rs. (-) 1.55 Crore
(b) Non Fund based Limits :-			
BG	Rs. 175.51 Crore	Rs.100.02 Crore	Rs.75.49 Crore
LC	Rs. 40.37 Crore	Rs.13.56 Crore	Rs. 26.81 Crore
Total of Non-Fund based Limits	Rs.215.88 Crore	Rs. 121.60 Crore	Rs. 102.3 Crore

(B) State Bank of Travancore

Facility	Sanctioned (as on 21.11.2015)	Utilisation (as on 21.11.2015)	Balance for utilisation (as on 21.11.2015)
(a) Fund based Credit Limits :-			
CC	Rs. 11.00 Crore	Rs. 13.65 Crore	Rs. -2.65 Crore
CC	Rs. 0.06 Crore	Rs. 0.00	Rs. 0.06 Crore
WCTL	Rs. 3.22 Crore	Rs. 3.26 Crore	Rs. -0.04 Crore
TL(Power)	Rs. 0.78 Crore	Rs. 0.80 Crore	Rs. -0.02 Crore
TL(EPC)	Rs.0.50 Crore	Rs. 0.51 Crore	Rs. -0.01 Crore
FITL	Rs. 2.97 Crore	Rs. 3.00 Crore	Rs. -0.03 Crore
Total of Fund based Limits	Rs. 18.53 Crore	Rs. 21.22 Crore	Rs. (-) 2.69 Crore
(b) Non Fund based Limits :-			
BG's	Rs. 16.75 Crore	Rs.0.10 Crore	Rs.16.65 Crore
LC's	Rs. 4.10 Crore	Rs.2.16 Crore	Rs. 1.94 Crore
Total of Non-Fund based Limits	Rs.20.85 Crore	Rs. 2.26 Crore	Rs. 18.59 Crore

## (C) Union Bank of India

Facility	Sanctioned (as on 23.12.2015)	Utilisation (as on 23.12.2015)	Balance for utilisation (as on 23.12.2015)
(c) Fund based Credit Limits :-			
CC H-EPC	Rs. 15.00 Crore	Rs. 16.72 Crore	Rs. (-)1.72 Crore
CC-POWER	Rs. 2.85 Crore	Rs. 2.85 Crore	Rs. 0.00 Crore
TL-EPC	Rs. 0.81 Crore	Rs. 0.82 Crore	Rs. (-)0.01 Crore
TL-Power	Rs. 1.25 Crore	Rs. 1.26 Crore	Rs. (-)0.01 Crore
CC (H) Power	Rs. 0.09 Crore	Rs. 0.09 Crore	Rs. 0.00 Crore
Total of Fund based Limits	Rs. 20.00 Crore	Rs. 21.74 Crore	Rs. (-) 1.74 Crore
(d) Non Fund based Limits :-			
BG's	Rs. 35.39 Crore	Rs.30.59 Crore	Rs. 4.8 Crore
LC's	Rs. 6.61 Crore	Rs.4.85 Crore	Rs. 1.76 Crore
Total of Non-Fund based Limits	Rs. 42 Crore	Rs. 35.44 Crore	Rs. 6.56 Crore

## (D) State Bank of Mysore

Facility	Sanctioned (as on 22.12.2015)	Utilisation (as on 22.12.2015)	Balance for utilisation (as on 22.12.2015)
(e) Fund based Credit Limits :-			
Cash Credit	Rs. 15.00 Crore	Rs. 15.51 Crore	Rs. (-)0.51 Crore
Term Loan 1	Rs. 1.07 Crore	Rs. 1.09 Crore	Rs. (-) 0.02 Crore
Term Loan 2	Rs. 0.69 Crore	Rs. 0.70 Crore	Rs. (-)0.01 Crore
WCTL	Rs. 1.04 Crore	Rs. 0.95 Crore	Rs. 0.09 Crore
Funded Interest Term Loan 1	Rs. 0.21 Crore	Rs. 0.20 Crore	Rs. 0.01 Crore
Funded Interest Term Loan 2	Rs. 3.23 Crore	Rs. 3.03 Crore	Rs. 0.20 Crore
Total of Fund based Limits	Rs. 21.24 Crore	Rs. 21.48 Crore	Rs. (-) 0.24 Crore
(f) Non Fund based Limits :-			
BG's	Rs. 26.91 Crore	Rs. 5.84 Crore	Rs. 21.07 Crore
LC's	Rs. 5.64 Crore	Rs.4.10 Crore	Rs. 1.54 Crore
Total of Non-Fund based Limits	Rs. 32.55 Crore	Rs. 9.94 Crore	Rs. 22.61 Crore



(E) Allahabad Bank

Facility	Sanctioned (as on 23.12.2015)	Utilisation (as on 23.12.2015)	Balance for utilisation (as on 23.12.2015)
(g) Fund based Credit Limits :-			
CC(EPC)	Rs. 20.00 Crore	Rs. 19.99 Crore	Rs. 0.01 Crore
CC(Power)	Rs. 0.15 Crore	Rs. 0.00 Crore	Rs. 0.15 Crore
WCTL	Rs. 7.10 Crore	Rs. 6.99 Crore	Rs. 0.11 Crore
Funded Interest Term	Rs. 5.65 Crore	Rs. 5.88 Crore	Rs. (-)0.23 Crore
Fresh TL (EPC)	Rs. 1.28 Crore	Rs. 1.20 Crore	Rs. 0.08 Crore
Fresh TL (Power)	Rs. 1.99 Crore	Rs. 1.91 Crore	Rs. 0.08 Crore
Total of Fund based Limits	Rs. 36.17 Crore	Rs. 35.97 Crore	Rs. 0.20 Crore
(h) Non Fund based Limits :-			
BG's	Rs. 49.27 Crore	Rs. 42.68 Crore	Rs. 6.59 Crore
LC's	Rs.10.50 Crore	Rs. 0.00 Crore	Rs. 10.50 Crore
Total of Non-Fund based Limits	Rs. 59.77 Crore	Rs. 42.68 Crore	Rs. 17.09 Crore

It can be noted from above that A2Z has utilized more than the Fund Based Limits sanctioned to them by the above mentioned Banks. In case of award on A2Z, it would be prudent that payments be made by POWERGRID for supply and erection portion in a separate account, to be opened by A2Z and fund utilization be monitored.

8.0 CONCLUSION

8.1 Based on foregoing, the Committee concludes as follows:

- (i) Based on the Copy of Minutes of Monitoring Committee meeting held on 10/8/2015 and Joint Lenders Forum meeting held on 14/10/2015 submitted by A2Z, it is noted that account of some of the CDR lenders viz SBI, SBH & ICICI Bank Limited and non CDR lenders viz SCB & DBS Bank are NPA(Non Performing Assets), while the accounts with other Banks are running irregular. A2Z is finding it difficult to provide additional collateral security for the proposed cash gap funding and the CDR banks have advised A2Z to built-up the LC/BG margin @5% of the LC/BG outstanding as per CDR package by 31/12/2015.

The above mentioned stressed situation is supported by the Credit Rating of Bank Facilities carried out by CARE Rating Committee, wherein rating given is CARE D which can be interpreted as the Long/Medium Term Debt Instrument are in default or are expected to be in default soon.

- (ii) Considering the above, the Committee is of the view that presently considering A2Z for award of contracts and taking any exposure on them is fraught with considerable risk. As such, it would be prudent not to consider bids from A2Z at present. The position may however be re-assessed in case A2Z chose to bid after this and if financial statement for FY 2015-16 are available. The decision to award the package may be taken based on Annual Report for FY 2015-16 and other relevant aspects like latest Credit Rating of Bank Facilities etc.