**Current status and reason for delay in discharge of Undischarged Liabilities:**

**Koradi Units # 8 to 10**

MSPGCL submits that Undischarged Liability (UDL) for Koradi 3x660 MW as on COD is in different currencies i.e. INR, USD and JPY is produced below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | BTG-INR | BTG-USD | BTG-JPY | BOP | Total |
| Outstanding Amount - COD  (Crore of Respective Currency) | 353.42 | 0.70 | 51.20 | 226.55 |  |
| Currency Rate | 1.00 | 50.58 | 0.51 | 1.00 |  |
| Undischarged Liability in Rs Crore | 353.42 | 35.40 | 25.91 | 226.55 | 641.28 |

Year wise liability discharged in Respective Currency in Crore, till FY 2023-24 is provided below

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **FY** | **BTG-INR** | **BTG-USD** | **BTG-JPY** | **BOP** | **Exchange Rate $** | **Exchange Rate JPY** |
| As on COD 17.01.2017 | 353.42 | 0.70 | 51.20 | 226.55 |  |  |
| Discharge of Liability |  |  |  |  |  |  |
| FY 2017-18 | 140.90 | 0.45 | 4.49 | 11.56 | 62.88 | 0.58 |
| FY 2018-19 | 0.00 | 0.00 | 0.00 | 0.00 | 69.38 | 0.63 |
| FY 2019-20 | 12.22 | 0.00 | 0.00 | 0.00 | 75.37 | 0.70 |
| FY 2020-21 | 79.01 | 0.01 | 1.26 | 0.00 | 73.20 | 0.66 |
| FY 2021-22 | 19.02 | 0.00 | 0.00 | 0.00 | 75.91 | 0.62 |
| FY 2022-23 | 84.15 | 0.23 | 33.89 | 0.00 | 80.54 | 0.56 |
| FY 2023-24 | 0 | 0 | 0 | 0 |  |  |

Liability Discharged after COD and till FY 23-24 with corresponding exchange rates of USD and JPY and outstanding as on 31.03.2024 in Rs Crore provided in following table

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **BTG-INR** | **BTG-USD** | **BTG-JPY** | **BOP** | **Liability Discharged** | **Cum Discharged** | **Balance Liability** |
|  | **BTG** | | | **BOP** |  |  |  |
| COD | 353.42 | 35.40 | 25.91 | 226.55 |  |  | 641.28 |
| FY 2017-18 | 140.90 | 28.41 | 2.60 | 11.56 | 183.47 | 183.47 | 457.82 |
| FY 2018-19 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 183.47 | 457.82 |
| FY 2019-20 | 12.22 | 0.00 | 0.00 | 0.00 | 12.22 | 195.69 | 445.59 |
| FY 2020-21 | 79.01 | 0.38 | 0.83 | 0.00 | 80.23 | 275.92 | 365.37 |
| FY 2021-22 | 19.02 | 0.00 | 0.00 | 0.00 | 19.02 | 294.94 | 346.35 |
| FY 2022-23 | 84.15 | 18.27 | 19.02 | 0.00 | 121.44 | 416.37 | 224.91 |
| FY 2023-24 | 0.00 | 0.00 | 0.00 | 0 | 0.00 | 416.37 | 224.91 |
| **Balance UDL** | **9.92** | | | **214.99** |  |  | **224.91** |

Outstanding balance as on 30.11.2024 with corresponding exchange rate (as on 30.11.2024) in INR Crore is provided below:

| Particulars | BTG-INR | BTG-USD | BTG-JPY | BOP | Total |
| --- | --- | --- | --- | --- | --- |
| Opening Liability - COD | 353.42 | 0.70 | 51.20 | 226.55 |  |
| Outstanding Amount – 30.11.2024  (Crore of Respective Currency) | 18.11 | 0.02 | 11.55 | 214.99 |  |
| Currency Rate | 1.00 | 84.50 | 0.56 | 1.00 |  |
| Undischarged Liability in Rs Crore (30.11.2024) | 18.11 | 1.36 | 6.50 | 214.99 | 240.97 |

It is to be appreciated that undischarged liability as on 31-03-2024 is Rs 224.91 Crore. However, due to change currency rate undischarged liability stands at Rs 240.97 Crore. BTG (M/s Larsen and Toubro) stands at Rs 25.97 Crore (considering exchange rates as on 30.11.2024) and that of BOP (originally M/s BGR) at Rs 214.99 Crore.

Estimated time for settlement / discharge of UDL for BTG as shown below:

|  |  |  |  |
| --- | --- | --- | --- |
| Sr No | Particulars | Amount | Remark |
| 1 | UDL to be discharged after settlement of all dues | 15.97 | To be discharged in FY 2024-25 |
| 2 | Amount for balance FDPS work required for completing work | 5.09 | To be utilised in FY 2024-25 |
| 3 | Recovery of mandatory spares | 3.41 | To be crystallised in FY 2024-25 |
| 4 | Other contractual recoveries | 1.85 | Financial reconciliation with vendor was long pending and was completed in Nov-24 and will be settled in F.Y.2024-25 |

For the BoP contracts, the execution of pending additional capitalisation works was delayed due to the liquidation of the BoP vendor, M/s BGR, and the subsequent re-tendering process for executing the works under "Risk & Cost." The retentions held against M/s BGR are being utilised for executing these "Risk & Cost" works, with details provided in Form 4 for capital expenditure. These works are expected to be completed by March 2025. Upon their completion, the current undischarged liability (UDL) will be discharged to that extent.

**Chandrapur unit 8-9 (2X500 MW)**

The status of UDL for Chandrapur Unit 8-9 along with reason for delay in discharge is provided below

| **Sr. NO.** | **Package-Wise details** | **Agency Name** | **Retention amount in Crs.** | **Contractual retention Details** | **Reasons for delay** |
| --- | --- | --- | --- | --- | --- |
| 1 | BOP Package | M/s. BGR | 55.01 | Contractual retentions against L.D & other dues. | Delay analysis is in process by third party i.e. M/s DCPL, retention will be released after finalization of FTLE. |
|  |  |  |  |  |  |
| 2 | BTG Package | M/s. BHEL | 41.57 | Contractual retention against L.D & other retentions. | Rs. 41.57 crores is released in F.Y-2024-25, after approval received via HO letter CE(P&P)/Comm/CHN 8 & 9/ BHEL/ OS payment/856 dtd 04.09.2024. |
| 2.04 | Contractual retentions against Excise Duty. | Amount Will be released after reimbursement from Excise department. The MSPGCL claim is in process at excise department. |
| 2.00 | BHEL retention against balance mandatary spares. | Amount Will be Transferred to O & M after estimate received CE ( O & M) |
|  |  |  |  |  |  |
| 3 | BOP Package | M/s. Elecon | 1.90 | Retention against LD | After finalization of FTLE & L.D applicability from competent authority, L.D retention will be released |
| 0.24 | Other contractual retention | Financial reconciliation was long pending from vendor, which is completed on Oct-24, and claim shall be settled in F.Y-2024-25. |
|  |  | **Total** | **102.76** |  |  |

Liability of M/s BHEL Rs 41.57 Crore was discharged in FY 24-25. Retentions against Excise Duty and Mandatory spares will be released after finalisation of documentation is respective activities.

For BOP Packages: retention of M/s Elecon are expected to get released by March 2025.

**Parli unit 8 (1x250 MW):**

Details of discharge of Undischarged Liability is provided below (Rs in Crore)

| **Particulars** | **BTG** | **BOP** | **Others** | **Total** | **Liability Discharged** | **Cum Discharged** | **Balance Liability** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Op Balance | 44.65 | 66.84 | 16.79 | 128.28 |  |  | 128.28 |
| **Discharge of Liability during FY** | | | | |  |  |  |
| 2016-17 | 0 | 0 | 0 |  | 0 | 0 | 128.28 |
| 2017-18 | 0 | 0 | 0.66 |  | 0.66 | 0.66 | 127.62 |
| 2018-19 | 3.61 | 2.64 | 0.73 |  | 6.98 | 7.64 | 120.64 |
| 2019-20\* | 33.77 | 1.29 | 0.95 |  | 36.01 | 43.65 | 84.63 |
| 2020-21 | 0 | 0.62 | 0 |  | 0.62 | 44.27 | 84.01 |
| 2021-22 | 0 | 0 | 0.61 |  | 0.61 | 44.88 | 83.4 |
| 2022-23 | 0 | 0 | 1.09 |  | 1.09 | 45.97 | 82.31 |
| **Balance UDL (Rs. Crore)** | **7.27** | **62.29** | **12.75** |  |  |  | **82.31** |

It is submitted that discharge of UDL for BTG expected in FY 2024-25.

In case of the BoP contracts, the execution of the pending Additional Capitalisation works got delayed due to liquidation of BoP vendor M/s Sunil Hi Tech Engineers Ltd. and subsequent execution of the works through re-tendering process under “Risk & cost” works. Most of these works are expected to get completed by March 2025 and accordingly the relevant UDL will get discharged subsequently.

**Cut-off date as per Regulations :**

As per prevailing MERC (MYT) Regulations, cut off date for these units are as shown below:

* Chandrapur Units # 8,9 : 31.3.2019
* Parli Unit # 8 : 31.3.2019
* Koradi units # 8,9,10 : 31.3.2020

**Extensions sought to Cut-off date :**

Following are the request submitted by MSPGCL with respect to extension of cut-off date of respective new units and ruling of the Hon’ble Commission on the same:

**1. “Order Case No. 296 / 2019**

*2.10 EXTENSION OF CUT OFF DATE FOR UNITS*

*Suggestions/Objections*

*2.10.1 PEG submitted that extension on cut-off dates are not to be allowed to ensure that consumers do not continue to bear the burden of time and cost overruns for delays which were partly within the control of MSPGCL.*

*MSPGCL’s replies*

*2.10.2 MSPGCL submitted that they have only requested for extension of the cut-off date and no additional amount on account of cost-overrun is sought.*

*Commission’s views*

*2.10.3 The Commission has observed that the Petitioner has only sought time extension of cut-off date to complete the works approved in the original scope of work by the Commission thereby not claiming any cost over run on account of it. The Petitioner has also submitted the reasons for the delay in execution of these works. As discussed in Section 7 of the Order, the Commission has allowed extension of Cut Off date for Chandrapur Units 8, 9 and Parli Unit 8 up to 31.03.2021 and Koradi units 8, 9 & 10 up to 31.03.2021. However, it is to be noted that the MSPGCL will not be allowed any cost over run on account of this time extension of Cut Off date.*

**2. Order Case No. 180/2020**

*32. ISSUE XVII: Extension of Cut-off dates for Koradi Unit-8-9 and 10, Chandrapur 8,9 and Parli 8*

*MSPGCL’s submission dated 2 December, 2020:*

*32.1 MSPGCL filed its additional submission on 2 December, 2020 regarding extension of cut-off dates for Koradi Unit-8-9 and 10, Chandrapur 8,9 and Parli 8. MSPGCL in its MYT Petition Case No. 296 of 2019 has requested Commission for an allowance of additional time till FY 2020- 21 for capitalization of additional capital expenditure.*

*32.2 The Commission in the Order allowed the extension of cut-off date till 31 March, 2021. However, considering current pandemic situation due to Covid-19 and subsequent entire lockdown of more than three months and subsequent unlocking process followed by Central / State Government, it seems very difficult to complete the capitalization in these units within the extended time limit allowed by the Commission i. e. 31 March, 2021.*

*32.3 MSPGCL has submitted that 100% unlocking is yet to be achieved and due to certain restrictions still prevailing, the process is taking longer time. Considering the pandemic situation and disturbance in supply chain, MSPGCL has requested the Commission to extend the cut - off date for these units till 31 March, 2022.*

*Commission’s Analysis and Ruling:*

*32.4 The Commission notes the submission of MSPGCL regarding extension of Cut-off dates for Koradi Unit-8-9 and 10, Chandrapur 8,9 and Parli 8. MSPGCL in its MYT Petition Case No. 296 of 2019 had requested Commission for an allowance of additional time till FY 2020- 21 for capitalization of additional capital expenditure.*

*32.5 Accordingly, the Commission in the Order allowed the extension of cut-off date till 31 March, 2021.*

*32.6 MSPGCL has now submitted that considering current pandemic situation due to Covid-19 and subsequent entire lockdown, it seems difficult to complete the capitalization in these Units within the extended time limit allowed by the Commission i. e. 31 March, 2021.*

*32.7 Considering the pandemic situation and disturbance in supply chain, the Commission is inclined to accept the submission of MSPGCL and extend the cut - off date for these units till 31-03-2022.*

3. Order Case No. 227/2022

*9.13.17MSPGCL has requested for extension of cut-off date upto 31 March, 2024 for completion of balance works within the original scope of work for Koradi Units 8-10, Chandrapur Units 8&9 and Parli Unit 8. The Commission does not find it prudent to grant the relief sought by MSPGCL at this stage. The Commission shall take a view on the same based on the submissions of the MSPGCL in the true-up of the respective years on case to case basis.*

**MSPGCL’s submission**:

In Case No. 227 of 2022, MSPGCL had requested the Hon’ble Commission for an extension of the cut-off date to March 31, 2024. While the Hon’ble Commission, in its order for the said case, did not explicitly grant the extension, it indicated that it would consider the matter based on submissions made in the true-up petitions for the respective years on a case-by-case basis.

MSPGCL submits that the delay in discharging the undischarged liability (UDL) is primarily due to challenges in executing pending additional capitalisation works, caused by the bankruptcy of BoP vendors and subsequent COVID-related disruptions. Additionally, delays in finalizing the Final Time Limit Extension (FTLE) for various contracts, including BTG and BoP, have further contributed to the delay in discharging UDL related to various retentions.

MSPGCL has made all-out efforts to complete the pending works and finalize the FTLE by March 2025. In view of the above, MSPGCL respectfully requests the Hon’ble Commission to approve an extension of the cut-off date to March 31, 2025, and to permit MSPGCL to approach the Commission after the discharge of liability. For schemes that are delayed beyond FY 2024-25 or UDL discharges delayed beyond FY 2024-25, MSPGCL seeks permission to submit the relevant details in the true-up petition for the respective year.