

Siva Shankar Kolluri

From: Siva Shankar Kolluri
Sent: Friday, October 10, 2025 6:54 PM
To: Borra Prasanna (IND)
Cc: Capex; Venkata Rajeswara Reddy; Gubbala Sivasankar Varaprasad
Subject: RE: IA Points
Attachments: RE: CAPEX Sample Selection

Hi,

The Amount is GST amount. already provide please follow the attached mail.

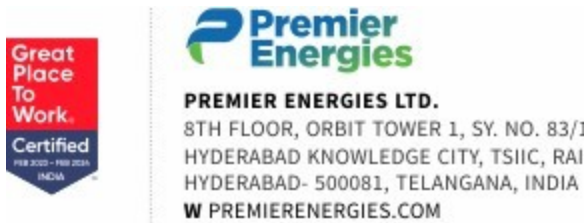
Thanks & Regards!

K.Siva Shankar

Finance & Accounts

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From: Gubbala Sivasankar Varaprasad <sivasankar.g@premierenergies.com>
Sent: Friday, October 10, 2025 6:42 PM
To: Siva Shankar Kolluri <siva.kolluri@premierenergies.com>; Venkata Rajeswara Reddy <rajeswarareddy.k@premierenergies.com>
Cc: Borra Prasanna (IND) <borra.prasanna@protivitiglobal.in>; Capex <capex@premierenergies.com>
Subject: FW: IA Points

Pls close this by giving evidence

From: Manoj Kumar Sahoo <manoj.sahoo@premierenergies.com>
Sent: Thursday, October 9, 2025 8:11 PM
To: Gubbala Sivasankar Varaprasad <sivasankar.g@premierenergies.com>
Subject: RE: IA Points

Please share the screenshot of rectification for this also...

Wrong Capitalization under Asset Code -11000024 in PEGEPL

It has been observed that additional capitalization has been made for Rs 16,335 against the same asset code. Upon further scrutiny, it was noted that the entry does not pertain to the said asset code. During our inquiry with the concerned team to identify the correct asset code for this amount, we were informed that further verification is required, and the amount will be reclassified under the appropriate asset class upon confirmation.

Thanks
Manoj Kumar Sahoo
Vice President
Premier Energies
Mobile: 98484 4000
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Compan y Code	Asset Code	Asset Description	Put to use Date	CY Acquisition Value
4000	11000024	Parking Shed	6/30/2024	2,941,064
4000	11000024	Parking Shed	7/1/2024	16,335



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From: Manoj Kumar Sahoo
Sent: 09 October 2025 19:51
To: Gubbala Sivasankar Varaprasad <sivasankar.g@premierenergies.com>
Subject: IA Points
Importance: High

[@Gubbala Sivasankar Varaprasad](#) As discussed, please provide evidences to close the points of IAs.

S.N O	FY	Process	Entity covered	Observation	Risk	Recommend ation	Management Comment
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56	2022-23	Fixed Asset Management	PEIPL	<p><u>Absence of reconciliation of Laptops issued between HR team and IT team:</u></p> <p>Out of 154 available employees, 18 were supposed to receive laptops, but only 11 were issued. Despite purchasing 8 laptops, only 4 were properly accounted for, while 4 were mistakenly procured. None of these laptops were recorded in the Fixed Asset Register, indicating inconsistencies in data between accounts, IT, and HR departments.</p>	<p>Lack of tracking/control over assets may result in Misuse of Laptops/Desktops.</p> <p>Reputational risk</p>	<p>Guidelines to be rolled out on type of POs to be selected for procurement.</p> <p>FAR to be updated timely to hold control on the assets along with capturing the model and serial number of IT assets.</p> <p>A Tracker to be maintained by IT department to have control on the IT assets holder and reconciled with FAR periodically.</p>	<p>We have started groupwise reconciliation of laptop desktop and other IT equipment to streamline company wise procurement vis-à-vis utilisation</p>
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6	APRI L- MAR' 25	FAM	PEL,PEPPL, PEIPL	<p><u>Anomalies noted in sale of assets</u></p> <p>IA observed that an old bus (registration number TS15UA0258), which has been written off in the books of PEL, has been sold for Rs. 85,000. Though there are comparative quotes from 2 customers, and the sale is made to H1 customer, the value seems to be still low on comparing the scrap value .i.e. bus unladen weight (3,630*35 = Rs 1.25 Lakhs approx.).</p> <p>The IA observed the sale of an old ramp in PEPPL, which had a net book value (NBV) of Rs. 1,27,367 as of 14th November 2024. The asset was sold as scrap on the same date. However, it was not in use for considerable period based on the images provided. Hence, this should have been written off much earlier.</p> <p>Further, the sale is asset is based on post facto</p>	Possible under value Unfit assets are carried at book value Under or Over Depreciation Charge	<p>Proper floor price to be fixed for used assets sale to ensure appropriate values fetch by the companies.</p> <p>Evaluation needs to be taken up on the assets which are not fit to use shall be taken up for written off as a prudent practice For all the second hand assets, there should be proper basis for assigning a different remaining useful life</p>	<p>The approval for sale of old ramp was received from MD during his plant visit on 14 Nov'24 verbally and sale was done on the same day, however the approval has been documented on 18 Nov'24 Physical verification is currently underway, during which non-functional assets are being identified, following which approval will be obtained for their write-off and subsequent disposal. DG Set – will be rectified</p>


				<p>approval from MD.i.e 18 Nov 2024.</p> <p>A DG Set was sold by PEL to PEGEPL on 17th December 2024, however, the remaining useful life of 87 months was wrongly updated as 84 months in PEGEPL.</p>			
7	APRI L- MAR' 25	FAM	PEL,PEGEL, PEIPL	<p><u>2. Anomalies noted in determination of useful life of the CC TV Cameras and Secondhand Vehicles</u></p> <p>It has been observed that there are inconsistencies in the determination of the useful life for CCTV cameras and secondhand cars.</p> <p>During the year, 7 no of CCTV cameras have been procured in PEL, PEGEPL and PEIPL. These assets are classified under computer equipment and the useful life is fixed at 36 months. However, the same is considered as office equipment in earlier years and the useful life is fixed at 60 months.</p> <p>Further, there were 2 secondhand cars procured in PEL and PEIPL on 22 May'2024 and 11 Sep'2024 respectively. However, the balance useful life is wrongly updated by 8 and 33 months</p>	Wrong classification of assets Under or Over Depreciation Charge	<p>Classification of Assets need to be done in line with the Sch II of the companies Act and consistently applied for all the group companies.</p> <p>For all the second hand assets, there should be proper basis for assigning a different remaining useful life.</p>	Will be rectified


8	APRIL-MAR'25	FAM	PEL,PEPPL, PEIPL	<p><u>Payroll Cost not capitalized in books of accounts as per IND AS.</u></p> <p>IA noted that payroll costs amounting to INR 16.14 lakhs were capitalized in the month of Jun'24 towards PEGEPL 1GW module project. The employees were noted to be from production, maintenance, technical and utility departments.</p> <p>On further review, IA observed that payroll costs amounting to INR 5.11 lakhs for April 2024 and INR 8.40 lakhs for May 2024 were paid to employees from abovementioned departments, and hence the cost is directly attributable to creation of asset, however the same were not capitalized in books of accounts.</p>	Risk of undervaluation of asset due to non-capitalization of interest cost. Risk of inaccurate financial reporting.	Strengthen the process to maintain project-wise employee allocation on monthly basis to ensure accurate determination of payroll costs eligible for capitalization.	This was inadvertently missed, the amount was minimal will take CFO approval to expense off. Going forward review mechanism will be strengthened.
9	APRIL-MAR'25	Subsidiaries	PPGPL	<p><u>1. No formal budget/Board resolution against the ASRS project:</u></p> <p>On review of books of accounts, it was observed that a construction project (Automatic Storage and Retrieval System) has been initiated. On discussion with the team, it was noted that there is no formal approval budget or board resolution in place at the time of commencement of the project.</p> <p>Also noted that an internal order (No: 1000442) was created in SAP for which an expenditure was incurred and accounted in books amounting to INR 36,98,852. But there is no budget allocated in SAP against the internal order.</p> <p>Further, purchase orders were created in the system against the vendors such as Craftsman Automation Ltd, Econstruct</p>	Absence of budget approval may result on cost overruns. Absence of comparative quotes may result in higher procurement costs.	Management approval on the project go ahead along with the budget clearance needs to be ratified. Justification for single quote purchases may please be documented if there is no comparative quotations.	At the time of initiating the project, PPGPL was not yet operating on the SAP system. We have recently transitioned PPGPL to SAP, and as part of this migration, certain internal orders (IOs) were created before budget allocation processes were fully integrated. We acknowledge the gap and confirm that going forward, all internal orders will have proper budget allocation in SAP prior to incurring expenditures. We are also in the

				design and building, Gandhi Automation Pvt., for which there is no comparative quotations.			process of updating the current IO with the appropriate budget.
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Thanks & Regards,
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