



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004

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ABSTRACT

Renewal of Credit limit of ₹75 Crore from M/s Tamilnad Mercantile Bank Limited, Thiruvananthapuram - Sanctioned - Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O. (FTD) No.138/2024 (E.20219/Fin2(B)/TMB/IB/OD-WCDL/2023-24) Thiruvananthapuram.

Dated:05-04-2024

Read :

- (1) B.O.(FTD) No.106/2023 (Fin.2(B)/TMB/IB/OD-WCDL/2022-23 dated 04.03.2023.
- (2) Letter No.Fin2(B)/TMB/IB/OD-WCDL/2022-23 dated 08.09.2023 of the Financial Adviser.
- (3) Sanction letter dated 01.03.2024 of the Chief Manager, Tamilnad Mercantile Bank Limited, Thiruvananthapuram.
- (4) E Office Note No.E.20219/Fin2(B)/TMB/IB/OD-WCDL/2023-24 dated 19.03.2024 of the Financial Adviser, KSEBL submitted to Full Time Directors (Agenda No.02-04/2024).

ORDER

Kerala State Electricity Board Limited had availed a credit facility of Rs.75,00,00,000/- (Rupees Seventy Five Crore only) in the form of Overdraft with WCDL sub-limit facility of Rs.75,00,00,000/- (Rupees Seventy Five Crore only) from M/s Tamilnad Mercantile Bank Limited as per B.O read as 1st above. The validity of the facility has expired on 27.12.2023.

M/s Tamilnad Mercantile Bank as per letter read as 2nd above was requested to enhance and renew the credit facility for further period of 1 year.

M/s Tamilnad Mercantile Bank Limited now as per letter read as 3rd has sanctioned the renewal of the Overdraft facility for a further period of one year with WCDL sublimit of Rs.75,00,00,000/- (Rupees Seventy Five Crore only) at an interest rate of 9.60% (MCLR – Oct 23-9.60% + CRP – 0.00% + BSS – 0.00%) for OD facility and 8.30% (MCLR 7.75%+CRP-0.55%) for WCDL sublimit presently.

Some of the salient features of the terms and conditions in the sanction letter are:

Terms and Conditions

Nature of Limit/s and Amount	Overdraft (Clean) Rs.75,00,00,000/- (Rupees Seventy Five Crore Only) Sublimit : WCDL – Rs.75,00,00,000/- (Rupees Seventy Five Crore Only)
Purpose	Working Capital
Period	Overdraft – One Year WCDL – One Month to three months
Rate of Interest	OD-9.60% (MCLR – Oct 23-9.60% + CRP – 0.00% + BSS – 0.00%) WCDL-8.30% (presently)
Processing Charges, Documentation Charges	Nil

Security Particulars

Primary / Collateral Security	: Nil
Personal / Corporate Guarantee	: Nil

SANCTION TERMS AND CONDITIONS

The working capital facilities sanctioned to the company is to be utilized for the genuine working capital requirements only

2% penal interest in to be charged for non-renewal of credit rating on or before expiry of rating.

General Terms and Conditions:**Pre-disbursement Conditions:**

1. Bank reserves the right to vary the spread at any point of time, by giving due notice to the borrower.
2. Sanction is valid for a period of 2/3 months only. Subsequently, the bank reserves the right to refuse revalidation. On revalidation, bank reserves the right to change the terms and conditions including rate of interest based on the review of the proposal at the time of revalidation.
3. The Company shall submit Auditor's Certificate to the effect that the present and proposed borrowings as per this sanction are within the borrowing powers of the Company.

POST DISBURSEMENT CONDITIONS:-

1. Working capital facilities sanctioned to the company is to be utilized for the genuine working capital requirements only.
2. The borrower shall submit
 - a. Provisional financial statement within one month from the date of balance sheet.
 - b. Audited financial statements within three months from the date of balance sheet.
 - c. Quarterly/Half-yearly unaudited performance statement within one month.
 - d. The company should submit Due diligence report certification from a practicing company secretary regarding compliance of various statutory prescriptions that are

in vogue.

3. Interest will be charged on the last working day of the month on per annum payable on monthly basis or as prescribed by Reserve Bank of India/Bank and shall be serviced immediately and not exceeding 7 days.

Commitment Charges

The bank will levy commitment charges @ 0.25% per annum on monthly basis on the unutilised portion on Overdraft and overdraft facility wherein the average utilisation of credit limit is below 50% of the drawing power (maximum drawing power is restricted to sanctioned limit) during a calendar month or part.

Prepayment Charges

In case of limits taken over by other bank, working capital limit under TMB Traders and Services Scheme, pre-payment penalty of 2.00% of the limit or outstanding whichever is higher to be levied at the time of takeover by another bank.

Regarding MCLR

- a. The MCLR will be reset at the end of one year from the date of disbursement (partial/full).
- b. On the date of reset only the MCLR will change. The spread will not undergo any change unless there is downgrade in the risk profile of the borrower and property study has been done.

The Financial Adviser in the Note read as 4th above has opined that in the last financial year, the facility was availed as WCDL and at the reduced rate. Since funds are urgently required for meeting the cash flow mismatch and considering the rate of interest offered, it was recommended for the renewal of the Overdraft Facility of Rs.75,00,00,000/- (Rupees Seventy Five Crore Only) sanctioned by M/s Tamilnad Mercantile Bank Limited at an interest rate of 9.60% (MCLR – Oct 23- 9.60% + CRP –0.00% + BSS – 0.00%) with WCDL sub-limit facility of Rs.75Crore @ 8.30% (MCLR-Feb'24-7.75%+CRP-0.55%+BSS-Nil) presently and avail the limit as WCDL for 1 month period each. The availment shall be as WCDL for one month period during the entire period based on the fund requirements to minimise the interest burden.

Having considered the matter in detail, the Full Time Directors resolved to accord sanction for the following.

1. To accept the offer of renewal of the Overdraft facility of Rs.75,00,00,000/- (Rupees Seventy Five Crore Only) for a period of one year @ 9.60% (MCLR – Oct 23-9.6% + CRP – 0.00% + BSS – 0.00%) for OD and 8.30% (MCLR-Feb'24-7.75%+CRP-0.55%BSS-Nil) presently for WCDL (sublimit of OD) and avail credit facilities, as per the terms and conditions of sanction letter of Tamilnad Mercantile Bank Limited dated 01.03.2024.
2. To ratify the action in continuing the availment of WCDL of Rs.75 crore from M/s Tamilnad Mercantile Bank Limited after the expiry of validity period to till date as per terms and

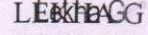
conditions of the previous sanction.

3. To authorise the Senior Finance Officer to sign and execute the necessary documents on behalf of Kerala State Electricity Board Limited in this regard with M/s Tamilnad Mercantile Bank Limited, Thiruvananthapuram.
4. To authorise the Company Secretary for filing/modifying the charge with Registrar of Companies.
5. To affix the common seal of the Company in the required documents, in the presence of Director (Finance).

Orders are issued accordingly.

By Order of the Full Time Directors

Signed by

L. K. H. G.

COMPANY SECRETARY

Date: 05-04-2024 16:49:34

To:

The Financial Adviser, K.S.E. Board Ltd

Copy to:

The Company Secretary / Chief Engineer (IT,CR&CAPS) / Financial Advisor / LA&DEO / Chief Internal Auditor / Chief Vigilance Officer

The TA to the Chairman & Managing Director / Director (Generation-Civil) / Director (Distribution, Safety, SCM & IT) / Director (Transmission, SO & Planning) / Director (Generation - Electrical, REES, SOURA, Sports & Welfare)

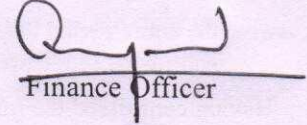
The PA to the Director (Finance & HRM)

The Sr.CA to the Secretary (Administration)

The RCAO/ RAO

Stock File.

Forwarded / By Order


Finance Officer