



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 Rs.75 Crore from M/s Tamilnad Mercantile Bank Limited, Thiruvananthapuram - Sanctioned - Orders issued.

Corporate Office (Finance)

BO (FTD)No.106/2023(Fin2(B)/TMB/IB/OD-WCDL/2022-23) Thiruvananthapuram, Dated: 04.03.2023

- Read: 1. B.O. (FTD) No.893/2021 (No.Fin.2(B)/TMB/OD/WCDL/2021-22 dated 01.12.2021.
2. Letter No.Fin2(B)/TMB/OD/WCDL/2021-22(19) dated 07.10.2022 of the Financial Adviser.
3. Sanction letter dated 01.02.2023 of the Chief Manager, Tamilnad Mercantile Bank Limited, Thiruvananthapuram.
4. Note No. Fin2(B)/TMB/IB/OD-WCDL/2022-23 dated 17.02.2023 of the Financial Adviser, KSEBL submitted to the Full Time Directors (Agenda No.4/3/23).

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 sublimit 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 had expired on 14/11/2022.

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 as per letter read as 3rd above 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 10.60% (MCLR – Oct'22- 8.75%+CRR–1.50%+BSS–0.35%) for Overdraft facility and 8.15% (MCLR-Feb'23-7.75%+CRR-0.40%+BSS- Nil) for WCDL sublimit.

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
Rate of Interest	OD-10.60% (MCLR – Oct 22 - 8.75% + CRR – 1.50% + BSS –0.35%) WCDL-8.15% (MCLR:Feb'23 – 7.75% + CRR – 0.40% + BSS- Nil)
Processing Charges,	Nil
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. The KSEBL shall provide an "End Use Certificate" from the Chartered Accountant.
2. The KSEBL 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. 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 working capital limit, pre-payment penalty of 1.0% 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 down grade in the risk profile of the borrower and property study has been done.

(c) 2% penal interest is to be charged for non-review of credit rating on or before expiry of rating.

The Financial Adviser in the note read as 4th above has opined that since funds are urgently required for meeting the cash flow mismatch and considering the rate of interest offered, 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 10.60% (MCLR-Oct'22-8.75%+CRR-1.50%+BSS-0.35%) with WCDL sublimit facility of Rs.75Crore @ 8.15% (MCLR-Feb'23-7.75%+ CRR-0.40%+BSS-Nil) presently and avail the limit as WCDL for 1 month period each may be accepted. 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 of KSEBL in its meeting held on 01.03.2023:

1. Resolved to accord sanction 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 @10.60% (MCLR-Oct'22-8.75%+CRR-1.50%+BSS-0.35%) and WCDL (sublimit of OD) @ 8.15%(MCLR-Feb'23-7.75%+CRR-0.40%BSS-Nil) presently and avail credit facilities, as per the terms and conditions of sanction letter of M/s. Tamilnad Mercantile Bank Limited, Thiruvananthapuram dated 01.02.2023.
2. Further resolved to ratify the action of Financial Adviser in continuing the availment of WCDL of Rs.75 Crore from M/s Tamilnad Mercantile Bank Limited after the expiry of validity period of credit facility till date as per terms and conditions of the previous sanction.
3. Further resolved 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. Further resolved to authorise the Company Secretary for filing creation of charge

with Registrar of Companies.

5. Further resolved to accord sanction to affix the common seal of the Company in the required documents, in the presence of Director (Finance).

Further resolved to pass the appended resolution in this regard with or without modification.

Order are issued accordingly.

**By Order of the
Full Time Directors**

sdt

**LEKHA G
Company Secretary**

To:

The Financial Adviser, KSEB Ltd.

Copy to: The Chief Internal Auditor/ Company Secretary/ Chief Vigilance Officer / Legal Adviser & Disciplinary Enquiry Officer
The TA to Chairman & Managing Director/ Director (REES, Soura, NILAVU Project, Sports and Welfare)/ Director (Distribution, IT & SCM)/ Director (Trans., System Operation, P&S) / Director (Generation (Electrical & HRM)/ Director (Generation-Civil)
The PA to Director (Finance)
The Senior CA to Secretary (Administration)
Stock File.

Forwarded / By Order



Assistant Finance Officer