



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office : Vydyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004, Kerala

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### Abstract

Availing of Working Capital Demand Loan of ₹200Crore from Bank of Baroda - Sanctioned – Orders issued.

### **CORPORATE OFFICE (FINANCE WING)**

B.O (FTD) No. 658/2021/Fin.2(B)/BOB/WCDL/2021-22 Thiruvananthapuram, Dated:16.09.2021

- Read: 1) B.O. (FTD) No.89/2021 (Fin.2(B)/BOB/WCDL/2020-21) Tvpm dated 1.2.2021.  
2) Sanction Letter No. PALAYA/ADV/KSEB/ STL/July/2021-22 dated 19.7.2021 of the Assistant General Manager, Bank of Baroda, Thiruvananthapuram, Palayam Branch.  
3) Note No. Fin.2(B)/BOB/WCDL/2021-22 dated 13.08.2021 of the Financial Adviser, KSEBL.( Agenda No. 22/9/21).

### ORDER

Kerala State Electricity Board Limited had availed a Working Capital Demand Loan of ₹200,00,00,000/- at rate of interest of 7.85% from M/s Bank of Baroda as per BO read as 1<sup>st</sup> above . The validity of the above credit facility was for a period of 180 days and was closed on 30.7.2021

Now M/s Bank of Baroda vide sanction letter read as 2<sup>nd</sup> above has sanctioned the renewal of WCDL for ₹200,00,00,000/- for a further period of 6 months as follows:

Rate of Interest	Applicable rate of Interest is 8.95%, per annum with monthly rests i.e. 1Y MCLR+SP+1.35%( Current 1Y MCLR 7.35% and Strategic premium 0.25%)
Moratorium	NA
Processing Charges	NA
Upfront Charges	NA
Deviation Charges	NA
Details of Securities offered	Primary – Clean ,Collateral - clean

## **Documents**

1. LDOC 1 Attestation Memo
2. LDOC 2 DP Note for Company
3. LDOC 57 Letter of installment with acceleration clause
4. Declaration Cum Undertaking

## **Terms and Conditions:**

The facility is granted for a period of 180 days, subject to annual renewal, the Bank reserves the right to recall the facility or alter the terms and conditions at any time, during the currency of the facility. Bank also reserves the right to discontinue the facility/advance and to with-hold /stop any disbursement, without giving any notice in case of non-compliance/breach of any of the terms and conditions stipulated herein, or any information/particulars furnished to KSEBL found to be incorrect or in case of any development or situations wherein in the opinion of the Bank, its interest will be/ is likely to be prejudicially affected by such continuation or disbursements.

On renewal of the credit facilities of ₹320,00,00,000/- Overdraft and ₹400,00,00,000/- WCDL from Bank of Baroda, there was an increase in the rate of interest to 9% which was to be made effective for OD from 01/03/2021 and for WCDL from the date of renewal. This sanction was approved by the Board vide B.O. No.406/2021 (Fin.2(B)/BOB/OD/ STL/2021-22) dated 28/05/2021. The first tranche of WCDL of ₹200,00,00,000/- (Rupees Two Hundred Crore only) was closed on the due date of 30/07/2021 and has not been re-availed considering the higher rate of interest. The second tranche of ₹200,00,00,000/- is due for payment on 23/08/2021. KSEBL had availed a Short Term Loan of ₹500,00,00,000/- from IREDA on 20/07/2021. If the WCDLs from Bank of Baroda are not availed after closure on due dates, the net cash inflow after the availment of STL from IREDA would be only ₹100,00,00,000/-, which would have an adverse impact on the cash flow in the current situation. Bank of Baroda has been requested to review the interest rates by allowing 6 months MCLR rates without 'strategic premium' of 0.25 percent and margin spread and to restore rate of interest to present rate(i.e., 7.85%).The bank is yet to respond to our request.

The Financial Adviser as per note read as 3<sup>rd</sup> above, has recommended to avail the credit facilities offered by M/s Bank of Baroda for a further period of 6 months as per the above terms and conditions for meeting the working capital requirement.

Having considered the matter in detail ,the Full Time Directors in its meeting held on 10.09.2021.

- 1) Resolved to accord sanction to avail the Short Term Loan of ₹200,00,00,000/- from Bank of Baroda for a further period of 6 months at an interest rate of 8.95% per annum, i.e, 1 year MCLR (i.e. 7.35% at present) + Strategic premium of 0.25% +1.35% margin and as per the terms and conditions of sanction letter dated 19/7/2021 of Assistant General Manager, Bank of Baroda, Thiruvananthapuram Palayam Branch.
- 2) Further resolved to authorize the Financial Adviser to sign and execute the necessary documents on behalf of KSEBL in this regard with M/s Bank of Baroda.
- 3) Further resolved to affix common seal of the company on the required documents in the presence of Director (Finance)

Orders are issued accordingly,

By Order of the Full Time Directors  
Sd/-

**Lekha. G**  
Company Secretary (in-charge)

To

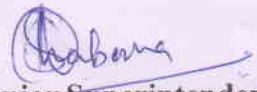
**The Financial Adviser, K.S.E. Board Ltd.**

Copy to:

The Chief Internal Auditor.  
The TA to Chairman & Managing Director / Director ( HRM) / Director (Distribution&IT )/Director (Transmission & System Operation ) / Director (Generation (Electrical) / Director (Generation-Civil)/ Director (REES, Soura, Sports & Welfare)  
Director (Planning, Safety & SCM),  
The PA to Director (Finance) /Secretary (Administration).  
The Chief Vigilance Officer / The Legal Adviser & Disciplinary Enquiry Officer.  
The Chief Engineer (IT) / The Company Secretary-in-charge.  
The Faircopy Superintendent, O/o the Secretary (Administration) by E-mail through EDP Section / Stock File.

AG/14/09/21/15:39:11

Forwarded / By Order

  
**Senior Superintendent**