



## 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

Renewal of Credit limits of ₹850Crore availed from M/s Canara Bank– Sanctioned – Orders issued.

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

B.O.(FTD)No.591/2021(No.Fin.2(B)/Canara/OD/WCDL/2021-22)Thiruvananthapuram,

Dated: 10/08/2021

- Read: 1. Sanction Memo 1981:2019-20 dated 03.02.2020 of Assistant General Manager, Canara Bank, Cantonment Branch, Thiruvananthapuram.
2. B.O (FTD) No.290/2020(Fin 2(B)/Canara/OD/WCDL/2019-20 TVPM dated 23.04.2020
3. Letter No. Fin 2(B)/Canara Bank/2020-21 dated 16.01.2021 of the Financial Adviser
4. B.O(FTD)No.486/2021 (Fin.2(B)/Canara/Extension/Renewal/ ODC/2021- 22 dated 30/06/2021.
5. Sanction Memo TRV-237/LBA-40/KSEB/ 2021 /NVS dated 22.07.2021 of the Assistant General Manager, Canara Bank, Specialised Large Corporate Branch, Thiruvananthapuram.
6. Note No. Fin.2(B)/Canara/OD/WCDL/2021-22 dated 02.08.2021 of the Financial Adviser, KSEBL (Agenda 32/8/21).

### ORDER

Kerala State Electricity Board Limited had availed an Overdraft facility of ₹750,00,00,000/- (Rupees Seven Hundred and Fifty Crore only) offered by M/s. Canara Bank for a period of one year (tenable till 28.01.2021) at one year MCLR of Canara Bank i.e. 8.35% + 0.90%, the effective rate being 9.25% per annum and the WCDL sublimit of ₹750,00,00,000/- (Rupees Seven Hundred and Fifty Crore only) at one month MCLR( presently 7.90%)per annum as per B.O read as 2<sup>nd</sup> above. The validity of the facilities expired on 28.01.2021.

M/s. Canara Bank, as per letter read as 3<sup>rd</sup> above was requested to enhance and renew the credit facility for a further period of one year.

KSEB had renewed the credit facilities of ₹100,00,00,000/- (Rupees One Hundred Crore only) offered by M/s. Canara Bank (e-Syndicate) for 1 year at one month MCLR @7% as per BO read as 4<sup>th</sup> above. The credit facilities availed from Canara Bank, Cantonment Branch were transferred to Specialised Large Corporate Branch.

M/s. Canara Bank, as per sanction letter read as 5<sup>th</sup> above has permitted the renewal of working capital limits (Fund Based Clean) of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) with WCDL sublimit of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) and RILC/BG (Non fund based) sublimit of ₹250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) within the sanctioned limit of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) for a further period of 1 year tenable till 15/07/2022. Rate of interest for OD at one year MCLR i.e., 7.35% p.a + 0.90% p.a, effective rate being 8.25% and WCDL at tenor based MCLR (i.e. for 1 month -6.70%, 3 month -6.95%, 6 month-7.30% , 1 year -7.35%).

The salient features of the sanction are as follows.

Nature of limit	Amount in ₹ Crores	
	Existing	Permitted
<b>Canara Bank &amp; e-Syndicate Bank:</b>		
<b>Fund Based:</b>		
OD (Clean)	850.00	850.00
Sub-limit:		
WCDL	(850.00)	(850.00)
<b>Total FB</b>	<b>850.00</b>	<b>850.00</b>
<b>Non Fund Based as sub-limit to FB</b>		
Sub-limit: RILC/BG	(250.00)	(250.00)
<b>Total NFB</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL FB + NFB</b>	<b>850.00</b>	<b>850.00</b>

Particulars	Applicable	Existing	Lead Bank Rate/highest rate in the consortium	Permitted
Margin:				
<b>Fund Based</b>	25.00%	Nil	--	Nil
<b>Non Fund Based (cash Margin)</b>				
RILC/BG	25.00%	25.00%	--	25.00%
<b>Rate of Interest:</b>				
OD	One Year MCLR (Jan'2021: 7.35% p.a. i.e. prevailing as on the date of original tenability) + 4.90% p.a. + 1.00% (unsecured) <b>i.e. 13.25% p.a.</b> [As applicable for 'CNR VIII & BBB rated Accounts]	Canara: One Year MCLR (Dec'2019: 8.35%) + 0.90% <b>i.e. 9.25% p.a.</b> e-Syndicate: One Year MCLR (Aug'2020: 7.45%) + 1.80% <b>i.e. 9.25% p.a.</b>	--	One Year MCLR (Jan'2021: 7.35% p.a. i.e. prevailing as on the date of original tenability) + 0.90% p.a. <b>i.e. 8.25% p.a.</b>  [i.e. existing spread to continue]
WCDL	Tenor Based MCLR + 4.90% p.a. + 1.00% p.a. [As applicable for 'CNR VIII & BBB rated Accounts]	Tenor based MCLR	--	Tenor based MCLR

<b>Commission:</b>				
ILC/BG	As Applicable	Canara: 85% concession in Applicable charges e-Syndicate: Not Applicable	--	15% of Applicable charges
Commitment Charges	1% p.a. on entire unutilized portion on a quarterly basis [If the average utilization during the quarter is less than 50%]	Waived	--	As Applicable
Processing charges	₹400/- per lakh i.e. ₹3.40 crore. [Moderate Risk rated Account]	₹10.00 Lakhs	--	₹10.00 Lakhs [i.e. existing to continue]
Documentation Charges	Flat ₹1,00,000/-	Waived	--	As Applicable i.e. Flat ₹1,00,000/-
Pre-payment penalty	As Applicable	Waived	--	As Applicable

Sanction terms permitted

		Existing	Permitted
1.	Stock statements/Book Debt/Monthly Select Operational Data statements a)Our Format (or) Lead Bank format b)Simplified (or) Detailed	Not Applicable (Clean OD)	Not Applicable (Clean OD)
2.	Periodicity		
3.	Due date for submission		
4.	Periodicity of inspection		
5.	Type of Letter of Credit a) Revolving/Non revolving b) Clean c) Standby	Irrevocable a) Revolving LCs b) Clean c) Nil	Existing to continue
6.	Period of Letter of Credit a) Inland Letter of Credit b) Foreign Letter of Credit	a) Revolving weekly/ monthly b) --	Existing to continue
7.	Usance for Letter of Credits a) Inland Letter of Credit b) Foreign Letter of Credit	Nil --	-- --
8.	Period of Bank Guarantee	3 years including claim period of 6 months	Existing to continue
9.	Purpose of Bank Guarantee	Issuing in favour of state distribution utilities for participating in e-bidding	Existing to continue
10.	Others: Age of Book Debts PC Period Usance for Export Bills	-- -- --	-- -- --
11.	Period of BG Trade credit / Standby LC	--	--

## **SECURITY DETAILS:**

- a) **Primary : For OD (Clean) & RILC Limit:** Pari-Passu 1<sup>st</sup> Charge on Escrow account maintained with Canara Bank and with other Banks under MBA.
- b) **Collateral: NIL**
- c) **Other comforts:**
- i. Personal Guarantee: Nil (Waived)
  - ii. Corporate Guarantee: Nil
  - iii. Post Dated Cheques or any other comfort to be specified: Nil
  - iv. Availability of ECGC/Policy, Credit Guarantee Fund Scheme for Micro & Small Enterprises: Not Applicable
- d) **Existing Permissions:**
- Permitted continuation of the following permissions:
1. Waiver of personal guarantee of nominee directors on the Board.
  2. Waiver of penal interest for non-submission of QOS / HOS.
  3. Waiver of penal interest for delayed submission of Audited Balance Sheets.

The Financial Adviser in the note read as 6<sup>th</sup> above has opined that, since Kerala State Electricity Board Limited is in need of funds for working capital requirement, and the rate of interest is reasonable, the renewal of Overdraft facility of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) at 1 year MCLR + 0.90%, presently 8.25% (7.35% + 0.90%) per annum and the WCDL sub limit of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) at 1 month MCLR, presently 6.70% per annum offered by M/s. Canara Bank, and also for meeting the power purchase payments the offer of renewal of the existing RILC facility of ₹250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) offered by M/s Canara Bank as a sub limit of Overdraft facility of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) for a further period of 1 year may be accepted, as per the sanction memo read as 5<sup>th</sup> above.

Having considered the matter in detail, Full Time Directors of KSEBL in its meeting held on 04.08.2021.

1. Resolved to ratify the action of the Financial Adviser in continuing to avail the credit facilities of ₹750,00,00,000/- (Rupees Seven Hundred and Fifty Crore only) from M/s.Canara Bank @7.90% per annum and ₹100,00,00,000/- (Rupees One Hundred Crore only) from M/s. Canara Bank (e syndicate ) @7.00% per annum, which had expired on 28.01.2021, at same rate of interest for the period from 28.01.2021 to date of renewal.

2. Further resolved to accord sanction for the following
  - a) To avail the renewed overdraft facility of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) offered by M/s. Canara Bank for a further period of one year (tenable till 15.07.2022) at one year MCLR of Canara Bank i.e. 7.35% + 0.90%, the present effective rate being 8.25% and as per the terms and conditions vide their sanction letter read above.
  - b) To avail the WCDL of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) Crore as a sub limit of the Overdraft (Clean) ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only), at
    - a. 1 month MCLR, presently 6.70% per annum, or
    - b. 3 month's MCLR presently 6.95% per annum, or
    - c. 6 months MCLR presently 7.30% per annum,
    - d. 1 year MCLR presently 7.35% per annum, as per current MCLR based interest rate of Canara Bank
3. Resolved also to continue to avail the RILC facility of ₹250,00,00,000/- (Rupees Two Hundred and Fifty Crore only) within the limit of Overdraft of ₹850,00,00,000/- (Rupees Eight Hundred and Fifty Crore only) for a period of one year (tenable till 15.07.2022) on the terms and conditions mentioned in the sanction letter read above.
4. Resolved further to authorise the Company Secretary for filing /modifying the charge with Registrar of Companies.
5. Resolved to authorise the Financial Adviser to sign and execute the necessary documents on behalf of Kerala State Electricity Board Limited in this regard with M/s. Canara Bank, Specialised Large Corporate Branch, Thiruvananthapuram.

6. Resolved to affix the common seal of the company in the required documents in the presence of Director (Finance).

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 (Distribution, IT & HRM) /  
Director (Transmission, System Operation & REES) / Director (Generation (Electrical  
and SCM) / Director (Generation-Civil),

Full Additional Charge of Sports Wing, KSEB Ltd.

Director (Planning & Safety), Full Additional Charge of SOURA/

The PA to Director (Finance) / Secretary (Administration).

The Chief Vigilance Officer / The Legal Adviser & Disciplinary Enquiry Officer.

The Deputy Chief Engineer (IT) / The Company Secretary-in-charge.

The Faircopy Superintendent, O/o the Secretary (Administration) by E-mail through EDP  
Section / Stock File.

Forwarded / By Order



**Senior Superintendent**