



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office : Vidyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004, Kerala

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Abstract

Renewal of Credit facility from M/s Federal Bank - Sanctioned – Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O.(FTD) No.405/2021(Fin.2(B)/Federal/OD/WCDL/2021-22) Dated: 28/05/2021

- Read:-
1. B.O.(FTD) No.857/2019 (Fin.2(B)/Federal/2019-20) dated 22.11.2019.
 2. B.O.(FTD) No.27/2020 (Fin.2(B)/Federal/wcdl/2019-20) dated 16.1.2020.
 3. Sanction Letter No.FB/CIB/KSEB/103000001285/2021 dated 12.04.2021 of M/s. Federal Bank, Statue Branch.
 4. Note No.Fin.2(B)/Federal/OD/WCDL/2021-22 of the Financial Adviser ,KSEBL (Agenda no37/5/21)

ORDER

Kerala State Electricity Board Limited had availed an Overdraft facility of Rs.350Crore at an interest rate of 9.15% per annum with WCDL sub limit facility of Rs.300Crore at interest rate of 8.70% per annum from M/s. Federal Bank, Statue Branch, Thiruvananthapuram and the same was approved as per Board Order read as 1st above. The periodicity of Overdraft facility was for 1 year which is valid upto 26.7.2020 and extended to till date .

The WCDL facility of Rs 300crore @ 8.70% per annum was sanctioned for a period of 26 days was availed with effect from 09.07.2019 and rolled over within 26 days upto 11.12.2019. The WCDL of Rs 300Crore was renewed wef 11.12.2019 @8.6% for a period of 180 days as per Board order read as 2nd above and WCDL rolled over within 180 days till date. On expiry of validity period, Bank intimated the renewal periodically without any proper sanction.

Now M/s. Federal Bank as per letter read as 3rd above, has sanctioned to continue the credit facilities of Rs.350crore for a further period of 12 months, valid till 22.10.2021. The salient features and terms and conditions of the credit facilities sanctioned are:

| | | |
|---------------------------|---|--|
| Nature of limit | WCDL -LDS | Overdraft (Sublimit of WCDL)-LDS |
| Purpose | To meet cash flow mismatches | |
| Amount in words | Rupees Three Hundred and Fifty Crore Only (Rs.350 Cr). | Rupees One Hundred and Forty Crore Only (Rs.140 Cr). |
| Period | 12 Months Validity till 22.10.2021 Max tenure of individual WCDL shall be 6M. | 12Months. Validity till 22.10.2021 |
| Repayment | Lumpsum on Demand | |
| Commitment Fee | Nil | |
| Rate of Interest | Cash credit -8.25% WCDL-7.65% | |
| Additional interest | 4% p.a. for each of the following deficiencies: 1.For non-compliance of terms and conditions of the sanction order. 2.Breach of Financial covenants (Capped at 4%) | |
| Prepayment charges | Nil | |
| Additional Penal Interest | For accounts getting classified in SMA1/SMA2 category: SMA 1 Category - 0.50% p.a. over and above existing penal interest 4% p.a. SMA 2 Category – 1 % p.a. over and above existing penal interest of 4% p.a. | |
| Security | Primary : Nil Collateral : Nil | |
| Guarantee | Nil | |

Pre-Disbursement Conditions

| Sl. No | Conditions |
|--------|--|
| (i) | It shall be ensured that the company does not have any statutory dues outstanding (other than those disclosed to the Bank). A certificate on the outstanding statutory dues and contingent liabilities as on a latest date shall be obtained from Authorized signatory of the Company. |
| (ii) | General conditions stipulated have to be accepted by the borrower for compliance |
| (iii) | Declaration from the borrower on the credit facilities enjoyed by them in the RBI specified format, Diligence report regarding compliance of various statutory prescriptions that are in vogue as per RBI instructions applicable to limits under MBA from CS/CA shall be obtained. |
| (iv) | KSEBL shall furnish an undertaking to the effect that the facility amount will be utilized only for meeting cash flow mismatches of the company and that the funds shall not be utilised for meeting project expenditure for which budgetary allocations are made. |

Post Disbursement Conditions

| Sl. No | Conditions |
|--------|--|
| a. | Certificate on end use of funds by CFO shall be submitted within one month of availing the loan. End use certificate from statutory auditors shall be submitted soon after completing the auditing of the company. |
| b. | KSEBL shall provide details of additional borrowings, as and when such facilities are availed and exchange of information with other lenders shall be in place. |

The Financial Adviser as per note read as 4th above has suggested to accept the credit facilities offered by M/s Federal bank for a further period of 12 months upto 22.10.2021 for meeting the working capital requirement as per the terms and conditions specified in their sanction letter read as 3rd paper.

Having considered the matter in detail the Full Time Directors in the meeting held on 17/05/2021.

- (i) Resolved to accord sanction for the renewal of Overdraft facility of Rs 350.Crore (Rupees Three hundred and fifty crore only) at an interest rate of 8.25% per annum and WCDL sub limit of Rs.340.Crore (Rupees Three hundred and forty crores only) at an interest rate of 7.65% per annum offered by Federal Bank as per Sanction Letter No.FB/ CIB/ KSEB/103000001285/2021 dated 12.04.2021 of M/s. Federal Bank, Statue Branch read as 3rd paper above.
- (ii) Further resolved to ratify the action of the Financial Adviser in continuing availment of the Credit facility of Rs.350Crore from M/s. Federal Bank after the expiry of validity period of credit limit with effect from 27.7.2020 to 22.10.2021, as per the terms and conditions of the previous sanction.
- (iii) Further resolved to authorise the Financial Adviser to sign the required documents on behalf of Kerala State Electricity Board Limited in this regard with M/s. Federal Bank, Statue Branch, Thiruvananthapuram
- (iv) Further resolved to affix the common seal of the Company in the required documents in the presence of the 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 (Distribution and IT &HRM) /
Director (Transmission & System Operation & REES) / Director (Generation-Electrical
and SCM) / Director (Generation-Civil), Full Additional Charge of Sports Wing, KEB Ltd,
Director (Planning and Safety), Full Additional Charge of SOURA The PA to Director
(Finance) / Secretary (Administration).
The Deputy Chief Engineer (IT) / The Company Secretary-in-charge / The Legal Adviser
& Disciplinary Enquiry Officer / The Chief Vigilance Officer
The Faircopy Superintendent, O/o the Secretary (Administration) by E-mail through EDP
Section / Stock File.

Forwarded / By Order


Senior Superintendent