



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office : Vidyuthi Bhavanam, Pattom,

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Abstract

Long Term Loan of ₹500Crore availed from M/s KFC – repayment of interest – Sanctioned Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O.(FTD) No.729/2020 (Fin.IVB)/KFC-LT Loan/2020-21 Thiruvananthapuram, Dtd: 04.12.2020

- Read: (1) B.O (FTD) No. 608/2020 (Fin.IVB/KFC- LT loan/20-21) Tvpmm dated 01.10.2020.
(2) Letter No. KFC/HO/616/2020-21 dated 04/11/2020 of Chairman & Managing Director, Kerala Financial Corporation.
(3) Note No. Fin.IVB/KFC-LT Loan/2020-21 dtd: 23.11.2020 of Financial Adviser (Agenda 1/12/20).

ORDER

As per the Board Order read 1st above sanction was accorded to avail a Long-Term loan of ₹500 Crore from Kerala Financial Corporation (KFC). KFC transferred the loan amount to KSEBL account on 30.09.2020. The Board vide order read above had also decided that interest shall be paid only as per actual utilisation up to 04.10.2020 and from 05.10.2020 interest shall accrue for the full amount.

As Kerala Financial Corporation had transferred the amount of ₹500 Crore to KSEBL Account on 30/09/2020 after banking hours it was not possible to utilise the amount on 30/09/2020. On 01/10/2020, KSEBL had made payments exceeding ₹550Crore and payments to the tune of ₹225.09 Crore was made from the loan availed from Kerala Financial Corporation (balance from the existing overdrafts from State Bank of India and Bank of Baroda at lower rates). Accordingly, interest of ₹3,54,10,721/- for the period up to 31/10/2020 was remitted to Kerala Financial Corporation.

Interest was not paid for ₹500 Crore for one day (30.09.2020) and for ₹274.91 Crore for the period from 01.10.20 to 04.10.20.

Kerala Financial Corporation in its sanction letter had claimed ₹3.00 Crore plus taxes as processing fee and upfront fee with a condition that the same shall be adjusted in the first disbursement. The said fee was not deducted by KFC on disbursal of the Loan. KSEBL as per order read above had agreed to avail the Loan subject to condition that the above fee is not agreeable.

The Chairman & Managing Director, Kerala Financial Corporation as per letter read above has informed that the interest payable up to 31.10.2020 is ₹3,93,55,718/- (including interest for 30.09.2020) and has requested to remit the balance amount of ₹39.45 lakhs without delay. It is also intimated that the waiver of processing fee and upfront fee totaling to ₹3,00Crore is being considered by the Board of Kerala Financial Corporation.

The Financial Adviser placed the matter before the Full Time Directors and appraised that the unutilised amount of ₹274.91Crore was parked in overdraft account bearing interest rate of 8.5%. Interest for this amount @ 9% for 4 days comes to ₹27.04.033/-. If the amount is paid KSEBL will incur a loss of ₹1.50.224/- being the differential interest of 0.5% (9% - 8.5%) excluding the interest for 30/09/2020. The interest for one day (30.09.2020) @ 9% comes to ₹12.29.508/-.

Considering that KFC is a Government of Kerala undertaking and the banking relationship with them is expected to be of long standing nature, and that the unutilised fund was parked in our overdraft accounts, Financial Adviser has recommended to consider the request of M/s Kerala Financial Corporation favourably.

Having considered the matter in detail, the Full Time Directors in its meeting held on 02/12/2020

Resolved to accord sanction

1. to remit interest at 9% for four days amounting to ₹27.04.033/- to M/s Kerala Financial Corporation which is the interest of the unutilized portion of ₹274.91Crore which was parked in the overdraft accounts having interest rate of 8.5%.
2. Further resolved that since the loan amount was credited to KSEBL account after banking hours on 30/09/2020, interest need not be paid for that day.

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 I.D.P
Section / Stock File.

Forwarded / By Order



Senior Superintendent