



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

Insuring assets of KSEBL hypothecated to M/s State Bank of India – Sanctioned – Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O.(FTD) No.536/2020 (Fin 2(B)/SBI/Insurance/2020-21

Thiruvananthapuram, Dated:19/08/2020

- Read:-1 B.O (FTD) No.856/2019 (Fin2(B)/SBI/DC/2019-20/ Thiruvananthapuram dated 22/11/2019.
- 2 G.O(P)No.428/2014/Fin Dated 01/10/2014.
- 3 Letter No.Fin2(B)/SBI/WC/VAN/2019-20 dated 26/02/2020 of the Financial Adviser to the Director, Kerala State Insurance Department
- 4 Letter No.KSID/F2/T002003605 dated 15/06/2020 of the Director of Insurance, Kerala State Insurance Department
- 5 Note. No. Fin2(B)/SBI/Insurance/2020-21 dated 27.07.2020 of the Financial Adviser (Agenda No.21/8/20).

ORDER

The Financial Adviser as per note read 5th above has informed that an overall credit limit of ₹1900Crore has been availed from M/s State Bank of India as per Board Order read as 1st above including a Corporate Term Loan of ₹950Crore for a period of 10 years.

The collateral security provided for availing the above Corporate Term Loan is First Charge on unencumbered fixed assets to cover 1.25 times the exposure and Hypothecation of specific moveable assets. Accordingly assets worth ₹1187.50Crore were hypothecated to M/s State Bank of India and charge creation done for the above.

As per the terms of the sanction of the above, all the assets charged to the Bank should be fully insured by the borrower with a company approved by the Bank in the joint names of the Bank and KSEBL.

The Government as per order read as 2nd above has directed that the entire General Insurance transaction of the Public Sector Undertakings shall be carried out only through Kerala State Insurance Department.

Accordingly as per letter read as 3rd, it was requested to Kerala State Insurance Department to inform the procedure for insuring the assets and the premium required

In response to the above, the Director of Insurance, Kerala State Insurance Department as per letter read as 4th above has informed that the premium for covering the hypothecated assets comes to the tune of ₹1.97,23,079/-+GST+flood Cess. The insurance cover will be for one year from the date of risk of first premium.

The Director of Insurance has also informed that the Department is carrying out insurance in co-insurance basis with M/s United India Insurance Company which is the lead insurer and the premium is to be remitted to United India Insurance Company.

Having considered the matter in detail the Full time Directors in the meeting held on 12/08/2020 has resolved to accord sanction for the following.

1. To insure the assets hypothecated to M/s State Bank of India as collateral security for availing the Term Loan of ₹950Crore in the joint names of State Bank of India and Kerala State Electricity Board Limited through Kerala State Insurance Department for carrying out insurance in co-insurance basis with United India Insurance Company .
2. To remit the annual premium to United India Insurance Company only after having further negotiation with the Company.
3. To authorise the Financial Adviser to sign and execute necessary documents on behalf of KSEBL with Kerala State Insurance Department.
4. To affix the common seal of the Company in the required documents in the above regard 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 (Distribution, IT & HRM) /

Director (Transmission, System Operation, Safety, Corporate Planning & REES) /

Director (Generation (Electrical) and SCM) / Director (Generation-Civil).

Full Additional Charge of Sports Wing, KSEB Ltd.

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