



## 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

Availing of Covid Emergency Line of Credit of ₹20crore from M/s. Union Bank of India - Sanctioned – Orders issued.

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

B.O.(FTD) No. 429/2020 (Fin.2(B)/UBI/CELC/2020-21) Thiruvananthapuram, Dated, 23.06.2020.

- Read:-
1. B.O.(FTD) No.440/2019 (Fin.2(B)/UBI/0D/2019-20) Thiruvananthapuram, dated 01.06.2019.
  2. Letter No. Fin.2(B)/UBI/2020-21 dated 20.04.2020 of the Financial Adviser, KSEBL.
  3. Sanction letter No. TVMM: ADV:KSEB/2020-21 dated 02.06.2020 and clarification letter dated 09.06.2020 of the Assistant General Manager, Union Bank of India, Thiruvananthapuram Main Branch.
  4. Note No. Fin.2(B)/UBI/CELC/2020-21 dated 16.06.2020 of the Financial Adviser (Agenda No.39/6/20).

### ORDER

Kerala State Electricity Board Limited has availed an overdraft facility of ₹200crore from M/s. Union Bank of India as per Board Order read as 1<sup>st</sup> above.

M/s Union Bank of India was requested as per letter read as 2<sup>nd</sup> above to sanction a Covid Emergency Loan at 10% of the existing credit limit. In response to the above, the Assistant General Manager, Union Bank of India as per e-mail read as 3<sup>rd</sup> has sanctioned a Covid Emergency Line of Credit (CELC) of ₹20crore to Kerala State Electricity Board Limited based on the following terms and conditions.

Nature of Limit	Amount proposed	Margin	Interest/Commission	Prime Security
CELC	₹20crore	NIL	8%	Hypothecation of book debts with exclusive charge of ₹20crore.

Other terms and conditions:-

1. The total repayment period is 24 months including 6 months moratorium.
2. Interest during the moratorium period to be paid as and when debited.
3. The repayment schedule of the loan for the balance 18 months post moratorium will be ₹1,11,11,111.11/- + interest per month.
4. The Company to comply with all guidelines of RBI issued from time to time.
5. The credit facility is to be used for the purpose for which it is sanctioned.
6. The facility should not be used for the adjustment/takeover of borrowings availed from other Banks/Financial Institutions. It should be utilised for business purpose like payment of statutory dues, procurement of raw materials, payment of creditors etc.
7. An undertaking to be given in regard to the end use of funds that the amount will be used for business purpose for which the original limit was sanctioned.
8. The borrower can avail the sanctioned amount in one go or in tranches. The entire loan under the scheme has to be repaid within the maximum period of 24 months including moratorium period.
9. If the loan is not repaid as per the repayment schedule, 2% penalty shall be levied.
10. Interest will be debited as and when applied. Penal interest @ 2% will be applicable for the overdue interest.
11. Records such as pre/post sales, inflow of stock & book debts, bills/vouchers if applicable, any other proof should be made available provided for audit.
12. Additional book debts of ₹20crore to be hypothecated to M/s. Union Bank of India with exclusive charge for the new loan sanctioned.

The Financial Adviser, as per note read as 4<sup>th</sup> above has recommended that considering the rate of interest offered (8%) and the repayment period of 24 months including 6 months moratorium and for meeting the financial requirements, the CELC of ₹20crore sanctioned by M/s. Union Bank of India may be accepted which is repayable in 18 instalments after a moratorium period of 6 months as per the terms and conditions of the sanction letter dated 02.06.2020 and clarification letter dated 09.06.2020 of the Assistant General Manager, Union Bank of India.

Having considered the matter in detail, the Full Time Directors in its meeting held on 18.06.2020.

1. Resolved to accord sanction to accept the offer of Covid Emergency Line of Credit (CELC) of ₹20crore at an interest rate of 8% per annum for a period of 24 months including 6 months moratorium as per the above terms and conditions.

2. Further resolved to authorise the Company Secretary for charge creation/modification corresponding to the Covid Emergency Line of Credit of ₹20crore.
3. Further resolved to authorize the Financial Adviser to sign and execute the necessary documents on behalf of Kerala State Electricity Board Limited in this regard with M/s. Union Bank of India, Thiruvananthapuram Main Branch, Statue, Thiruvananthapuram and 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, Kerala State Electricity Board Limited.**

Copy to:-

The Chief Internal Auditor.

The TA to Chairman & Managing Director/Director (Distribution, IT & HRM)/

Director (Generation-Civil), Full Additional Charge of Sports Wing, KSEB Ltd./

Director (Transmission & System Operation)/Director (Generation (Electrical) and SCM)/

Director (Planning & Safety).

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**