



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 limits from M/s. Canara Bank – Sanctioned – Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O.(FTD) No.290/2020 (Fin.2(B)/Canara/OD/WCDL/2019-20)

Thiruvananthapuram, Dated: 23.04.2020.

- Read:-
1. Office Order (DF) No.846/2018 dated 22.11.2018 and ratification B.O. No.2030/2018 dated 21.12.2018.
 2. Letter No.Fin 2(B)/Canara Bank/2019 -20 dated 17/10/2019 of Financial Adviser.
 3. Sanction Memo 1981:2019-20 dated 03.02.2020 of Assistant General Manager, Canara Bank, Cantonment Branch, Thiruvananthapuram.
 4. Note No.Fin.2(B)/Canara/OD/WCDL/2019-20 dated 12/03/2020 of the Financial Adviser, Kerala State Electricity Board Limited (Agenda No.56/3/20).

ORDER

Kerala State Electricity Board Limited had availed an Overdraft facility of ₹750crore with WCDL sub limit of ₹750crore/RILC facility of ₹250crore as interchangeable limit from M/s. Canara Bank as per Orders read as 1st above. The validity of the facilities expired on 29.10.2019.

M/s. Canara Bank, was requested as per letter read 2nd above to enhance and renew the credit facility for a further period of one year.

M/s. Canara Bank, as per sanction letter read as 3rd above has permitted the renewal of working capital limits (Fund Based Clean) of ₹750crore with WCDL sublimit of ₹750crore and RILC/BG (Non fund based) sublimit of ₹250crore within the sanctioned limit of ₹750crore for a further period of 1 year tenable till 28.01.2021 at Bank's one year MCLR i.e., 8.35% at present + 0.90%, effective rate being 9.25% with annual reset.

The terms and conditions as per the sanction letter is as follows.

Fund Based Working Capital Limit

Nature of Limit	Overdraft - Clean
Limit	₹750crore (Rupees Seven Hundred and Fifty Crore Only)
Nature of Sub limit	WCDL
Amount	₹750crore (Rupees Seven Hundred and Fifty Crore Only)
Margin	Nil
Purpose	To Meet Working Capital Requirement of the Company
Rate of Interest	Overdraft Limit: 9.25% (One Year MCLR i.e. 8.35% presently + 0.90%) with annual reset. WCDL (Tenure -1/3/6 months): 1 month MCLR – 7.90% per annum presently 3 month MCLR – 8.20% per annum presently 6 month MCLR - 8.35% per annum presently
Processing charges	Waived
Documentation and Commitment charges	Waived
Stock Statements/BD/MSOD Statement	Not applicable (clean Overdraft)
Type of LC/Purpose of LC a) Revolving/Non revolving b) Clean c) Standby d) Purpose e) Advising Bank	Irrevocable Revolving LCs (Revolving Weekly/Monthly) Clean Nil Procurement of Power Canara Bank/SBI
Period of LC a) ILC b) FLC	Revolving weekly/Monthly --
Usance for LCs a) ILC b) FLC	NIL --
Period of Bank Guarantee	3 Years including claim period of 6 months
Purpose of Bank Guarantee	Issuing in favour of State Distribution Utilities for participating in e-bidding
Others: (Eg. PC period/Usance for bills limits, age of book debts, etc..)	Not applicable
Margin for RILC BG	25% 25%
Beneficiaries for RILC	Power Generating/Transmitting Companies such as NTPC/NLC/NPC/PGCIL
Date of payment	On presentation of the Bill.
Beneficiaries for Bill	State Distribution Utilities.

Details of Securities

a) Primary : For the Overdraft Limit & RILC Limit

Pari Passu I Charge on the Escrow Account maintained with M/s. Canara Bank and with other member banks in MBA.

Collateral: Nil

Conditions for WCDL

- a. The total exposure under WCDL facility shall not exceed ₹750.00crores.
- b. The due date of repayment of any tranche shall be coinciding with the ROI tenor of the particular tranche.
- c. Availment of WCDL facility in tranches with period of WCDL being 7 days and maximum 365 days.
- d. In case WCDL is prepaid, no fresh WCDL will be permitted during the current of WCDL originally permitted (ostensible due date).
- e. Liability under Overdraft (Clean), WCDL & RILC/BG put together should be within the sanctioned limit of ₹750crores of drawing power whichever is lower.

The Financial Adviser as per note read as 4th above has recommended to accept the renewal of Overdraft facility of ₹750crore at 1 year MCLR + 0.90%, presently 9.25% (8.35% + 0.90%) per annum and the WCDL sub limit of ₹750crore at 1 month MCLR, presently 7.90% per annum offered by M/s. Canara Bank as per the terms and conditions mentioned above, since Kerala State Electricity Board Limited is in need of funds for working capital and the rate of interest offered is reasonable.

The Financial Adviser has also recommended to accept the offer of renewal of the existing RILC facility of ₹250crore offered by M/s. Canara Bank within the limit of Overdraft facility of ₹750crore for a further period of 1year and as per the terms and conditions mentioned above for meeting the power purchase requirement.

Having considered the matter in detail, the Full Time Directors in the meeting held on 20/03/2020. Resolved to accord sanction for the following.

1. To continue to avail the renewed overdraft facility of ₹750Crore (Rupees Seven Hundred and Fifty Crore only) offered by M/s. Canara Bank for a further period of one year (tenable till 28.01.2021) at one year MCLR of Canara Bank i.e. 8.35% + 0.90%, the present effective rate being 9.25% and as per the terms and conditions vide their sanction Memo No.1981/201920 dated 03/02/2020.
2. To avail the WCDL of ₹750crore as a sub limit of the Overdraft (Clean) of ₹750crore at 1 month MCLR, presently 7.9% per annum.
3. To continue to avail the RILC facility of ₹250crore (Rupees Two Hundred and Fifty Crore Only) within the limit of Overdraft of ₹750crore for a period of one year (tenable till 28.01.2021) on the terms and conditions mentioned in the sanction letter dated 03/02/2020.

4. 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, Cantonment Branch, Thiruvananthapuram.
5. To affix the common seal of the Company in the required documents 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, Kerala State Electricity Board Limited.

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