



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004

CIN: U40100KL2011SGC027424

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ABSTRACT

Renewal of credit facilities - Fund based and Non Fund Based Working Capital Limits of Rs.3100 Crore from M/s. State Bank of India - Sanctioned - Orders issued.

CORPORATE OFFICE-FINANCE

BO (FTD)No.385/2023(Fin 2(B)/SBI/Renewal Credit Thiruvananthapuram, Dated: 08.08.2023 Limit/2023-24)

- Read: 1. B.O. (FTD) No.238/2022 (Fin.2(B)/SBI/Renewal of credit limit/2020-21 dated 29.03.2022.
2. Letter No.Fin.2 (B)/SBI/Renewal/Credit limit/2021-22(17) dated 01.03.2023 of the Financial Adviser.
3. Sanction Letter No. ADV/SL/KSEBL/1389/22-23 dated 03.04.2023 of the Assistant General Manager & Relationship Manager, State Bank of India, Commercial Branch, Ernakulam.
4. E mail dated 12.04.2023 from the Assistant General Manager, State Bank of India.
5. Letter No.Fin2(B)/SBI/Renewal Credit Limit/2021-22(22) dated 08.06.2023 & 15.06.2023 of the Financial Adviser.
6. Letter from the Assistant General Manager and Relationship Manager, SBI dated 19.06.2023.
7. Note No. Fin2(B)/SBI/Renewal Credit Limit/2023-24 dated 04.07.2023 of the Financial Adviser, KSEBL to the Full Time Directors (Agenda 23/07/23).

ORDER

Kerala State Electricity Board Ltd is having an overall credit facility of Rs.3150,00,00,000/- (Rupees Three Thousand One Hundred and Fifty crore only) from State Bank of India in the form of Working capital and Term Loan availed as per B.O read as 1st above. Since the validity of the credit facility was due for renewal on 02.03.2023, KSEBL as per letter read as 2nd above had requested for renewal of the credit limits. State Bank of India as per sanction letter read as 3rd above had sanctioned the renewal of overall credit facility of Rs.3100,00,00,000/- (Rupees Three Thousand and One Hundred Crore only). State Bank of India as per e mail read as 4th above had informed that the renewal of credit facility was due on 02.03.2023 and the existing rate of interest for overdraft facility is valid up to 02.03.2023. Hence the interest rate was changed from 8.50% to 9.25% per annum with effect from 03.03.2023 based on the present rate of 6 months MCLR (8.40% + 0.85%) till 03.04.2023, the date of new sanction.

Some of the salient features of the sanction are as follows:

Nature of Facility

(Rs.in Crore)		
Sl. No.	Facility	Limit
FB Limits		
(i)	Cash Credit (Secured)	500.00
Total FBC Limits		500.00
(ii)	Corporate Loan (Present O/s as on 18/03/23- Rs.641.12 Cr)	950.00
(iii)	Capex Term Loan-I (Present O/s as on 18/03/23- Rs.383.24 Cr)	500.00
(iv)	Capex Term Loan-II (Present O/s as on 18/03/23- Rs.458.30 Cr)	500.00
Total TL Limits		1950.00
Total FB Limits		2450.00
(i)	Inland Letter of Credit (Clean)	650.00
(ii)	Foreign LC (Secured) sublimit of Inland LC	(10.00)
(iii)	Inland BG (Secured) (Performance/Financial) sublimit of Inland LC	(75.00)
TOTAL NFBWC Limits		650.00
TOTAL WC Limits		3100.00

SECURITY

i. Primary

Facility	Nature
Secured Cash Credit (Rs 500 crs.)	First charge on receivables of the company, both present and future, on pari-passu basis with UBI, with a minimum asset cover of 133.33% of the amounts outstanding in the account, to be maintained at all times.
Corporate Term Loan (Rs 950 crs.)	Charge over collections from HT/EHT customers routed through escrow account under VAN facility. Receivables from HT/EHT customers to be assigned in favour of the Bank, with a right to issue notice of assignment to the parties in the event of default in the accounts.
	First charge by way of hypothecation over specific assets (Distribution and other

Capex Term Loan – I (Rs 500 crs.)	assets) funded under the Term Loan. (Asset Cover of 1.25 times) & Charge over collections from HT/EHT customers routed through escrow account under VAN facility.
Capex Term Loan – II (Rs 500 crs)	First charge by way of hypothecation over specific assets (Distribution and other assets) funded under the Term Loan. (Asset Cover of 1.25 times) & Charge over collections from HT/EHT customers routed through escrow account under VAN facility.
Letter of Credit (Inland)	Cash Margin at 10%
Letter of Credit (Foreign)	Cash Margin at 10% & Merchandise covered by bills drawn under the LC and extension of charge on receivables of the company, both present and future, on pari-passu basis with UBI.
Bank Guarantee (Performance/Financial)	Cash Margin at 10% & Counter Guarantee and extension of charge of receivables of the company, both present and future, on pari-passu basis with UBI.

ii. Collateral

Facility	Details of Security	Owned by	Type of ROC Charge
Capex Term Loans/FBWC/Limits	Nil	-	-
Corporate Term Loan (Rs950 crs)	First charge on unencumbered fixed assets to cover 1.25 times the exposure. Hypothecation of specific movable assets	KSEBL	Hypothecation

Guarantees - Nil

Purpose of Credit Facility

Facility	Purpose
Cash Credit	For financing the working capital requirements of the company.
Corporate Term Loan (Rs950 crs)	For shoring up of NWC
Capex Term Loan-I (Rs500 crs)	For reimbursement of capital expenditure incurred by Distribution SBU for augmentation of distribution network
Capex Term Loan-II (Rs500 crs)	For reimbursement of capital expenditure incurred by Distribution SBU for augmentation of distribution network
Inland LC	For purchase of electricity
Import LC	For import of spares

BG

For submitting bid bonds, performance, advance payment guarantees.

Period of Advance and Repayment Terms

Facility	Limit (Rs. In crore)	Validity of Limit	Repayment
Cash Credit	500.00	12 months from 18.03.2023	On demand
LC/BG	650.00	12 months from 18.03.2023	"
Corporate Loan	950.00	10 Years from the date of disbursement (11.12.2019) with Nil Moratorium period. The repayment schedule stipulated in Bank's earlier sanction letter No.ADV/SL/KSEBL/107/19-20 dated 03.10.2019 will remain unchanged.	10 years
Capex Term Loan -I		10 Years from the date of disbursement (04.11.2020) with Nil Moratorium period. The repayment schedule stipulated in Bank's earlier sanction letter No.ADV/SL/ KSEBL/1086/20-21 dated 12.10.2020 will remain unchanged	10 Years
Capex Term Loan -II		10 Years from the date of disbursement with Nil Moratorium period. The repayment schedule stipulated in Bank's earlier sanction letter No. ADV/SL/KSEBL/1258/21-22 dated 07.03.2022 will remain unchanged	10 Years

Margin

Receivables (cover period-270 days in respect of Government Departments & PSUs and 180 days for others)	25%
Unbilled Receivables (Cover 30 days)	25%
Letter of Credit (Inland/Foreign)	10%
Bank Guarantee (Performance/Financial)	10%
Term Loan	20%

Rate of Interest

Cash Credit	6 Month MCLR+0.80% p.a., present effective rate being 9.20% p.a. with monthly rests.
Corporate Term Loan (Rs.950 crore)	6 Month MCLR+1.00% p.a., present effective rate being 9.40% p.a. with monthly rests. (Reset of existing interest rate with effect from 11.06.2023).
Capex Term Loan-I (Rs.500 crore)	6 Month MCLR+1.00% p.a., present effective rate being 9.40% p.a. with monthly rests.(Reset of existing interest rate with effect from 04.05.2023).
Capex Term Loan-II	6 Month MCLR+0.90% p.a., present effective rate being 9.30% p.a. with monthly

(Rs.500 crore)

rests. (Reset of existing interest rate with effect from 05.05.2023).

Reset Periodicity of MCLR: 6 months

Reset Periodicity of Spread: Annual

Penal Interest

Irregularity in cash credit (i)Continuously irregular for a period beyond 60 days	5% p.a. on the irregular portion for the period of irregularities
Term Loans	
a) Non-payment of interest/instalment	5.00% per annum on the irregular portion for the period of irregularity.
b)Cross default (Default in payment of instalment/interest to other institutions/Banks.	1.00% p.a. on the entire outstanding for the period of default.

Documents to be Executed:

The following security documents shall be executed:

- (a)VAN Agreement
- (b)ESCROW Agreement
- (c)C1 A-Agreement of Loan for overall limit
- (d)C2 A-Agreement of Hypothecation of Goods and Assets
- (e)C5 Letter regarding the grant of individual limits within the overall limit
- (f)Omnibus Counter Guarantee &
- (g)Any other documents as may be required by the Bank.

State Bank of India as per the Letter read 6th above had confirmed that WCDL facilities linked to MCLR rate of the Bank does not have any prepayment charges.

The Financial Adviser as per note read as 7th above had recommended to accept the credit facilities offered by M/s. SBI as per sanction letter read as 3rd above for meeting the working capital requirements:

Having considered the matter in detail, the Full Time Directors in it's meeting held on 26.07.2023, resolved to accord sanction for the following.

1. To avail the credit facilities offered by State Bank of India, Commercial Branch, Emakulam as per the terms and conditions specified against each facility of the sanction letter No. ADV/SL/KSEBL/1389/22-23 dated 03.04.2023 of State Bank of India.
2. To ratify the action in continuing the availment of the credit facilities from M/s. SBI after the expiry of validity period of credit facilities with effect from 03.03.2023 to 03.04.2023 as per the terms and conditions of the previous sanction.
3. To authorise the Senior Finance Officer to sign and execute the necessary documents on behalf of Kerala State Electricity Board Limited in this regard with State Bank of India,

Commercial Branch, Ernakulam.

4. To authorise the Company Secretary for filing creation/ modification of charge and other necessary documents with the Registrar of Companies in connection with the availment of loan sanctioned as per sanction letter dated 03.04.2023.
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**

Sdt

**LEKHA G
Company Secretary**

To:

The Financial Adviser

Copy to: The Chief Engineer (IT,CR&CAPS)/ Financial Advisor/ LA&DEO/ Chief Internal Auditor/ Company Secretary
The TA to the Chairman & Managing Director / Director (Generation-Civil) / Director (Distribution, Safety, SCM & IT) / Director (Transmission, SO & Planning)/ Director (Generation - Electrical, REES, SOURA, Sports & Welfare)
The PA to the Director (Finance & HRM)
The Sr.CA to the Secretary (Administration)
The RCAO/ RAO
Stock File.

Forwarded / By Order

[Signature]

Assistant Finance Officer