

Minutes of the meeting held on 03.04.2024 under the Chairmanship of Managing Director, KPTCL with officers of Banks regarding sanction of Rupee term loan of Rs.5257.70 Crores

List of the officers present in the meeting is enclosed as Annexure-A.

At the outset, the Managing Director, PCKL welcomed the MD, KPTCL, Director (Finance), BESCOM, KPTCL & KPCL, officers of KPTCL, KPCL, BESCOM and officials of Banks & financial institutions present in the meeting.

Managing Director, PCKL informed that Government of Karnataka (GoK) issued order to avail term loan of Rs.5257.70 Crores towards securitization of Grama Panchayath Dues.

In this connection, detailed presentation was made as below:

1. Power Company of Karnataka Limited (PCKL) was set up in April, 2007 under the Companies Act, 1956/2013 as a Special Purpose Vehicle (SPV) to supplement the efforts of KPCL in capacity addition. PCKL is responsible for Capacity addition through bidding process under Case-I & Case-II. PCKL is also trading of power through power exchanges in different market segments on behalf of the ESCOMs.
2. GoK vide order dated 30.03.2024 has made PCKL as Nodal Agency for Securitization of Gram Panchayats Dues of Rs.5257.70 Crores. State Government Guarantee would be given for raising loan of Rs.5257.70 Crores.
3. Tenure of the Loan would be for a period of 10 years with moratorium of atleast 2 years (repayment of loan in equal installments on quarterly basis)

and servicing the interest on monthly basis. Moratorium period of the loan would be for a period of 8 quarters (2 years), with repayment in 32 quarters.

4. Government would stand guarantee for the Debt by setting up of Guarantee Redemption Fund.
5. To manage financial obligations to KPCL, KPTCL, and other independent power producers, as well as to handle receivables from Rural Local Bodies (RLBs) for electricity consumption, PCKL plans to secure a long-term loan of Rs.5257.70 crores. This loan will be distributed among KPTCL, ESCOMs, with repayment facilitated by the revenues from RLBs.

PCKL explained the securitization of Grama panchayat dues done earlier in the year 2017-18 to an extent of Rs.3766.81 Crs. The present balance as on 31.03.2024 is Rs. 1822 Crs.

Some of the Banks/Financial institutions were raised the following queries:

- Share English version of GO order dated 30.03.2024
- What is the legal arrangement between PCKL, ESCOM and RDPR regarding the takeover of dues of RLBs by PCKL vis-à-vis the debt service arrangement of regular EMIs?
- Modalities of the Triplicate ESCROW cover to be provided by the PCKL showing the required fund flows
- The details of Guarantee Redemption Fund from which the short fall of debt service is being assured by the GoK with historical data when it was paid for the various debt service shortfalls in last 3 years
- Rationale for having 2 year moratorium period
- The proposed accounting treatment of the proposed loan vis-a vis the arrangement with the RLBs/RDPR/ GoK may please be shared

- External rating copy from India Rating
- Bifurcation of Rs.5257.70 Crores
- Audited Financials of FY 2021-22, FY 2022-23 and provisional Financials of FY 2023-24

It was explained that PCKL will service the debt liability out of the revenue received from Rural Local bodies. Government would stand guarantee for debt service till the entire loan is repaid. In case PCKL is not able to discharge the debt obligation, the Government will support for debt servicing by way of ensuring the funds from Guarantee Redemption Fund set up by GoK for exigencies.

The outstanding dues from Rural Local bodies to ESCOMs would be transferred to PCKL from the books of ESCOMs, which would be hypothecated as the Primary Security to the lenders. The dues from Gram Panchayaths to ESCOMs would be liquidated, which in turn liquidate the dues to KPCL, KPTCL, CGS and other Power produces resulting in cleaning the Balance Sheet of all the stake holders.

The amount of electricity charges and arrears collected from Gram Panchayats / Rural Local Bodies have to be remitted regularly to PCKL / ESCOMs for servicing of debt till its clearance.

PCKL has moratorium of 24 months from the date of first disbursement and the commencement of repayment of Term Obligations starts thereafter. All collections will be credited to the ESCROW account maintained with the Escrow Branch. The ESCROW Bank is empowered irrevocably to debit the interest applied to the term loan at monthly intervals and installments due for payment

at quarterly intervals from the Escrow account and credit to the term loan account towards the installments.

Data of Gram panchayat wise / year wise outstanding dues will be uploaded in the PCKL website: pckl.karnataka.gov.in.

The information / details regarding ESCOMs wise, Grama panchayat wise outstanding dues, power purchase dues to various generator, LEI certificate, Credit Rating reports, Annual Accounts of PCKL are made available in the PCKL website. Further, it was requested to submit the queries to PCKL so as to reply for the queries.

The meeting concluded with vote of thanks.

Sd/-

**Additional Director (Projects)
PCKL**

Memo No. PCKL/A12/5/2021-22/Vol-II/402-14

18 APR 2024

Copy submitted for kind information to:

1. The Managing Director, PCKL, Kaveri Bhavan, Bangalore.
2. The Managing Director, BESCOM, K.R. Circle, Bangalore.
3. The Managing Director, MESCOM, Corporate Office, Paradigm Plaza, AB Shetty Circle, Mangalore-575 001.
4. The Managing Director, HESCOM Corporate Office, Navanagar, P.B. Road, Hubli.
5. The Managing Director, G.E.S.COM, Station Main Road, Gulbarga.
6. The Managing Director, CESC, # 29, Vijayannagar, II Stage, Hinkal, Mysore-570 009.
7. The Director(Technical), KPTCL, 1st floor, Kaveri Bhavan, Bangalore

Copy to:

8. The General Manager (EL), BESCOM, PP, Corporate Office, 2nd floor, 2nd block, K R Circle, Bengaluru – 560 001
9. The General Manager (Tech), Corporate Office, HESCOM, Navanagar, P B Road, Hubballi – 580 025

10. The Executive Engineer (PTC), GESCOM, Station Main road, Kalburgi – 585 102
11. The Superintending Engineer (Ele) (C & RP), MESCOM, 1st floor, MESCOM Bhavan, Bejai, Kavorr cross road, Mangaluru – 575 004
12. The Superintending Engineer (Comml), CESC, No.29, Vijayanagar, II stage, Hinkal, Mysore – 570 017
13. PS to Additional Chief Secretary, Energy Department, Vikasa Soudha, Bangalore with a request to place before the ACS, Energy department, GoK



**Additional Director (Projects),
PCKL.**

Annexure-A

Sl. No.	Name Sriyuths	Designation
1	Pankaj Kumar Pandey	Managing Director, KPTCL
2	V Krishanappa	Managing Director, PCKL
3	Aprna Pawate	Additional Secretary, GoK
4	Darshan	Director (Finance) , BESCOM
5	Kapoor Lingayya	Director (Finance) , KPTCL
6	Vishwanath Hiremat	Legal Advisor, PCKL
7	Nagaraj	Director (Finance), KPCL
8	N R M Nagarajan	Additional Director (Projects), PCKL
9	Savithamma C	Joint Director (Commercial), PCKL
10	A G Lakshmi	Deputy Director (Internal Audit), PCKL
11	Gopal	Retired Director(Finance), GoK
12	Pallavi J	Assistant Director (Bills-2), PCKL
13	Shashidhar	Assistant Desk Officer-1
Name of the officials from Banks / financial institutions		
14	Ronath Sadashiva	Chief Manager, Bank of Baroda
15	Ritesh Kumar	AGM, Bank of Baroda
16	Arjun Prakash	Chief Manager, ICICI Bank
17	Neeraj Tiwari	AGM, Bank of Maharashtra
18	Amith Ghosh	DGM, Canara Bank
19	Gunesh	DGM, Canara Bank
20	Nithin	CM, Canara Bank
20	Akhilesh Kumar	Senior Manager, Canara Bank
21	P Lakshmi Chowdri	CM, REC
22	Shaental Kumar	CM, REC
23	Jitender Kumar	DGM, REC
23	Deetende Kumar	DGM, REC

24	P S L Madhavi	AGM, Bank of India
25	Divya C H	Chief Manager, Bank of India
26	Manoj Kumar	AGM, Central Bank of India
27	Praveen V G	GM, Central Bank of India
28	Sashmitha Pangari	SM, Karnataka Bank
29	Upendra	AGM, UCO Bank
30	Girish Karnadi T G	JGMP, HUDCO
31	D Ravishankar	GM, HUDCO
32	S Gurudatta	Regional Chief, HUDCO
33	Snigdha Jain	Chief Manager, Indian Bank
34	Lakshmi Prasanna	Manager, Indian Bank
35	Rakesh Dhar	AGM, Punjab National Bank
36	Venkatesh	Manager, Punjab National Bank
37	K G Rao	AGM, SBI
38	M Laksmana	SBI
39	Lakshmana Simha	AGM, SBI
40	Gaurav Sinha	Director, ESR
41	Sanjeev Agarwal	Relationship Manager, J&K Bank
42	Anandalakshmi	AGM, Karur Vysya bank
43	Anand Angadi	Relationship manager, Karur Vysya Bank

