

**WELCOME
TO THE
MEETING**

03.04.2024

INTRODUCTION

- Government of Karnataka accorded approval in April, 2007 for setting up of a Special Purpose Vehicle (SPV) viz., Power Company of Karnataka Limited (PCKL) to supplement the efforts of KPCL in capacity addition.
- PCKL incorporated on 20th August, 2007 under the Companies Act, 1956/2013 and commenced its business operations with effect from 16th October, 2007.
- PCKL is responsible for
 - Capacity addition by way of establishing new power projects through bidding process under Case-I & Case-II bidding guidelines issued by Ministry of Power, GOI.
 - Trading of power through power exchanges in different market segments on behalf of the ESCOMs
 - Co-ordinates with other States and Central Government agencies on power related issues as well as through the forum of SRPC.
 - Handling common issues such as Tariff & PPA related to power procurement before various forums on behalf of ESCOMs

FINANCIAL POSITION OF PCKL FOR FY 2022-23

Sl.No	Particulars	Amount (Rs. in Crs)
i	Income	18.45
ii	Expenditure	16.26
iii	Profit/Loss before exceptional and extra ordinary items and tax (i-ii)	2.19
iv	Profit before Tax	2.19
v	Tax	0.61
vi	Net profit / loss after taxation	1.58

- Income based on the quantum of energy handled by PCKL through exchanges.

Securitization of GP electricity dues as on 31.03.2023

- GoK in its order dated 30.03.2024 appointed PCKL as Nodal agency for securitization of Grama Panchayats / local bodies electricity dues outstanding as on 31.03.2023 by raising term loan of Rs. 5257.70 Crs.
- The outstanding dues from Rural Local bodies to ESCOMs would be transferred to PCKL from the books of ESCOMs, which would be hypothecated as Primary Security to the lenders.
- Proposed to mobilize long term loan amounting to Rs.5257.70 Crores by PCKL, which will be distributed to various stakeholders such as KPCL, KPTCL and other independent Power producers by ESCOMs as part of payment.
- PCKL will service the debt liability out of the revenue received from Gram panchayats / Rural Local bodies by ESCOMs.
- Government would stand guarantee for servicing of debt till the entire loan is repaid.
- In case PCKL is not able to discharge the debt obligation, the Government will support for servicing of debt from Guarantee Redemption Fund set up by GoK for exigencies.

SALIENT FEATURES OF GOVERNMENT ORDER DTD: 30.03.2024

- Securitization of Gram Panchayats Dues of Rs.5257.70 Crores.
- State Government Guarantee would be given for raising loan of Rs.5257.70 Crores.
- Tenure of the Loan would be for a period of 10 years with moratorium of at-least 2 years.
- Moratorium period of the loan would be 8 quarters (2 years), with repayment in 32 quarters.
- Government would stand guarantee for the Debt by setting up of Guarantee Redemption Fund.

Securitization of GP electricity dues as on 31.03.2015

- GoK in its order dated 31.03.2017 accorded approval for securitization of Gram panchayat electricity dues of Rs.3766.81 Crs outstanding as on 31.03.2015.
- Based on the GoK order dated 31.03.2017, PCKL availed term loan of **Rs. 3766.81 Crs** from the following Banks against Government guarantee and hypothecation of receivables as primary security.

(Rs. in Crs.)

Name of the Bank	Amount of loan availed	Date of sanction	Initial RoI	Present RoI	Loan outstanding as on 31.03.2024
Punjab National Bank	500.00	09.10.2017	8.15%	8.75%	202.34
State Bank of India	1800.00	29.12.2017	8.15%	8.75%	842.05
Bank of India	1466.80	07.08.2018	8.50%	8.75%	778.03
TOTAL	3766.80				1822.42

EXPRESSION OF INTEREST BY BANKS

- i) Banks shall quote the Rate of Interest Linked to
 - a. Repo Linked Lending Rate (RLLR)
 - b. Govt Treasury bill rate of interest 3 months/6 months/1 year
 - c. MCLR 3 months/6 months/1 year

Preference shall be given to the lowest spread quoted in the RLLR

- i) Waiver of Application fee, service charges, processing fee, upfront fees, pre-payment charges, documentation charges and annual review charges etc.
- ii) Stamp Duty to be borne by the Bankers.
- iii) Creation of charge will be after disbursement of the Loan.
- iv) Waiver of pre-closure (partially/fully) charges.

FORMAT

Name of the Bank	Repo Linked Lending Rate	Government Treasury rate			Marginal cost of Lending rate (MCLR)		
		3 months	6 months	1 year	3 months	6 months	1 year

Bankers has to indicate the applicability / waiver of charges:

Yes or No

Particulars	YES (Indicate the amount to be charged)	NO (Indicate whether waiver of charges)
Application Fee		
Processing fee		
Service Charges		
Upfront fees		
Documentation charges		
Stamp Duty		
Annual Review charges		
Prepayment charges		
Pre-closure (partially/fully)		

Credit Ratings of PCKL & LEI

- India Ratings & Research has recommended credit rating of PCKL as A+/stable (issued on 30.04.2023).
- Legal Entity Identifier (LEI) Code of PCKL is: 33580065TASNMXWEO988 and valid till 12th Nov 2024.

FAQ

External rating of PCKL	India Ratings & Research has recommended credit rating as A+/stable (issued on 30.04.2023)
Financials of PCKL for FY 2023-24	Will be made available after finalization
Exclusive charge on Hypothecation / assignment of Gram panchayat receivables	PCKL will provide the list of GP wise / RR No. wise receivables as on 31.03.2023 to create exclusive charge. Creation of exclusive charge on Hypothecation of receivables with RoC shall be done after disbursement of loan
Cash flow statement	Will be provided
Any Escrow mechanism is envisaged for collection of revenue towards repayment of loan	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.
Source of Income of PCKL	PCKL will charge rate per unit for the energy traded in the exchanges subject to maximum of Rs. 20 Crs per annum
Details of any share pledged if any	No
Details of the Company / settling with any bank for OTS / NPA / Court case initiated by any Bank / FI against the company, if any.	No such cases
Charge free receivables will be transferred to PCKL from ESCOMs	Charge free receivables will be transferred from ESCOMs as per GO dated 30.03.2024.

COMMUNICATION

Expression of Interest shall be communicated in sealed envelope cover addressed to the Additional Director (Projects), Power Company of Karnataka Limited, Room No. 503, 5th floor, KPTCL Building, Kaveri Bhavan, Bangalore – 560 009 and shall reach on or before **17.04.2024 @ 5.00 PM.**

THANK YOU