



Karnataka Neeravari Nigam Ltd
(A Government of Karnataka Enterprise)
Regd Office: 4th Floor, Coffee Board Building,
No.1, Dr B.R Ambedkar Veedhi, Bangalore-560 001.
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Web site: <http://www.knnlindia.com>.
CIN : U85110KA1998SGC024503

Notification No: KNNL (RO)/ Term loan/2021-22

Dt: 15.02.2022

Invitation for quotations from Banks and Financial Institutions for providing Term loan of Rs.500 crore under for exercising of Call option to replace the high cost bond which is maturing on 31.03.2022 with low cost borrowings from banks and financial institutions.

Karnataka Neeravari Nigam Ltd is a special purpose vehicle set up by the Government of Karnataka with the specific objective of implementing irrigation projects and maintenance of certain major and medium irrigation projects in the Krishna basin, Varahi, and Souparnika Projects (west flowing rivers), Karanja and Chulkinala projects (Godavari Basin) and six minor irrigation works of Uttar Kannada District. The KNNL is responsible for execution, operation and maintenance of the irrigation projects entrusted to it. As on 1.04.2021, the KNNL is entrusted with 122 ongoing/new irrigation major and medium irrigation projects.

The nigam has an excellent track record of payment under the above borrowing programmes and borrowed Rs.6,155 crore. The repayment of the loan principal & interest payment has been prompt and timely on scheduled dates.

1. The Nigam now proposes to borrow Rs.500 crore for exercising of Call option for Series-VIII Bond issue by borrowing Rs.500 crore term loan.
2. Unconditional and irrevocable Government Guarantee will be provided for the financial year 2021-22.
3. KNNL has a rating **IND AA-(CE)/Stable** on all existing loans and bonds. Fresh rating for the current borrowing Rs.500.00 crore will be obtained from M/s India Ratings & Research.
4. The interest shall be on three months/six months MCLR payable at monthly rests basis. KNNL has requested the banks to quote Rate of interest for Three/Six months MCLR/ T Bills/ Repo rate/EBLR payable at monthly rests basis. The Nigam is at liberty to decide feasible rate of interest to KNNL.
5. The Term loan, interest and all other monies related thereto will be secured by a first mortgage and charge (which shall rank *pari-passu* for the existing and future borrowings) on such properties of the company as may be agreed to by both the parties. A minimum asset cover of 1 times of the loan amount by simple mortgage in favour of the lending banks.
6. KNNL shall have the right to prepay the loan amount either in full or in part at any time. The KNNL will not pay any pre-payment premium.
7. The KNNL reserves the right to draw the amount based on requirement. The drawal shall be on requirement basis only and in the light of declining interest rates in the present scenario, the rate of interest applicable shall be the rate of interest as on the date of each drawal.
8. The last date for submission of offers is on 24.02.2022 on or before 5.30p.m. Sealed quotation should be submitted only in the prescribed format. The quotation will be opened at 11.30 a.m. on 25th February 2022 in the presence of Bidders and evaluated. Bidding banks/financial institutions may send their representatives when the evaluation process is conducted (Contact details: finance-knnl@karnataka.gov.in, gmfknnl@gmail.com, gmf-knnl@karnataka.gov.in)

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MANAGING DIRECTOR

