

Guidelines for offering Financial Assistance to GENCOs/ TRANSCO/ Trading Licensee against payment from DISCOMs under Late Payment Surcharge (LPS) Rules, 2022

PFC may consider providing financial assistance to GENCOs/ TRANSCO/ Trading Licensees ('Supplier') against the EMIs which DISCOMs have agreed to pay under LPS Rules, 2022.

1. Eligible Entity

- For Private sector Borrower, the 'Supplier' should be an existing borrower of PFC.
- DISCOMs should have availed financial assistance from PFC/ REC for clearing outstanding dues of 'Supplier' under LPS Rules.

2. Extent of financial assistance

The extent of funding shall be restricted to 75% of outstanding amount as per EMIs (*which DISCOMs have agreed to pay*).

3. Security

- Exclusive charge on outstanding EMIs (*which DISCOMs have agreed to pay*).
- Other securities as per Corporation's policy as applicable from time to time.

4. Validity period of Sanction & Drawal

- The Sanctioned Limit shall be valid till 45 days from the date of issuance of sanction letter.
- The Borrower shall be required to draw the entire loan amount within 60 days from the date of execution of loan agreement.

5. Loan period

Repayment tenor of the loan shall be the same as tenure of outstanding EMIs as on date of disbursement.

6. Prepayment of the loan

Prepayment premium as per the policy prevailing, of PFC, at the time of prepayment shall be applicable.

However, in cases , wherein, DISCOM(s) makes pre-payment to 'Supplier' from other sources, then such additional payment/pre-payment of LPS amount shall be used for prepayment of the loan, without charging prepayment premium. Further, any surplus amount in any EMI/any adjustments shall be adjusted in inverse order of maturity i.e. out of last EMI.

7. Miscellaneous

Quadripartite/ Tripartite Agreement (as the case may be) signed amongst DISCOM, GENCOs/ TRANSCO/ Trading Licensee, Bank/ FI and PFC

8. Interest rate

As notified by the Corporation from time to time.