

POWER FINANCE CORPORATION LIMITED

Short Term Rupee Loan (STL) Scheme for SPVs in Government Sector

Sl. No.	Description	Summary
1.	Objective	STL scheme envisages providing rupee short-term finance to the SPVs in Government Sector to meet their working capital requirement as per regulatory norms (such as ERC norms, RBI norms) for fuel, maintenance spares, O&M expenses, receivables etc.
2.	Eligibility Criteria	<ol style="list-style-type: none"> 1. The scheme shall be open to SPVs in Government Sector, where all promoters are Government or Government Companies. 2. SPV should be existing borrower of the PFC. 3. The borrowing entity (i.e. SPV) should not be a declared defaulter to PFC. <p>Exclusion: Assistance under this scheme will not be available for items already financed by PFC/Banks/other FIs under any scheme.</p>
3.	Extent of Assistance	<ul style="list-style-type: none"> ❖ It shall be limited to 25% of the working capital requirement (basis of ERC, RBI Norms etc.) ❖ Where Project has more than one unit - release of limits will be linked to unit-wise commissioning.
4.	Repayment Period	<ul style="list-style-type: none"> • Maximum - 3 Yrs (with rollover option from the date of disbursement) • Maximum rollover period cannot exceed one year at a time.
5.	Interest Rates	As declared by PFC from time to time.
6.	Sanction and Loan Administration	<ol style="list-style-type: none"> 1. Loan Tenor – 1 Yr (with rollover option). The total period of initial sanction and rollover(s) shall not exceed a total of 3 years. Rollover(s) may also be repeated at the discretion of PFC provided the aggregate of first sanction period and rollover period(s) do not exceed 3 years. 2. At the time of initial/subsequent rollover(s), borrower can opt for further rollover(s) as given in Option I and II below: <ul style="list-style-type: none"> ❖ Option I (Bullet Repayment Option): Loan will be rolled over (without refund of Principal Amount) for a tenor of 30 days to 1 year in multiples of 30 days. Such rollover may also be repeated at the discretion of PFC provided that the aggregate of first sanction period and rollover period(s) do not exceed 3 years. ❖ Option II (EMI Option): Loan will be rolled over for a tenor up to one year. A moratorium of 2 (two) months shall be applicable for repayment of principal amount. After the 2 months moratorium on principal, the borrower shall make repayment in EMI's of principal plus interest.
7.	Exposure Limit	Maximum - Rs.500 crore per borrower.
8.	Security	<ol style="list-style-type: none"> 1. Security for the loan may be Government Guarantee / Charge on assets on pari-passu basis with working capital lenders along with escrow/TRA account. PFC may also insist additional security/collaterals, if required on the basis of appraisal of the proposal. 2. Escrow Coverage shall be taken at coverage factor of 1.0 time.
9.	Disbursement Procedure	<ol style="list-style-type: none"> 1. The disbursement of STL will be made through Working Capital Bank. In case where the working capital bank makes the disbursement through TRA, PFC will also disburse the STL through TRA. Further, PFC will intimate the working capital lenders/lead bank about release of each disbursement in case TRA bank is not working capital bank. 2. The Corporation shall follow the existing procedure of payment of claims as applicable under long term loans. The release of loan will be subject to tie up of total working capital requirement of the unit/project and subject to release of margin money by long term lenders.