

Rupee Short Term Loan (STL) Scheme (1 Year)

To meet the immediate requirement of funds, the Rupee Short Term Loan (STL) scheme is available to all existing government sector borrowers that are in the business of generation / transmission / distribution of power. The rupee loan under the scheme shall be provided for purchase of fuel for power plant, purchase of consumables, essential spares, emergency procurement/works for generating plant and T&D network in the nature of repair & maintenance work, purchase of power and against receivables.

The existing Government sector borrowers in the business of generation/transmission/distribution of power and borrowers not declared defaulter by PFC shall be eligible for availing this scheme.

Further, the state discoms are also required to give an undertaking that they have no over dues against Short Term Loans from Banks/FIs and are not participating in the FRP Scheme notified by GOI.

The extent of financial assistance sanctioned by PFC is up to the maximum of Rs. 1000 crores, depending upon the category and type of the borrower. The loan shall be valid for drawal within 120 days from the date of sanction and shall be repaid within a period of 1 year from the date of disbursement.

Depending upon the category and amount sanctioned under the STL, the borrower shall be required to give securities of Escrow Account and/or Government Guarantee and/or Charge on Assets.

The borrower shall be required to execute the following documents against the loan :

- a) Memorandum of Agreement (MOA)
- b) Terms and Conditions of loan
- c) Escrow account agreement in the prescribed format
- d) Government Guarantee/Hypothecation deed, wherever applicable
- e) Any other document that may be required by the Corporation under the loan

In addition to above, PFC also offers Flexi Line of Credit of 1 year to its Category 'A+' & 'A' Borrowers to the maximum of Rs. 500 crores.

Under the Flexi Line of Credit option, borrowers shall have the option to pre-pay the loan without penalty with certain conditionalities.

The interest rate for the loan shall be as notified by PFC from time to time for Short Term Loans (STLs) / Flexi Line of Credit Option.

The scheme of Short Term Loans (STLs) is also available to Private Sector Borrowers subject to certain terms & conditions.