

POWER FINANCE CORPORATION LTD.

(A Govt. of India Undertaking)

Regd. Office:- "Urjanidhi"1, Barakhamba Lane, Connaught Place, New Delhi-110001

Tel No. 23456000 (Fax No. 23412545)

Web Site : <http://www.pfcindia.com>,<http://pfc.gov.in>

CITIZEN'S CHARTER

1.0 CORPORATE MISSION

To excel as a pivotal developmental financial institution in the power sector committed to the integrated development of the power and associated sectors by channeling the resources and providing financial, technological and managerial services for ensuring the development of economic, reliable and efficient systems and institutions.

2.0 CORPORATE VISION

To be the leading institutional partner for the power and allied infrastructure sectors in India and overseas across the value chain.

3.0 SERVICES OFFERED BY THE CORPORATION

- **Financial Services:**

- Term Loans-It covers financial assistance to power projects including Thermal and Hydro generation projects, survey and investigation of power projects, system improvement and energy conservation schemes, renovation and modernization of power plants etc. The maturity and moratorium of term loans will primarily depend on the type of scheme put up by a utility. The extent of financing ranges from 70% to 100% of project cost to Central/State Sector utilities and 20% to 50% to private sector companies.
- Lease Financing-Under schemes for financial leasing of power equipment, any equipment or machinery essential for power projects and associated works is covered. The extent of financing is 100% of the cost of equipment. The period of lease ranges from 3 to 10 years.
- Direct Discounting of Bills-The credit is available to all equipment manufacturers to enable them to sell their equipment on deferred payment terms to the purchasers of power sector. Under the scheme, the delivery of equipment or machinery is made by the seller to the purchaser against bills duly accepted/guaranteed by purchaser's banker. Duly executed bills are discounted by the seller with PFC so that the seller gets immediate payment while the purchaser gets the facility of deferred payment terms. The extent of financing is 100% of the bill submitted.
- Guarantee Services-As the fund requirements for the power sector are enormous and many funding agencies insist on guarantee by an Indian Financial Institution (FI), PFC has started providing guarantee services subject to its satisfaction about the borrowers' credibility. The extent of financing under this scheme is 15% over and above the sanctioned limit of terms loan.

- Loan Syndication- For effective arrangement of funds and appraisal, PFC has started considering loan syndication with other leading Financial Institutions (FIs), like M/s IFCI, ICICI etc. The extent of financing is same as of term loan.
- Short Term Loan– PFC opened up a new window for Short Term loan with a view to broad base its loan portfolio for improved client servicing and to assist state utilities who otherwise depended on high cost Short Term Loan from Commercial Banks. At present the extent of financing is up to Rs. 300 Crore and the minimum period of short term will be 30 days and maximum period will be 360 days.

Procedure for availing the above services- The borrower will submit requests for services in the format prescribed for the purpose by PFC and is available on PFC web site: www.pfcindia.com. However application forms for availing loan facility for other than projects loan like short-term loan, Corporate Loans, etc. are available with Structured Product Group whose address are mentioned in public interface list attached with this charter at annexure 'A'.

- **INSTITUTIONAL DEVELOPMENT SERVICES**

- Acting as an instrument for ushering in reforms in the state utilities both financial services- PFC has been providing support to help power utilities improve their technical, financial and managerial skills to make this vital sector of economy efficient, self-sustaining and to adapt it to the dynamic changes taking place. This includes support for engagement of consultant etc. to facilitate the process of reforms/restructuring of the utilities, holding workshops on critical issues; to support expeditious implementation of the Private Power Development Initiative of Govt through development of model documents like Power Purchase Agreement (PPAs), Distribution Privatization agreements etc.
- Utility Development Plans - In order to ensure that benefits arising from the lending operations endure, PFC has been addressing to the problem of unsatisfactory performance of the State Power Utilities through methodical formulation and implementation of Operational and Financial Action Plan (OFAP). OFAP document based on diagnostic study encompasses in different areas of functioning of the power utilities. It is prepared in consultation and agreement with the utility and the State Government concerned. The thrust on OFAP and its linkages with the PFC assistance has brought about quantitative as well as qualitative changes in the performance of the utilities.
- Financial Assistance for Power Sector Studies-In line with its development role, Power Finance Corporation (PFC) provides technical and financial assistance by strategically providing grants, interest free and/or concessional loans to carry out the following studies:
 - a) Reform & restructuring related studies.
 - b) Pre-investment studies for project preparation formulation and supervision implementation etc.
 - c) Studies for accessing the load Growth, Demand Pattern etc.
 - d) Systems improvement in transmission and distribution and Demand side Management.
 - e) Renovation & Modernization/ Renovation & Upgrading/Residual life Assessment studies for refurbishment of power plants.

f) Institutional development related studies.

- Reforms & Restructuring of SEBs - PFC has been actively persuading State Govt. to reforms and restructuring of their power sector in order to make them commercially viable. PFC is therefore following the policy for providing technical and financial support to states initiating reforms & restructuring in their power wherein a comprehensive financial package is offered. In case of state going in for reforms with PFCs technical and financial assistance, this package can be as high as 80% of their total investment needs. This will be linked to having a reform Operational & Financial Action Plan (OFAP) with milestones and investment plans.

Procedure for availing the above services related to Institutional Development – The beneficiaries will submit requests for services in the format prescribed for this purpose by PFC. Request for availing grant/soft loan will indicate the following in their application :-

- The Terms of Reference
- Objectives of Study
- Deliverables of the Study
- The process of selecting consultants
- Hold points and schedule for deliverables and payment to consultants.
- Proposed procedure for release of payments to consultants/ suppliers or reimbursements to SEBs
- Proposed action plan to utilize the deliverables of the study

These forms are available with Institutional Appraisal Development Unit of Power Finance Corporation and the addresses of concerned officers are mentioned in the public interface at annexure 'A' of this Charter.

- **OTHER SERVICES:**

- Consultancy Services- The goal of consultancy services is to provide quality consultancy services for the power and financial sectors and to achieve customer satisfaction through timely and successful completion of assignments. Fee based consultancy services were launched by PFC to power & financial sectors with the main objective of providing a range of services to state owned power utilities, State Electricity Regulatory Commissions, State Governments, Electricity Departments and Private Sector participants.

The range of services offered by PFC include Re-structuring and reform activities, operationalization of reformed entities, Financial Management of resources including mobilization and accounting systems, Projects structuring/ planning/ development/ specific studies, implementation, monitoring, efficiency improvement projects for both state owned utilities and IPPs, Development of sustainable Human Resource Plan, Communication and Information Dissemination, Information Management system.

- **OTHER ACTIVITIES**

- Raising resources from domestic and international market

- Servicing of Bond holders and protecting the interest of Bond holders by appointment of trustees
- Disbursement of loan to qualifying borrowers after sanction as per disbursement procedure
- Dealing with Banks and Financial Institutions
- Settling claims of third parties/other service providers.

4.0 ACCESS TO INFORMATION

- Further details and Information on the activities of the corporation as well as services offered is available in the various publications brought out by the corporation from time to time. These may be obtained from Officers detailed at Annexure `A` under public interface.
- Information regarding operations of the corporation, financial highlights and other important activities are also available at PFC's Website at <http://www.pfcindia.com>.
- Corporation publishes details of its operational results in leading newspapers every quarter/year as required under company law.
- Details of Corporate performance etc. are also available with Corporate Communication & Public Relation Unit.

5.0 GRIEVANCE REDRESSAL

- Citizens/ Consumer have a right to approach concerned officers as per the List of Important Functionaries at Annexure `A` (<http://pfcindia.com/Home/VS/50>) to settle grievances if any.
- A senior officer is designated as Director (Public Grievances) (particulars available/ displayed at Reception) who is available for the purpose as detailed in Annexure `B`.
- Time limit for settlement of grievance is as per Annexure 'C'

6.0 TIME SCHEDULE

- To govern its operations PFC formulates operation policy statement (OPS) outlining the operational philosophy of the corporation and guidelines for financial assistance. The OPS is reviewed from time to time to respond to the changing requirements and emerging needs of the Power Sector:-
 - While seeking financial assistance from Power Finance Corporation, the power utilities are expected to fill up standard loan application formats (available on PFC web site www.pfcindia.com) for respective category of loans. The loan application intra-alia contains a brief preface and instructions to the applicant (Part-I) for filling up the forms for early processing of loan application in PFC, it is necessary to indicate details as sought in the

standard loan application format. A sample loan application for conventional coal fired for power plant is annexed.

- PFC shall issue written acknowledgement for each application after receipt of the complete information as per standard application format.
- Application complete in all respects would be processed within a reasonable time frame.

7.0 OBLIGATION OF BORROWERS

- To supply complete & correct data/information required for taking decision by the Corporation.
- To complete the project within time, cost schedule and adhered to conditions as sanctioned by the Corporation. Timely payment of dues including principal + interest.

8.0 OTHER ACTIVITIES OF CONSUMER/ PUBLIC INTERFACE

- Meeting of executives and State Power Utilities and state govt. are organized by the Corporation twice in a year to know their difficulties/suggestions for improving/ strengthening the relationship.

9.0 REVIEW OF THE CHARTER & PERFORMANCE AUDIT

The performance of the Charter shall be reviewed once in a year based on the experience gained in the previous year.

10.0 NODAL OFFICER FOR PROACTIVE ACTION REGARDING THE CITIZEN'S CHARTER

Dr. G. Jawahar, Executive Director (HR),
Power Finance Corporation Ltd.
"Urjanidhi" 1, Barakhamba Lane,
Connaught Place, New Delhi-110 001
(O) 23456373
Fax No. 23456372

NAME, ADDRESS & CONTACT NUMBER OF DIRECTOR (PUBLIC GRIEVANCE OF POWER FINANCE CORPORATION LTD.)

Sh. Subir Saha

Executive Director (Projects) &
Director (Public Grievance)
Power Finance Corporation Ltd.,
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ANNEXURE 'C'

| TIME LIMIT FOR SETTLEMENT OF GRIEVANCES | | |
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| 1 | Forwarding of the Grievance petition to the Concerned authority. | 1-2 Days |
| 2 | Issue of acknowledgement / interim reply | 7 Days |
| 3 | Final reply to the Petitioner | 4 Weeks |

ABBREVIATIONS

THE ABBREVIATIONS USED IN THIS CHARTER HAVE THE FOLLOWING ELABORATED NAMES :

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| 1. | PFC | Power Finance Corporation Ltd. |
| 2. | IFCI | Industrial Financial Corporation of India Ltd. |
| 3. | ICICI | Industrial Credit & Investment Corporation of India |
| 4. | SEB | State Electricity Board |
| 5. | IPPs | Independent Power Producers |
| 6. | NR | Northern Region |
| 7. | SR | Southern Region |
| 8. | WR | Western Region |
| 9. | ER&NER | Eastern and North East Region |
| 10. | CM&IS | Corporate Management & Information System |
| 11. | FI | Financial Institutions |
| 12. | WCL | Working Capital Loan |
| 13. | R&M | Renovation & Modernization |
| 14. | PPA | Private Power Agreement |
| 15. | LES | Lender Engineering Services |
| 16. | OPS | Operational Policy Statement |
| 17. | T&SD | Technology & System Development |
| 18. | GoI | Govt. of India |
| 19. | OFAP | Operational & Financial Action Plan |
| 20. | LE | Lender's Engineer |
| 21. | LFA | Lender's Financial Advisor |
| 22. | LLC | Lender's Legal Counsel |
| 23. | LIA | Lender's Independent Advisor |