

Guidelines for providing Financial Assistance to DISCOMs for clearance of Outstanding Dues under Late Payment Surcharge (LPS) Rules, 2022

PFC may consider providing financial assistance to DISCOMs for clearance of outstanding dues under Late Payment Surcharge (LPS) Rules, 2022, subject to the following:

1. Eligible Entity

State-Owned Distribution Companies/Combined Generation & Distribution Companies, Holding Companies/Companies having administrative control of DISCOMs/Companies buying power on behalf of DISCOMs /Power Departments.

2. Extent of Financial Assistance

The extent of funding shall be limited to total amount of outstanding dues of the borrower being rescheduled under the **LPS rules**

3. Security

- The borrower shall provide State Government Guarantee.
- PFC may also stipulate additional security like budgetary allocation, etc.

4. Loan Period

The loan shall be repaid in a maximum of 120 equal monthly principal instalments after the completion of drawal period.

5. Prepayment of the Loan

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

6. Miscellaneous

Additional prudential norms as advised by the Ministry of Power and UDAY limits shall be applicable for this facility, unless they are specifically relaxed by the Ministry of Power.

7. Interest Rate

As notified by the corporation from time to time.