

Issuance of Letter of Comfort (LoC)

- PFC can issue Letter of Comfort (LoC) for all sanctions of term loan where Letter of Credit (LC) opening is a requirement under EPC/Equipment Supply contract to enable the borrower to open LC with its bankers.
- PFC shall generally issue LoC against sight LC and the LoC shall not be sanctioned for a period beyond SCOD.
- However, PFC on case to case basis, may agree to request of borrower for availing Buyers Line of Credit (BLC)/ Buyers' Credit (BC)/ Usance LC or similar arrangement/mechanism in respect of LoCs and the credit can be availed or rolled over upto a maximum period of 3 years from LoC date (Such LoC period may end post SCOD).
- Maximum exposure towards all LoCs shall be 50% of PFC's networth.
- Applicable charges and other specific conditions for issuance/extension of LoC shall be per PFC's policy as modified from time to time.
- An online facility has been provided on PFC's website for LC issuing Banks to check the details of LoC issued by PFC