



# पावर फाइनेंस कॉर्पोरेशन लिमिटेड POWER FINANCE CORPORATION LTD.

(भारत सरकार का उपक्रम)

(A Govt. of India Undertaking)

(आई.एस.ओ. 9001:2015 प्रमाणित)

(ISO 9001:2015 Certified)

No: 1:05:138:II:CS  
Date: 24<sup>th</sup> July, 2018

<b>National Stock Exchange of India Limited,</b> Listing Department, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) <b>MUMBAI – 400 051.</b> नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग, एक्सचेंज प्लाजा, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई-400 051	<b>Bombay Stock Exchange Limited,</b> Department of Corporate Services, Floor – 25, PJ Towers, Dalal Street, <b>MUMBAI – 400 001.</b> बंबई स्टॉक एक्सचेंज लिमिटेड, कॉर्पोरेट सेवाएं विभाग, मंजिल-25, पी.जे. टावर्स, दलाल स्ट्रीट, मुंबई-400 001
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**Sub : Outcome of Board Meeting- Inter-creditor Agreement for Resolution of Stressed Assets.**

Sir/Madam,

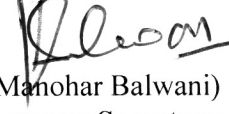
Please refer to the press release by Indian Banks' Association (IBA) in connection with Inter-creditor Agreement for Resolution of Stressed Assets (ICA).

It is to inform that the Board of Directors, Power Finance Corporation Limited, in its meeting held today i.e. on July 24, 2018 has inter-alia approved PFC's joining the said ICA.

We request you to take the same on your record.

Thanking You,

For Power Finance Corporation Ltd.

  
(Manohar Balwani)  
Company Secretary  
mb@pfcindia.com

Enclosure : As above

## PRESS RELEASE

The Reserve Bank of India (RBI), vide its circular dated February 12, 2018 has issued a revised framework for resolution of stressed assets (“**RBI Circular**”). The RBI Circular *inter alia* requires each bank to have board approved policies for dealing with stressed assets/accounts.

Pursuant to the recommendations of Sunil Mehta Committee and under the aegis of Indian Banks’ Association (IBA), an Inter-creditor Agreement (**ICA**) has been prepared which shall serve as a platform for the banks and financial institutions to come together and take joint and concerted actions towards resolution of stressed accounts.

The salient features of the ICA are summarized below:

1. The ICA will be applicable to all corporate borrowers that have availed loans and financial assistance for an amount of Rs. 50 crore or more under consortium lending / multiple banking arrangements;
2. The lead lender (i.e. the lender with the highest exposure) shall be authorized to formulate the resolution plan, which shall be presented to the lenders for their approval;
3. The decision making shall be by way of approval of ‘majority lenders’ (i.e. the lenders with 66% share in the aggregate exposure). Once a resolution plan is approved by the majority lenders, it shall be binding on all the lenders that are a party to the ICA; and
4. Each resolution plan that is formulated in terms of the ICA shall be in compliance with the RBI circular and all other applicable laws and guidelines.