

ANNEXURE -2

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprise)
Core-4, Scope Complex, No.7, Lodi Road, New Delhi-110003

No.SEC-1/8(1)/2006/

Dated: 14th June,,2006

LOAN POLICY CIRCULAR

Sub: Revision in interest rates applicable to REC's Loans/Schemes

Ref: REC's Loan Policy Circular No. SEC-1/8(1)/2005/123 dated 6.07.2005.

The Corporation has revised the interest rates and some of the terms and conditions in respect of various categories of REC's Loans/Schemes and clubbed some of the Loans/schemes as detailed below :

1. **The revised interest rates as indicated in Annexure-I will be applicable on all disbursements made on or after 23.05.2006 irrespective of date of sanction of loans.**
2. Large and Mega Loan Categories for Generation Projects have been clubbed into a single category of Large Loans with sanction amount of **Rs.700 crores & above** **in respect of State/Central Sector Borrowers.**
3. Large and Mega Loan Categories for Generation Projects have been clubbed into a single category of Large Loans with sanction amount of **Rs.500 crores & above** **in respect of Private Sector Borrowers.**
4. The reduction on rate where the reduction is due to commissioning/Commercial Operation Date (COD) of project shall be made from the date of receipt of intimation in REC in regard to commissioning (for State/ Central Sector Borrowers) or COD (for Private Sector Borrowers) of project or the actual date of commissioning/ COD of project, whichever is later; provided that if intimation is received within 5 (Five) working days from actual commissioning/ COD of the project, the reduction shall be given w.e.f. the date of commissioning or COD, as the case may be. The reduction shall be applicable from the date, the existing payment-defaults, if any, under any facility extended by REC, are cleared by the borrower or the eligibility dates as given above, whichever is later.
5. COD/80% drawal rebate is available only for Generation projects and withdrawn for other schemes.
6. For all new sanctions w.e.f. 01-04-2006 with 3 years interest reset rates, the option to the borrower to pre-pay the loan without premium in case of upward revision of interest rates has been withdrawn.
7. A volume discount of 25 bps on applicable interest rate is offered in case of loans for distribution and transmission schemes on future sanctions. The minimum disbursement amount considered for offering this discount is Rs.700 crores in case of Discoms & Transco and Rs.1000 crores for an integrated SEB for the combined disbursement for Distribution and Transmission Schemes. For this purpose borrowers shall be required to sign a MoU with REC, committing to draw required amount within a period of two years from the date of signing of MoU. The Transmission/Distribution loans sanctioned after signing of MoU would be eligible for the benefit under this policy. In case of Distribution Schemes to be covered under the scheme, one of the following security options be considered for passing the rebate. First charge on a separate identified circle/First pari-passu charge on total assets of a Discom /Pledge of Equity Shares.

RURAL ELECTRIFICATION CORPORATION LIMITED
Lending Rates effective from **23.05.2006**

Annexure-I

SCHEMES	Reforming State Sector Borrowers / Central Sector Borrowers (other than Identified CPSUs and AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers			
	with reset after every 3 years				with reset after 10 years				with reset after every 3 years			
	Pre-COD	Post-COD	Pre-COD	Post-COD	Pre-COD	Post-COD	Pre-COD	Post-COD	Pre-COD	Post-COD	Pre-COD	Post-COD
A) <u>Term Loan/Schemes</u>												
1) Conventional Generation-Large	9.75	9.50					9.50	9.25			10.00	9.50
2) Generation-Others (including Non Conventional)	10.00	9.75	10.75	10.50			9.75	9.50	10.50	10.25	11.00	10.50
3) R&M, R&U, Trans., Dist. and other Schemes	9.75		10.50				9.50		10.25		10.75	
4) Computerization	9.00						9.00					
B) <u>Short Term Loans - upto 1 year</u>												
STL- More than 1 year up to 3 year							9.25					
C) <u>Loan to Equipment Manufacturers</u>							9.50					
1) upto 1 year	10.00										11.00	
2) 1-5 years	10.25										11.25	

1 The above rates are effective rates on quarterly rest basis.

2 Identified CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVNL or any other entity as identified by the Corporation from time to time.

3 The rates mentioned at A-4 (Computerization) and B(Short Term Loans) are not applicable for AAA Private Sector Borrowers.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprise)

Core-4, Scope Complex, No.7, Lodi Road, New Delhi-110003

No.SEC-1/8(1)/2006/

Dated: 09.10.2006

LOAN POLICY CIRCULAR

Sub: Revision in interest rates.

Ref: REC's Loan Policy Circulars-No. :

(a) SEC-1/8(1)/2006/178 dated 14.06.2006

(b) SEC-1/8(1)/2006/269 dated 11.09.06

The Corporation has revised the interest rates in the following categories of schemes :

1) Term Loan Categories :-

It has been decided to increase the lending rates by **25 bps** across all the schemes in term loan categories with option of 10 years reset clause.

The lending rates will remain unchanged in all term loan categories with option of three years reset clause. The revised lending rates are enclosed by way of Annexure-I.

2) Short Term Loans (STL):-

It has been decided to revise the lending rates for short term loans as under :-

STL upto 1 year	9.5% on monthly rest basis.
STL of more than 1 year up to 3 years	10.0% on monthly rest basis.

The revision in the lending rates in above categories will be applicable on all disbursements made on or after **03.10.06** irrespective of date of sanction of loans.

Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are therefore requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

All other terms and conditions as contained in Loan Policy circulars dated 14.06.06 and 11.09.06 shall remain unchanged.

Hindi version follows.

Encls: Annexure-I

(B.R. Raghunandan)
GM (Law) & CS

Distribution:

1. DD/AD to CMD/D(F)/D(T)/CVO
2. All EDs and GMs, REC, New Delhi.
3. All Chiefs/Jt Chiefs/Dy. Chiefs, Corporate Office, New Delhi.
4. All Zonal Managers/CPMs, REC POs/Addl. Director, CIRE, Hyderabad/Incharge, Sub-Offices.
5. All Sections/Divisions in the Corporate Office, New Delhi.

RURAL ELECTRIFICATION CORPORATION LTD
Lending Rates Effective From 03.10.06

Sl. No.	Schemes	Reforming State Sector Borrowers, With reset after every 3 years				Identified CPSUs and all AAA With reset after every 3 years				Private Sector Borrowers With reset after every 3 years			
		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years	
		Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
A	Term Loan/Schemes												
1)	Conventional Generation-Large	9.75	9.50	-	-	9.50	9.25	-	-	10.00	9.50	-	-
2)	Generation-Others (including Non Conventional)												
3)	R&M, R&U, Trans., Dist. and other Schemes	10.00	9.75	11.00	10.75	9.75	9.50	10.75	10.50	10.25	9.75	11.25	10.75
4)	Computerization	9.75		10.75		9.50		10.50		10.00		11.00	
		9.00		-	-	9.00		-	-	-	-	-	-
B	STL - upto 1 year	9.50											
	STL-More than 1 year up to 3 years	10.00											
C	Loan to Equipment Manufacturers												
1)	upto 1 year	10.00		-	-	9.75		-	-	11.00		-	-
2)	More than 1 year up to 3 years	10.25		-	-	10.00		-	-	11.25		-	-

1. The above rates are effective rates on quarterly rest basis except for monthly basis in STL..
2. Identified CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVNL or any other entity as identified by the corporation from time to time.
3. The rates mentioned as above for Computerisation & STLs are not applicable for AAA private sector borrowers.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2007/

Dated: 10th January, 2007

LOAN POLICY CIRCULAR – No.001/2007

Sub: Revision in the lending rates of Term Loan.

Ref : Loan Policy Circulars -
(i) No.SEC-1/8(1)/2006/178 dated 14.6.2006
(ii) No. SEC-1/8(1)/2006/269 dated 11.9.2006
(iii)) No. SEC-1/8(1)/2006/295 dated 9.10.2006
(iv) No.SEC-1/8(1)/2006/342 dated 27.11.2006

The Corporation has revised the interest rates in respect of the following categories of schemes, at the 3rd Meeting of the Sub-Committee of the Board held on 4.1.2007 :-

1. Term Loan Categories with 3 years reset option.

It has been decided to increase the lending rates by 25 bps across all the schemes in term loan categories with 3 years reset option.

2. Category of Conventional Generation - Large

It has been decided to include the loan category of "Conventional Generation – Large" also under 10 years reset option, with effect from 5.1.2007.

3. The revised interest rates in respect of SI.No.1 above, and applicable interest rates in respect of SI.No.2 above, are incorporated in Annexure-I enclosed. These interest rates will be applicable on all disbursements made on or after 5.1.2007 irrespective of date of sanction of loans. These rates will be valid till 31st March, 2007.

4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are, therefore, requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

All other terms and conditions as contained in Loan Policy Circulars dated 14.6.2006, 11.9.2006 and 9.10.2006 shall remain unchanged.

Hindi version of this circular will follow.

(B.R. Raghunandan)
GM(Law) & C.S.

Encls: Annexure-I

Distribution:

1. DD/AD to CMD, D(F), D(T) and CVO
2. All EDs/GMs
3. All Chiefs/Jt.Chiefs/Dy. Chiefs at Corporate Office.
4. All Zonal Managers / CPM in POs / Addl. Director, CIRE, and Incharge Sub-Offices

RURAL ELECTRIFICATION CORPORATION LTD
Lending Rates Effective From 5.01.07

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers			
		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years	
		Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
A	Term Loan/Schemes												
1)	Conventional Generation-Large	10.00	9.75	10.75	10.50	9.75	9.50	10.50	10.25	10.25	9.75	10.75	10.50
2)	(including Non Conventional)	10.25	10.00	11.00	10.75	10.00	9.75	10.75	10.50	10.50	10.00	11.25	10.75
3)	R&M, R&U, Trans., Dist. and other Schemes	10.00				9.75		10.50		10.25		11.00	
4)	Computerization	9.25				9.25							
B)	STL - upto 1 year					9.50							
	STL-More than 1 year up to 3 years					10.00							
C)	Loan to Equipment Manufacturers												
1)	upto 1 year	10.25				10.00				11.25			
2)	More than 1 year up to 3 years	10.50				10.25				11.50			

1. The rates on loans are on quarterly basis except in the case of STLs in REC, where rates are with monthly rest.
2. Effective CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVNL or any other entity as identified by the corporation from time to time.
3. The rates mentioned as above for Computerisation & STLs are not applicable for AAA private sector borrowers.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2007/

Dated: 30th March, 2007

LOAN POLICY CIRCULAR – No.003/2007

Sub: Revision in the lending rates of Term Loan.

Ref : Loan Policy Circulars -

- (i) No.SEC-1/8(1)/2006/178 dated 14.6.2006
- (ii) No. SEC-1/8(1)/2006/269 dated 11.9.2006
- (iii) No. SEC-1/8(1)/2006/295 dated 9.10.2006
- (iv) No.SEC-1/8(1)/2006/342 dated 27.11.2006
- (v) No.SEC-1/8(1)/2007/ 31 dated 10.1.2007
- (vi) Loan Policy Circular No.002/2007 dated 22nd March, 2007

1. The Sub-Committee of the Board of Directors of REC, in its 4th Meeting held on 12th March, 2007 has approved revision of lending rates of Term Loans / Schemes pertaining to Reforming State Sector Borrowers and Central Sector Borrowers (other than identified CPSUs & AAA Companies), as per details given below :

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)			
		Applicable Interest rate per annum (%)			
		With reset after every 3 years		With reset after 10 years	
		Pre COD	Post COD	Pre COD	Post COD
A	Term Loan/Schemes				
1)	Conventional Generation-Large	10.50	10.25	11.75	11.50
2)	Generation-Others (including Non Conventional)	10.50	10.25	11.75	11.50
3)	R&M, R&U, Trans., Dist. and other Schemes	10.25		11.00	
B	Short Term Loan (STL)				
	STL - Upto 1 year	11.00			
	STL - More than 1 year up to 3 years	11.50			

2. The above revised interest rates shall be made effective in case of all disbursements made on or after **15th March, 2007** irrespective of date of sanction of loans. These rates will be valid up to 15th April, 2007.

3. In case of Generation Projects with consortium lending to Private Sector Borrowers, there is no change in the existing rate of interest, since REC is charging its own rate of interest or the rate of interest of the Lead Financer in the Consortium, whichever is higher.

4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are, therefore, requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

5. This Loan Policy Circular supersedes the Loan Policy Circular No.002/2007 dated 22nd March, 2007, which stands withdrawn due to correction in the interest rates in respect of Sl.No.A(3) above relating to R&M, R&U, Trans., Dist. and Other schemes.

All other terms and conditions as contained in Loan Policy Circulars dated 14.6.2006, 11.9.2006, 9.10.2006, 27.11.2006 and 10.1.2007 shall remain unchanged.

Hindi version of this circular will follow.

Sd/-
(B.R. Raghunandan)
GM(Law) & C.S.

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2007

Dated: 26th April, 2007

LOAN POLICY CIRCULAR – No.004/2007

Sub: Revision in the lending rates of Term Loan.

Ref : Loan Policy Circulars –
(i) No.001/2007 dated 10th January, 2007
(ii) No.002/2007 dated 22nd March, 2007
(iii) No.003/2007 dated 30th March, 2007

1. The Sub-Committee of the Board of Directors of REC, in its 5th Meeting held on 19th April, 2007 has approved revision of lending rates of Loans / Schemes as per details given in the Annexure.
2. In case of fresh loans for all Generation Projects, it has been decided that:-
 - a) In case REC is the lead financier, the rate of interest applicable for 'Post-COD' will also be applicable for 'Pre-COD' period;
 - b) In case of consortium financing: -
 - (i) REC will charge the interest rate which is common/same for all Consortium Members including REC;
 - (ii) If the Consortium Members, other than REC, are charging common interest rates which is different from REC's interest rate, the higher of the two rates will be charged by REC;
 - (iii) If Consortium Members are charging different interest rates, then REC would charge highest of interest rates of REC, PFC, HUDCO and ICICI Bank, if any one or more among PFC, HUDCO and ICICI Bank are Consortium Members.
 - c) The interest rates can be negotiated, in respect of "Identified CPSUs and all AAA Companies".
- 3) In respect of Short Term Loans (STL) :-
 - (i) STL shall be allowed for a period upto One year only, and STL for more than One year has been discontinued.
 - (ii) Borrower may however opt for roll over of STL upto one more year, but acceptance of such option shall rest with REC.
 - (iii) Borrower will be given option for fixed or floating interest rate as notified in the Annexure.
- 4) Early Bird Incentive / Discount may be considered for giving thrust on Loan to Equipment Manufacturers.
- 5) The revised interest rates as above will be applicable in respect of all disbursements made on or after 26th April, 2007.
- 6) All other terms and conditions of loans / schemes as notified earlier remain unchanged.
- 7) Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

Hindi version of this Circular will follow.

Encl: Annexure

(B.R. Raghunandan)
GM(Law) & C.S.

Distribution:

1. AM/Officer to CMD, D(F), D(T) and CVO
2. All Executive Directors/General Managers
3. All Dy.GMs/Chief Managers/Managers at Corporate Office.
4. All Zonal Managers / CPM in POs / Addl. Director, CIRE, and Incharge Sub-Offices

RURAL ELECTRIFICATION CORPORATION LTD
Lending Rates Effective From 26.04.07

		Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)						Identified CPSUs and all AAA Companies						Private Sector Borrowers					
Sl. No.	Schemes	With reset after every 3 years			With reset after 10 years			With reset after every 3 years			With reset after 10 years			With reset after every 3 years			With reset after 10 years		
		Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.
A		Term Loan/Schemes																	
1)	Conventional Generation-Large	11.00	10.75	11.75	11.50		10.75	10.50	11.50	11.25		11.00	10.75	11.75	11.50				
2)	Generation-Others (including Non Conventional)	11.00	10.75	11.75	11.50		10.75	10.50	11.50	11.25		11.00	10.75	11.75	11.50				
3)	R&M, R&U, Trans., Dist. and other Schemes	10.90		11.65			10.65		11.40			10.90		11.65					
4)	Computerization	9.75		-	-		9.50		-	-		-	-	-	-				
B		STL - upto 1 year																	
		Discontinued w.e.f. 26.4.2007																	
STL-More than 1 year upto 3 years																			
C		Loan to Equipment Manufacturers																	
1)	upto 1 year	11.00		-	-		10.75		-	-		11.50		-	-				
2)	More than 1 year up to 3 years	11.50		-	-		11.25		-	-				-	-				

1. The above rates are effective rates on quarterly rest basis except for monthly basis in STLs, where rates are with monthly rest.
2. Identified CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVN or any other entity as identified by the Corporation from time to time.
3. The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
4. **The revised rates will be effective from 26.04.07.**
5. Definition for large Generation Projects as at A (I) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006 i.e. Sanction amount of Rs. 700 Crores and above in respect of State/Central sector Borrowers and Sanction amount of Rs. 500 Crores and above in respect of Private Sector Borrowers

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2008

Dated: 10th April, 2008

LOAN POLICY CIRCULAR – No.001/2008

Sub: Revision in the lending rates of Term Loans.

Ref : Loan Policy Circulars –
(i) No.004/2007 dated 26th April, 2007
(ii) No.008/2007 dated 7th November, 2007

1. The Sub-Committee of the Board of Directors of REC, in its 9th Meeting held on 9th April, 2008 has approved revision of lending rates of Loans / Schemes as per details given in the Annexure.
2. Further, in case of loans for all Generation Projects, the Committee has decided to modify the existing conditions as under :-
 - a) In case REC is the Lead Financier, the rate of interest applicable for 'Post-COD' will also be applicable for 'Pre-COD' period;
 - b) In case of Consortium Financing, where REC is not the Lead Financier: -
 - (i) If all the Consortium Members, other than REC, are charging same interest rates, then REC would also charge the same interest rate.
 - (ii) If the Consortium Members are charging different interest rates, then REC would charge its own Lending Rate.
 - c) If REC is the Sole Financier, normal lending rates will be charged as per prevailing Loan Policy Circular.
 - d) The interest rates can be negotiated, in respect of "Identified CPSUs and all AAA Companies".
- 3) In respect of Short Term Loans (STL), the same will be allowed for a period of upto one year, and more than one year and upto 3 years.
- 4) Tehri Hydro Development Corporation Ltd. (THDC) has been included in the list of Identified CPSUs.
- 5) The revised interest rates as above will be applicable in respect of all disbursements made on or after 10th April, 2008.
- 6) All other terms and conditions of loans / schemes as notified earlier remain unchanged.
- 7) Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

Encl: Annexure

-sd-
(B.R. Raghunandan)
GM(Law) & C.S.

RURAL ELECTRIFICATION CORPORATION LTD
Lending Rates Effective From **10.04.2008**

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers			
		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years	
		Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.	
A Term Loan/Schemes													
1)	Conventional Generation-Large	11.25	11.00	12.00	11.75	11.00	10.75	11.75	11.50	11.25	11.00	12.00	11.75
2)	Generation-Others (including Non Conventional)	11.25	11.00	12.00	11.75	11.00	10.75	11.75	11.50	11.25	11.00	12.00	11.75
3)	R&M, R&U, Transmission, Distribution and other Schemes	11.25		12.00		11.00		11.75		11.25		12.00	
4)	Computerization	9.75					9.50						
B)	STL - upto 1 year												
	STL-More than 1 year up to 3 years												
C)	Loan to Equipment Manufacturers												
1)	upto 1 year	11.00										11.00	
2)	More than 1 year up to 3 years	11.50										11.50	

- The above rates are effective rates on quarterly rest basis except for monthly basis in STLs where rates are with monthly rest.
- Identified CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVNL, THDC or any other entity as identified by the Corporation from time to time.
- The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
- The revised interest rates as above will be applicable in respect of all disbursements made on or after 10th April, 2008.
- Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2008

Dated: 9th July, 2008

LOAN POLICY CIRCULAR – No.007 / 2008

Sub: Revision in the lending rates of Term Loans.

Ref : (i) Loan Policy Circular No.001/2008 dated 10th April, 2008
(ii) Loan Policy Circular No.006/2008 dated 3rd July, 2008

The Sub-Committee of the Board of Directors of REC, in its 11th Meeting held on 9th July, 2008 has approved revision of lending rates of Terms Loans for all categories of schemes (except STL) with immediate effect, as per details given in the enclosed Annexure.

2. The revised interest rates as above will be applicable in respect of all disbursements made on or after 9th July, 2008.
3. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
4. The revised / applicable interest rates for Short Term Loans (STL) has been separately notified vide our Loan Policy Circular No.006/2007 dated 3rd July, 2008.
5. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

Sd/-
(B.R. Raghunandan)
GM (Law) & C.S.

Encls : Annexure

ANNEXURE

RURAL ELECTRIFICATION CORPORATION LIMITED
Lending Rates Effective From 09.07.2008

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)						Identified CPSUs and all AAA Companies						Private Sector Borrowers					
		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years			
		Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.			
A	Term Loan/Schemes																		
	1) Conventional Generation-Large	11.75	11.50	12.50	12.25	11.50	11.25	12.25	12.00	11.75	11.50	12.50	12.25	11.75	11.50	12.50	12.25		
	2) Generation-Others (including Non Conventional)	11.75	11.50	12.50	12.25	11.50	11.25	12.25	12.00	11.75	11.50	12.50	12.25	11.75	11.50	12.50	12.25		
	3) R&M, R&U, Transmission, Distribution and other Schemes	11.75	11.50	12.50	12.25	11.50	11.25	12.25	12.00	11.75	11.50	12.50	12.25	11.75	11.50	12.50	12.25		
	4) Computerization	10.25				10.00													
B	STL - upto 1 year																		
	STL-More than 1 year up to 3 years																		
C	Loan to Equipment Manufacturers																		
	1) upto 1 year	11.50				11.25						11.50				11.50			
	2) More than 1 year up to 3 years	12.00				11.75						12.00				12.00			

1. The above rates are effective rates on quarterly rest basis except for STLs where rates are with monthly rest.
2. Identified CPSUs are NTPC,NLC,DVC,NHPC,NPCIL,PGCIL,SJVNL, THDC or any other entity as identified by the Corporation from time to time.
3. The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
4. The revised interest rates as above will be applicable in respect of all disbursements made on or after 9th July, 2008.
5. Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2008

Dated: 14th August, 2008

LOAN POLICY CIRCULAR – No.011/ 2008

Sub: Revision in the lending rates of Term Loans and Short Term Loans.

Ref: Loan Policy Circular – (i) No.001/2008 dated 10th April, 2008,
(ii) No.007/2008 dated 9th July, 2008 and
(iii) No. 008/2007 dated 23rd July, 2008.

The Sub-Committee of the Board of Directors of REC, in its 13th Meeting held on 8th August, 2008, has approved upward revision of existing lending rates by 50 basis points with immediate effect in respect of Terms Loans for all categories of schemes and Short Term Loans, as per details given in the Annexure.

2. The revised interest rates will be applicable in respect of all disbursements made on or after 14th August, 2008.
3. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

Sd/-
(B.R. Raghunandan)
GM (Law) & C.S.

Encls: Annexure

RURAL ELECTRIFICATION CORPORATION LIMITED
Lending rates effective from 14th August, 2008

I. TERM LOANS

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers			
		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years	
		Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
A	Term Loan/Schemes	% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.	
1)	Conventional Generation-Large	12.25	12.00	13.00	12.75	12.00	11.75	12.75	12.50	12.25	12.00	13.00	12.75
2)	Generation-Others (including Non Conventional)	12.25	12.00	13.00	12.75	12.00	11.75	12.75	12.50	12.25	12.00	13.00	12.75
3)	R&M, R&U, Transmission, Distribution and other Schemes	12.25		13.00		12.00		12.75		12.25		13.00	
4)	Computerization	10.75				10.50							
B)	Loan to Equipment Manufacturers												
1)	upto 1 year	12.00				11.75				12.00			
2)	More than 1 year up to 3 years	12.50				12.25				12.50			

II. SHORT TERM LOANS

Sl. No.	Category of Borrower	Rate of Interest for STL of upto 1 year, with monthly Rest (% p.a.)	Rate of Interest for STL of More than 1 year and upto three years, with monthly Rest (% p.a.)
1	Central Sector Borrowers/ Identified CPSUs	12.00	12.25
2	State Sector Borrowers- Category "A+" & "A"	12.00	12.25
3	State Sector Borrowers- Category "B" / Private Sector Borrowers ("AAA")	12.25	12.5
4	State Sector Borrowers- Category "C" / Private Sector Borrowers other than "AAA"	50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 12.50	50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 12.75

- The above rates are effective rates on quarterly rest basis except for STLs where rates are with monthly rest.
- Identified CPSUs are NTPC,NLC,DVC,NHPC,NPCIL,PGCIL,SJVN, THDC or any other entity as identified by the Corporation from time to time.
- The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
- The revised interest rates as above will be applicable in respect of all disbursements made on or after 14th August, 2008.
- Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2008/129

Dated: 5th September, 2008

LOAN POLICY CIRCULAR – No.012 / 2008

Sub: Revision in the lending rates of Term Loans and Short Term Loans.

Ref : Loan Policy Circular No. 011/2008 dated 14th August, 2008

The Sub-Committee of the Board of Directors of REC, in its 14th Meeting held on 3rd September, 2008 has approved upward revision of existing lending rates of Terms Loans and Short Term Loans, as per details given in the enclosed Annexure.

2. In respect of Private Sector Borrowers, differential interest rates are made applicable as per Grading of Borrowers (viz. Grade-I,II,III,IV & V) based on REC's internal categorization / grading methodology. Further, financing of Term Loans for Non-Conventional Generation Projects has been separated and the interest rate applicable would be at par with "Conventional Generation-Large" category.
3. The revised interest rates as per Annexure will be applicable in respect of all disbursements made on or after 4th September, 2008.
4. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
5. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

Sd/-

(B.R. Raghunandan)
GM(Law) & C.S.

Encls : Annexure

RURAL ELECTRIFICATION CORPORATION LIMITED
Lending rates effective from 4th September, 2008

I - TERM LOANS

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers Grade - I & II				Private Sector Borrowers Grade - III & IV				Private Sector Borrowers Grade - V			
		With reset after every 3 years	With reset after 10 years	Pre COD	Post COD	With reset after every 3 years	With reset after 10 years	Pre COD	Post COD	With reset after every 3 years	With reset after 10 years	Pre COD	Post COD	With reset after every 3 years	With reset after 10 years	Pre COD	Post COD	With reset after every 3 years	With reset after 10 years	Pre COD	Post COD
A)	Term Loan/Schemes																				
1)	Conventional Generation-Large	12.25	12.00	13.00	12.75	12.25	12.75	12.75	12.50	12.50	12.75	12.75	12.50	12.75	12.50	13.00	13.00	13.25	13.00	13.75	13.50
2)	Generation-Others	12.50	12.25	13.00	12.75	12.25	12.00	12.25	12.50	12.75	12.50	12.75	12.50	13.00	12.75	13.00	13.25	13.50	13.25	13.75	13.50
3)	R&M, R&U, Transmission, Distribution and other Schemes	12.50		13.00		12.25		12.25		12.75		12.75		13.00		13.00		13.50		13.75	
4)	Computerization	11.75				11.50															
B)	Loan to Equipment Manufacturers																				
1)	upto 1 year	12.25				12.00		12.00		13.00				13.25				13.25			
2)	More than 1 year up to 3 years	12.50				12.25		12.25		13.25				13.50				13.50			

II - SHORT TERM LOANS

Sl. No.	Category of Borrower	Rate of Interest for STL of upto 1 year, with monthly Rest (% p.a.)	Rate of Interest for STL of More than 1 year and upto three yaers, with monthly Rest (% p.a.)
1	Central Sector Borrowers/ Identified CPSUs	13.00	13.25
2	State Sector Borrowers- Category "A+" & "A"	13.00	13.25
3	State Sector Borrowers- Category "B" / Private Sector Borrowers ("AAA")	13.25	13.50
4	State Sector Borrowers- Category "C" / Private Sector Borrowers other than "AAA"	50 bps higher than the rate applicable to State Sector Category "A" Borrowers .i.e. 13.50	50 bps higher than the rate applicable to State Sector Category "A" Borrowers .i.e. 13.75

Notes:

- The above rates are effective rates on quarterly rest basis except for STLs where rates are with monthly rest.
- Identified CPSUs are NTPC,NLC,DVC,NHPC,NPCIL,PGCIL,SJVNL, THDC or any other entity as identified by the Corporation from time to time.
- The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
- The revised interest rates as above will be applicable in respect of all disbursements made on or after 4th September, 2008.
- Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.
- In respect of TermsLoans for Non-conventional Generation Projects, the rate of interest would be the same as applicable for Conventional Generation-Large category at SI.No.A(1) above.
- In respect of Private Sector Borrowers, Grades-I,II,III,IV & V as stated above are based on REC's internal categorization / grading methodology.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2008

Dated: 24th September, 2008

LOAN POLICY CIRCULAR – No.013 / 2008

Sub: Revision in the lending rates of Term Loans.

Ref : Loan Policy Circular No. 012/2008 dated 5th September , 2008

The Sub-Committee of the Board of Directors of REC, in its 15th Meeting held on 24th September, 2008 has approved upward revision of lending rates in respect of Terms Loans of all categories with immediate effect. The lending rate in respect of Short Term Loans remains unchanged.

2. The revised interest rates in respect of Term Loans as per Annexure which will be applicable in respect of all disbursements made on or after 24th September, 2008.
3. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

Sd/-
(B.R. Raghunandan)
GM(Law) & C.S.

Encls : Annexure

RURAL ELECTRIFICATION CORPORATION LIMITED
Lending rates effective from 24th September, 2008

I - TERM LOANS

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)			Identified CPSUs and all AAA Companies			Private Sector Borrowers Grade - I & II			Private Sector Borrowers Grade - III & IV			Private Sector Borrowers Grade - V		
		With reset after every 3 years			With reset after every 3 years			With reset after 10 years			With reset after 10 years			With reset after every 3 years		
		Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.	Pre COD	Post COD	% p.a.
A)	Term Loan/Schemes															
1)	Conventional Generation-Large	12.75	12.50	13.50	13.25	12.50	12.25	13.25	13.00	13.00	13.00	12.75	13.25	13.75	13.50	14.00
2)	Generation-Others (excluding Non-conventional)*	13.00	12.75	13.50	13.25	12.75	12.50	13.25	13.00	13.00	13.25	13.00	13.25	14.00	13.75	14.00
3)	R&M, R&U, Transmission, Distribution and other Schemes	13.00		13.50		12.75		13.25		13.25		13.50		14.00		14.25
4)	Computerization	12.25				12.00										
B)	Loan to Equipment Manufacturers															
1)	Upto 1 year	12.75				12.50								13.75		
2)	More than 1 year up to 3 years	13.00				12.75								14.00		

II - SHORT TERM LOANS

Sl. No.	Category of Borrower	Rate of interest for STL of upto 1 year, with monthly Rest (% p.a.)	Rate of interest for STL of More than 1 year and upto three years, with monthly Rest (% p.a.)
1	Central Sector Borrowers/ Identified CPSUs	13.00	13.25
2	State Sector Borrowers- Category "A" & "A"	13.00	13.25
3	State Sector Borrowers- Category "B" / Private Sector Borrowers ("AAA")	13.25	13.50
4	State Sector Borrowers- Category "C" / Private Sector Borrowers other than "AAA"	50 bps higher than the rate applicable to State Sector Category "A" Borrowers .i.e. 13.50	50 bps higher than the rate applicable to State Sector Category "A" Borrowers .i.e. 13.75

Notes:

- The above rates are effective rates on quarterly rest basis except for STLs where rates are with monthly rest.
- Identified CPSUs are NTPC,NLC,DVC,NHPC,NPCIL,PGCIL,SJVN, THDC or any other entity as identified by the Corporation from time to time.
- The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
- The revised interest rates as above will be applicable in respect of all disbursements made on or after 24th September, 2008.
- Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.
- In respect of TermsLoans for Non-conventional Generation Projects, the rate of interest would be the same as applicable for Conventional Generation-Large category at Sl.No.A(1) above.
- In respect of Private Sector Borrowers, Grades-I,II,III,IV & V as stated above are based on REC's internal categorization / grading methodology.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2008

Dated: 1st October, 2008

LOAN POLICY CIRCULAR – No.014 / 2008

Sub: Revision in the lending rates of Term Loans & Short Term Loans.

Ref : Loan Policy Circular No. 013/2008 dated 24th September , 2008

The Sub-Committee of the Board of Directors of REC, in its 16th Meeting held on 1st October, 2008 has approved upward revision of lending rates in respect of Terms Loans & Short Term Loans of all categories with immediate effect, as per details given in the enclosed Annexure.

2. The revised interest rates in respect of Term Loans & Short Term Loans as per Annexure will be applicable in respect of all disbursements made on or after **1st October, 2008.**
3. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

(B.R. Raghunandan)
GM(Law) & C.S.

Encls : Annexure

Distribution:

1. AM/Sr.Officer to CMD, D(F), D(T) and CVO
2. All Executive Directors/General Managers
3. All Addl.GMs/Dy.GMs/Chief Managers at Corporate Office.
4. All Zonal Managers / CPM in POs / Addl. Director, CIRE, and Incharge Sub-Offices
5. Dy.GM (IT) – for posting on the websites of REC.

RURAL ELECTRIFICATION CORPORATION LIMITED
Lending rates effective from **1st October, 2008**

I - TERM LOANS

Sl. No.		Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers Grade - I & II				Private Sector Borrowers Grade - III & IV				Private Sector Borrowers Grade - V			
			With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years	
			Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		
A)	Term Loan/Schemes																					
1)	Conventional Generation-Large		13.25	13.00	14.00	13.75	13.00	12.75	13.75	13.50	13.25	14.00	13.75	13.75	13.50	14.25	14.00	14.25	14.00	14.25	14.75	14.50
2)	Generation-Others (excluding Non-conventional)*		13.50	13.25	14.00	13.75	13.25	13.00	13.75	13.50	13.75	14.00	13.75	14.00	13.75	14.25	14.00	14.25	14.00	14.50	14.75	14.50
3)	R&M, R&U, Transmission, Distribution and other Schemes		13.50		14.00		13.25		13.75		13.75		14.00		14.00		14.25		14.50		14.75	
4)	Computerization		12.75				12.50															
B)	Loan to Equipment Manufacturers																					
1)	Upto 1 year		13.25				13.00				14.00				14.25				14.25			
2)	More than 1 year up to 3 years		13.50				13.25				14.25				14.50				14.50			

II - SHORT TERM LOANS

Sl. No.	Category of Borrower	Rate of Interest for STL of upto 1 year, with monthly Rest (% p.a.)	Rate of Interest for STL of More than 1 year and upto three years, with monthly Rest (% p.a.)
1	Central Sector Borrowers/ Identified CPSUs	14.25	14.50
2	State Sector Borrowers- Category "A" & "A"	14.25	14.50
3	State Sector Borrowers- Category "B" / Private Sector Borrowers ("AAA")	14.50	14.75
4	State Sector Borrowers- Category "C" / Private Sector Borrowers other than "AAA"	50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 14.75	50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 15.00

Notes:

- The above rates are effective rates on quarterly rest basis except for STLs where rates are with monthly rest.
- Identified CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVNL, THDC or any other entity as identified by the Corporation from time to time.
- The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
- The revised interest rates as above will be applicable in respect of all disbursements made on or after 1st October, 2008.
- Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.
- "In respect of TermsLoans for Non-conventional Generation Projects, the rate of interest would be the same as applicable for Conventional Generation-Large category at Si.No.A(1) above.
- In respect of Private Sector Borrowers, Grades-I,II,III,IV & V as stated above are based on REC's internal categorization / grading methodology.

Not Applicable

RURAL ELECTRIFICATION CORPORATION LIMITED

(A Govt. of India Enterprises)
Core-4, SCOPE Complex, Lodhi Road, New Delhi-110003.

COMPANY SECRETARY'S DIVISION

No. SEC-1/8(1)/2009

Dated: 22nd January, 2009

LOAN POLICY CIRCULAR – No.001 / 2009

Sub: Revision in the lending rates of Term Loans.

- Ref :
1. Loan Policy Circular No. 014/2008 dated 1st October, 2008
 2. Loan Policy Circular No. 016/2008 dated 21st October, 2008

The Sub-Committee of the Board of Directors of REC, in its 18th Meeting (Adjourned) held on 21st January, 2009 has approved revision of lending rates in respect of Terms Loans with immediate effect, as per details given in the enclosed Annexure. The revised interest rates will be applicable in respect of all disbursements made on or after **22nd January, 2009.**

2. The interest rates for Short Term Loans will remain unchanged as notified vide Loan Policy Circular No.016/2008 dated 21st October, 2008
3. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are requested to ensure that applicable interest rates and other terms and conditions are duly circulated to all concerned and correctly incorporated in the sanction letters.

(B.R. Raghunandan)
GM(Law) & C.S.

Encls : Annexure

Distribution:

1. DM/Sr.Officer/AM to CMD, D(F), D(T) and CVO
2. All Executive Directors / General Managers
3. All Addl.GMs/Dy.GMs/Chief Managers at Corporate Office.
4. All Zonal Managers / CPM in POs / Addl. Director, CIRE, and Incharge Sub-Offices
5. Dy.GM (IT) – for posting on the websites of REC.

RURAL ELECTRIFICATION CORPORATION LIMITED **Lending rates effective from 22nd January, 2009**

I - TERM LOANS

Sl. No.	Schemes	Reforming State Sector Borrowers, Central Sector Borrowers (other than identified CPSUs & AAA Companies)				Identified CPSUs and all AAA Companies				Private Sector Borrowers Grade - I & IV				Private Sector Borrowers Grade - V			
		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years		With reset after every 3 years		With reset after 10 years	
		Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD	Pre COD	Post COD
A)	Term Loan/Schemes	% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.		% p.a.	
1)	Conventional Generation-Large	12.50	12.25	12.75	12.50	12.25	12.00	12.50	12.25	12.75	12.50	13.00	12.75	13.50	13.25	13.75	13.50
2)	Generation-Others (excluding Non-conventional)*	12.75	12.50	13.00	12.75	12.50	12.25	12.75	12.50	13.00	12.75	13.25	13.00	13.75	13.50	14.00	13.75
3)	R&M, R&U, Transmission, Distribution and other Schemes	12.75			13.00	12.50		12.75		13.00		13.25		13.75		14.00	
4)	Computerization	12.75				12.50											
B)	Loan to Equipment Manufacturers																
1)	Upto 1 year	13.25				13.00				14.00				14.25			
2)	More than 1 year up to 3 years	13.50				13.25				14.25				14.50			

II - SHORT TERM LOANS

Sl. No.	Category of Borrower	Rate of Interest for STL of upto 1 year, with monthly Rest (% p.a.)	Rate of Interest for STL of More than 1 year and upto three years, with monthly Rest (% p.a.)
1	Central Sector Borrowers/ Identified CPSUs	14.75	15.00
2	State Sector Borrowers- Category "A+" & "A"	14.75	15.00
3	State Sector Borrowers- Category "B" / Private Sector Borrowers ("AAA")	15.00	15.25
4	State Sector Borrowers- Category "C" / Private Sector Borrowers other than "AAA"	50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 15.25	50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 15.50

Notes:

- The above rates are effective rates on quarterly rest basis except for STLs where rates are with monthly rest.
- Identified CPSUs are NTPC, NLC, DVC, NHPC, NPCIL, PGCIL, SJVN, THDC or any other entity as identified by the Corporation from time to time.
- The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
- The revised interest rates as above will be applicable in respect of all disbursements made on or after 22nd January, 2009.
- Definition for large Generation Projects as at A(1) above will be the same as defined in REC's Loan Policy Circular dated 14th June, 2006, i.e. Sanction amount of Rs.700 Crores and above in respect of State/Central Sector Borrowers and Sanction amount of Rs.500 Crores and above in respect of Private Sector Borrowers.
- *In respect of TermsLoans for Non-conventional Generation Projects, the rate of interest would be the same as applicable for Conventional Generation-Large category at Si.No.A(1) above.
- In respect of Private Sector Borrowers, Grades-I,II,III,IV & V as stated above are based on REC's internal categorization / grading methodology.

Not Applicable