

# 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: 10<sup>th</sup> 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 3<sup>rd</sup> 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 31<sup>st</sup> 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
<b>A</b>	<b>Term Loan/Schemes</b>												
1)	<b>Conventional Generation-Large</b>	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		10.75		9.75		10.50		10.25		11.00	
4)	Computerization	9.25		-	-	9.25		-	-	-	-	-	-
<b>B)</b>	<b>STL - upto 1 year</b>	9.50											
	<b>STL-More than 1 year up to 3 years</b>	10.00											
<b>C)</b>	<b>Loan to Equipment Manufacturers</b>												
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