

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)/2006/ 342

Dated: 27th November, 2006

LOAN POLICY CIRCULAR

Sub: Revision in the lending rates for T&D schemes – Discontinuation of concessional rates of interest for North Eastern and Special Category States, and Extension of general rebate/ additional rebate for North Eastern States only.

Ref: Loan Policy Circulars -

(i) No. SEC-1/8(1)/2004/222 dated 21st September, 2004 &

(ii) No. SEC-1/8(1)/2005/123 dated 6th July, 2005

The Board of Directors in their 309th Meeting held on 26th October, 2006 have approved:

- (a) discontinuation of the concessional rates of interest with immediate effect, presently extended for T&D projects/schemes in North Eastern and Special Category states (as per earlier decision taken at the 287th Board Meeting held on 26.8.2004), and -
- (b) in its place, extended a general rebate of 25 bps on the prevailing interest rates for T&D projects/schemes, and additional rebate of 25 bps for compliance with reform conditionalities as stipulated by Ministry of Power from time to time, to North Eastern States only with immediate effect, and there will be no rebate available for Special Category States.

Hindi version of this Office Order will follow.



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

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
5. All Divisions/ Sections in the Corporate Office.
6. File No. SEC-4/1(309)/2006