

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 This Loan Policy Circular supersedes the Loan Policy Circular No.002/2007 dated 22nd March, 2007, which stands withdrawn due to correction in the interest rates in respect of Sl.No.A(3) above relating to R&M, R&U, Trans., Dist.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