

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,				Identified CPSUs and all AAA				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	9.75	9.50	-	-	9.50	9.25	-	-	10.00	9.50	-	-
2)	Generation-Others (including Non Conventional)	10.00	9.75	11.00	10.75	9.75	9.50	10.75	10.50	10.25	9.75	11.25	10.75
3)	R&M, R&U, Trans., Dist. and other Schemes	9.75		10.75		9.50		10.50		10.00		11.00	
4)	Computerization	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