

RURAL ELECTRIFICATION CORPORATION LIMITED

Lending Rates effective from May 8, 2017 till June 30, 2017 or till further notification, whichever is earlier

I - TERM LOANS - (With reset after every 3 years)								
Sl. No.	Category of Loans /Schemes	State Sector Borrowers (Category "A+" and Identified CPSUs and AAA Rated Companies)	State Sector Borrowers (Category "A" & "B"), Central Sector Borrowers (other than identified CPSUs & AAA Rated Companies)	Private Sector Borrowers				
				With Integrated Rating of IR-1	(a) With Integrated Rating of IR-2 (b) Entity Grade: I & II	(a) With Integrated Rating of IR-3 (b) Entity Grade: III & IV (c) DISCOM Grade- A	With Integrated Rating of IR-4	(a) With Integrated Rating of IR-5 (b) Entity Grade: V (c) DISCOM Grade- B (d) Non Graded
(% p.a.)								
A) Term Loan/Schemes								
1	Conventional Generation	11.15	11.40	11.90	12.40	12.65	12.90	13.15
2	R&M & R&U of Generation Projects	11.15	11.40	11.65	12.15	12.40	12.65	12.90
3	Non-Conventional Generation - a) Renewable Energy Projects except Biomass Projects (within purview of MNRE)	9.75	10.00	9.75	10.25	10.50	10.75	11.00
	b) Biomass Projects	10.75	11.00	11.00	11.25	11.50	11.75	12.00
4	Transmission Schemes	11.00	11.25	11.75	12.00	12.25	12.50	12.75
5	Distribution & other Schemes	10.75	11.00	11.25	11.50	11.75	12.00	12.25
6	Funding Against Regulatory Assets	11.40	11.65	11.90	12.15	12.40	12.65	12.90
7	Computerization	11.65	11.90	-	-	-	-	-
B) Loan to Equipment Manufacturers								
1	Upto 1 year	12.00	12.25	12.50	12.75	13.00	13.25	13.50
2	More than 1 year and up to 3 years	11.65	11.90	12.15	12.40	12.65	12.90	13.15

II - TRANSITIONAL FINANCING LOANS - (With reset after every 3 years)				
Particulars	Category A+	Category A	Category B	Category C
1 To State Sector DISCOMs (If interest is paid Quarterly)	11.40	11.65	11.90	12.15
2 To State Sector DISCOMs (If interest is paid Monthly)	11.29	11.54	11.78	12.03
3 In case of Newly incorporated GENCOs/TRANSCO/ DISCOMs formed out of Bifurcation/Re-organisation of state (On Monthly rests)	11.90	12.15	12.40	12.65

III - SHORT TERM LOANS (STL) / MEDIUM TERM LOANS (MTL)					
Sl. No.	Category of Borrower	Interest Rates for STL for more than 3 months and upto 6 months, with monthly rests (%)	STL Interest Rates for STL for more than 6 months and upto 1 year, with monthly rests (%)	MTL (only for State Sector Borrowers) Interest Rates for MTL for more than 1 year and upto 3 years, with monthly rests (%)	Interest Rates for MTL for more than 1 year and upto 3 years, on quarterly rests (%)
1	Central Sector Borrowers/ Identified CPSUs/ State Sector Borrowers Category "A+"	10.50	10.75	11.50	11.61
2	State Sector Borrowers Category "A" and other CPSUs	10.75	11.00	11.75	11.87
3	State Sector Borrowers Category "B"	10.75	11.00	12.00	12.12
4	Private Sector Borrowers ("AAA")	11.00	11.25	12.25	12.38
5	State Sector Borrowers Category "C"/Private Sector Borrowers other than "AAA"	11.50	11.75	-	-

PS : For "Notes" please see next page.

P.T.O.

Notes:

1	The above rates are effective rates on quarterly rest basis except for STL/Transitional Financing Loans/MTL (if interest is paid monthly) where rates are with monthly rest.
2	25 bps discount shall be allowed for Financial Assistance under schemes of (i) Short Term Loans (ii) Medium Term Loans (iii) Transitional Financing to DISCOMs; and (iv) Funding Against Regulatory Assets, where such Financial Assistance is secured by the State Government Guarantee.
3	For funding the loan portion of Government of India schemes viz. R-APDRP, IPDS, DDUGJY, etc., the applicable interest rate shall be 50 bps below their applicable rate of interest for all categories/grade of borrowers.
4	Interest rate for Term Loans with "Reset after every 10 Years" shall be 15 bps lower than the rates of Term Loans with "Reset after every 3 years".
5	Identified CPSUs are NTPC,NLC,DVC,NHPC,NPCIL,PGCIL,SJVNL,THDC,RITES, BHEL, IFCI, EESL or any other entity as identified by the Corporation from time to time.
6	The rates mentioned as above for Computerisation are not applicable for AAA private sector borrowers.
7	The revised interest rates as above will be applicable in respect of all disbursements made on or after May 8, 2017 till June 30, 2017 or till further notification, whichever is earlier.
8	In respect of Private Sector Borrowers, Grades-I,II,III,IV & V and Borrowers with Integrated Rating of IR-1 to IR-5 as stated above are based on REC's internal categorization methodology.
9	In respect of State Sector Borrowers,the rating "A+", "A", "B", "C" are based on the REC's internal grading methodology.
10	For State Sector category "C" borrowers, the applicable rates would be 0.50% higher than the applicable rates for State Sector category "A" Borrowers.
11	A volume discount of 25 bps on applicable interest rates can be offered in case of loans for distribution & transmission schemes on future sanctions, if disbursements under these schemes reach target amount within specified period. The minimum disbursement amount to be considered for offering this discount isRs.700 crore in case of DISCOMs & TRANSCOs and Rs.1000 crore for an integrated SEB for the combined disbursement for its Distribution and Transmission schemes. For this purpose, borrowers shall be required to sign a MoU with REC, committing to draw the required amount within a period of two and half years from the date of signing of MoU. The Transmission and Distribution loans sanctioned after signing of MoU with REC would be eligible for the benefit under this policy. The discount under the policy shall be passed on to the borrowers only on the interest due on or after drawal of Rs.700 crore/Rs.1000 crore as applicable. The total disbursement made during the specified period shall be eligible for a discount of 25 bps from the applicable rate till it is repaid.
12	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, is applicable to North Eastern States only in line with our existing Loan Policy Circulars No.SEC-1/8(1)/2006/342 dated November 27, 2006 and No.SEC-1/8(1)/2008/1165 dated June 9, 2008.
13	In case of Joint Venture (JV) being formed by Identified CPSUs / State Sector Borrowers / Central Sector Borrowers among themselves, the applicable rate of interest for such JV entity shall be same as applicable to the entity holding 49% or more equity in the said JV.
14	In case of Generation projects, if there is a Government Sector entity (Other than identified CPSUs /rated State entities and AAA rated companies) which has presently not been rated, interest rates as applicable to the GENCO of the respective State would apply to such entities, till it is rated.
15	For corresponding effective annualized interest rates Annexure-B attached to this Loan Policy Circular, may please be referred to.
	Not Applicable

Effective Interest Rates

Annexure - B

Interest Rate	
On Quarterly Rest (%)	Effective Annualize Rate (%)
10.50	10.92
10.75	11.19
11.00	11.46
11.25	11.73
11.40	11.90
11.50	12.01
11.65	12.17
11.75	12.28
11.90	12.44
12.00	12.55
12.15	12.71
12.25	12.82
12.40	12.99
12.50	13.10
12.65	13.26
12.75	13.37
12.90	13.54
13.00	13.65
13.15	13.81
13.25	13.92
13.40	14.09
13.50	14.20
13.65	14.36
13.75	14.48
13.90	14.64

Interest Rate		
On Monthly Rest (%)	Effective Interest Rate on Quarterly Rest (%)	Effective Annualize Rate (%)
10.50	10.59	11.02
10.75	10.85	11.30
11.00	11.10	11.57
11.25	11.36	11.85
11.40	11.51	12.01
11.50	11.61	12.13
11.65	11.76	12.29
11.75	11.87	12.40
11.90	12.02	12.57
12.00	12.12	12.68
12.15	12.27	12.85
12.25	12.38	12.96
12.40	12.53	13.13
12.50	12.63	13.24
12.65	12.78	13.41
12.75	12.89	13.52
12.90	13.04	13.69
13.00	13.14	13.80
13.15	13.29	13.97
13.25	13.40	14.09
13.40	13.55	14.25
13.50	13.65	14.37
13.65	13.81	14.54
13.75	13.91	14.65
13.90	14.06	14.82