

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)/2010

Dated: 28th September, 2010

LOAN POLICY CIRCULAR – No. 005 / 2010

- Sub: 1. Introduction new category of Short Term Loans (STL) for 3 months at the Interest Rates of 50 bps lower than the rates applicable for STL of 6 months, and
2. Charging of interest rate of INBMK+350 bps with annual reset, without any put / call option, in case of loan proposals of the State / Central Sector relating to Generation Projects of Rs.4000 crore or more.

Ref : Loan Policy Circular No. 003/2010 dated 20th August, 2010.

The Sub-Committee of the Board of Directors of REC, in its 29th Meeting held on 25th September, 2010 has approved the following :-

- (a) Introduction of a new category of Short Term Loans (STL) for 3 months at the Interest Rates of 50 bps lower than the rates applicable for STL of 6 months. In case STL is rolled over for a cumulative period of 6 months / one year / 3 years, the interest rates applicable for the total tenure shall be applicable for the entire period from the date of first disbursement.
- (b) Charging of interest rate of INBMK+350 bps with annual reset, without any put / call option, in case of loan proposals of the State / Central Sector relating to Generation Projects of Rs.4000 crore or more.
2. The new / revised lending rates of (a) Short Term Loans for 3 months, and (b) Loan proposals of the State / Central Sector relating to Generation Projects of Rs.4000 crore or more, as indicated above, will be applicable in respect of all disbursements made on or after 28th September, 2010.
3. All other terms and conditions of loans / schemes as notified earlier remain unchanged.
4. Zonal Managers/CPMs and other officers in Corporate Office issuing sanction letters are 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.

(B.R. Raghunandan)
ED & Company Secretary

Distribution:

1. DM/Officer to CMD, D(F), D(T) and CVO
2. All Executive Directors / General Managers
3. All Addl.GMs /Dy.GMs /Chief Managers at Corporate Office.
4. All Zonal Managers / CPM in POs / Addl. Director, CIRE, and Incharge Sub-Offices
5. Dy.GM (IT) – for posting on the websites of REC.