

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)/2008

Dated: 3rd July, 2008

LOAN POLICY CIRCULAR – No.006 / 2008

Sub: Revision in the lending rates of Short Term Loans (STL).

Ref : Loan Policy Circular No.001/2008 dated 10th April, 2008

1. The Sub-Committee of the Board of Directors of REC, in its 10th Meeting held on 3rd July, 2008 has approved revision of lending rates of Short Terms Loans (STL) with immediate effect, as per details given below :

| Sl. No. | Category of Borrower | Rate of Interest for STL of Upto One year, with monthly rest (%) | Rate of Interest for STL of More than One year and upto Three years, with monthly rest (%) |
|---------|---|--|--|
| 1. | Central Sector Borrowers / Identified CPSUs | 11.25% | 11.50% |
| 2. | State Sector Borrowers – Category "A+" & "A" | 11.25% | 11.50% |
| 3. | State Sector Borrowers – Category "B" / Private Sector Borrowers ("AAA") | 11.50% | 11.75% |
| 4. | State Sector Borrowers – Category "C" / Private Sector Borrowers other than "AAA" | 50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 11.75%. | 50 bps higher than the rate applicable to State Sector Category "A" Borrowers i.e. 12.00%. |

2. The revised interest rates as above will be applicable in respect of all disbursements made on or after 3rd July, 2008.
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.

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