

# 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: 21<sup>st</sup> October, 2008

### LOAN POLICY CIRCULAR – No.016 / 2008

#### **Sub: Revision in the lending rates of Short Term Loans.**

Ref : Loan Policy Circular No. 014 / 2008 dated 1<sup>st</sup> October, 2008.

The Sub-Committee of the Board of Directors of REC, in its 17<sup>th</sup> Meeting held on 21<sup>st</sup> October, 2008 has approved upward revision of existing lending rates in respect of Short Term Loans by 50 basis points with immediate effect. The effective rates of interest for Short Term Loans after the said revision will be as under :

Sl. No.	Category of Borrower	Rate of Interest for STL of Upto 1 year, with monthly Rest (% p.a.)	Rate of Interest for STL of More than 1 year and upto 3 years, with monthly Rest (% p.a.)
1.	Central Sector Borrowers / Identified CPSUs	14.75	15.00
2.	State Sector Borrowers – Category "A+" & "A"	14.75	15.00
3.	State Sector Borrowers – Category "B" / Private Sector Borrowers ("AAA")	15.00	15.25
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. 15.25	50 bps higher than the rate applicable to State Sector Category "A" Borrowers. i.e. 15.50

2. The revised interest rates in respect of Short Term Loans as indicated above will be applicable in respect of all disbursements made on or after 21<sup>st</sup> October, 2008.

3. The applicable interest rates for Term Loan will remain unchanged as notified earlier vide Loan Policy Circular No.014/008dated 1<sup>st</sup> October, 2008

4. All other terms and conditions of loans / schemes as notified earlier remain unchanged.

5. 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.

**Distribution:**

1. AM/Sr. Officer to 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.