Annexure 13.10

# REC LIMITED

Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003.
CIN: L40101DL1969GOI005095

## COMPANY SECRETARY'S DIVISION

**No. SEC-1/8(1)/2021/175** **Dated: March 31, 2021**

Loan Policy Circular No. 002/2021

**Sub: Revision in lending rates of REC Limited**

The Sub-Committee of Directors for Review of Lending Rates for Term Loans/Short Term Loans of the Company, in its 155th Meeting held on March 31, 2021 has *inter-alia* approved reduction in the interest rates for various schemes, loan products and categories of borrowers, as summarized in **Annexure A** attached herewith, read with effective interest rates appearing at **Annexure B** hereto.

**The revised rates will be applicable with effect from April 1, 2021, till further notification.**

Sr. CPM/CPMs and other officers in Registered Office/Corporate Office of the Company issuing sanction letters are requested to ensure that applicable interest rates and other terms & conditions are duly informed to all concerned and correctly incorporated in the sanction letters.

**(J.S. Amitabh)**
**Executive Director & Company Secretary**

**Encl.: Annexures A & B**

**Distribution:**

1. O/o CMD, D(T), D(F) and CVO.
2. All Executive Directors / Chief General Managers of REC.
3. All Sr. GMs / GMs of REC.
4. All Sr. CPM/ CPMs in ROs/POs, In-charge RECIPMT and State Offices, REC.
5. CGM (IT) – for arranging uploading on REC website and intranet.
6. CGM (Rajbhasha), REC - For translation in Hindi.

Annexure-A

(LPC No. 002/2021 dated March 31, 2021)

# REC Limited

## Lending Rates effective from April 1, 2021 till further notification

### A. On monthly rest basis, with 1 year reset (% p.a.)

| Sl. No. | Scheme/Product \ Borrower | State Sector Borrowers/CPSUs/JVs | | | Private Sector Borrowers | | |
|---|---|---|---|---|---|---|---|
| | | A++ | A+ | A | IR 1 | IR 2 | IR 3 |
| 1 | Conventional Generation | 10 | 10.75 | 11 | 10.5 | 10.75 | 11 |
| 2 | R&M of Conventional Generation (including Small Capex) | 9.5 | 10.25 | 10.5 | 10 | 10.25 | 10.5 |
| 3 | Installation of Pollution Control Equipments like FGD etc. | 9 | 9.5 | 9.75 | 9.25 | 9.5 | 9.75 |
| 4 | Non-Conventional Generation- Renewable Energy (Wind and Solar). For other projects, please refer to Note No. 9 | 9 | 9.5 | 9.75 | 9.25 | 9.5 | 9.75 |
| 5 | Transmission | 9 | 9.5 | 9.75 | 9.5 | 9.75 | 10 |
| 6 | Distribution | - | 9.75 | 10.25 | 9.75 | 10.25 | 10.5 |

### B. On monthly rest basis, with no reset (% p.a.)

| Sl. No. | Scheme/Product | A++ | A+ | A | IR 1 | IR 2 | IR 3 |
|---|---|---|---|---|---|---|---|
| 7 | Short Term Loan | 8.5 | 9 | 9.25 | Please refer to Note No.15 | | |
| 8 | Medium Term Loan | 9 | 9.5 | 9.75 | - | - | - |

**Notes:**

| | |
|---|---|
| 1 | The revised interest rates as above will be applicable in respect of all disbursements made on or after 1st April 2021 till futher notification. |
| 2 | •Interest rates for State Sector/CPSUs/JVs-Grade B & C borrowers shall be higher by 25 bps & 50 bps respectively than the interest rates applicable to Grade A.<br>•Interest rates for Private Sector-Grade IR-4 & IR-5 borrowers shall be higher by 25 bps & 50 bps respectively than the interest rates applicable to Grade IR-3. |
| 3 | Interest rates for AAA rated State Sector borrowers/CPSUs/JVs shall be that of rates applicable to Grade A++ |
| 4 | In case of Generation projects, if there is a Government Sector entity (other than AAA rated Companies) which has presently not been rated, interest rates as applicable to the Category 'A' State Sector Borrowers would apply to such entities, till it is rated. |
| 5 | Interest rate for Loans with "Reset after every 3 Years" shall be 25 bps higher than the rates of Term Loans with "Reset after every 1 year". |
| 6 | The option of "Reset after every 10 years" is available only for loans sanctioned before 01/09/2020 and the Interest rate shall be 15 bps higher than the rates of Term Loans with "Reset after every 3 years". |
| 7 | 1 year reset option is available for all schemes/products, where loan documents are executed on or after 01.04.2021. |
| 8 | The rates for FGD etc. at S.No. 3 above are applicable only for installation of such equipments in commissioned projects. In other cases, rates of Conventional Generation shall be applicable. |
| 9 | For Small Hydro (upto 25 MW), Biomass and Waste to Energy Projects, the interest rate will be 50 bps higher than the applicable Renewable Energy rates. For Hydro projects of more than 25 MW capacity, Conventional Generation rates will apply. |
| 10 | Interest Rates applicable to other Loan Products: (With Monthly rest, 1 year reset) |

| | Particulars | Applicable Interest rates |
|---|---|---|
| | **For State Sector Borrowers/CPSUs/JVs:** | |
| a. | Bill Discounting (No Reset) | Short Term Loan - 25 bps |
| b. | Funding against Regulatory Assets | Distribution + 190 bps |
| c. | Financial Assistance for Computerisation / Studies | R&M of Conventional Generation (including Small Capex) |
| d. | Transitional Financing to Discoms | Distribution + 75 bps |
| e. | Renewable - RPO (Only for existing loans) | Distribution + 50 bps |
| f. | Electro/Hydro mechanical components in large irrigation projects (with Govt Guarantee) | Conventional Generation 'A+' across all grades |
| | **For All Borrowers:** | |
| g. | Project Specific Funding | Renewable + 50 bps |
| h. | Equipment Manufacturing | Conventional Generation + 50 bps |

| | |
|---|---|
| 11 | 10 bps rebate shall be allowed on the card rate for all new Solar projects sanctioned on or after 01.04.2021, if the domestic content is 75% or more. |
| 12 | Post COD rebate of 25 bps is allowed on the above rates for Conventional Generation and Renewable Energy projects sanctioned on or after 01.04.2021, after 6 months of satisfactory commercial operations. Private Sector borrower to submit external rating (not less than investment grade), within one year of CoD and every year thereafter, as per guidelines, to continue to avail the rebate. |
| 13 | For all new loans (Except STL, MTL, 10(a) & 10(f)), sanctioned on or after 01.04.2021, 25 bps rebate and 50 bps rebate shall be allowed on the above rates for providing Government guarantee as security and for entering into Tripartite agreement for payment security through RBI Backstop arrangements respectively, subject to maximum rebate of 50 bps. |
| 14 | In case a borrower/project is downgraded to Stage 2 Category as per Ind-AS, applicable interest rates on the loan shall be higher by 25 bps till it is upgraded for loans sanctioned on or after 01.04.2021. |
| 15 | Interest rates for STL to Private Sector borrowers with A1, A2 & A3 ratings shall be 9%, 9.50% & 10 % respectively. |
| 16 | For corresponding quarterly rates, for rates at A and Note no. 10 above, and effective annualized interest rates, **Annexure-B** attached to this Loan Policy Circular may please be referred to. |

Annexure B

Effective Interest Rates

| Interest Rate | | |
|---|---|---|
| On Monthly Rest (%) | Effective Interest Rate on Quarterly Rest (%) | Effective Annualize Rate (%) |
| 8.25 | 8.31 | 8.57 |
| 8.50 | 8.56 | 8.84 |
| 8.75 | 8.81 | 9.11 |
| 9.00 | 9.07 | 9.38 |
| 9.25 | 9.32 | 9.65 |
| 9.50 | 9.58 | 9.92 |
| 9.75 | 9.83 | 10.20 |
| 10.00 | 10.08 | 10.47 |
| 10.25 | 10.34 | 10.75 |
| 10.50 | 10.59 | 11.02 |
| 10.75 | 10.85 | 11.30 |
| 11.00 | 11.10 | 11.57 |
| 11.25 | 11.36 | 11.85 |
| 11.50 | 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 |
| 12.40 | 12.53 | 13.13 |
| 12.65 | 12.78 | 13.41 |
| 12.90 | 13.04 | 13.69 |