

**POWER FINANCE CORPORATION LTD**

**(I) RUPEE TERM LOANS (other than STL): (Effective from 27.07.2011 as per Policy Circular dated 27.07.2011)**

3 Year & 10 year Reset Rates

BORROWER  LOAN/SCHEME/PRODUCT		State Sector Borrowers (Category 'A+') [AND] Identified CPSUs [AND] AAA rated Companies	State Sector Borrowers (Category 'A') [AND] Central Sector Borrowers (Other than Identified CPSUs & AAA rated) [AND] Private Sector Borrowers (Generation Projects with Integrated Rating of IR-1)	Private Sector Borrowers : (a) Generation Projects with Integrated Rating of IR-2 (b) Entity Grade : E I & E II	Private Sector Borrowers : (a) Generation Projects with Integrated Rating of IR-3 (b) Entity Grade : E III & E IV (c) Discom : Grade A	Private Sector Borrowers : (a) Generation Projects with Integrated Rating of IR-4	Private Sector Borrowers : (a) Generation Projects with Integrated Rating of IR-5 (b) Discoms : Grade B. (c) Entity Grade : E V (d) Non-graded.
<b>A)</b>	<b>Project Loans / Schemes:</b>						
1)	Generation, R&M/R&U of Generation	12.50	12.75	13.25	13.50	13.75	14.00
2)	Transmission, Distribution, R&M/R&U of Trans/Dist, Metering, Shunt Capacitor, S.S.E.R., P.I.F., Other Schemes	12.25	12.50	13.00	13.25	N.A.	13.75
3)	Computerisation	12.75		NOT APPLICABLE			
4)	Study Scheme sanctioned under 'Policy on Financial Assistance for Studies'	12.25					
5)	Lease Financing (During Comm)	RTL Rate					
<b>B)</b>	<b>Buyers Line of Credit / Bill Discounting / Equipment Manufacturing:</b>						
1)	Upto 1 year	STL Rate (Bullet Repayment more than 6 months - without 90 days reset option) as applicable to State Sector Category 'A+' Borrowers	STL Rate (Bullet Repayment more than 6 months - without 90 days reset option) as applicable to State Sector Category 'A' Borrowers	125 bps over the rate applicable to State Sector Category 'A' Borrowers (Generation Scheme)			
2)	More than 1 year	12.75	13.00				

**(II) RUPEE SHORT TERM LOANS (STL) : (Effective from 18.01.2012 as per Policy Circular dated 18.01.2012)**

	Category	Sector	Rate of Interest (% p.a., net of timely payment rebate, payable monthly)			
			Bullet Repayment upto 6 months and EMI Repayments		Bullet Repayment more than 6 months	
			With 90 Days Reset	Without Reset	With 90 Days Reset	Without Reset
1)	'A+' / Identified CPSUs / AAA rated Companies	State & Private	12.25	12.50	12.50	12.75
2)	Category 'A' and other CPSUs	State	12.50	12.75	12.75	13.00
3)	Category 'B'	State	12.75	13.00	13.00	13.25
4)	Category 'C'	State	13.00	13.25	13.25	13.50
5)	Other than AAA rated	Private	13.75	14.00	14.00	14.25

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**SALIENT NOTES:**

1	Interest rates for Category 'B' State Sector Borrowers shall be higher by 0.25% than those applicable to Category 'A' State Sector Borrowers. Further, interest rates for Category 'C' State Sector Borrowers shall be higher by 0.50% than those applicable to Category 'A' State Sector Borrowers.
2	The above rates are effective after timely payment rebate (0.25 % at present), wherever applicable.
3	Timely payment rebate shall not be applicable in case of Private Sector Borrowers and accordingly such rates shall not be grossed up and interest rate will be offered at net of rebate.
4	As per PFC's policy, the rates prevailing on the date of disbursement shall be applicable. The above rates shall be applicable on all disbursements made on or after 27.07.2011 for RTL & on or after 18.01.2012 on disbursements and rollovers of STL, irrespective of the date of sanction of loan.
5	The rates mentioned at "I(A)(3)" (Computerization) and "I(A)(4)" (Study scheme sanctioned under Policy on Financial Assistance for Studies) are not applicable for Private Sector Borrowers.
6	All interest rates (except for BLC/Bill Discounting/Equipment Manufacturing upto 1 year and STL) are on quarterly basis. In case of Equated Monthly Installments (EMI), the above interest rates shall be applicable for the purpose of calculation of interest under EMI. In case of BLC/Bill Discounting/Equipment Manufacturing (upto 1 year) and STL, the interest shall be paid on monthly basis.
7	AAA rating is the highest credit rating assigned by approved credit rating agencies; and the categories/grades 'A+', 'A', 'B', 'C', IR-1 to IR-5 and E-I to E-V are based on PFC's internal categorization methodology. The identified CPSUs are NTPC, NHPC, PGCIL, NLC, NPCIL, DVC, SJVNL, NEEPCO, THDC and any other entity as identified by the Corporation from time to time.
8	Interest rates for Transmission, Distribution and R&M Schemes under ADB Loan II to State Sector Utilities shall be 0.25% lower than the applicable interest rates.
9	Interest rates for Private Sector Discoms under Grade - 'A' will be same as that of State Sector Discoms Category 'A', in case they provide Escrow coverage.
10	Interest Rates for renewable energy projects (as per MNRE) shall be lower by 25 bps than the rate(s) as applicable for Generation loans for respective category of borrower.
11	Government Sector Entities (other than Identified CPSUs and AAA rated companies) which are presently not being rated, shall be applied interest rates as applicable to Category 'A' State Sector Borrowers.