

Power Finance Corporation Limited							
Interest Rates (effective from June 10, 2022)							
BORROWER SCHEME/PRODUCT	State Sector Borrowers / CPSUs / JVs			Private Sector Borrowers			
	Category A++	Category A+	Category A	Category IR-1	Category IR-2	Category IR-3	
<b>I. On Monthly rests basis, with 1 year reset</b>							
A	Generation Projects	9.50	10.25	10.50	10.00	10.25	10.50
B	Generation Projects - R&M & R&U	9.00	9.75	10.00	9.50	9.75	10.00
C	Distribution Projects	--	9.25	9.75	9.25	9.75	10.00
D	Transmission Projects (including TBCB route Projects)	8.50	9.00	9.25	9.00	9.25	9.50
E	Flue Gas Desulfurization (FGD) (Refer note 4)	8.50	9.00	9.25	8.75	9.00	9.25
F	Non-Conventional Energy - Renewable - Wind/Solar (Refer note 4)	8.25	8.75	9.00	8.50	8.75	9.00
<b>II. On Monthly rests basis</b>							
G	Short Term Loans (STL) and Revolving Bill Payment Facility (RBPf)						
	(a) Tenor upto 6 months (with 3 Month reset)	7.00	7.25	7.50	Refer Note 7		
	(b) Tenor > 6 months upto 12 months (with 3 Month reset)	7.25	7.50	7.75			
H	Medium Term Loans - MTL (with no reset) (Refer Note 4)	8.50	9.00	9.25	--		
<b>Notes:</b>							
1	<b>Applicability:</b> ♦ Above interest rates will be applicable on all disbursements w.e.f. June 10, 2022. ♦ Above rates are on 1 year Reset & Monthly rests basis. 1 year reset is available for all schemes/products, where loan documents are executed on or after April 1, 2021. ♦ Quarterly rates are to be derived from above rates and are to be rounded off (refer Annexure-A). Further, interest rates for 3 year reset shall be higher by 25 bps.						
2	<b>Borrower Categories &amp; Rates:</b> ♦ State Sector categories 'A++', 'A+', 'A', 'B', 'C' and Private Sector Categories IR-1 to IR-5 are based on PFC's internal categorization methodology. ♦ Interest rates for State Sector/CPSUs/JVs Category B & C borrowers shall be higher by 25 bps & 50 bps respectively than the interest rates applicable to Category A borrowers. ♦ Interest rates for Private Sector Category IR-4 & IR-5 borrowers shall be higher by 25 bps & 50 bps respectively than the interest rates applicable to Category IR-3 borrowers.  ♦ Interest rates for AAA rated State Sector borrowers shall be that of rates applicable to State Sector Category A+. ♦ Interest rates for Government Sector entities (other than Identified CPSUs & AAA rated) not being rated shall be that of rates applicable to State Sector Category A.						
3	<b>Following are applicable on Sanctions w.e.f. April 1, 2021:</b> ♦ For all Loans (excepting STL, RBPf, MTL & loans for 5(i) below), 25 bps and 50 bps rebate shall be allowed 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. ♦ Post CoD rebate of 25 bps shall be allowed after 6 months of satisfactory commercial operations for Conventional Generation & Renewable Energy Projects. In case of Private Sector, external rating (investment grade) needs to be submitted within 1 year of CoD and thereafter every year as per guidelines so as to avail the rebate continuously. ♦ A rebate of 10 bps on the card rates shall be allowed for all Solar projects, if the domestic content is 75% or more. ♦ If 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.						
4	♦ FGD rates are applicable for Commissioned projects only. In other cases, Generation projects rates shall be applicable. ♦ Interest rates for Renewable Projects - Biomass / Waste to Energy / Hydro (upto 25 MW) shall be higher by 50 bps as compared to respective applicable Renewable Energy rates at Point F above. For Hydro Projects > 25 MW, respective Generation category rates are applicable. ♦ For MTLs having tenor of more than 3 years, interest rates shall be 50 bps higher as compared to applicable rates of respective schemes above and should be with 1 year reset clause.						
5	Interest Rates applicable to other Loan Products are :						
	<b>Particulars</b>	<b>Applicable Interest rates (Monthly rests basis, with 1 year reset)</b>					
	<b>For State Sector borrowers / CPSUs / JVs</b>						
(i)	Electro/Hydro Mechanical components in Large Irrigation Projects (with Govt. Guarantee)	Conventional Generation "A+" rate across all grades					
(ii)	Financial Assistance for Computerisation/Studies	Generation Projects - R&M & R&U					
(iii)	Transitional Financing	Distribution Projects + 75 bps					
(iv)	Buyers Line of Credit	Rates for respective schemes					
	<b>For all borrowers</b>						
(v)	Project Specific Funding	Non-Conventional Energy + 50 bps					
(vi)	Equipment Manufacturing (Other than Renewable)	Generation Projects + 50 bps					
(vii)	Equipment Manufacturing (Renewable)	Non-Conventional Energy + 50 bps					
(viii)	Funding against Regulatory Assets	Distribution Projects + 190 bps					
6	For all outstanding loans where borrower has availed 5/10 year resets, 3 year reset rates from above shall apply at the time of reset. However, reset period shall continue to be as per the terms of respective Loan Agreements.						
7	Interest rates for STL to Private Sector borrowers with A1, A2 & A3 external credit ratings shall be 8.90%, 9.40% and 9.90% respectively .						
8	For corresponding rates for quarterly rests and effective annualized interest rates, Annexure-A attached to this circular may please be referred.						

		<b>Annexure - A</b>
<b>Effective Interest Rates</b>		
<b>Monthly rests (%)</b>	<b>Effective rate on Quarterly rests (%) (rounded off)</b>	<b>Effective annualized rates (%)</b>
7.00	7.05	7.23
7.25	7.30	7.50
7.50	7.55	7.76
7.75	7.80	8.03
8.00	8.05	8.30
8.25	8.30	8.57
8.50	8.55	8.84
8.65	8.70	9.00
8.75	8.80	9.11
8.90	8.95	9.27
9.00	9.05	9.38
9.15	9.20	9.54
9.25	9.30	9.65
9.40	9.45	9.82
9.45	9.50	9.87
9.50	9.60	9.92
9.65	9.75	10.09
9.75	9.85	10.20
9.90	10.00	10.36
10.00	10.10	10.47
10.25	10.35	10.75
10.40	10.50	10.91
10.50	10.60	11.02
10.65	10.75	11.19
10.75	10.85	11.30
10.90	11.00	11.46
11.00	11.10	11.57
11.15	11.25	11.74
11.25	11.35	11.85
11.40	11.50	12.01
11.50	11.60	12.13
11.65	11.75	12.29
11.80	11.90	12.46
11.90	12.00	12.57
12.05	12.15	12.74
12.30	12.45	13.02
12.55	12.70	13.30
12.80	12.95	13.58