

REC GETS 'INFRASTRUCTURE FINANCE COMPANY' (IFC) STATUS

Rural Electrification Corporation Limited (REC), a Navratna Public Sector Undertaking is a systemically important non-deposit accepting/holding NBFC and currently classified as Loan Company (LC). Reserve Bank of India (RBI) vide its letter dated September 17, 2010 has advised that Rural Electrification Corporation Limited has been categorized as an Infrastructure Finance Company (IFC).

With IFC Status, REC can now take an additional lending exposure of up to 5% of its owned funds in case of a single borrower as well as up to 10% of its owned funds in case of a single group of borrowers. The total permissible exposures would thus be 40% of owned funds in case of single group of borrowers. In addition, REC becomes eligible for issuance of Infrastructure Bonds and for raising funds up to US \$ 500 million through External Commercial Borrowing (ECB) in a year.