

Power Finance Corporation Limited

Interest Rates (effective from April 1, 2026)

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
I. On Monthly rest basis, with 1 year reset							
A	Conventional Generation Projects (Refer Note 4(vii))	10.05	10.55	10.80	10.55	10.80	11.05
B	Distribution Projects (Refer Note 5a)	--	9.90	10.40	10.15	10.65	10.90
C	Transmission Projects (including TBCB route Projects)	9.40	9.90	10.15	9.90	10.15	10.40
D	Pollution Control Equipments like Flue Gas Desulfurization (FGD) etc. (Refer note 5b)	9.40	9.90	10.15	9.65	9.90	10.15
E	Non-Conventional Energy - Renewable (Wind/Solar)	8.95	9.45	9.70	9.20	9.45	9.70
F	Project Specific Funding (PSF) (Refer note 6a)	9.45	9.95	10.20	9.70	9.95	10.20
G	Infrastructure Projects	9.45	9.70	9.95	9.70	9.95	10.20
II. On Monthly rest basis							
G	Short Term Loans (STL) and Revolving Bill Payment Facility (RBPF)				Refer Note 10		
	(a) Tenor upto 6 months (with 90 days reset)	8.75	9.00	9.25			
	(b) Tenor > 6 months upto 12 months (with 90 days reset)	9.00	9.25	9.50			
H	Medium Term Loans (MTLs) for tenor upto 3 years	9.25	9.50	9.75	--		
J	Medium Term Loans (MTLs) for tenor more than 3 years (Refer note 6b)	9.50	9.75	10.00	--		

Notes:

- 1** **Applicability:**
- ◆ Above interest rates will be applicable on all disbursements w.e.f. April 01, 2026.
 - ◆ 1 year reset option is available for RTLs/MTLs whose documents are executed on/after December 26, 2022.
 - ◆ 3 Year Reset Option will be available for new loans (except SLTTL/LIS, LPS, Import of Coal & RCR Coal and RDSS loans) with tenor of 3 years or more under all schemes/products, sanctioned on/after December 16, 2024. Further, interest rates for 3 year reset shall be higher by 25 bps.
 - ◆ Interest rates for Infrastructure project loans shall be applicable for all new sanctions/ existing sanctions (where interest rate has not been offered) w.e.f. April 1, 2026.
 - ◆ Quarterly rates are to be derived from above rates & to be rounded off (refer Annexure-A).
- 2** **Borrower Categories & Rates:**
- ◆ State Sector categories 'A++', 'A+', 'A', 'B', 'C', 'D' and Private Sector Categories IR-1 to IR-5 are based on PFC's internal categorization methodology.
 - ◆ Interest rates for State Sector Borrowers/JVs/CPSUs Category 'B', 'C' & 'D' shall be higher by 25 bps, 50 bps & 75 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** **Following are applicable on Sanctions w.e.f. April 1, 2021:**
- ◆ For all Loans (excepting STL, RBPF, MTL & loans for 4(viii) below), 25 bps and 50 bps rebate shall be allowed for providing Government Guarantee and for providing Government Guarantee with direct debit mandate (DDM) clause to the satisfaction of PFC respectively, as security; subject to a maximum rebate of 50 bps. However, the said rebates are available for MTLs (tenor of more than 3 years) whose documents are executed on/after December 26, 2022.
 - ◆ Post COD rebate of 25 bps shall be allowed after 6 months of satisfactory commercial operations for Conventional Generation and Renewable Energy Projects (except PSPs). 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 shall be allowed for all Solar projects, if the domestic content is 75% or more.

3(a)	<p>The following shall be applicable to borrowers/loans categorized as Stage-2 / Category 'D' [on all existing / future loans] :- If a borrower is downgraded to Stage-2 category as per Ind-AS / Category 'D' as per internal categorization methodology, the benefit of rebates/discounts (other than timely payment rebate, wherever applicable) like special discount, CoD rebate etc. shall not be available to the loans (which are in default) for the period of such downgrades. Benefit of such rebates/discounts will again be allowed prospectively on the entire eligible outstanding loan amounts effective from the date of upgrade from Stage-2 and Category 'D', whichever is later. Further, an incidental charge of 25 bps shall be applicable on the entire outstanding amounts of Stage-2 Category loans (which are in default) for the period of such downgrade.</p>						
4	Interest Rates applicable to other Loan Products are :						
	Particulars	Applicable Interest rates (Monthly rest basis, with 1 year reset)					
	For all borrowers						
(i)	Renewable Projects - Hydro (upto 25 MW) / Biomass / Waste to Energy	Non-Conventional Energy + 50 bps					
(ii)	Renewable Projects - Hydro (> 25 MW)	Conventional Generation Projects					
(iii)	Pump Storage Projects (PSPs) (Refer note 7)	Non-Conventional Energy + 25 bps					
(iv)	Equipment Manufacturing (Other than Renewable)	Conventional Generation Projects + 50 bps					
(v)	Equipment Manufacturing (Renewable)	Non-Conventional Energy + 50 bps					
(vi)	Funding against Regulatory Assets	Distribution Projects + 190 bps					
(vii)	Generation Projects - R&M & R&U	Conventional Generation Projects (-) 10 bps					
	For State Sector borrowers / CPSUs / JVs						
(viii)	Electro/Hydro Mechanical components in Large Irrigation Projects (with Govt. Guarantee)	Conventional Generation "A+" rate across all grades					
(ix)	Financial Assistance for Computerisation/Studies (Refer Point vii)	Generation Projects - R&M / R&U					
(x)	Transitional Financing (Refer Note 8a)	Distribution Projects + 75 bps					
(xi)	Buyers Line of Credit (Refer Note 8b)	Rates for respective schemes					
5	<p>a) Distribution Projects include loans for Distribution, R&M/R&U of Distribution, Metering, Shunt Capacitor, other Distribution schemes. b) Interest rates for Pollution control equipments are applicable for Commissioned thermal projects only for all loans whose documents are executed on/after December 26, 2022. In other cases, Conventional Generation projects rates shall be applicable.</p>						
6	<p>a) w.e.f. 10.02.2026, the interest rates for PSF are de-linked from non-conventional energy and above PSF rates will be applicable for earlier projects sanctioned under PSF apart from any other requirement. b) w.e.f. 01.04.2026, the interest rates for MTL > 3 years are notified irrespective of scheme classification.</p>						
7	Interest rates for Pump Storage Projects (PSPs) after 6 months of satisfactory commercial operations shall be aligned with Post COD rates applicable for Non-Conventional Energy (Solar/Wind) 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.						
8	<p>a) Transitional Financing covers loans under Transitional financing to Discoms and Transitional Financing loans to newly incorporated Gencos/Transco/ Discoms out of Bifurcation/Re-organization of state b) Under Buyers Line of Credit (BLC), the interest rates for loans given for projects undertaken by GENCO + DISCOM (i.e. GEDCO) would depend on the nature of equipment to be covered under the scheme.</p>						
9	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.						
10	Interest rates for STL to Private Sector borrowers with A1, A2 & A3 external credit ratings shall be 10.40%, 10.90% and 11.40% respectively. Further, 90 days reset will be applicable for STL to private sector borrowers executed on or after 16.12.2024.						
11	For corresponding rates for quarterly rests and effective annualized interest rates, Annexure-A attached to this circular may please be referred.						

Effective Interest Rates

Monthly rests (%)	Effective rate on Quarterly rests (%)*	Effective annualized rates (%)
8.00	8.05	8.30
8.25	8.30	8.57
8.35	8.40	8.68
8.45	8.50	8.79
8.50	8.55	8.84
8.60	8.65	8.95
8.65	8.70	9.00
8.70	8.75	9.06
8.75	8.80	9.11
8.85	8.90	9.22
8.90	8.95	9.27
8.95	9.00	9.33
9.00	9.05	9.38
9.10	9.15	9.49
9.15	9.20	9.54
9.20	9.25	9.60
9.25	9.30	9.65
9.35	9.40	9.76
9.40	9.45	9.82
9.45	9.50	9.87
9.50	9.60	9.92
9.65	9.75	10.09
9.70	9.80	10.14
9.75	9.85	10.20
9.90	10.00	10.36
9.95	10.05	10.42
10.00	10.10	10.47
10.15	10.25	10.64
10.20	10.30	10.69
10.25	10.35	10.75
10.40	10.50	10.91
10.45	10.55	10.97
10.50	10.60	11.02
10.65	10.75	11.19
10.70	10.80	11.24
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
11.75	11.85	12.40
11.80	11.90	12.46
11.90	12.00	12.57
12.05	12.15	12.74
12.15	12.25	12.85
12.30	12.45	13.02
12.40	12.55	13.13
12.55	12.70	13.30
12.65	12.80	13.41
12.80	12.95	13.58

* rounded off to nearest 5 bps