

INSTRUCTIONS

INSTRUCTIONS FOR INVESTORS

1) **ISSUE HIGHLIGHTS:** • Interest rate 5.75% payable annually on June 30th each year • 1st interest payment will be made on 30.06.09 • Lock in period of 3 years (No transfer is permitted). • Maximum investment capped at Rs. 50 lakhs. Please read instruction No. 3. • The bonds will automatically redeemed after expiry of three years.

2) Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**. A blank space must be left between two or more parts of the name. For example :-

| | | | | | | | | | |
|---|---|---|--|---|---|---|---|---|---|
| R | A | M | | P | R | A | S | A | D |
|---|---|---|--|---|---|---|---|---|---|

Signature should be made in English or in Devnagari script. Signatures made in any other languages must be attested by an authorised official of a Bank or by a Magistrate / Notary Public under his/her official seal.

3) Minimum investment-1 Bond and maximum investment-500 bonds amounting to Rs. 10,000/- and Rs. 50 lakhs respectively. However, the aggregate investment made/being made by applicants in the 54EC Capital Gains Tax Exemption Bonds during the financial year 2008-09 should not exceed Rs. 50 lakhs.

4) (i) Investors are required to submit the Application Form duly filled alongwith necessary enclosures at the specified Collecting Bankers as indicated in the Application Form. Incomplete and illegible applications are liable for rejection.

(ii) Investors sending their applications by post are required to send the same to the controlling Bank Branches accompanied with Demand Draft payable at New Delhi. Demand Draft Charges shall be borne by the applicant.

(iii) Investors are advised in their own interest to fill up details of their bank particulars. In absence of such information, the interest warrants shall be mailed at given address at applicants sole risk.

5) The completed Application Forms must be accompanied by either a Demand Draft or Cheque of the amount as desired by the investors and made payable in favour of "**Rural Electrification Corporation Limited - 54EC Bonds**" and crossed Account Payee only. Applicant should mention his name address and application number on the reverse of the Cheque/ Demand Draft.

6) Cheques / Demand Drafts may be drawn at any collection centre as mentioned in the Information Memorandum.

7) Application once submitted cannot be withdrawn.

8) Cash, Outstation Cheques, Stockinvest, Money Orders or Postal Orders will **NOT** be accepted.

9) In case neither the PAN nor the GIR No. has been allotted, or the Applicant is not assessed to income tax, the appropriate information should be mentioned in the space provided. In case the investor has applied for and not been allotted the PAN/ GIR No. then he is required to furnish a copy of the acknowledged Form 49A. In case the investor is applying through a demand draft and PAN/GIR No. has not been allotted he is required to furnish a declaration in Form 60. **Applications not mentioning the PAN/GIR No. or not accompanied by copy of the acknowledged Form 49A or by Form 60 shall be rejected.**

10) Interest/Redemption shall be paid by way of interest warrant/ECS payable at par at locations where collection centres are appointed. Interest is payable annually on 30th June every year till date of redemption.

11) Vide notification No. 359/2002 dated 2nd December, 2002, the Corporation has been **exempted from deduction of tax at source** under section 193 of the Income Tax Act 1961, on the interest payable **on REC 54EC Capital Gain Tax Exemption Bonds.**

12) Receipt of applications will be acknowledged by Stamping the "Acknowledgement Slip" appearing below the Application Form by the Bankers. No separate receipt will be issued.

13) In case of application under the Power of attorney or by Limited Companies or other corporate bodies, a certified copy of the Power of Attorney or a copy of the approval of the relevant authority, as the case may be should be submitted alongwith the Application Form.

14) In case a partnership firm makes investments, the application is required to be made in the name of the partnership firm and the application form can be signed by any partner(s) authorised to do in this behalf and affixing a rubber stamp of the firm.

15) The applications would be scrutinised and accepted as per the provisions of the Terms and Conditions (Instructions) of the Private Placement forming part of the Memorandum of Private Placement. REC is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason. An Application Form that is not complete in all respect is liable to be rejected.

16) It is advisable that investor keeps a photocopy of the application form.

17) The application forms will not be accepted after banking hours.

18) REC reserves the right to close the issue by giving a prior notice of 5 days in any two leading National dailies. All applications submitted but not accepted by REC would be returned by REC to the applicant without any interest.

19) For any details application form, collection centre and for information about the Bonds, Please contact Investors Services Cell at Tel. 011-24361320, 24365161 ext. 527 or our Project Offices.

Any further communications in connection with this application (quoting the number of acknowledgement slip) should be addressed to RCMC Share Registry (P) Ltd., B-106, Sector-2, NOIDA, U.P.-201301. Ph.: 0120-4015880 Fax : 0120-2444346 Website : rec.rcmcdelhi.com E-mail : rcmc@dimensioni.net

FORM NO. 60
[See second proviso to rule 114B)

**Form of declaration to be filed by a person who does not have a permanent account number
and who enters into any transaction specified in rule 114B**

1. Full name and address of the declarant.....
2. Particulars of transaction
3. Amount of the transaction
4. Are you assessed to tax?.....
5. If yes,
 - (i) Details of Ward/Circle/Range where the last return of income was filed?
 - (ii) Reasons for not having permanent account number?
6. Details of the document being produced in support of address in column (1)

Verification

I..... do hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the day of

Date :

Place :

.....
Signature of the declarant

Instructions:

- (a) Ration Card
- (b) Passport
- (c) Driving Licence
- (d) Identify Card issued by any institution
- (e) Copy of the electricity bill or telephone bill showing residential address
- (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address
- (g) Any other documentary evidence in support of his address given in the declaration.