



**RURAL ELECTRIFICATION CORPORATION LTD.**

A Government of India Enterprise

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endless energy, Infinite possibilities

Ref No.-REC/FIN/Bonds/2010-11/

Dated 02.06.2010

To,

Sub.: Appointment of Payee Banker for the Bonds/Dividend Payments by REC

Dear Sir/Madam,

Rural Electrification Corporation Limited, A NAVARATNA PSU under the administrative control of Ministry of Power, Government of India. REC is a dedicated Financial Institution for Power Sector and has been playing a dynamic role in providing the assistance to State Power Utilities, Central Power Utilities, other Govt. and Joint Sectors Utilities, also to Private Power Sector entities, Apart from helping to accelerate reform process of the Power Sector in the country. REC is having "AAA" rating from CRISIL, CARE, Fitch and ICRA.

Rural Electrification Corporation has been regularly raising funds from the market & has also raised substantial amount of funds during the financial year 2009-10 by way of secured/Unsecured/Redeemable, Non Convertible Bonds in the nature of Debentures on Private Placement basis in various series Rural Electrification Corporation intends to appoint payee banker(s) for 1) 54EC Bonds, 2) Institutional Bonds and 3) Dividend Payments during the year 2010-11.

The main terms and conditions for Payee Banks are as follows:-

**Main Condition**

- 1. For Dividend and 54EC Bonds Payee Bankers: The Bank should have minimum branches in 200 locations spread all over India. A Certificate to this is to be enclosed by the bank in a separate envelop. The quotations of the banks who do not furnish the said certificate will not be considered for Dividend and 54EC Bonds Payee Bankers. The envelop may be subscribed as Main Condition for Dividend and 54EC Bonds Payee Bankers.**
- 2. For Institutional Bonds Payee Bankers: The Bank should have minimum branches in 100 locations spread all over India. A Certificate to this is to be enclosed by the bank in a separate envelop. The quotations of the banks who do not furnish the said certificate in a separate envelop will not be considered for Institutional Bonds Payee Banker. The envelop may be subscribed as Main Condition for Institutional Bonds Payee Bankers**

Other Terms and condition for Payee Bank:-

- i. The bank should be approved/ authorized by SEBI to act as Payee bank for the payment of interest and redemption of bonds
- ii. The corporation will deposit the interest / redemption amount on the interest/redemption due date through RTGS/Fund transfer as desired by the bank for credit to REC interest /redemption warrant account as opened for the purpose
- iii. The interest/redemption/dividend amount will be remitted to the investor through NECS/RTGS and through warrants. In case of rejection of NECS/RTGS , the bank is required to intimate REC next day.
- iv. The bank shall be required to provide intraday facility for RTGS/NECS /Warrants payments
- v. REC will provide the details of investors ie Name of investors, Investors Bank and address, Account number, MICR No or IFCS code as the case may be to the bank at least 1 working days in advance
- vi. The interest/ redemption /dividend warrants required to be issued shall be payable at par at all locations to the bondholders by the Bank
- vii. REC shall provide the details of interest/redemption/dividend warrants so issued by the Corporation to the bank prior to the interest/redemption/dividend payment date.
- viii. Cheque (interest/redemption/dividend warrant) in the leaf form (continued stationary) is required to be provided by the bank at its cost for issue to the bondholders. Account payee only and "Not Negotiable" warrant will be issued to the bondholder.
- ix. The bank shall give a bank statement to the Corporation showing details of warrants presented for the payment on fortnightly basis.
- x. The bank shall also furnish a reconciliation statement on monthly basis to the Corporation containing the following:-
  - 1 Date wise list of paid warrants number along with the amount of each warrant
  2. Unpaid list of the warrant number along with the amount of each warrant remaining unpaid at the each month.
- xi. A statement showing the reconciliation of amount deposited by REC and the amount paid by the bank and the figure so arrived at shall tally with the unpaid list.
- xii. REC shall have the right to revalidate the stale warrants
- xiii. REC shall withdraw unutilized funds lying in the respective bank account after the expiry of the warrant. The matching fund for the warrants to be revalidated or debited by the bank thereafter shall be remitted immediately by REC.

We request your esteemed organization to send your detailed terms and condition /charges/facilities etc for acting as a payee banker in accordance with above terms and conditions.

The offers should also clearly mention/enclose the following:-

- 1 The validity period of offer should not be less than 30 days from the closing date.
- 2 The name of the controlling / or nominated branch

3. The procedure required to be followed for giving instruction to bank for stopping of payments of interest/redemption warrants in case the same are reported misplaced/lost/destroyed.

In case your bank is willing to act as payee banker on the terms and condition as mentioned above or any other terms and condition as may be specified by the bank, you are requested to send your quotation in closed envelope subscribed as 'Quotation for Payee Bank' in addition to the envelop as mentioned under Main Condition to the undersigned at the address as mentioned below latest by 17<sup>th</sup> June 2010 (up to 3.00 pm). The authorized representative of the banks may be present at the time of opening the bids i.e. at 3.30 pm on 17.06.2010.

REC shall have the right to accept / reject any of the offer(s) without assigning any reason whatsoever it may be.

**Thanking You,**

Yours Faithfully,

for RURAL ELECTRIFICATION CORPORATION LIMITED

Chief Manager (Finance)

Bonds Section

Rural Electrification Corporation Limited

Core-4, SCOPE Complex

7 , Lodi Road New Delhi-110003

Phone 011-43091676

## Annexure 'A'

### Facility/Charges

Sl.No.	Particulars	Information to be furnished by Bank*
1.	Minimum balance for opening of A/c	
2.	Designated Branch for contact for control of payee bank account within 10 km radius of REC office	
3.	Funding of Account by the Corporation, same day or one day in advance	
4.	Contact person details	
5.	Printing of MICR Stationery charges, if any	
6.	Stop payment charges, if any	
7.	RCA/MCA/transaction charges or any other charges like service charges etc.	
8.	Overdraft facility for extraordinary circumstances like holiday mismatch/RBI system failure etc Limit and charges if any	
9.	Intraday facility/limit and charges if any	
10(a).	DD in case of non-availability of branch and charges if any	
(b).	Fund transfer for DD (how many days before due date)	
(c).	DD in favour of investor delivered to Corporation at least 7 days before due date. Acceptable or not	
(d).	DD charges/commission	
11.	NECS/RTGS facilities and charges if any	
12.	Monthly reconciliation statements or as & when required along with list of paid and unpaid data to the Corporation and charges if any	

13.	List of documents required for opening of bank account	
14.	Authorization of SEBI for acting as payee banker	
15.	Revalidation of payment warrants after expiry of validity, whether acceptable or not	
16.	Others(Any other facility/benefits .banks wants to offer)	

\*Note- Banks are requested to furnish the complete detail in the information column (please use additional sheets if required)

Authorized Signatory

Bank's Seal

Ref No.-REC/FIN/Bonds/2010-11/

Dated 09.06.2010

To,

Sub.: Corrigendum to Appointment of Payee Banker for the Bonds/Dividend Payments by REC

Dear Sir/Madam,

This is in reference to our letter dt 02.06.2010 regarding appointment of Payee Bankers, the main condition is amended and the new condition is as below.

**Main Condition**

- 1. For 54EC Bonds Payee Bankers: The Bank should have minimum branches in 200 locations spread all over India. A Certificate to this is to be enclosed by the bank in a separate envelop. The quotations of the banks who do not furnish the said certificate will not be considered for 54EC Bonds Payee Bankers. The envelop may be subscribed as Main Condition for 54EC Bonds Payee Bankers.**
- 2. For Dividend & Institutional Bonds Payee Bankers: The Bank should have minimum branches in 100 locations spread all over India. A Certificate to this is to be enclosed by the bank in a separate envelop. The quotations of the banks who do not furnish the said certificate in a separate envelop will not be considered for Dividend and Institutional Bonds Payee Banker. The envelop may be subscribed as Main Condition for Dividend and Institutional Bonds Payee Bankers.**

**The date of submission of quotation is also extended from 17.06.2010 to 23.06.2010(up to 3.00pm) and will be opened on the same day at 3.30 pm.**

**Other terms and conditions remain same.**

**Thanking You,**  
Yours Faithfully,

for RURAL ELECTRIFICATION CORPORATION LIMITED

Chief Manager (Finance)

Bonds Section

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