



Endless Energy. Infinite Possibilities

RURAL ELECTRIFICATION CORPORATION LIMITED
(A Government of India Enterprise)

Registered Office: Core – 4, SCOPE Complex, 7, Lodi Road, New Delhi – 110 003.
Tel.: 24313978 Fax: 011-41757035 E-Mail: reccorp@recl.nic.in Gram: RECTRIC
Website: www.recindia.com & www.recindia.nic.in

NO: REC/Fin./ECB-II/

Date: October 8, 2009

TO

Sir,

Sub: Rate for raising unsecured ECB equivalent to US\$ 500 million

RECL has an International rating equivalent to Sovereign Rating from Moody's & Fitch and highest rating of AAA (triple A) for domestic borrowing programme for the financial year 2009-10 from CRISIL, CARE, ICRA & FITCH.

REC has been granted "In- Principle" approval for raising ECB equivalent to US\$ 500 million.

It will be highly appreciable in case your bank quotes a **firm rate** for raising ECB equivalent to US\$ 200 million denominated in JPY by way of Syndicated Term Loan and **indicative rate** for International Bond for balance US\$300 million by way of 144A/Reg S as per **Annexures** attached.

The basic structure of the said ECB is as under:

Amount	Equivalent to US\$ 500 million
Currency	USD/ JPY/EURO
Tenor	5 / 7 / 10 /12 years
Payment	Bullet
Interest payment	Semi-annually
Withholding tax	As applicable
Validity of the offer	30 days
Last date of submission	15.10.2009
Draw down	Within 31 st December, 2009

You are requested to quote all-inclusive rates with break up of interest margin, underwriting fee, legal fee, agency fee, out of pocket expenses etc. and applicable tax for raising ECB. Format for quoting the rate is annexed as Annexure 'A' & 'B'.

The bankers are allowed to form syndicate subject to maximum of 3 banks. REC has the right to reject any or all offers without assigning any reason thereof. The offer should reach RECL office under a closed cover only, latest by 15.30 hours on 15th Oct., 2009. In case of any enquiry in this regard Sh. Awanish Bharati, A.M. (Fin.) may be contacted at 011-43091592/0-9868140099, akbharati@recl.nic.in.

In this regard, our letter NO: REC/Fin./ECB-II/ dated 07th October 2009 and subsequent modification on above subject may be ignored.

Yours sincerely,

(Vijay Kumar)

Dy. General Manager (Finance)

Project Office: Bangalore, Bhubaneswar, Mumbai, Calcutta, Chandigarh, Guwahati, Hyderabad, Jabalpur, Jammu, Jaipur, Lucknow, Chennai, Patna, Shillong, Shimla, Thiruvananthapuram & Vadodara

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Annexure-A

Firm Offer for raising ECB equivalent to US\$ 200 million denominated in JPY by way of
Syndicated Term Loan

1.	Name of bank giving quote			
2.	Currency	JPY		
3.	Interest	Payable semi annually in JPY (Fixed)		
4.	Tenor	5 years	10 years	12 years
5.	Firm commitment amount			
6.	All-in cost (Firm Offer)			
7.	Breakup of All-in cost as a %age: ➤ Margin ➤ Legal cost ➤ Arrangement /Upfront fee/Commitment fee ➤ Agency fee ➤ Out of Pocket expenses ➤ Others (specify)			
8.	Applicable withholding tax			
9.	Total cost to RECL			

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Annexure-B

**Indicative offer for raising ECB equivalent to US\$ 300 million by way of
International Bond –144A/ RegS**

1.	Name of bank giving quote						
2.	Currency	USD/ JPY/EURO **					
3.	Interest Payment	Payable Semi-annually					
4.	Type of bonds	144A			RegS		
5.	Tenor	5 years	7 years	10 years	5 years	7 years	10 years
6.	Firm commitment amount						
7.	Indicative Pricing:						
	➤ Reference Treasury bench mark ➤ Bench Mark yield ➤ Indicative spread to treasury bench mark ➤ Indicative Spread to Mid Swap ➤ Indicative yield to Investor						
8.	Up-front & other charges (Firm rate as a %age):						
	➤ Arrangement fee ➤ Legal fee ➤ Listing expenses ➤ Trustee fee ➤ Others (Specify)						
9.	Other Annual charges (Firm rate as a %age):						
	➤ Trustee Annual fee ➤ Programme updating fee ➤ Agent fee ➤ Others (Specify)						
10.	Applicable withholding tax						
11.	Total cost to RECL						

** The choice of currency will be at REC's discretion

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