



RURAL ELECTRIFICATION CORPORATION LIMITED

(भारत सरकार का उद्यम) (A Government of India Enterprise)

Regd Office: Core-4, SCOPE Complex, 7 Lodi Road New Delhi 110003
Tele. 24365161 Fax 24360644 Email reccorp@recl.nic.in Gram RECTRIC
Website www.recindia.com & www.recindia.nic.in

No. REC/Fin. /ILC/2009-10/

Dated: 28TH OCTOBER, 2009

(LIMITED TENDER ENQUIRY)

To M/s,

1	Ashurst LLP Broadwalk House, 5 Appold Street, London EC2A 2HA, United Kingdom. Tel: +44 (20) 7638 1111 Fax: +44 (20) 7638 1112 stuart.rubin@ashurst.com	4	Latham & Watkins LLP 9, Raffles Place, # 42-02 Republic Plaza, Singapore 048619 Tel: (65) 6536 1161 Fax: (65) 6536 1171 rajiv.gupta@lw.com
2	Cravath, Swaine & Moore LLP Citypoint, One Ropemaker Street, London EC2Y 9HR, United Kingdom. Tel: +44 20 7453 1000 Fax: +44 20 7860 1150 pboeckman@cravath.com	5	Linklaters LLP One Silk Street London EC2Y 8HQ United Kingdom Tel: +44 0 20 7456 2000 Fax: +44 0 20 7456 2222 arun.balasubramanian@linklaters.com
3	Jones Day 30, Cecil Street # 29-01 Prudential Tower Singapore 049712 Tel : (65) 6538 3939 Fax: (65) 6536 3939 mbhargava@jonesday.com	6	Milbank, Tweed, Hadley and McCloy LLP 10 Gresham Street London EC2V7JD United Kingdom Tel: (44 20) 7615 3000 Fax: (44 20) 7615 3100 tsiebens@milbank.com

Sub: Invitation of Financial Bids on Limited Tender basis for “International Legal Counsel (ILC)” for handling of proposed Follow on Public Offer (FPO)” of “Rural Electrification Corporation Limited (REC)”

Sir(s),

Sealed Financial Bids are invited from the bidders to whom the invitation is addressed for selection as “ILC” for handling of proposed FPO of REC

1) Nature and Scope of Work

The bidders shall act as ILC for handling of the proposed FPO of REC for the Scope of Work as detailed out in the Annexure ‘A’. The bidders are requested to confirm their acceptance of the Scope of Work

2) Instruction to bidders

The offer/quotation shall consist of "Financial Bid"

Financial Bid should be submitted strictly as per format given in Annexure 'B', and should be placed in a sealed envelope duly superscripted as "Financial bid for selection as ILC for FPO of REC and not to be opened before 4.11.2009, 16.00 Hrs IST".

The bidders shall quote total amount both in figures and words. Income Tax and any other taxes or charges, as applicable, will be deducted by REC at source from the aforesaid fee or charge.

Incomplete Financial Bids are liable to be rejected/not considered. Bidders must ensure that the financial bids are submitted on the letter head of the firm/ company and duly signed by authorized signatories.

3) Validity period

Financial Bids submitted shall remain valid for 120 days from the date of opening of the same for the purpose of acceptance and award of work; validity beyond 120 days from the date of opening shall be by mutual consent.

4) No canvassing

Canvassing in connection with the Financial Bids is prohibited and the bids submitted by the bidders who resort to canvassing are liable for rejection.

5) Clarifications

Any clarification, if required, may be obtained prior to submission of Financial Bids. No claim whatsoever on such account shall be entertained by the Corporation in any circumstances, thereafter.

6) No alternative offer shall be considered.

7) In case two or more parties equaling the L1 bidder quoted fees, then the selection will be made, based on the payment terms being offered by the bidders. In case of similar payment terms by ILCs, the decision will be taken by REC in consultation with the BRLMs/ DLC.

9) REC reserves the right to annul the bidding process at any time prior to award of contract including rejection of any or all bids after the same have been received, without assigning any reason and without thereby incurring any liability to the affected bidder or any obligation to inform the affected bidder/s on the ground of REC's action.

10) Any clarification on the documents may be obtained from:-

Shri Sanjay Kumar Bansal,
Chief Manager (F&A),
Rural Electrification Corporation Limited,
Core-4, SCOPE Complex,
NEW DELHI – 110 003.
Telephone No: 43091616

11) Last Date of Submission

The Financial Bids completed in all respects should reach REC's office latest by 4.11.2009, 16.00 Hrs IST, super scribing the envelope with "Financial bid for selection as ILC for FPO of REC and not to be opened before 4.11.2009, 16.00 Hrs IST".

The Financial bids may be dropped in the sealed Box marked "Financial bid for selection as ILC FOR FPO OF REC", placed at Ground Floor, near reception of Rural Electrification Corporate Limited, Corporate Office, Core-4, Scope Complex, 7, Lodi Road, New Delhi – 110003 or may be sent by Courier/ Speed Post, with the envelope marked as mentioned above . REC shall in no case be responsible for any delays in Post.

The Financial Bids received after the due date/time will not be considered.

The Financial Bids shall be opened at 17.00 hrs on 4.11.2009 in the Board Room of REC at 3rd Floor, Core-4, Scope Complex, 7, Lodi Road, New Delhi – 110 003 in the presence of Bidders or their representatives present at the time of opening of Financial Bids.

The above is without any assurance or commitment from REC for your engagement as ILC or in any other capacity and this letter of invitation should not be construed as "Offer of Selection".

A copy of this invitation has been E-mailed at the above given numbers/ Ids.

Yours faithfully

(Rakesh. K.Arora)
Addl.General Manager(F&A)

INTERNATIONAL LEGAL COUNSEL**Deal Counsel**

Scope of Services for International Legal Counsel (ILC) for a Domestic Public Offering with selling to overseas QIBs under Rule 144A and Reg S. Please note that the scope of work would be as is customary for a "Deal Counsel". However, with regard to the agreements (underwriting, syndicate and escrow), p note letters and auditor comfort letter, ILC would act on behalf of the Underwriters.

SCOPE OF SERVICES: The legal services to be provided by the Firm in connection with the Offering will be services that are customary in similar offerings, as specified below:

1. Attending organizational, due diligence and drafting sessions with the underwriters, Company representatives, their accountants/Auditors and their Indian legal advisers/DLC;
2. Conducting legal due diligence on the Company and providing customary no registration and "10(b)5" opinion to the underwriters under U.S. laws. and customary opinions.
3. Opining on PFIC, Investment Company and OFAC related issues
4. Drafting certain sections of the prospectus (Business, Risk Factors, MD&A and Industry Sections) and reviewing and commenting on the prospectus;
5. Drafting the international "wrap" including US tax disclosures, selling restrictions etc.;
6. Drafting overseas. publicity restriction guidelines applicable to the Offering and advising on publicity issues;
7. Drafting pre-deal research report guidelines applicable to the Offering and review of the research reports of the underwriters;
8. Negotiating the underwriting agreement(on behalf of the BRLMs);
9. Reviewing the BRLM Agreement, syndicate agreement and the escrow agreement;
10. Advising underwriters on P Note related matters
11. Drafting the closing certificates, the closing checklist, the lawyer opinions and assisting with closing of the Offering jointly with the DLC;
12. Conducting the customary bring-down diligence calls with the Company and the entire deal team at various critical stages of the transaction;
13. Reviewing and commenting on the applications forms, Confirmation of Allocation Note ("CANs") and other offering material, as required;
14. Reviewing and commenting on the advertisement material including corporate and print advertisements;
15. Drafting and negotiating customary comfort letters with the Auditors, preparing and reviewing the circle-ups on the Offer Documents, and preparing and negotiating any other documentation with the Auditors;
16. Assistance in the preparation of the transaction bible and due-diligence back-up documents in coordination with the DLC;
17. Any other matter incidental to above.

ANNEXURE 'B'**FORMAT OF FINANCIAL BID****SCHEDULE OF FEES**

Particulars	AMOUNT
For the Jobs Detailed in Annexure 'A' for the Proposed Follow on Public Offer	Rs_____. {Consolidated}
Out of Pocket Expenses	Rs_____. {Consolidated}
Validity	_____. {From the Date of Appointment}
Payment Terms	_____.

Notes:

- a) Your quotes should be inclusive of all applicable taxes
- b) Out of pocket expenses should be all inclusive
- c) The Company reserves the right to reject any of the offers without assigning any reason