



RURAL ELECTRIFICATION CORPORATION LIMITED (A Government of India Enterprise)

Registered Office: Core – 4, SCOPE Complex, 7, Lodi Road, New Delhi – 110 003.
Tel.: 24365161 Fax: 011-24360644 E-Mail: reccorp@recl.nic.in Gram: RECTRIC
Website: www.recindia.com & www.recindia.nic.in

No.REC/Fin./Banking//2006-07/

Dated: 19.04.2007

Banks

Sub: Request for providing Cash Credit facility interchangeable to MIBOR / BPLR linked W.C. Limit - regarding.

Sir,

Rural Electrification Corporation Ltd. (RECL) is a wholly owned enterprise of the Government of India. The Corporation is engaged in financing rural electrification, generation and distribution projects all over the country to State Electricity Boards, State Power utilities and other eligible entities. Corporation intends to avail credit facility in the form of Cash Credit limit interchangeable to MIBOR / BPLR benchmark linked WCDL from the banks for meeting its day to day requirements. Corporation has an exposure of Rs.1200 crore for Cash Credit limit which is to be tied up with one or more banks.

The borrowing programme of the Corporation for Rs. 120 billion during the year 2006-07 had been assigned highest rating of 'AAA/Stable by CRISIL, "AAA" by CARE 'AAA(Ind)' by Fitch for meeting its requirements during the financial year 2006-07, Corporation hope to retain the same rating during the current financial year 2007-08 also. We invite your proposal for Cash Credit limit interchangeable to MIBOR / BPLR benchmark linked WCDL:

- | | | |
|----|--------------------|--|
| 1. | Amount | Rs. 100 crore or more |
| 2. | Period | 1 year |
| 3. | Security | DPN (Clean) |
| 4. | Put / Call Option | Daily Put / Call option. |
| 5. | Purpose | To meet the on going funds requirement of the Corpn. |
| 6. | Processing charges | Nil. |

Your proposal in this regard for Cash Credit limit interchangeable with MIBOR / BPLR linked Working Capital Limit indicating interest rates and other terms and conditions should reach G.M.(Fin.), REC within 21 days from the date of issue of this letter.

Financial highlights for the last 5 years and un-audited financial results (provisional) for the quarter ending 31.12.2006 are enclosed for reference. We shall be willing to provide any additional information required in this regard and for the same you may please contact the undersigned Phone 011-24365389 / M-9899298769 or Shri P.K. Marwah, ACAO (Fin.) 011-24365389 / M- 9873405455. You may also visit our website.

Yours faithfully,

(L.R. Verma)
Dy. Chief(Finance)