



रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड

RURAL ELECTRIFICATION CORPORATION LIMITED

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REC/Fin/Resources/ 2010-11/

Date: 28.09.2010

Sub: Notice inviting quotations for Appointment of Registrar & Transfer Agent (R&TA) for the Infra Structure Bonds and other Bonds issue to be launched by REC.

Sir,

Rural Electrification Corporation Ltd. is a Govt. Undertaking under the administrative control of Ministry of Power, Govt. of India. REC is a dedicated Infra Structure Financial Institution for power sector and has been playing a dynamic role in providing electrification to rural areas in this country. REC is a 'AAA' rated company.

Rural Electrification Corporation raises funds from the market by way of bonds. As a part of market borrowing programme REC intends to launch Redeemable Non-Convertible Infra Structure Bonds Issue u/s 80CCF of Income Tax Act, 1961, Zero Coupon Bonds and 54 EC Bonds etc on tap through private placement during 2010-11 and subsequently.

REC intends to appoint Registrar and Transfer Agents (R&TA) for such bond issues, The R&TA may note that the role of REC shall be limited to certain specific activities which cannot be delegated to R&TA but R&TA will provide all other services to REC related pre-issue and post issue of bonds.

SCOPE of WORK.

The illustrative (but not exhaustive) list of tasks to be performed by R&TA is given in Annexure-I. The R&TA should understand the scope of work and accordingly quote the fee/charges for acting as R&TA to REC's proposed Bond Issues during 2010-11 and subsequently. An agreement will have to be signed for this.

Terms and Conditions :-

- Validity of Offer :- The offer will have a validity of 45 days from the date of opening of the offer.
- Payment Terms :- Payment shall be made based on the bill raised by the firm on quarterly basis.
- Earnest Money/ Security Deposit :- The offer should be submitted along with EMD of Rs.10,000/- (Rupees Ten Thousand only) in the form of Demand Draft/ Pay Order in favour of Rural Electrification Corporation Ltd. Payable at New Delhi. The EMD of successful firm will be retained and kept as security deposit. On getting the award letter EMD can be replaced by a fixed deposit of the equivalent amount issued in the

name of the firm and pledged in the favour of Rural Electrification Corporation Ltd. EMD of the unsuccessful firms will be refunded in 10 days time after issue of award letter to the successful firm.

- d. Rejection and/ or splitting of offer:- REC Ltd. Reserves the right to reject all or any offer or split the offer between one or more firms without assigning any reason what so ever.
- e. Period of contract :- The period of contract is initially for 3 years which shall cover the proposed bond issues during the current year and subsequent issues launched during 3 years.
Rates quoted shall be valid till the maturity of the bonds.
RECL will not accept any request of rate revision within the contract period of 3 yrs adn til maturity of the bonds issued during these 3 years. After completion of contract period the rate can be considered for revision on a mutually agreed terms and conditions for subsequent bond issues.
- f. Termination of contract :- REC reserves the right to terminate the contract after giving one month notice to the firm.
- g. Identifying nodal officer :- On award of the contract within 10 days time the successful firm will have to nominate a nodal officer and inform RECL its contact details for timely smooth interaction.
- h. Dispute :- In case of any dispute arising during execution of contract then a amicable solution may be arrived at with discussion and reconciliation. However, in case the dispute remaining unresolved then the decision of CMD, RECL will be final.
- i. Penalty clause :- The R&TA shall execute the work efficiently and with due diligence. However, the Registrar shall indemnify the Company and its successors from and against all suits, claims, actions and damages which may be made or commence against the Company by any holder of the securities issued or other third party as a consequence of any failure or deficiency on the part of the Registrar in performing or fulfilling providing any of the functions, duties, obligations and services hereunder. Registrar shall be liable for payment of damages which are caused by the negligence, wilful misconduct, failure to act or recklessness of the Registrar.
- j. Submission of Offer :- You are requested to send your Technical and Financial Bid as per the prescribed format enclosed as annexure '2' & '3' respectively along with a copy of SEBI registration certificate. The Technical and Financial Bid should be separately sealed in different envelopes duly marked as Technical Bid and Financial Bid and both the envelopes may be submitted in a separate envelop dully marked as 'Quotation for R&TA'.
- k. Date of submission of offer :- The sealed offer addressed to the undersigned may reach to REC office, Core – 4, SCOPE Complex, 7 Lodhi Road, New Delhi by 1.30 p.m. on or before 18th Oct. 2010. The offers received after the specified time limit or in open envelop or by fax shall not be considered.
- l. Opening of bid :- Bids will be opened on 18th Oct. 2010 at 3.00 pm in presence of the representative of the firms who so ever is interested to be present. Financial bid will be opened after analyzing the technical bid.

In case of any clarification required in this regard the undersigned could be contacted at phone no. 43091676. REC reserves the right to postpone and/ or extend the date of receipt/ opening of tender or withdraw the tender notice without assigning any reason thereof. In such case the bidders shall not be entitled to any form of compensation from the Corporation. Further the Management reserves the right to accept or reject any offer without assigning any reason whatsoever.

Yours faithfully,

(S. Pradhan)
Chief Mgr. (Fin.)

Criteria for Technical Bid :- The parameters for the Technical Bids to be considered are indicated below:-

Sl. No.	Description	Qualification criteria
1.	SEBI Registration valid till date	Must
2.	Amount of average turnover for last three financial year (upto 31.03.2010) on Registry operations along with a copy of annual accounts	Average Rs. 25 lakh per annum from Registry operations
3.	Number of PSU and AAA/ AA+ Companies rated by either ICRA/ CARE/ CRISIL/ FITCH serving presently	At least two out of which one from PSU
4.	No. Of Bonds Series outstanding, face value of Bonds and Investor Base, dealt in each of the last three years for PSU and AAA/AA+ Companies for Private Placement of Bonds. Details of Series wise Break up for each PSU and AAA/ AA+ Companies for each year.	Average of three Bonds Series with total face value of Rs.1000 crore and Investor base of 10,000 investors (all on average per year)
5.	No of Bonds Series redeemed for PSU & AAA/ AA+ Companies for Private Placement of Bonds. Details of Series wise Break up for each PSU and AAA/AA+ Companies for each year.	Min. One Bond Series with investor base of 10,000 Bondholders and maturity value of Rs.1000 crore per year on average basis.
6.	Whether the R&TA has been debarred/ issued any warning by SEBI in the last one year, if any, the details thereof may be furnished.	Nominated committee will judge the facts of content and its seriousness.
7.	A copy of recent report/ certificate from the Statutory Audits about sufficient systems and internal controls implements by Registrar.	Certificate must be enclosed.

Authorised signatory
With seal of the Company

Financial Bid :-**I. Fees (Bonds issue – up to allotment)**

Sl. No.	Description	Unit	Rate (Rs.)
1.	Processing charges including Data Entry Charges, Validation of demat details, Printing and mailing of Acknowledgement Letter/ Allotment advice/ Bond certificates, printing of interest warrant, Bulk Mailing Register, Hosting of details on website etc a) For bonds held in demat form b) For bonds held in physical form	Per Bondholder Per Bondholder	

II Fees (post Issue)

Sl. No.	Description	Unit	Rate (Rs.)
1.	Yearly Folio Maintenance charges – Lump-sum Fee for all the Services to be rendered as per the scope of work which will include transfer/ transmission/ consolidation/ splitting of bonds, updation of change of Address, POA, Lien, Bank Mandate, ECS, Processing of Interest Payments including over-printing of interest warrants and uploading of ECS Credits, Reconciliation of Interest warrant account, Bulk Mailing Register, Connectivity with NSDL/ CDSL all stationary required for above jobs, Web based access/ service per annum (upto the year of redemption). (Note :- Blank interest warrant will be supplied by REC/ Collection Bankers) a) For bonds held in demat form b) For bonds held in physical form	Per Bondholder Per Bondholder	

III. Charges for Deputing Staff at REC Office

Description	Unit	Rate (Rs.)
Monthly Charges for deputing skilled officials for attending investors queries at REC office (preferably graduates)	Per Person	

Space , Computer, Stationary & Telephone will be provided by REC.

- IV. Out of Pocket Expenses (common to bonds issue up to allotment and post issue.)
Postage/ Courier charges will be paid on actual basis.
Service Tax and other taxes, if any shall be payable as applicable.

Authorised signatory
With seal of the Company

Scope of Work:

Pre – allotment

1. Creation of Web-site containing all the details of the Issue, On-line downloading of the Application form & information Memorandum, Applicant Status and Forthcoming offers, with the coordination Existing R&TA of REC.
2. Collection of all applications from collecting banker(s) and preparing a data base of applications and applicants after reconciling with Banker's Certificate.
3. Scrutiny of applications relating to its complements and preparing a list of valid and invalid applications and presenting the information to REC for facilitating allotment.
4. Sending acknowledgement letters to the investors.
5. Preservation of the applications and the data base.
6. Creating data base from the applications of the nominations made.
7. Creating data base of Electronic Clearing Service (ECS) options given by the Investors.
8. Calculation of Arrangers fee including Service Tax, if any/ Collecting banker fee including TDS calculations, based on applications generated for facilitating payments to them and dispatch the instrument with forwarding letter along with TDS Certificate.

Post – allotment

1. On receipt of details of allotment from REC, sending Allotment Advice to the investors.
2. Taking corporate action for creating the Bonds to demat holders.
3. On receiving intimation of Allotment from REC, Printing of Bondholders name and other details on the Bond Certificates, getting them signed mechanically by the Authorised Signatories of REC and dispatching them to bondholders.
4. Keeping proper record of the Bond Certificates sent to the bondholders and making available the records for inspection by REC. Furnishing a list of Bond Certificates send to Bondholders to REC.
5. Calculation interest on application money. TDS if any, and the net interest payable for each bondholder.
6. Preparation of consolidated statement of gross and net interest on application money payable and TDS and presenting to REC.
7. Printing of interest payment details on the cheques, getting them signed mechanically by the Authorised Signatories of REC and dispatching them to bondholders towards interest on application money.
8. Submitting details of TDS calculations if any on interest on application money along with one set of 15G/15H form of REC in order to facilitate filling of TDS return by REC. Printing TDS certificates for each bondholder and dispatching them to bondholders.
9. Maintain and update Bondholder Register.
10. Reply to enquiries and resolving investor's/ Mobiliser's complaints relating to application allotment, interest, TDS, 15G/ 15H forms, demat, redemption etc.
11. Coordination with Arrangers/ Bankers/ Existing R&TA of REC.
12. Filling of Annual Information Return in coordination with Existing R&TA of REC.

Servicing of Bonds – Periodical Interest Payments

1. To prepare the list of bondholders 45 days before the interest payment date.
2. Calculate the gross interest payable and net interest payable and TDS for each bondholder.
3. Prepare consolidated statement of interest payable and TDS and submit it to REC for making funds available.
4. On receipt of continuous stationery form REC/ paying banker of REC, over printing/ Typing of interest payment details on the cheques, getting them signed by the Authorised Signatories of REC and dispatching them to bondholders towards interest on application money.
5. Typing/ over printing TDS certificates and sending them to bondholders along with interest payment cheques.
6. On getting go ahead signed from REC, take steps to credit the interest to respective bank accounts of the bondholders, who have given ECS mandate.
7. Inform the concerned bondholders of interest credit through ECS facility.
8. Receiving periodical statement of interest payments from the paying banker (for interest payments) and follow up with the banker and the bondholders for reconciliation on monthly basis.
9. Receipt of requests from bondholders for renewal of stale cheques and revalidation.
10. To keep a record and handle all the grievances of the investors, including separate e-mail id for the purpose. A record to be kept on the date of receipt and response sent and status shall be informed to Company on monthly/ fortnightly basis.
11. As regards ECS facility to demat account holders, on separate ECS mandate will be recognised: the interest credit shall be through ECS facility only and interest credit shall be to the bank accounts as given to the Depository Participant.

Servicing Bonds – Transfer/ Transmissions

1. Receive requests for transfers/ transmissions along with Bond certificates and scrutinise them and effect transfers/ transmissions.
2. Maintain necessary records like transfer entry register etc.

Servicing Bonds – other activities

1. Receive requests for consolidation and splitting up of bonds process them and send new bond certificates.
2. Cancel the surrendered bond certificates.
3. Receive the request for demat of bonds process them and afford credit to the demat account.
4. Cancel the surrendered bond certificates and freeze the distinctive numbers of such bonds, which have been demated.
5. Receive request for remat of bonds and process them.
6. Debit the concerned demat account for the bonds remated and dispatch the physical bond certificates to bondholders.
7. Receive requests form bondholders for issue of duplicate bond certificates against mutilated/ lost bond certificates and process them.
8. Cancel the mutilated bond certificates.
9. In respect to lost bond certificates, get the indemnity bond executed by the bondholders, cause to publish an appropriate advertisement in newspapers and in case of no objection from any quarter with the stipulated time, go ahead with the issue of new bond certificates to the bondholder.

Servicing Bonds – Redemption on maturity

1. To send letters to the bondholders 3 months before maturity date, who hold physical bond certificates with details of bonds held by them, their addresses bank account details and also to request them to surrender the bondholder certificates, if required.
2. Receive the changes in details and update the bondholder register.
3. Receive the bond certificates surrendered and check the genuineness of the certificates and cross check with bond register to establish the correctness and genuineness of the claims.
4. Calculate the maturity proceeds for each bondholder (principal plus interest, if any), gross amount, net amount and TDS. Prepare a consolidated statement of maturity proceeds payable and TDS to be deducted and send it to REC for making funds available.
5. To print redemption cheques/ redemption warrants and TDS Certificates and dispatch them to bondholders.
6. Take action for ECS credit to the bank accounts of the bondholders who have given ECS mandate.
7. Cancel the surrendered bond certificates in the presence of REC Officials.
8. In respect of demat account bondholders send letters to them 3 months before maturity date of the details of bondholding to them, and their banks account details and request them to correspond with DP for any discrepancies.
9. On receiving go ahead signal from REC take steps to credit the bank account of demat bondholders and debit the respective demat account of the bonds redeemed.

Servicing Bonds – Put/ Call Option (if required)

1. Receive all put option requests received from bondholders and compile them.
2. Present the compiled list to REC two months before the expiry of 5 years or any other period stipulated as per terms from the date of allotment.
3. Calculate the maturity proceeds payable as described in Servicing Bonds – Redemption.
4. On getting go ahead signal from REC, send letters to the bondholders who have exercised put option to surrender the bond certificates.
5. Follow similar system and procedure as in the case of redemption on maturity.
6. On receiving notice from REC for exercising call option. Inform all bondholders and request them to surrender the bond certificates and inform the bondholders that no interest will accrue on the bonds on expiry xx months.
7. Follow similar system and procedures as in the case of redemption on maturity.

General

1. Registrar & Transfer Agent (R&TA) should have past experience in dealing with large number of investors in the category of individuals/ HUF.
2. R&TA should have experience in dealing with physical and demat form of securities. For this purpose they should have connectivity with NSDL and CDSL.
3. R&TA should read the offer document regarding the bonds and familiarise various provisions of the same and observe all procedures and time limit.
4. R&TA should observe promptness in the above activities and observing time limit set by SEBI/ CLB for public issues/ private placements.

5. R&TA should provide data like statement of holding of Bondholders(on due dates or Whenever required by REC).
6. For facilitating demat holding of bonds, the R &TA should have connectivity with NSDL and CDSL and periodically reconcile and clear the pendency position by inter-acting and corresponding with NSDL & CDSL.
7. R&TA may keep note that REC's role shall be limited to certain specific activities which can not be delegated to R&TA, like allotment of bonds, filling of TDS return, making funds available in the paying bank for interest payments, redemptions, exercising call options etc. The R&TA will provide all other services to REC and the bond holders.
8. R&TA to attend all legal matters/ cases notices etc. pertaining to these bond issues.
9. R&TA to prepare all the TDS/ Annual Returns and other Statutory Returns as may be required and file the same with the respective authorities in coordination Existing R&TA of REC.
10. To maintain Post Box Number with any GPO in Delhi; otherwise change in Postal Address will not be permitted by REC.
11. R&TA to provide the following records to REC at periodic intervals :-
 - Copies of all the records
 - Monthly updating all the records
 - Reconciliation statement for allotment, interest payment and redemption payment.
 - Trial Balance matching at the time of processing of interest.
 - Transfer Register.
 - Interest Register
 - Demat Register
 - Master data in CD
 - Any other information as may be required by REC.
12. The above list is only illustrative and not exhaustive. The R&TA should understand the scope of work explained above and would take case of any other activity related to Registrar as may be required by REC and not included above.
13. To provide services up to one year after redemption on the above terms. No charges shall be paid for this.