

No. REC/Fin./Resource/

Dated: 09th December, 2011

To,

Sub: Appointment of Financial Consultant- Risk Management on retainer ship basis.

Dear Sir,

Rural Electrification Corporation Limited (REC) is a Navratna company and has been rated 'AAA' i.e. the highest rating for its domestic borrowing programme by CARE, CRISIL, Fitch & ICRA and also has international ratings from Moody's & Fitch being "Baa3" & "BBB-" respectively which is identical to sovereign rating of India.

REC has foreign Currency exposures with various Banks / Multilateral Agencies and has entered into various swap transactions for risk mitigation. Keeping in view the nature of operation of REC, it is proposed to appoint a Financial Consultant - Risk Management in order to have their expert advice and also to gain advantage of latest available tools / techniques in derivatives and risk mitigation products.

The broad scope of work for the consultant will cover following areas:

- jj) Risk Management.
- kk) Assets Liability Management (ALCO)
- ll) Forex Advisory
- mm) Derivative Advisory
- nn) Hedging Advisory

Besides above, consultant scope of work will also include other items such as -

- To advice on Regulatory/Reporting requirement related to Derivative / Swap transactions.
- To act as Consultant for rendering advice on REC's existing / future FX transactions / deals.
- To support REC in pricing/ valuation with a software having Derivative Pricing Calculator.
- To finalize ISDA document with counter parties.
- To assist in confirming Executed Deals with counter parties.
- To provide time-to-time Mark to Market (MTM) valuation of existing FX and Swap transactions of REC and also to advice on the risk mitigation.
- To assist in preparation of various formats/ reports for ALCO.
- Opinion in deciding various borrowing options and its related pricing structure.

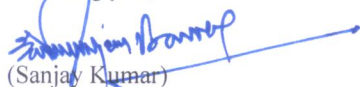
In connection with the above, you are requested to quote your all-inclusive monthly fee for the above said assignment on a retainer ship basis. However, the payment of the fee shall be made on a quarterly basis. Service Tax, if any, will be paid as applicable. You may be required to visit REC office as per the requirement. Economy class air fare will be reimbursed for your visit to REC's office at New Delhi as per actuals. The said appointment of Consultant on retainer ship basis is proposed to be initially for a period of one year which may be extended on mutually agreed terms and conditions

Your willingness to act as a Financial Consultant - Risk Management for REC on retainer ship basis along with your fee may be communicated to this office on or before 27th December 2011 by 11.30 AM under a sealed cover indicating "Willingness to Act as a Financial Consultant - Risk Management to REC". The offer letter may be addressed to Executive Director (Finance), REC Ltd.

REC will have the right to award / reject /amend the offer without assigning any reason thereof.

In case of any further information in this regard, Shri Awanish Bharati, Assistant Manager (Finance) may be contacted on Email: akbharati@recl.nic.in, Call: 011-43091592 / Mobile: 9650933199.

Thanking you,


(Sanjay Kumar)

Dy. General Manager (Finance)

Email : sanjayk@recl.nic.in, 011-43091616