



# RURAL ELECTRIFICATION CORPORATION LIMITED

## (A Government of India Enterprise)

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No. REC/FIN/Bonds-1/66(75)/04-05/

February 2, 2005

*Address of the Party*

**Sub: Mobilization of Resources by way of REC Unsecured Non-Convertible Redeemable Taxable Bonds.**

*Sir,*

*The Corporation intends to mobilize funds by way of raising Taxable Bonds – 2015 (75<sup>th</sup> Series) of the face value of Rs. 250 crore with an open-ended green shoe option on "**Private Placement**" basis. The target amount is up to Rs. 1000 crore.*

*The issue highlights are as follows: -*

ISSUE OPENS ON	To be decided mutually
ISSUE CLOSES ON	-----
ISSUE AMOUNT	Rs 250 crore with green shoe option to retain over subscription
CREDIT RATING	"AAA/Stable" by CRISIL, CARE AAA by Care, AAA (Ind) by FITCH
ISSUE PRICE	Rs 10,00,000/- per Bond
MINIMUM SUBSCRIPTION	Rs. 1 crore and in multiples of Rs. 10 lacks thereafter
<b>COUPON RATE (FIXED)</b>	<b>To be quoted.</b>
MODE OF SUBSCRIPTION	Full face value payable along with application during pay-in dates.
DEEMED DATE OF ALLOTMENT	To be decided at the time of launching issue
ALLOTMENT	Only in demat form.
TENOR	Option 'A' – 10 years Option 'B' – 15 years
MORATORIUM	Option 'A' – 5 years Option 'B' – 10 years
REDEMPTION	Option 'A' – 10% of the face value redeemable at par in half yearly instalment at the end of 5½ to 10 <sup>th</sup> years by way of strip. Option 'B' – 10% of the face value redeemable at par in half yearly instalment at the end of 10½ to 15 years by way of strip.
LISTING	Proposed to be listed with NSE
UPFRONT FEE	To be quoted
<b>Unwritten Commitment</b>	<b>Minimum Rs. 250 crore for each option quoted.</b>

DEEMED DATE OF ALLOTMENT	28.02.2005
1 <sup>ST</sup> INTEREST DUE	31.08.2005
SUBSEQUENT INTEREST PAYMENT DATE	31 <sup>ST</sup> August every year
LAST INTEREST PAYMENT	Along with Redemption

*REC intends to raise money from bankers for the proposed issue on one to one basis. If you are willing to be subscribe in the proposed issue, you are advised to send your offer indicating the annualized Corporate at which bank will like to subscribe in "Sealed Cover" or at Fax on 011 - 24365090 addressed to "Director (Finance) Quoted for Bond Issue" latest by 12.00 Hrs. on 10.02.2005.*

*REC have reserve the right to accept/reject any or all quotation without giving any reason.*

*Yours faithfully,*

*(RUPESH SOOD)  
Jt. Chief (F&A)*