

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

REC/Fin./Banking/2007-08/

Dated: 24.09.2007

Sub : Term Loan – 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 clean Term Loan to the extent of Rs.1000 to 1500 crore from the banks for meeting its ongoing requirements.

The borrowing programme of the Corporation of Rs.140 billion during the year 2007-08 has been assigned highest rating of 'AAA/Stable by CRISIL, "LAAA" by ICRA, 'AAA(Ind)' by Fitch for meeting its requirements during the financial year 2007-08. We invite your proposal for clean Term Loan of a period of 5 years including 2 years moratorium :

Nature of facility	Term Loan
Amount of Term Loan	Rs.100 crore and above
Rate of Interest	
Period	5 years including 2 years moratorium
Pre-payment	Without penalty
Security	Clean
Processing & other charges	Nil
Commitment charges	Nil
Repayment – Principal	Annually after moratorium period
Repayment - interest	

Your proposal in this regard for clean Term Loan 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 financial results for the year 2006-07 are enclosed for reference. For any information in this regard you may please contact the undersigned Phone 011-24365389 / M-9818335038 or Shri P.K. Marwah, Asstt.Manager (Fin.) 011-24365389 / M- 9873405455.

Yours faithfully,

Sd/-
(Ajay Mathur)
Chief Manager (Finance)