



**REC LIMITED**  
(Formerly Rural Electrification Corporation Limited)  
(A Government of India Enterprise)  
Regd. Office: Core-4, SCOPE Complex, 7 Lodi Road New Delhi 110003  
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Website www.recindia.nic.in **CIN: L40101DL1969GOI005095**

No: REC /FIN/Resource/Banking/2019-20

Date: January 22, 2020

To,

(Recipient Banks)

**Sub: Appointment of Payee Bank for payment of Interim and Final Dividend for FY 2019-20 by REC**

Dear Sir/Madam,

REC Limited ( Formerly Rural Electrification Corporation Limited ) is a listed 'NAVRATNA' Public Sector Enterprise under Ministry of Power, Government of India, rated as 'AAA' i.e. the highest rating for its domestic borrowing programme by CARE, CRISIL, ICRA & India Ratings and also has international ratings from Moody's & Fitch being "Baa3" & "BBB-" respectively. REC is a Non-Banking Financial Company (NBFC) with 'Infrastructure Finance Company'(IFC) status. Its main objective is to finance and promote projects in power sector across the value chain.

REC intends to appoint payee bank for the payment of both Interim Dividend and Final Dividend for FY 2019-20, if any, subject to declaration/ approval of the same by Board of Directors / Shareholders.

The Board Meeting to consider Interim Dividend, if any, for the FY 2019-20 is scheduled to be held on 4<sup>th</sup> Feb, 2020. The Dividend Account in respect of interim dividend for FY 2019-20, if declared, is proposed to be funded on 10<sup>th</sup> Feb, 2020 and payout date shall be on 24<sup>th</sup> Feb, 2020.

Total number of equity shares and equity shareholders of REC as 31<sup>st</sup> Dec, 2019 was 1,97,49,18,000 and 2,84,073 respectively. For FY 2018-19 total dividend of Rs.11 per share (one time) was paid by the Company. Considering the total dividend of FY 2018-19 as an indicative number you are requested to quote the amount of reimbursement as per annexure 'A', for FY 2019-20. The expected funding date as 10<sup>th</sup> Feb, 2020 and pay out date as 24<sup>th</sup> Feb, 2020 has to be taken for calculation of reimbursement amount to be quoted. A sample calculation for reference is enclosed at Annexure 'C'.

The amount of reimbursement in respect of interim dividend shall be proportionally adjusted depending upon the actual amount of interim dividend declared. The same ratio shall apply for calculation of reimbursement amount after adjusting the funding date and payout date in respect of final dividend. The terms and conditions for Payee Bank (s) are as follows:

cont.2

**Regional Office: Bengaluru, Bhopal, Bhubaneswar, Chennai, Dehradun, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara.**

## Prerequisite

*The Bank should have minimum branches at 100 locations spread all over India. A Certificate to this effect has to be enclosed by the bank in a separate envelop. The quotation of the banks not furnishing the said certificate shall not be considered for getting shortlisted as Dividend Payee Bank. The envelop may be marked as "Prerequisite for Dividend Payee Bank"*

## Other Terms and condition for Payee Bank:

- i. The bank should be incorporated in India.
- ii. The Company shall deposit the dividend amount on the due date through RTGS/Fund transfer as desired by the bank for credit to REC Dividend account opened for the purpose.
- iii. The dividend amount shall be remitted to the investor through NECS/RTGS/NEFT/ Direct Credit and through warrants. In case of rejection of NECS/RTGS, the bank is required to intimate REC on the following day.
- iv. REC shall provide the details of investors i.e. Name of investors, Investors Bank and address, Account number, MICR No or IFSC code as the case may be to the bank at least 1 (one) business day in advance.
- v. The dividend warrants required to be issued shall be payable at par at all locations to the shareholders by the Bank.
- vi. REC shall provide the details of dividend warrants so issued by the Company to the bank prior to the dividend payment date.
- vii. Cheque (dividend warrant) in the leaf form (continued stationery) is required to be provided by the bank at its cost for issue to the shareholders. Account payee only and "Not Negotiable" warrant shall be issued to the shareholder.
- viii. The bank shall provide bank statement to the Company showing details of warrants presented for the payment on fortnightly basis.
- ix. The bank shall also furnish a reconciliation statement on monthly basis to the Company containing the following:
  1. Date wise list of paid warrants number along with the amount of each warrant; and
  2. Unpaid list of the warrant number along with the amount of each warrant remaining unpaid at the end of each month.
- x. A statement showing the reconciliation of amount deposited by REC and the amount paid by the bank and the figure so arrived at shall tally with the unpaid list.
- xi. REC shall have the right to revalidate the stale warrants.
- xii. REC would not submit any bill for committed reimbursement by the bank to REC.
- xiii. The bank has to release advance amount, if any, to R&TA and Printer of REC against budget estimate (verified by REC) submitted by them for handling dividend activities out of the committed reimbursement amount.
- xiv. The bank has to remit the balance reimbursement amount within 3 days from interim and final dividend payment date separately.
- xv. The payee bank will have to arrange blow up cheque along with miniature of RTGS payment/ receipt as per requirement of REC Ltd.

In case your bank is willing to act as payee bank on the terms and conditions as mentioned above, you are requested to send your quotation in closed envelope addressed to **Mr. Subrata Aich, Add. General Manager (Finance)**, marked as "**Quotation for Dividend Payee Bank**" in addition to the envelop as mentioned under **Prerequisite**, latest by **11:00 AM on 31<sup>st</sup> Jan, 2020**. The validity of your quote shall be 30 days from the last date for the submission of the bid. The authorized representative of the banks may be present at the time of opening the bids i.e. **11:15 AM on 31<sup>st</sup> Jan, 2020**. The quotation should be in format as given in **Annexure A**. Further details are to be given in **Annexure B**.

REC reserves the right to accept / reject any or all offers without assigning any reason thereof. In case of any further information in this regard Shri Jeetender Kumar, Deputy Manager (Finance) may be contacted at 011-43091740/ 8010905550, jkumar@recl.in

Thanking You,



**(Subrata Aich)**

**AGM (Finance)**

**M: 011-43091688, Fax No. 011-24369846**

**Annexure 'A'**

**QUOTATION FOR INTERIM & FINAL DIVIDEND PAYOUT FOR THE FY 2019-20**

**REC LIMITED (Formerly Rural Electrification Corporation Limited)**

The Bank is willing to reimburse REC LTD Rs..... (amount in words.....) towards expenses related to printing, stationery, postage & handling etc., being incurred by REC for both interim dividend and final dividend payment of FY 2019-20.

Authorized Signatory of Bank

Name :

Designation :

Contact No.:

(Please affix official stamp of bank)

**Annexure 'B'**

**Facility**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Information to be furnished by Bank*</b>
1.	Minimum balance for opening of A/c	
2.	Designated Branch for contact for control of payee bank account within 10 km radius of REC office	
3.	Contact person details	
4.	Monthly reconciliation statements as & when required along with list of paid and unpaid data to be provided the Corporation	
5.	List of documents required for opening of bank account	
6.	Revalidation of payment warrants after expiry of validity, whether acceptable or not	
7.	Others(Any other facility/benefits bank wants to offer)	

\*Note- Banks are requested to furnish the complete detail in the information column (please use additional sheets if required)

**Annexure 'C'**

**Sample calculation for arriving reimbursement amount to be quoted**

No. of equity shares	(a)	1,97,49,18,000
Dividend - Rs.11 per share assumed for FY 2019-20 (Based on FY 18-19)	(b)	11.00
Total Dividend Amount	$c = (a*b)$	2172,40,98,000
Funding Date for Interim Dividend	(d)	10-02-2020
Pay out Date for Interim Dividend	(e)	24-02-2020
Duration of funds on hold by Bank	$f = (e-d)$	14
Assumed interest rate considered by bank for reimbursement (% p.a)	g	7.50
<b>Reimbursement Amount for Dividend to be quoted by Bank</b>	$h = (c*f*g\%/365)$	<b>6,24,93,981</b>
<b>Assuming Interim Dividend declared is Rs.6 per share - Amount to be reimbursed by Bank</b>	$(h*6/b)$	<b>3,40,87,626</b>
<b>Assuming Final Dividend declared is Rs 5 per share <math>(h*5/b)</math></b>		<b>2,84,06,355</b>