



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/2008-09/

Dated: 09.07.2008

All the Banks,

Sub : Term Loan – regarding.

Sir,

Rural Electrification Corporation Ltd. (RECL) is a enterprise of the Government of India which has been conferred Nav-Ratna status . 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.500 crore from the banks for meeting its ongoing requirements.

The borrowing programme of the Corporation of Rs.130 billion for long term loan and Rs. 30 billion for short Term loan during the year 2008-09 has been assigned highest rating of 'AAA/Stable & P!+ by CRISIL, AAA & PR1+ by CARE, "LAAA" & A1 by ICRA, 'AAA(Ind)' & f1+ by Fitch for meeting its requirements during the financial year 2008-09. We invite your proposal for clean Term Loan of a period of 5 years including 2 years moratorium and for a period of three year :

Nature of facility	Term Loan	Term Loan
Amount of Term Loan	Rs.100 crore and above	Rs.100 crore and above
Rate of Interest		
Period	5 years including 2 years moratorium	3 years moratorium
Pre-payment	Without penalty	Without penalty
Security	Clean	Clean
Processing & other charges	Nil	Nil
Commitment charges	Nil	Nil
Repayment – Principal	Annually after moratorium period	Bullet payment after three year
Repayment - interest	Monthly / quarterly	Monthly / quarterly

Your proposal in this regard for clean Term Loan indicating interest rates and other terms and conditions should reach G.M.(Fin.), REC by 15th July,2008.

The Audited Financial results of the Corporation for the year 2007-08 and for earlier years are available on REC web-site www.recindia.nic.in.

For any information in this regard you may please contact the undersigned Phone 011-24369849 / M-9818335038 or Shri P.K. Marwah, Asstt.Manager (Fin.) 011-24365389 / M-9873405455.

Yours faithfully,

Sd/
(Ajay Mathur)
Chief Manager (Finance)