



रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड
RURAL ELECTRIFICATION CORPORATION LIMITED
भारत सरकार का उद्यम (A Government of India Enterprise)
Regd Office: Core-4, SCOPE Complex, 7 Lodi Road New Delhi 110003
Tele. 011-43091616 Fax:011-24369846 Email: sanjayk @recl.nic.in
Website www.recindia.nic.in CIN: L40101DL1969GOI0010095

No. REC/Finance/Resource/ECB-XXIII/16-17

Date: July 06, 2016

To

Sir/Madam,

Sub: Raising unsecured ECB –Term Loan equivalent to US\$ 150 million with green shoe option

REC has an International rating of 'Baa3' and 'BBB-' from Moody's & Fitch respectively and highest rating of AAA (triple A) for the borrowing programme for the financial year 2016-17 from CARE, CRISIL, ICRA & India Ratings and Research.

REC has been granted "In Principle" approval from RBI for raising ECB for funding Infrastructure Power Sector Projects.

It will be highly appreciable in case your bank quotes a **Firm Rate** for raising ECB equivalent to US\$ 150 million with green shoe option through Term loan as per 'Annexure A' attached.

The basic structure of the said ECB is as under:

Amount	:	US\$ 150 mio with green shoe option
Currency	:	US\$
Tenor	:	5 years and 1 day
Payment	:	Bullet
Interest payment	:	Semi-annually
Withholding tax	:	As applicable
Validity of the offer	:	30 days
Last date of submission of Bid	:	July 28, 2016

A bank is allowed to quote individually to underwrite the entire amount, however the individual bank's minimum commitment shall not to be less than US\$ 30 million. REC reserves the right to get the clubbing done at it's own end.

The offer should reach REC office latest by 4.30 PM on July 28, 2016 under a closed cover addressed to **Mr. Sanjay Kumar, Addl. General Manager (Finance)**, subscribed as "**Raising unsecured ECB – Term Loan equivalent to minimum of US\$ 150 million with green shoe option**". The raising of above fund shall be subject to RBI's extant guidelines, other statutory authority or Government approvals in this regard. REC reserves the right to reject any or all offers without assigning any reason thereof. In case of any further information in this regard Shri Awanish Bharati, Manager (Finance) may be contacted at 011-43091592/9650933199, akbharati@recl.nic.in.

Yours sincerely,

-Sd-

(Sanjay Kumar)
Addl. General Manager (Finance)

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Zonal /Project Office: Bangalore, Bhubaneswar, Chennai, Guwahati, Hyderabad, Jabalpur, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara

Offer for raising ECB equivalent to US\$ 150 million with green shoe option

Term Loan

1.	Name of bank(s) giving quote		
2.	Currency	US\$	
3.	Interest	Semi annually in US\$	
4.	Tenor	5 years and 1 day	
5.	Firm commitment amount		
6.	Breakup of All-in cost (p.a.) as a % age and absolute both: ➤ Margin (Over 6 Months US\$ Libor) ➤ Arrangement /Upfront fee ➤ Legal cost ➤ Agency fee ➤ Out of Pocket expenses (to be quoted for one location)* ➤ Others (specify)	Total Amount for the entire tenor of loan	in % age p.a.
7.	All-in cost (Firm Offer) (in % age p.a.)	<i>6 Months US\$ Libor +</i>	
8.	Applicable withholding tax		
9.	Total cost to RECL (in % age p.a.)	<i>6 Months US\$ Libor +</i>	

* No of locations for road shows to be decided mutually later on.

Important Note:

While bidding please consider the following non-negotiable points:

A. Consolidated financial covenants

The Borrower to ensure that:

1. Consolidated Tangible Net Worth is not at any time less than sixty billion Indian Rupees (INR 60,000,000,000);
2. the ratio of Consolidated Total Borrowings to Consolidated Tangible Net Worth does not at any time exceed 10:1;
3. the ratio of Consolidated EBITDA to Consolidated Finance Costs is not, at the end of each Measurement Period, less than 1.1 to 1; and
4. it will adhere to the minimum Capital Adequacy Ratio prescribed by the RBI.

B. Hedging:

No precondition of hedging is acceptable in the bid document, accordingly no First Right of Refusal will be granted. However, hedging as per applicable RBI guidelines shall be carried out by REC.

C. Clear Market Clause:

REC reserves it's right to raise funds in any currency through alternate market/modes i.e. bonds etc including loans from multilateral financial institutions like JICA, KfW, WB etc from offshore markets and loans/bonds or any other mode in the domestic currency/domestic markets in India.