भारत सरकार
विद्युत मंत्रालय
श्रम शक्ति भवन, रफी मार्ग,
नई दिल्ली-110 001

सत्यमेव जयते

GOVERNMENT OF INDIA
MINISTRY OF POWER

Shram Shakti Bhawan,
Rafi Marg, New Delhi-110001
Fax : 2371-7519
Tel. :

Kamlesh K Mishra
Deputy Secretary
Telfax : 23353320

Date: April 6, 2015

The Managing Director,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001,
India.

The Managing Director,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051,
India.

Dear Sir/Madam,

Subject: Notice of Offer for Sale of equity shares of Rural Electrification Corporation Limited (the "Company") by its Promoter, the President of India, acting through the Ministry of Power, Government of India, through the stock exchange mechanism (the "Notice")

I am directed to refer to Clause 5(b) of the circular number CIR/MRD/DP/18/2012 dated July 18, 2012 notified by the Securities and Exchange Board of India ("SEBI" and such circular "**SEBI OFS Circular**") pertaining to comprehensive guidelines on offer for sale of shares by promoters through stock exchange mechanism, as substantially amended by circular number CIR/MRD/DP/04/2013 dated January 25, 2013, circular number CIR/MRD/DP/17/2013 dated May 30, 2013, circular number CIR/MRD/DP/24/2014 dated August 8, 2014 and circular number CIR/MRD/DP/ 32/2014 dated December 1, 2014 (together with SEBI OFS Circular, "**SEBI OFS Circulars**"), read with Section 21 of Chapter 1 of the Master Circular for Stock Exchange – Trading Related (No. CIR/MRD/DP/17/2014) dated May 20, 2014 issued by SEBI.

The President of India, acting through and represented by the Ministry of Power, Government of India is the promoter of Rural Electrification Corporation Limited (the "**Promoter**"). The Promoter (the "**Seller**"), proposes to sell up to 4,93,72,950 equity shares of the face value of Rs. 10/- each ("**Offer Shares**"), representing 5% of the total paid up equity share capital of the Company on December 31, 2014 (held in dematerialized form in one or more demat accounts with the relevant depository participant), in accordance with (i) SEBI OFS Circulars, (ii) notice number 20120222-34 dated February 22, 2012, notice number 20120228-30 dated February 28, 2012, notice number 20120727-26 dated July 27, 2012, notice number 20130129-23 dated January 29, 2013, notice number 20140902-33 dated September 2, 2014 and notice number 20150122-30 dated January 22, 2015 issued by the BSE Limited ("**BSE**"); and (iii) circular reference number 2/2012 dated February 21, 2012, circular reference number 73/2012 dated February 24, 2012, circular reference number 52/2012 dated August 2, 2012, circular reference number 005/2013 dated January 30, 2013, circular reference number 0037/2013 dated January 31, 2013, circular reference number 52/2013 dated May 30, 2013 and circular reference number 44/2014 dated September 2, 2014 issued by the National Stock Exchange of India Limited ("**NSE**", and together with the BSE, the "**Stock Exchanges**" and such offer for sale hereinafter referred to as the "**Offer**"). The Seller, pursuant to an exemption granted to the Government of India by SEBI on March 12, 2015, may sell within +12 weeks of the Offer Date equity shares of the Company representing up to 3% of the paid up equity share capital of the Company under the Central Public Sector Enterprise Exchange Traded Fund Mutual Fund Scheme ("**CPSE ETF MF Scheme**").

RIGHT TO
INFORMATION

06/4/2015
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The Offer shall be undertaken exclusively through Seller's Brokers named below on a separate window provided by the Stock Exchanges for this purpose.

The details of the Offer, in accordance with the requirements of Clause 5(b) of the SEBI OFS Circular, are set forth below. Other important information in relation to the Offer is set out below under the heading "**Important Information**", and the information included therein constitutes an integral part of the terms and conditions of the Offer. The brokers and prospective buyers are required to read the information included in this Notice in its entirety along with the SEBI OFS Circulars.

Sr. No.	Details required to be mentioned in the Notice	Particulars of the Offer
1.	Name of the Seller (Promoter / Promoter Group)	The President of India, acting through and represented by the Ministry of Power, Government of India (Promoter)
2.	Name of the company whose shares are proposed to be sold and ISIN	**Name**: Rural Electrification Corporation Limited **ISIN**: INE020B01018
3.	Name of the stock exchange where orders shall be placed	BSE and NSE
4.	Name of the designated stock exchange	BSE
5.	Date and time of the opening and closing of the Offer	The Offer shall take place during trading hours on a separate window of the Stock Exchanges and shall commence on April 8, 2015 at 9:15 a.m. and shall close on the same date at 3:30 p.m. Indian Standard Time ("**Offer Date**")
6.	Allocation methodology	The allocation shall be on a price priority method at multiple clearing prices in accordance with the SEBI OFS Circular. 20% of the size of the Offer shall be reserved for Retail Investors (defined below), subject to receipt of valid bids ("**Retail Category**"). Bidders can bid under the Retail Category or non-retail category. Indicative price for Retail Category and non-retail category shall be displayed separately. The cut-off price shall be determined separately for bids received in the Retail Category and for bids received in the non-retail category. No single bidder other than Mutual Funds (defined below) and Insurance Companies (defined below) shall be allocated more than 25% of the Offer Shares being offered in the Offer. ***Retail Category allocation methodology*** Retail investor shall mean an individual investor who places bids for shares of total value of not more than Rs. 2,00,000/- (Rupees Two Lakhs) aggregated across Stock Exchanges ("**Retail Investor**"). Retail Investors will be allocated Offer Shares at a discount of 5% to the bid price entered by them in accordance with the SEBI OFS Circulars. The discounted price which shall be the final allocation price to the Retail Investors may be below the Floor Price (defined below).

SHRI KAMLESH KUMAR MISHRA
Deputy Secretary
Ministry of Power
Govt. of India
New Delhi

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		Upon determining cut-off price for the Retail Category, the Offer Shares reserved for such category shall be allocated to eligible bids of Retail Investors on price priority method at multiple clearing prices in accordance with the SEBI OFS Circulars. Any unutilized portion of the Retail Category shall be offered to non-retail category of bidders. In case of excess demand in Retail Category at the cut-off price, allocation shall be on proportionate basis. ***Non-Retail Category allocation methodology*** Allocation in non-retail category shall be at or above the Floor Price (defined below) on price priority method at multiple clearing prices in accordance with the SEBI OFS Circulars. A minimum of 25% of the Offer Shares being offered in the Offer shall be reserved for mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended ("**Mutual Funds**") and insurance companies registered with the Insurance Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999 as amended ("**Insurance Companies**"), subject to receipt of valid bids. In the event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to the other bidders.
7.	Total number of equity shares being offered in the Offer	Up to 4,93,72,950 equity shares of the Company of face value of Rs.10/- each, representing 5% of the total paid up equity share capital of the Company.
8.	Maximum number of shares the Seller may choose to sell over and above made at point 7 above	NIL
9.	Name of the broker(s) on behalf of the Seller (the "**Seller's Broker**")	1. IL&FS Broking Services Private Limited 2. JM Financial Institutional Securities Limited 3. Morgan Stanley India Company Private Limited
10.	Date and time of declaration of floor price ("**Floor Price**")	The Seller shall declare the Floor Price for the Offer on April 7, 2015 (i.e. T-1, T being the Offer Date) latest by 5:00 p.m., Indian Standard Time, to the Stock Exchanges and the Stock Exchanges shall inform the market immediately.
11.	Retail Discount	Retail Investors will be allocated Offer Shares at a discount of 5% to the bid price entered by them in accordance with the SEBI OFS Circulars.
12.	Conditions for withdrawal of the Offer	The Seller reserves the right to not to proceed with the Offer at any time prior to the time of opening of the Offer on the Offer Date. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before another offer for sale through Stock Exchange mechanism is made. The Stock Exchanges shall suitably disseminate details of such withdrawal.
13.	Conditions for cancellation of the Offer	In the event (i) the aggregate number of orders received in the Offer at or above the Floor Price is less than the total number of

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		9. In case of default in pay-in by any bidder, an amount aggregating to 10% of the order value shall be charged as penalty from the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the Stock Exchange;
15.	Settlement	Settlement shall take place on a trade for trade basis. For non-institutional investors and institutional investors who place orders with 100% of the order value deposited upfront, settlement shall take place on a T+1 (T being the Offer Date and T+1 being April 9, 2015), in accordance with the SEBI OFS Circulars. Pay-in and pay-out of bids by Retail Investors shall take place as per normal secondary market transactions. In the case of institutional investors who place bids without depositing 100% of the order value upfront, settlement shall be as per the existing rules for secondary market transactions (i.e., on T+2, being April 10, 2015).

IMPORTANT INFORMATION

The Offer is personal to each prospective bidder (including individuals, funds or otherwise) registered with the broker of the Stock Exchanges who makes a bid (each a "**Bidder**") and neither the Offer nor this Notice constitutes an offer to sell or invitation or solicitation of an offer to buy, to the public, or to any other person or class of persons requiring any prospectus or offer document to be issued, submitted to or filed with any regulatory authority or to any other person or class of persons within or outside India.

The Offer is being made in reliance on the SEBI OFS Circulars, read with Section 21 of Chapter 1 of the Master Circular for Stock Exchange – Trading Related (No. CIR/MRD/DP/17/2014) dated May 20, 2014 issued by SEBI and subject to the guidelines, circulars, rules and regulations of the Stock Exchanges. There will be no "public offer" of the Offer Shares in India under the applicable laws in India including the Companies Act, 2013 as notified, and applicable, and as amended from time to time (the "**Companies Act**") or in any other jurisdiction. Accordingly, no documents have been or will be prepared, registered or submitted for approval as "prospectus" or an offer document with the Registrar of Companies in India and/or SEBI and/or the Stock Exchanges or any other statutory/regulatory/listing authority in India or abroad under the applicable laws in India including the Companies Act, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and no such document will be circulated or distributed to any person in any jurisdiction, including in India.

The Bidders acknowledge and agree that any buy order or bid shall be made solely on the basis of publicly available information and any information available with SEBI or the Stock Exchanges, on the Company's website or otherwise in the public domain, together with the information contained in this Notice. The Offer is subject to further terms set forth in the contract note to be provided to the successful Bidders.

This Notice is for information purposes only and is neither an offer nor invitation to buy or sell nor a solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction ("**Other Jurisdiction**") in which such offer, solicitation or sale is or may be unlawful whether prior to registration or qualification under the securities laws of any such jurisdiction or otherwise. This Notice and the information contained herein are not for publication or distribution, directly or indirectly, in or to persons in any Other Jurisdiction unless permitted pursuant to an exemption under the relevant local law/s or regulation/s in any such jurisdiction. Prospective purchasers should seek appropriate legal advice prior to participating in the Offer.

RAKESH KUMAR MISRA
Deputy Secretary
Ministry of Power
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		Offer Shares; or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Offer to the extent of valid bids or cancel the Offer in full. The decision to either accept or reject the Offer shall be at the sole discretion of the Seller.
14.	Conditions for participating in the Offer	1. Non-institutional investors shall deposit 100% of the bid value in cash up-front with the clearing corporation at the time of placing bids for the Offer. 2. Institutional investors have an option of placing bids without any upfront payment. In case of institutional investors who place bids with 100% of the bid value deposited upfront, custodian confirmation shall be within trading hours. In case of institutional investors who place bids without depositing 100% of the bid value upfront, custodian confirmation shall be as per the existing rules for secondary market transactions. 3. Retail Investors shall have the option to bid in the Retail Category and the non-retail category. However, if the cumulative bid value by an individual investor across both categories exceeds Rs. 2,00,000/- (Rupees Two Lakhs), the bids in the Retail Category will become ineligible. Further, if the cumulative bid value by an individual investor in the Retail Category across Stock Exchanges exceeds Rs. 2,00,000/- (Rupees Two Lakh only), such bids shall be rejected. 4. In respect of bids in the Retail Category clearing corporation shall collect margin to the extent of 100% of order value in cash or cash equivalents at the time of placing bids. Pay-in and pay-out for bids by Retail Investors shall take place as per normal secondary market transactions. 5. The funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments; 6. Modification or cancellation of orders (a) Orders placed by institutional investors and by non-institutional investors, with 100% of the bid value deposited upfront: Such orders can be modified or cancelled any time during the trading hours; (b) Orders placed by institutional investors without depositing 100% of the bid value upfront: Such orders cannot be modified or cancelled by the investors or stock brokers, except for making upward revision in the price or quantity. In case of any permitted modification or cancellation of the bid, the funds shall be released / collected on a real-time basis by the clearing corporation. 7. Bidder shall also be liable to pay any other fees, as may be levied by the Stock Exchanges, including securities transaction tax. 8. Multiple orders from a single bidder shall be permitted.

Under Secretary
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This Notice is not for release, publication or distribution, in whole or in part, in the United States of America, its territories and possessions, any state of the United States of America, or the District of Columbia (together, the "**United States**"), and is neither an offer to sell nor a solicitation of an offer to buy within the United States any securities of the Company. The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state of the United States or any other jurisdiction and may not be offered or sold in the United States except in transactions exempt from the registration requirements of the Securities Act. The Offer Shares shall be offered within the United States and to U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) only to persons who are both "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("**QIBs**" and each a "**QIB**") and also "qualified purchasers" (as defined in the U.S. Investment Company Act of 1940, as amended, and the related rules (the "**Investment Company Act**")) ("**QPs**" and each a "**QP**") or outside the United States to non-U.S. Persons in offshore transactions in reliance upon Regulation S. The purchasers of Offer Shares are hereby advised that any resale of Offer Shares must be made in accordance with the registration requirements of the Securities Act or otherwise pursuant to an available exemption from registration requirements under the securities laws in the United States.

The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. Prospective purchasers in the United States are hereby notified that the Company is relying on the exception under Section 3(c)(7) of the Investment Company Act.

The Company has not determined that it is not a passive foreign investment company ("**PFIC**") within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended. No analysis has been undertaken to determine if the Company is a PFIC, and if the Company were determined to be a PFIC, there may be adverse tax consequences for U.S. holders of the Offer Shares.

By submitting a bid in connection with the Offer or receiving any Offer Shares, each Bidder and any broker acting on such Bidder's behalf will be deemed to have (a) read and understood this Notice in its entirety, (b) accepted and complied with the terms and conditions set out in this Notice, and (c) represented, agreed and acknowledged that such Bidder is, and at the time the Offer Shares are purchased, will be, the beneficial owner of such Offer Shares, not an affiliate of the Company or a person acting on behalf of such an affiliate and either (i) is a non-U.S. Person located outside the United States and purchasing such Offer Shares in an offshore transaction in reliance upon Regulation S; or (ii) both a QIB and a QP purchasing the Offer Shares in a transaction exempt from the registration requirements of the Securities Act.

By submitting a bid on behalf of a Bidder in connection with the Offer, each broker will also be deemed to have represented, agreed and acknowledged that it is located outside the United States and that none of the broker, its affiliates or any person acting on its or their behalf has (a) engaged or will engage in any "directed selling efforts" (within the meaning of Regulation S) in connection with the offer or sale of the Offer Shares and (b) offered or will offer and sell the Offer Shares except outside the United States to non-U.S. Persons in reliance upon Regulation S or within the United States to persons reasonably believed to be QIBs and QPs in a transaction exempt from the registration requirements of the Securities Act.

Thanking You,

Yours faithfully,

For and on behalf of the President of India,

06 Apr 2015

Kamlesh K. Mishra
Deputy Secretary
Ministry of Power, Government of India

KAMLESH KUMAR MISHRA
Deputy Secretary
Ministry of Power
Govt. of India