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

Kamlesh K Mishra
Deputy Secretary
Telfax: 23353320

GOVERNMENT OF INDIA
MINISTRY OF POWER

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

Date: April 7, 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: Announcement of Floor Price, for the proposed Offer for Sale of equity shares of Rural Electrification Corporation Limited (the "Company") through the stock exchange mechanism (the "Announcement")

I am directed to refer to Clause 5(c)(i) 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**").

A copy of the notice dated April 6, 2015 ("**Offer Notice**") is enclosed herewith as Annexure A.

In this regard, the floor price of the Offer in terms of SEBI OFS circulars shall be Rs. 315/- (Rupees Three hundred and fifteen only) per equity share of Rural Electrification Corporation Limited.

IMPORTANT INFORMATION

कमलेश कुमार मिश्रा/KAMLESH KUMAR MISHRA
उप सचिव/Deputy Secretary
विद्युत मंत्रालय/Ministry of Power
भारत सरकार/Govt. of India

RIGHT TO 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 Announcement 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 Announcement. The Offer is subject to further terms set forth in the contract note to be provided to the successful Bidders.

This Announcement 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 Announcement 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.

[This Announcement 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.

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उप सचिव/Deputy Secretary
[illegible]/Ministry of Power
भारत सरकार/Govt. of India
[illegible]

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 Announcement in its entirety, (b) accepted and complied with the terms and conditions set out in this Announcement, 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,

On behalf of the President of India,

07 Apr 2015

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

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