



आरईसी पावर डिस्ट्रीब्यूशन कम्पनी लिमिटेड  
**REC POWER DISTRIBUTION COMPANY LIMITED**  
(A wholly owned subsidiary of REC Ltd., a 'Navratna CPSE' under Ministry of Power, Govt. of India)  
CIN No. RECPDCL-U40101DL2007GOI165779

Corporate Office: 1016-1023, 10th Floor, Devika Tower, Nehru Place, New Delhi-110019  
Tel: 011-44128755 Fax: 011-44128768, Website: www.recpdcl.in, E-mail: co.delhi@recpdcl.in  
Regd. Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi-110003, Phone (011) 43091506 Fax: (011) 24385815

Letter. No. RECPDCL/PRGFEE/16-17/

Date: 17 February, 2017

**Sub: Invitation of bids for investment of funds under BEE's PRGFEE Scheme in term deposits and commission for issuance of Guarantee against 100% margin.**

Sir,

1. RECPDCL invites proposals from various **Public Sector Banks (including SBI & its Associates) & Scheduled Commercial Banks excluding Regional Rural Banks and Foreign Banks** to act as "Designee Bank" for carrying out all the current account operations, creation of fixed deposits and issuance of Bank Guarantee against 100% margin on fixed deposit under Partial Risk Guarantee Fund for Energy Efficiency scheme of Bureau of Energy Efficiency.
2. You are requested to submit your firm and unconditional bid for quoting the highest rate of Interest for Fixed deposit and lowest charges for issuance of Bank guarantees against 100 percent margin. The quotation/bid shall be send in sealed cover to Chief Financial Officer, REC Power Distribution Company Ltd, 1016-1023, 10<sup>th</sup> Floor, Devika Tower, Nehru Place, New Delhi- 110019 on or before **27th Feb 2017, 12:00 PM** for the services as mentioned in Clause C of Annexure 1.
3. Bids will be opened on **27th Feb 2017, 12:30 PM in the office of** Chief Financial Officer, REC Power Distribution Company Ltd. In the presence of any representative of the Banks who may choose to be present. RECPDCL shall not be responsible for any delay/loss of bids in transit.
4. Bidders shall be shortlisted as per the Ministry of Finance, Gol guidelines for managing the Govt. funded schemes at the time of final credit of amount.
5. Bidder must submit the bid in Performa placed at Form 1. **The bidder shall be selected based after the cost benefit analysis to the company based on the bid submitted for the services. The decision of RECPDCL shall be final and binding in this regard.**
6. The rate of Interest shall be valid for a period of 10 working days from last date of submission of quotation. However, any increase in rate quoted on the deposit shall be applicable as on the date of investment.
7. The FD interest shall be paid quarterly to RECPDCL and BG Commission charges will also be charged quarterly.
8. RECPDCL shall enter into a facility agreement with the selected bidder for providing the banking services under PRGFEE.
9. Amount of investment can be increased or decreased at the sole discretion of RECPDCL.
10. Further, in case the, selected Bank wants to become a Participating Financial Institution under PRGFEE to take benefits of PRGFEE, the total guarantees taken by the consortium including the

selected bank to be called as “Designee Bank”, shall be restricted to a maximum of 10% of the fund value

11. RECPDCL reserves the right to invest or not to invest without giving any notice.
12. RECPDCL reserves the right to negotiate the rate quoted with the bidder offering highest net yield and on date of investment.
13. In case of any clarification, kindly send your queries at - [fin.delhi@recpdcl.in](mailto:fin.delhi@recpdcl.in).

**A. About REC Power Distribution Company Ltd.**

REC Power Distribution Company Limited (an ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified company, a wholly owned subsidiary of Rural Electrification Corporation Limited, a “Navratna CPSE” under the Ministry of Power, Govt. of India.) has been providing its expert and value added consultancy services to varied clients in power sector located across the country i.e. in more than 100 projects with over 39 Discoms and 4 Co-operative societies in 29 states across the country.

**B. About Partial Risk Guarantee Fund for Energy Efficiency(PRGFEE)**

Bureau of Energy Efficiency (BEE), Govt. of India, has established a Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE), which is one of the financing tools under National Mission for Enhanced Energy Efficiency (NMEEE). PRGFEE is a risk sharing mechanism to provide Financial Institutions (banks/NBFCs) with a partial coverage of risk involved in extending loans for Energy Efficiency projects. Under PRGFEE, the support has been provided to government buildings, private buildings (commercial or multi-storey residential buildings), municipalities, SMEs and industries. The guarantee will not exceed 50% of loan amount or Rs. 10 crores per project, whichever is less.

Government of India has notified rules for operationalization of Partial Risk Guarantee Fund for Energy Efficiency on 26th May 2016. For more details, bidder my go through the attached PRGFEE Rules and Operations Manual of PRGFEE available on BEE's website at the below link <https://beeindia.gov.in/content/prgfee>.

BEE has appointed a consortium of Rural Electrification Corporation Ltd.(REC), REC Power Distribution Company Ltd.(RECPDCL) and Energy Efficiency Services Ltd.(EESL) as the Implementing Agency with RECPDCL as the Lead Member of the Consortium.

**C. Objective**

For successful Implementation of PRGFEE, RECPDCL shall engage a Bank hereby referred as “Designee Bank”. The entire PRGFEE corpus amount of PRGFEE as transferred by BEE (and enhanced from time to time) shall be placed in a special account of RECPDCL’s PRGFEE Corpus A/c maintained with the “Designee Bank”. This amount shall be used by the Designee Bank as security for issuance of PRGFEE Bank Guarantees and for meeting all loss claims within PRGFEE.

**D. The required services and operations are as mentioned below:**

**1. Fund Amount -**

The total fund amount sanctioned by Govt. of India under PRGFEE is Rs.312 Cr, which shall be transferred to RECPDCL by BEE in tranches, of which, first tranche shall be of approximately Rs.67 Cr.

2. Account Operations:
  - 2.1. 90% the credit received in the RECPDCL PRGFEE Corpus Fund account will be converted to fixed deposits for a period of 5 years, based on which Bank Guarantees will be issued. The remaining 10% of the amount of PRGFEE will be converted to another FD to meet any NPA claims.
3. Tenure of Deposit- Maximum tenure of deposit shall be of 5 years. Part withdrawal shall be allowed without any pre-mature penalty and the balance amount to be continued as per the contracted rate of interest. During the period of FD, the applicable rate of interest on the said FD shall not be below repo-rate.
4. Bank Guarantee Issuance:
  - 5.1. The Fixed Deposit created in REC Power distribution PRGFEE corpus fund will be used for issuing of Bank Guarantee against 100 percent margin.
  - 5.2. Such Bank Guarantees issued against PRGFEE Corpus Fund shall be hereby called and referred at all places as "PRGFEE Bank Guarantee".
  - 5.3. The PRGFEE Bank guarantee will be issued for maximum of 5 years and text of the draft PRGFEE Bank guarantee is attached at Annexure 2.
  - 5.4. The commission for issuance of each PRGFEE Bank Guarantee shall be paid on annual basis. If any guarantees are invoked/cancelled as intimated by RECPDCL during the year, the commission shall be charged by the bank on pro-rata basis for the outstanding guarantee and the balance amount of commission shall be refunded. No other charges or penalty shall be paid by RECPDCL other than agreed BG commission.
  - 5.5. The PRGFEE fund should be exclusively used for issuance of PRGFEE Guarantees and claims settlement under PRGFEE.
  - 5.6. RECPDCL may withdraw the fund at any time, without any penalty. However, the funds against which the Guarantee has been issued shall be withdrawn only after expiry/ settlement of the guarantee.
6. **Invocation:**
  - 6.1. The amount for invocation will be given from breaking the required amount (invocation amount) from the fixed deposit. The balance amount shall continue as FD as per the contracted rate of interest. No penalty for breaking the FD for paying/settlement of guarantee shall be charged to RECPDCL.
  - 6.2. In case of guarantee claim, 75% of the claim amount be released after our prior permission. The balance 25 %of the claim amount will be paid on conclusion of recovery proceedings by the participating financial institution as per the PRGFEE Scheme.
7. No charges should be levied for maintaining the current accounts for operations relating to PRGFEE Fund and to maintain minimum balance in the such accounts.

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(On the letter head of the Bank submitting the bid document)

FORM - I

**Financial Bid**

**Name of the Bank:**

Date of opening of Bid: 27.02.2017

**Sub.: Invitation of bids for investment of funds under BEE's PRGFEE Scheme in term deposits and commission for issuance of Guarantee against 100% margin.**

S. No.	Particulars	To be filled by Bank.
1.	Rate of Interest % for Fixed Deposit per annum for period of 5 years	
2.	BG Commission (annual intervals) for issuance of PRGFEE Bank Guarantee against 100% margin.	

**Other confirmations:**

- a. Validity period of rate shall be 10 working days from the last date of submission.
- b. Part withdrawal of the FD shall be allowed without any pre-mature penalty and the balance amount to be continued as per the contracted rate of interest.
- c. No charges should be levied for maintaining the current accounts for operations relating to PRGFEE Fund i.e. cheque issuance, DD etc. and to maintain minimum balance in such accounts.
- d. No other charges other than BG Commission charges shall be paid for issuance of PRGFEE Bank Guarantee.
- e. The FD interest shall be paid quarterly to RECPDCL and BG Commission charges will also be charged quarterly

Date:

Authorised Signatory of the Bank

Place:

Full Name .....

Designation.....

Address .....