



RURAL ELECTRIFICATION CORPORATION LIMITED

(A Government of India Undertaking)

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INFORMATION MEMORANDUM

PRIVATE PLACEMENT OF NON-CONVERTIBLE REDEEMABLE TAXABLE BONDS IN THE NATURE OF DEBENTURES OF Rs. 10,000/- EACH FOR CASH AT PAR ON "ON TAP" BASIS WITH BENEFITS UNDER SECTION 54EC OF THE INCOME TAX ACT, 1961, SERIES X ("BONDS"), FOR LONG TERM CAPITAL GAIN OF Rs. 1,000 CRORE PLUS GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION .

TRUSTEE FOR THE BONDHOLDERS	REGISTRAR TO THE ISSUE
SBICAP Trusteeship Company Ltd. Registered Office 202, Maker Tower 'E', Cuffe Parade, Mumbai- 400005	RCMC Share Registry (P) Ltd. Registered Office B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

List of Mobilizers to the issue: visit at http://www.recindia.nic.in/download/List_Mobilisors.pdf,

BANKERS TO THE ISSUE

HDFC BANK	CANARA BANK
IDBI BANK	INDUSIND BANK
YES BANK	ICICI BANK
AXIS BANK	

For list of branches of the Bankers to the issue:

http://www.recindia.nic.in/download/Collect_Bank_Branch.pdf

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List of Address of REC's Zonal and Project Offices

Financial Information

Copy of Board resolution dated March 13, 2015 and special resolution dated September 18, 2014

Consent of Trustee

Credit Rating Letter

Application Form

I. DISCLAIMER

This Information Memorandum is neither a Prospectus nor a statement in lieu of Prospectus. It does not and shall not deem to constitute an offer or an invitation to the Public to subscribe to the Capital Gain Bonds issued by Rural Electrification Corporation Limited ("**REC**" or "**Company**" or "**Issuer**"). This Information Memorandum is not intended for distribution and is for the consideration of the person to whom it is addressed and should not be reproduced/ redistributed by the recipient. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person. The bonds mentioned herein are being issued strictly on a private placement basis and this offer does not and shall not deem to constitute a public offer/invitation.

This Information Memorandum is not intended to form the basis of evaluation for the potential investors to whom it is addressed and who are willing and eligible to subscribe to these Bonds issued by REC. This Information Memorandum has been prepared to give general information regarding REC to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. REC believes that the information provided in this Information Memorandum as of the date hereof is true and correct in all respects. REC and the Mobilizers do not undertake to update this Information Memorandum to reflect subsequent events and thus, it should not be relied upon without first confirming its accuracy with REC.

Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risks of investing in the Bonds. It is the responsibility of potential investors to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the potential investors to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Potential investors should conduct their own investigation, due diligence and analysis before applying for the Bonds. Potential investors should not rely solely on information in the Information Memorandum or by the Mobilizers nor would providing of such information by the Mobilizers be construed as advice or recommendation by the Issuer or by the Mobilizers to subscribe to and purchase the Bonds. Potential investors also acknowledge that the Mobilizers do not owe them any duty of care in respect of their offer to subscribe for and purchase of the Bonds. It is the responsibility of potential investors to also ensure that they will sell these Bonds in strict accordance with this Information Memorandum and other applicable laws, and that the sale does not constitute an offer to the public within the meaning of the Companies Act, 2013. Potential investors should also consult their own tax advisors on the tax implications of the acquisitions, ownership, sale and redemption of Bonds and income arising thereon. REC reserves the right to withdraw the Private Placement prior to the closing date at its discretion. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

This Information Memorandum is issued by REC and is signed by its authorized signatory.

Sd/-
(Vijay KUMAR)
Dy. General Manager (Finance)
Rural Electrification Corporation Limited

New Delhi
Dated: April 6, 2015

II. DEFINITIONS/ABBREVIATIONS

Issuer Related Terms

The Corporation/REC/ Issuer/Company	Rural Electrification Corporation Limited, incorporated on July 25, 1969 under the Companies Act, 1956
Issue/Offer/Private Placement	Private Placement of Non-Convertible, Redeemable, Taxable, Bonds in the nature of debentures with benefits under Section 54EC of the Income Tax Act, 1961 for Long Term Capital Gains
The Act/Companies Act	The Companies Act, 2013
The Bond(s)	Non-Convertible Redeemable Taxable Bonds in the nature of the debentures with benefits under Section 54EC of the Income Tax Act, 1961 for Long Term Capital Gains
Bondholder	The holder of the Bonds
DP/Depository Participant	Depository Participant as defined under the Depositories Act, 1996
Registered Bondholder	Bondholder whose name appears in the register of Bondholders maintained by the Corporation or its Registrar (in case of investors opting for physical certificates) and beneficial owners (in case of investors opting for demat option)
Registrar	<p>M/s RCMC Share Registry (P) Ltd., have been appointed by REC to monitor the applications while the Private Placement is open and co-ordinate the post Private Placement activities of allotment, dispatching interest warrants etc.</p> <p style="text-align: center;">Contact Address: <u>REGISTERED OFFICE</u> RCMC Share Registry (P) Ltd. B-25/1, First Floor, Okhla Industrial Area Phase-II New Delhi-110020 Telephone No. 011-26387320,21,23 Fax : 011-26387322 Contact person : Mr. Ravinder Dua</p>

III. ISSUE HIGHLIGHTS

Issue of Non-Convertible Redeemable Taxable Bonds in the nature of Debenture of Rs. 10,000/- each for cash at par with Benefits U/S 54EC of the Income Tax Act, 1961, on Private Placement-Series X - On Tap Basis

ISSUE	REC Capital Gains Tax Exemption Bonds Series-X
CREDIT RATING	'CARE AAA' by Credit Analysis & Research Ltd. 'CRISIL AAA' by CRISIL Limited 'IND AAA' by India Ratings & Research Private Ltd.
ISSUE SIZE	1000 Crore plus green shoe option to retain the oversubscription
FACE VALUE	Rs. 10,000/- per bond
ISSUE PRICE	Rs. 10,000/- per bond
COUPON RATE	6.00% annually
ISSUE DATE	Issue Opening Date: April 6, 2015, Issue Closing Date: March 31, 2016 (at the close of the banking hours) or at a date as may be decided by REC in its absolute discretion
MINIMUM APPLICATION SIZE	Two Bond of Rs. 10,000/- each. (Minimum Rs. 20,000)
MAXIMUM APPLICATION SIZE	500 Bonds of Rs. 10,000/- each in a financial year (Subject to Section 54EC of Income Tax Act, 1961)
MODE OF SUBSCRIPTION	100% on application
CHEQUE / DRAFT TO BE DRAWN IN THE NAME OF	'RURAL ELECTRIFICATION CORPORATION LIMITED-54EC Bonds'
DEEMED DATE OF ALLOTMENT	Last day of each month in which the subscription money is received and credited to REC account
INTEREST PAYMENT & DATE	Annual, June 30 of each year
TENOR	3 years
REDEMPTION / MATURITY	At par, at the end of 3 years from the Deemed Date of Allotment
TRANSFERABILITY	Non-transferable, Non-negotiable and cannot be offered as a security for any loan or advance
TRUSTEE	SBICAP Trustee Company Ltd., Mumbai
BANKERS TO ISSUE	HDFC Bank, Canara Bank, IDBI Bank, Indusind Bank, Yes Bank, ICICI Bank, Axis Bank (For Designated Branches please visit our website: www.recindia.nic.in & www.recindia.com)

Note:

1. REC reserves the right to revise the coupon rate and/or close the issue by giving notice. The investor is advised to consult REC/Mobilisers, before depositing the application with bank.
2. All applications submitted but rejected by REC would be returned by REC to the applicant, without any Interest.
3. Application for minimum Rs. 20,000/- or in multiples of Rs 10,000/- thereafter will be accepted

IV. NAME AND ADDRESS OF REGISTERED / HEAD OFFICE OF THE ISSUER

Name of the Issuer	:	Rural Electrification Corporation Ltd.
Registered/Head Office/ Corporate Office	:	Core-4, SCOPE Complex, 7, Lodi Road, New Delhi – 110003
Telephone Number	:	+91 1124361320/43091527
Fax Number	:	+91 11 24368553
Website	:	www.recindia.com & www.recindia.nic.in
E-mail	:	investorcell@recl.nic.in
Statutory Auditors	:	<ol style="list-style-type: none"> 1. M/s Raj Har Gopal & Co.,412, Ansal Bhawan, 16, Kasturba Gandhi Marg, New Delhi – 110001 Tel:+91 11 4152 0698/99. 2. M/s. P. K. Chopra & Co. N-84, Pratap Building, Above HDFC Bank, Connaught Place, New Delhi 110 001.

V. OUR MANAGEMENT

Under our Articles of Association, we are required to have not less than three directors and not more than fifteen directors. As on date, the composition of the Board of Directors is three (3) Executive directors, one (1) Government Nominee and one (1) Part Time Non-official Independent Director.

Our Board

The following table sets forth details regarding our Board as on the date of this Information Memorandum.

Name, Father's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
Shri Rajeew Sharma S/o Shri Brahm Dutt Sharma Chairman and Managing Director Non Independent Director Occupation: Service DIN: 00973413 Age: 54 years Nationality: Indian	House No. 594, Pocket-E, Mayur Vihar, Phase-II, Delhi, 110091, India.	November 29, 2011	<ul style="list-style-type: none"> REC Transmission Projects Company Limited REC Power Distribution Company Limited 	46/8/2011-RE dated November 29, 2011
Shri Prakash Thakkar S/o Late Shri Jaswant Rai Thakkar Director (Technical) Non Independent Director Occupation: Service DIN: 01120152 Age: 59 years Nationality: Indian	F4/203, Charmwood Village, Surajkund Road, Faridabad-121009, Haryana, India.	May 2, 2011	<ul style="list-style-type: none"> REC Transmission Projects Company Limited REC Power Distribution Company Limited Energy Efficiency Services Limited 	F.46/9/2010-RE dated May 2, 2011
Shri Ajeet Kumar Agarwal S/o Late Shri Shree Gopal Agarwal Director (Finance) Non Independent Director Occupation: Service DIN: 02231613 Age: 54 years Nationality: Indian	C-601, Plot GH-7, Shiksha Niketan Apartment, Sector 5, Vasundhara, Ghaziabad, 201012, Uttar Pradesh, India	August 1, 2012	<ul style="list-style-type: none"> REC Transmission Projects Company Limited Indian Energy Exchange Limited 	No. 46/9/2011-RE dated May 17, 2012
Shri Badri Narain Sharma	Pratham/22, (I/22) Somya Marg,	August 23, 2012	<ul style="list-style-type: none"> Power Finance Corporation Limited 	No. 46/04/2007-RE dated August

Name, Father's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
S/o Shri Sampat Raj Sharma Government Nominee Director Non Executive Director Occupation: Service DIN: 01221452 Age: 55 years Nationality: Indian	Gandhi Nagar, Jaipur-302015, Rajasthan, India.		<ul style="list-style-type: none"> Tourism Finance Corporation of India Limited (through wife Smt. Usha Sharma) Delhi Tourism and Transport Development Corporation (through wife Smt. Usha Sharma) 	23, 2012

Relationship with other Directors

None of the Directors of the Company are, in any way, related to each other.

Corporate Governance

Our Company has been complying with the requirements of Corporate Governance as prescribed under Clause 49 of the Listing Agreement executed with the Stock Exchanges. As on date, the composition of the Board of Directors is three (3) Executive directors and one (1) Government Nominee Director, thereby short of 4 Part Time Non-official Independent Directors including one woman director. Hence, our Company is required to appoint four (4) Part Time Non-official Independent Directors on the Board of the Company including one woman director. The Company has requested the Ministry of Power, Government of India to expedite the appointment of four Part-time Non-official Independent Directors including at-least one woman director, in terms of Listing Agreement and the same is under process. As soon as appointment of Part-time Non-official Independent Directors is made, the Company will be in compliance with the provisions of sub-clause (I A) of Clause 49 of the Listing Agreement relating to composition of the Board.

Borrowing powers of our Board

Pursuant to a resolution passed by our shareholders through Postal Ballot on June 10, 2014 and in accordance with the provisions of the Section 180 (1)(c) of Companies Act, 2013, our Board has been authorised to borrow such sums of money, not exceeding Rs. 2,00,000 crores in Indian Rupees and in any foreign currency equivalent to USD 6 billion, for the purposes of the business of our Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by our Company (apart from temporary loans obtained from our Company's bankers, in the ordinary course of the business) would exceed the aggregate of our paid-up capital and free reserves.

VI. MANAGEMENT PERCEPTION OF RISK FACTOR

The Investor should carefully consider all the information in this Information Memorandum for Private Placement, including the risks and uncertainties described below before making an investment in the Bonds. In this section, all figures are on standalone basis unless otherwise mentioned. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, prospects, results of operations and financial condition. In this section, unless the context otherwise requires, a reference to “the Company” and “our Company” is a reference to REC and unless the context otherwise requires, a reference to “we”, “us” and “our” refers to REC and its Subsidiaries, joint ventures and associate companies, as applicable in the relevant fiscal period, on a consolidated basis.

Internal Risk Factors

- i) Our business and the industry where we profess our business are dependent on the policies and support of the Government of India (“GoI”) and we are susceptible to changes to such policies and the level of support we receive. We also benefit from direct tax benefits provided by GoI. Like any other public sector undertakings, the GoI can also influence or determine key decisions about our Company including, dividends and the appointment of Directors of our Board. Additionally, GoI may implement policies which may not be consistent with our business objectives.
- ii) We have a significant concentration of outstanding loans to certain borrowers and if the loans to these borrowers become non-performing, the quality of our asset portfolio may get adversely affected. Any negative trends or financial difficulties, particularly among the borrowers and borrower groups to whom we have the greatest exposure, including SEBs and SPU, could increase the level of NPAs in our portfolio and that may make us unable to service our outstanding indebtedness. Furthermore, as we continue to increase our exposure to generation projects, our individual loan size is expected to increase, thereby increasing our exposure with respect to individual projects. We are involved in various legal proceedings, which are pending before various Courts, Tribunals and other Authorities. If any of our on-going legal proceedings or future legal proceedings are not resolved in our favour, and if our insurance coverage or any applicable indemnities are insufficient to cover the damages awarded against us, in those circumstances, we may be required to make substantial payments or we may be required to make appropriate provisions in our financial statements, which could have a material adverse effect on our business, financial condition and results of operations.
- iii) Our competitive efficiency is dependent on our ability to maintain a low and effective cost of funds; if we are unable to do so it could have a material adverse effect on our business, financial condition and results of our operations. Our ability to compete effectively is dependent on our ability to maintain a low effective cost of funds. In particular, the GoI has not provided us any direct funding since 2001. Consequently, our dependency on funding from the debt capital markets and commercial borrowings has increased significantly. Further, the allocation of amount in respect of tax-free bonds is subject to CBDT notification issued by MoF and we may not be able to issue such bonds prospectively. As a result of these and other factors, our Company’s annualised cost of borrowings on the funds raised during Fiscal 2014 is 8.48% which may be increased during subsequent periods. While generally we have been able to pass the increased cost of funds onto our customers over this period, but we may not continue to be able to do so in future. In particular, financially stronger SPU and private sector borrowers may seek to source their funds directly from the market if our loan products are not competitively priced, where our ability to price our products depends on our cost of capital.

Our ability to continue to obtain funds from the debt capital markets and through commercial borrowings on acceptable terms will depend on various factors including, in particular, our ability to maintain our credit ratings. There can be no assurances as to whether we will be able to maintain our existing ratings. Any deterioration of our ratings (if any) could materially increase

the cost of funds available to us, particularly from the debt capital markets and commercial borrowings. Furthermore, certain of our existing commercial borrowings require us to pay increased rates of interest and/or to repay the loan in its entirety in the event of a ratings downgrade. Our borrowing costs have been competitive in the past due to direct and indirect benefits, including financing we have received from GoI in future and as a result of our strong credit ratings, which may also be dependent on our relationship with GoI. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, whether due to a change in GoI policy or a reduction in our credit rating or due to other factors, we may not be able to offer competitive interest rates to our borrowers and we may not be able to competitively price our loans, which could adversely affect our profitability and growth, which would have an adverse effect on our business, financial condition and results of operations.

- iv) We may face potential liquidity risks due to varying periods over which our assets and liabilities mature. We currently fund our business in significant part through the use of borrowings that have shorter maturities than the maturities of all of our new substantial loan assets. In particular, in recent years we have obtained funding through the issuance of 54EC – capital gain tax exemption bonds. These bonds are subject to tax concessions for the benefit of bondholders that enable us to price such bonds at a lower rate of interest than would otherwise be available to us and thereby reduce our cost of capital. However, these bonds require a holding period of three years from the date of allotment for the bondholders to receive the benefit of these tax concessions and automatically redeemed at the end of three years from allotment. Additionally, our other financial products may have maturities that exceed the maturities of our borrowings. To the extent we fund our business through the use of borrowings that have shorter maturities than the loan assets we disburse, our loan assets will not generate sufficient liquidity to enable us to repay our borrowings as they become due, and we will be required to obtain new borrowings to repay our existing indebtedness. There can be no assurances that new borrowings will be available on favourable terms or at all. In particular we are increasingly reliant on funding from the debt capital markets and commercial borrowings. The market for such funds is competitive and our ability to obtain funds on acceptable terms will depend on various factors including, in particular, our ability to maintain our credit ratings, which are based upon several factors, many of which are outside our control including the economic conditions in the power sector and the Indian economy, and the liquidity in the domestic and global debt markets, which has been severely restricted during the recent financial crisis and may be in the future. Any inability to obtain new borrowings, on favourable terms or otherwise, may negatively impact the profitability and growth of our business, which could have an adverse effect on our business, financial condition and results of operations.
- v) We expect that our asset growth will be primarily funded by the issuance of new debt. We may have difficulty in obtaining funding on attractive terms. Adverse developments in the Indian credit markets, such as increases in interest rates may increase our debt service costs and the overall cost of our funds and impair our ability to manage our recent growth or to continue to grow our business.
- vi) We are currently engaged in foreign currency borrowings and we are likely to do so at increased levels in the future, which will expose us to fluctuations in foreign exchange rates and if we are unable to hedge the risk effectively, it could adversely affect our business, financial condition and results of operations.
- vii) We are susceptible to the volatility in interest rates in our operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political and other conditions and other factors. Due to these factors, interest rates in India have historically experienced and may continue to experience a relatively high degree of volatility. When interest rates decline, our borrowers may increasingly seek re-pricing of our loans to them based on the terms of their loan agreements or due to commercial considerations resulting from competitive conditions, which would result in us realising a lower rate of return on our capital

committed to the re-priced loans and adversely affect our profitability, particularly if we did not have the ability to re-price our borrowings. Additionally, if we are unable or unwilling to competitively re-price our loans, we may have to face greater levels of prepayments on our loans. In a decreasing interest rate environment, prepayments may also result in a lower rate of return because we may not be able to redeploy the capital in assets yielding similar rates of return, and any prepayment premium we receive may not fully offset these lower rates of return. When interest rates rise, we may be more susceptible to such increases than our competitors that have access to lower cost funds, particularly if we have borrowings with shorter durations than that of our competitors.

Further, most of our borrowings are fixed rate borrowings and in a falling interest rate scenario, this may impact our results of operations and financial condition. Also, our treasury operations are also susceptible to volatility in interest rates and any adverse movement in interest rates, though not quantifiable, may adversely impact the value of our treasury operations, and consequently may have an adverse effect on our business, prospects, financial condition and results of operations.

- viii) The GoI holds a majority of our Equity Shares and therefore it can determine the outcome of shareholder voting and influence our operations. The GoI, acting through the MoP, will continue to control us and will have the power to elect and remove our directors and therefore determine the outcome of most of our proposals for corporate action requiring approval of our Board or shareholders, including with respect to the payment of dividends. In addition, as per our Articles of Association, the GoI may issue directives with respect to the conduct of our business or our affairs or impose other restrictions on us. In particular, given the importance of the power industry to the economy, the GoI could require us to take actions designed to serve the public interest in India and not necessarily to maximize our profits. We have received and we are currently receiving certain tax benefits by virtue of our status as a lending institution, including as a result of our lending within the infrastructure sector, which have enabled us to reduce our effective tax rate. The availability of these tax benefits is subject to the policies of the GoI, among other things, and there can be no assurances as to the amount of tax benefits that we will receive in the future, if any. If the laws or regulations regarding these or other tax benefits were to change further, our taxable income and tax liability may increase, which may adversely affect our financial condition and results of operations.
- ix) We may not have obtained sufficient security and collateral from our borrowers, or we may not be able to recover or enforce, or there may be a delay in recovering or enforcing, the expected value from any security and collateral which could have a material adverse effect on our business, financial condition and results of operations. In addition, the RBI has devised a corporate debt restructuring system that establishes an institutional mechanism for timely and transparent restructuring of corporate debt. The applicable RBI guidelines envisage that, with respect to corporate debts amounting to ₹ 10 crores or more, lenders holding more than 75% of such debt and 60% of the creditors in number, in case of accounts where recovery suits have been filed can decide to restructure the debt and such a decision would be binding on the remaining lenders. In situations where other lenders own more than 75% of the debt of one of our borrowers, we could be required by the other lenders to agree to restructure the debt, regardless of our preferred method of settlement. We may also be a part of a syndicate of lenders wherein the majority elects to pursue a different course of action than the course of action favourable to us, whether or not such debt is subject to RBI guidelines. Any such debt restructuring could lead to an unexpected loss that could adversely affect our business, financial condition and results of operations.
- x) The escrow account mechanism for the payment obligations of our state sector borrowers may not be effective, which may reduce our recourse in the event of defaulted loans and could have a material adverse effect on our business, financial condition and results of operations. The escrow agreement mechanism is effective only if the customers of our borrowers make payment to our borrowers and such payment is deposited into the escrow facilities in an amount sufficient to

repay the borrower's obligations to us. We do not have any arrangement in place to ensure that this occurs, which limits the effectiveness of the escrow mechanism. In the event the customers of our borrowers do not make payments to our borrowers, the escrow mechanism will not ensure the timely repayment of our loans, which may adversely affect our business, financial condition and results of operations.

- xi) We have granted loans to the private sector on a non-recourse or limited recourse basis, which may increase the risk of non-recovery and could expose us to significant losses. The ability of private sector power utility borrowers and, in particular project-specific special purpose vehicles, to perform their obligations will depend primarily on the financial condition of the projects, which may be affected by many factors beyond the borrowers' control, including competition, as well as other risks such as those relating to operating costs and regulatory issues. If borrowers with non-recourse or limited recourse loans were to be adversely affected by these or other factors and were unable to meet their obligations, the value of the underlying assets available to repay the loans may be insufficient to pay the full principal and interest on the loans, which could expose us to significant losses. Any significant losses could have an adverse effect on our business, financial condition and results of operations.
- xii) Certain SEBs which were our borrowers have been restructured and we may not have transferred the liabilities associated with our loans to newly formed entities, which may affect our ability to enforce the applicable provisions of the original loan agreements. Further, under the restructuring notification, the transfer of liabilities and obligations under loans granted by us is to be documented by a transfer agreement between our Company, the applicable state government and the applicable newly formed company. Although we have entered into transfer agreements with the separate entities formed as a result of the restructuring of the certain SEBs, but we are yet to execute transfer agreements with the separate entities formed as a result of the restructuring of the SEBs of certain states. We cannot assure that we will be able to enter into transfer agreements within a reasonable period to ensure that the terms of our original loan agreements will continue with the new entities.
- xiii) As on September 30, 2014, our Company had on a standalone basis, non-funded contingent liabilities and commitments of ₹ 1380.83 crores (as disclosed in our standalone financial statements) as follows:

Contingent liabilities	Amount (₹ in crores)
Letters of comfort commitments*	1187.65
Claim against our Company not acknowledged as debts	54.18
Estimated amount of the contracts remaining to be executed on capital account and not provided for	18.64
Other Commitments	40.81
Total	1301.28

* The Company has issued Letters of comfort ("LoCs") to some of their borrowers against loan amount sanctioned to them. These LoCs are basically used by borrowers to give comfort to LC issuing banks for procurement of power equipments or otherwise similar facilities during execution of contracts.

If these contingent liabilities and commitments were to fully materialise or materialise at a level higher than we expect, our financial condition could be adversely affected.

- xiv) Our cash flow reflects negative cash flows from operations in view of presentation of borrowings and lendings in different categories. There is no assurance that such negative cash flow from operations shall not recur in future Fiscal periods and in case it recurs then it may adversely affect our business.
- xv) Our success depends majorly upon our management team and skilled personnel and our ability to attract and retain such persons and disassociation of our key personnel could adversely affect our business and our ability to pursue our growth strategies.

- xvi) The terms and conditions of our loan agreements require our borrowers to maintain insurance on their charged assets as collateral for the loan granted by us. However, we have not historically monitored our borrower's compliance with their obligation to maintain insurance and our borrowers may not have the required insurance coverage or the amount of insurance coverage may be insufficient to cover all financial losses that our borrowers may suffer as a result of any uninsured event. In the event the assets charged in our favour are damaged or our borrowers otherwise suffer a loss because of insufficient insurance to offset the borrower's losses, it may affect our ability to recover the loan amounts due to us from the borrower.
- xvii) We are subject to restrictive covenants in the agreements we have entered into with certain banks and financial institutions for our borrowings. These restrictive covenants require us to maintain certain financial ratios, our existing credit rating and to seek the prior permission of these banks and financial institutions for various activities. Such restrictive covenants may restrict our operations or ability to expand and may adversely affect our business. Further, these restrictive covenants may also affect some of the rights of our shareholders, including the payment of the dividends in case of any default in debt to such lenders. Additionally, these banks and financial institutions also have the powers to appoint a nominee director on our Board, with the prior approval of the GoI, in case of any default on our part in payment of interest or principal towards some of our borrowings. Furthermore, we may not have received the consent from some of our lenders for raising new loans/debentures.
- xviii) The power sector financing industry is becoming increasingly competitive and our profitability and growth will depend on our ability to compete effectively and maintain a low effective cost of funds so as to maintain our interest income and grow our portfolio of assets.
- xix) Power sector projects carry project-specific as well as general risks and these risks are generally outside of our control and include:
- non conversion of letter of assurance/MoU by coal suppliers into binding fuel supply agreement;
 - delays in development of captive coal mines;
 - political, regulatory, fiscal, monetary and legal actions and policies that may adversely affect the viability of projects to which we lend;
 - changes in government and regulatory policies relating to the power sector;
 - delays in the construction and operation of projects to which we lend;
 - adverse changes in demand for, or the price of, power generated or distributed by the projects to which we lend;
 - the willingness and ability of consumers to pay for the power produced by projects to which we lend;
 - shortages of, or adverse price developments for, raw materials and key inputs for power production including domestic and imported coal and natural gas;
 - delays in inviting bids for procurement of power by DISCOMS;
 - delay in obtaining forest clearance, land acquisition, right of way clearance and other relevant clearances;
 - adverse geological conditions;
 - effectiveness of current technology and its obsolescence.
 - increased project costs due to environmental challenges and changes in environmental regulations;
 - potential defaults under financing arrangements of project companies and their equity investors;
 - failure of co-lenders with us under consortium lending arrangements to perform on their

- contractual obligations;
- failure of third parties such as contractors, fuel suppliers, sub-contractors and others to perform their contractual obligations in respect of projects to which we lend;
- adverse developments in the overall economic environment in India;
- adverse fluctuations in interest rates or currency exchange rates;
- economic, political and social instability or occurrences of events such as natural disasters, armed conflict and terrorist attacks, particularly where projects are located or in the markets they are intended to serve;
- Technology obsolescence in renewable energy project;
- Inherent risk relating to signing, execution, honouring etc. of power purchase agreements and non allowability of pass through of escalation in the cost etc. in the dynamic environment; and
- Rehabilitation, resettlement, local public agitation etc. on project sites/resources.

Furthermore, as we continue to increase our exposure to generation projects, our individual loan size is likely to increase in size, thereby increasing our exposure with respect to individual projects and the potential for adverse effects on our business, financial condition and results of operations and arise in the event these risks relating to the power projects we finance were to materialise.

Negative trends in the Indian power sector or the Indian economy could adversely affect our business, financial condition and results of operations. If the central and state governments' initiatives and regulations in the power sector do not proceed to improve the power sector as intended, or if there is any downturn in the macroeconomic environment in India or in the power sector, our business, financial condition and results of operations and the price of our Equity Shares could be adversely affected. Additionally, it is generally believed that demand for power in India will increase in connection with expected increases in India's GDP. However, there can be no assurance that demand for power in India will increase to the extent we expect or at all. In the event demand for power in India does not increase as we expect, the extent to which we are able to grow our business by financing the growth of the power sector would be limited and this could have a material adverse effect on our business, financial condition and results of operations.

- xx) Material changes in the regulations that govern us and our borrowers could cause our business to suffer.

We are regulated by the Companies Act, 2013 and Companies Act, 1956 and some of our activities are subject to supervision and regulation by statutory authorities including the RBI, SEBI and Stock Exchange. Additionally, our borrowers in the power sector are subject to supervision and regulation by the CERC and SERC. The statutory and regulatory framework for the Indian power sector has changed in many important ways in recent years and the impact of these changes is yet to be seen. The Electricity Act, 2003 provides for a framework for reforms in the sector, but in many areas the details and timing are yet to be determined. It is expected that many of these reforms will take time for implementation. Furthermore, there could be additional changes in the areas on tariff and other policies, the unbundling of the SPUs, restructuring of companies in the power sector, open access and parallel distribution, and licensing requirements for, and tax incentives applicable to companies in the power sector. In 2007, the GoI reviewed the Electricity Act, 2003. We presently do not know the nature or extent of the review that may come in future, and cannot assure that such review will not have an adverse impact on our business, financial condition and results of operations and performance. The aforesaid and other laws and regulations, governing our borrowers and us could change in the future and any such changes could adversely affect our business, financial condition and results of operations.

We may fail to obtain certain regulatory approvals in the ordinary course of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory

approvals and licenses which may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. We usually require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating our businesses. We may not receive or be able to renew such approvals in the time frames anticipated by us or at all, which could adversely affect our business. If we do not receive, renew or maintain such regulatory approvals required to operate our business the same may have a material adverse effect on the continuity of our business and may impede our effective operations in the future. Additionally, any historical or future failure to comply with the terms and conditions of our existing regulatory or statutory approvals may cause us to lose or become unable to renew such approvals.

- xxi) We have been granted exemption from applicability of some of the provisions of prudential norms by the RBI upto March 2016. We cannot assure that such exemption shall continue to be granted by RBI which may affect our business. On December 13, 2006, our Board of Directors approved our Prudential Norms and amendments thereto were approved on February 21, 2009, September 25, 2010, May 28, 2013 and May 26, 2014. However, in order to bring all “systemically important” government-owned NBFCs within the framework of the RBI prudential norms, the RBI had advised us on December 12, 2006 to submit a ‘road map’ for compliance with various elements of the regulations governing NBFCs. We have submitted the road map to RBI through the MoP. RBI vide its letter dated June 29, 2010 granted exemption to REC from RBI prudential exposure norms in respect of Central and State entities in power sector till March 31, 2012. In response to our submission for further extending the exemption period till at least the end of XIIth plan, forwarded to RBI by MoP vide letter dated January 16, 2012, RBI, vide its letter dated April 4, 2012 has agreed to extend the exemption from adhering to RBI prudential norms till March 31, 2013, subject to furnishing a roadmap which has been duly submitted by us, for compliance with the RBI prudential norms as laid down in Non-Banking Financial Companies (Non Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007 as amended from time to time, within three years beginning April 1, 2013.

Accordingly, REC submitted the roadmap for compliance of the RBI Prudential Norms in phased manner w.e.f. 2012-13, vide letter dated June 22, 2012 to Ministry of Power which was forwarded to RBI on July 6, 2012. RBI, vide its letters dated July 25, 2013 and April 4, 2014, has conveyed to the Company to comply with the Prudential Norms of RBI by March 31, 2016 and follow the instructions contained in RBI Circular dated January 23, 2014 issued vide Notification No. DNBS (PD) No. 271/ CGM (NSV)-2014 in respect of restructuring of assets. Later, RBI vide its letter dated June 11, 2014 has allowed exemption to the Company from RBI restructuring norms till March 31, 2017 for Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters. For other Generation projects, provisioning norms on restructured advances as notified vide RBI Letter dated June 11, 2014 are to be made applicable from March 31, 2015.

Further, our Company also submitted a letter dated March 30, 2013 to RBI in respect of making provision of 0.25% of outstanding standard assets, RBI vide its letter no. DNBS.CO.ZMD-N 538/55.18.003/2013-14 dated July 25, 2013 has agreed to our proposal and has directed to make the said provision in a phased manner upto March 31, 2015 on yearly incremental basis. However, the company has changed its accounting policy regarding provision on standard assets which is now created at 0.25% of the outstanding standard assets as against creating it in a phased manner upto 31.03.2015. RBI has also directed to comply with prudential norms by March 31, 2016. Further, RBI, vide its letter dated September 17, 2010 had categorized REC as an Infrastructure Finance Company (IFC) in terms of instructions contained in RBI Circular CC No.168 dated February 12, 2010. As an IFC, the total permissible exposure for lending in the private sector is 25% of owned funds in case of single borrower and 40% in case of a single group of borrowers and exposure for lending and investing taken together can be upto 30% and 50% of owned funds, respectively. REC is also required to maintain a Capital to Risk Weighted Assets Ratio (CRAR) of 15% (with a minimum Tier I Capital of 10%). Accordingly, the Prudential

Norms were modified with the approval of our Board on September 25, 2010. In view of the exemption granted by RBI, our maximum credit exposure limits to Central and State power Utilities vary from 50% to 250% of our net worth, depending upon entity appraisal.

- xxii) We are subject to stringent labour laws and trade union activity and any work stoppage could have an adverse material effect on our business, financial condition and results of operations.
- xxiii) The composition of Board of Directors of our Company is not in compliance with the requirements of Clause 49 of the equity listing agreement. As on date, the composition of the Board of Directors comprises of three (3) Executive directors and one (1) Government Nominee, thereby short of 4 Part Time, Non-official Independent Directors including one women director. Hence, our Company is required to appoint four (4) Part Time Non-official Independent Director on the Board of the Company including one woman director. Our company has requested MoP, Govt. Of India to expedite the appointment of 4 part-time non-official independent directors. As soon as appointment of 4 part-time non-official independent directors is made the company will be in compliance with the provisions of sub-clause (1A) of clause 49 of the listing agreement relating to composition of the Board.

Some of our immovable properties may not have been constructed or developed in accordance with local planning and building laws and other statutory requirements or may not have been duly executed or adequately stamped or registered in the land records of the local authorities or the lease deeds have expired and have not yet been renewed and there may be certain irregularities in titlerelation to some of our owned/leased properties, as a result of which our operations may be impaired. Our business may be adversely affected if we are unable to continue to utilise these properties as a result of any irregularity of title or otherwise. Further, the land allotted for purposes of constructing our staff colony at sector 57, Gurgaon, Haryana is not yet in our possession.

- xxiv) Our Company has made investments aggregating to an amount of approximately ₹ 1707.79 crores on a standalone basis, of which ₹ 1,660.26 crores is in debt instruments as on March 31, 2014. While we believe that our debt investments carry interests at prevailing market rates, when invested these rates can change due to various factors that may affect the value of our investments and consequently, at a particular point in time these instruments may carry interest at a lower rate than the prevailing market rate.
- xxv) Changes in legislation, including tax legislation, or policies applicable to us could adversely affect our results of operations. The Finance Minister has presented the Direct Tax Code Bill, 2010 ("DTC Bill") on August 30, 2010. Under the proposed DTC Bill, the deductions under Section 36(1) (viiia) (c) and 36(1) (viii) of the IT Act, which are currently available to the Company, would not be available and therefore the same may increase our tax liability. If the DTC Bill is passed in its entirety, then we may get affected, directly or indirectly, by any provision of the code, or its application or interpretation, including any enforcement proceedings initiated under it and any adverse publicity that may be generated due to scrutiny or prosecution under the code. Hence the same may have a material adverse effect on our business, financial condition and results of operations.
- xxvi) We maintain insurance for our physical assets such as our office and residential properties against standard fire and special perils (including earthquake). In addition, we maintain a group personal accident insurance as well as directors' and officers' insurance policy. However, the amount of our insurance coverage may be less than the replacement cost of such property and the same may not be sufficient enough to cover all financial losses that we may suffer should a risk materialise. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our operations. In addition, in the future, we may not be able to maintain insurance of the types or in the amounts which we deem necessary or adequate or at premiums which we consider acceptable.

- xxvii) Any cross default of financial indebtedness may trigger payment to all other borrowings made by the Company thereby adversely affecting the liquidity position of the Company which may adversely affect our financial condition.
- xxviii) We have entered and may enter into certain transactions with related parties, which may not be on an arm's length basis or may lead to conflicts of interest. There can be no assurance that we could not have achieved more favourable terms on such transactions had they not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.
- xxix) Our Directors may have interests in companies/entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity referrals and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.
- xxx) Any downgrading of our debt rating or India's sovereign rating by a credit rating agency could have a negative impact on our business.
- xxxi) As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.
- xxxii) With the computerisation of the accounting, payroll, human resource systems and other areas of our Company, there is every possibility of cybercrimes and frauds related to hacking of internal systems, possibility of manual intervention which may lead to destruction of our data. In a case if the said destruction of data happens, the same may have an adverse material effect on our business financial conditions and results of our operations.

Risks relating to investment in the bonds

- i) According to the Companies (Share Capital and Debentures) Rules, 2014 dated 31.03.2014, for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in case of privately placed debentures. Therefore creation of DRR is not envisaged against the Bonds being issued under the terms of this Information Memorandum for Private Placement.
- ii) Our ability to pay interest accrued on the Bonds and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Bonds and/or the interest accrued thereon in a timely manner, or at all.
- iii) Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred by law. In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Bonds only after all of those liabilities that rank senior to these Bonds have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Bonds. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the Bonds.

External Risk Factors

- i) A slowdown in economic growth in India could adversely impact our business. Our performance and the growth of our business are necessarily dependent on the performance of the overall Indian economy.

- ii) Shortages in the supply of crude oil, natural gas or coal (domestic and imported) could adversely affect the Indian economy and the power sector projects to which we have exposure and the same may have a material adverse effect on our business, financial condition and results of our operations.
- iii) Political instability or changes in the government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could have a material adverse effect on our business, financial condition and results of operations.
- iv) Difficulties faced by other financial institutions or the Indian financial sector generally could cause our business to suffer.
- v) As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our power projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure that the required approvals will be granted to us without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on our business, financial condition and results of operations.
- vi) Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and could have a material adverse effect on our business, financial condition and results of operations.
- vii) Natural calamities could have a negative impact on the Indian economy and our business.
- viii) An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on our business, financial condition and results of operations.
- ix) Any adverse revisions to India's sovereign credit ratings for domestic and international debt by credit rating agencies may adversely impact the interest rates and other commercial terms at which such financing is available to us. Consequently, if India's sovereign credit rating downgrades, we may not be able to competitively price our loans and, accordingly, we may not be able to maintain the profitability or growth of our business. Additionally, if we are unable to competitively price our loans, we would be subjected to greater levels of prepayments on our loans as borrowers seek loans from our competitors that can offer lower priced loans resulting from their lower cost of capital. Accordingly, any adverse revisions to our credit rating or the India's sovereign credit rating could have a material adverse effect on our business, financial condition and results of operations, our ability to obtain financing for lending operations.
- x) The Indian capital market is developing and maturing at good pace and the same may cause a shift in the pattern of power sector financing. In particular, financially stronger SPUs might source their fund requirement directly from the market. We have a large exposure to SPUs and such changes may have an adverse impact on our profitability and growth, which would have a negative effect on our business, financial condition and results of our operations.

Recent global economic conditions have been unprecedented and challenging and have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, financial condition and results of operations.

VII. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.
INTERESTS OF OUR DIRECTORS

Except as otherwise stated in “Related Party Transactions” our Company has not entered into any contract, agreements and arrangement during the three financial years preceding the date of this Information Memorandum for Private Placement in which the directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements except Dr. Devi Singh, ex-part-time non-official independent director on the Board of REC Limited is also an independent director on the Board of Energy Infratech (P) Ltd. with which the company proposes to enter into contract for supply of services.

All our Directors, including our Independent Director, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them

INTEREST OF KEY MANAGERIAL PERSONS/PROMOTERS IN THE OFFER

NIL

LITIGATION

Since the Government of India is the Promoter of the Company, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years.

REMUNERATION OF DIRECTORS
Chairman and Managing Director and Whole Time Directors

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2015 (up to December 31, 2014):

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	44,48,188	3,48,700	47,96,888
Shri Ajeet Kumar Agarwal, Director (Finance)	36,49,174	2,45,144	38,94,318
Shri Prakash Thakkar, Director (Technical)	40,84,327	2,59,275	43,43,602

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2014:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	54,27,152	2,91,107	57,18,259
Shri Ajeet Kumar Agarwal, Director (Finance)	44,28,692	4,39,554	48,68,246
Shri Prakash Thakkar, Director (Technical)	48,16,081	1,98,140	50,14,221

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2013:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	34,22,788	2,59,860	36,82,648
Shri Hari Das Khunteta, Director (Finance) (up to July 31, 2012)	59,94,394	54,291	60,48,685
Shri Ajeet Kumar Agarwal, Director (Finance) (w.e.f. August 01, 2012)	24,13,741	1,62,153	25,75,894
Shri Prakash Thakkar, Director (Technical)	46,68,392	1,75,893	48,44,285

The following table sets forth the details of remuneration paid to the Whole Time Director during the Fiscal 2012:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Other Benefits (₹)	Total (₹)
Shri Rajeev Sharma CMD (w.e.f. November 29, 2011)	8,40,166	1,06,900	9,47,066
Shri J. M. Phatak CMD (upto April 16, 2011)	67,598	9,894	77,492
Shri Hari Das Khunteta, Director (Finance)	55,94,951	3,25,528	59,20,479
Shri Guljeet Kapoor, Director (Technical) (retired on March 31, 2011)	26,22,305	-	26,22,305
Shri Prakash Thakkar, Director (Technical) (w.e.f. May 02, 2011)	39,01,087	1,51,676	40,52,763

Remuneration of Part-time Non official Directors

The Part time Non official Independent Directors do not have any material pecuniary relationship or transaction with the Company. The Board of Directors in their meeting held on May 28, 2013 decided to pay following as sitting fee to Part time Non-official Independent Directors for Board/Committee meeting:

S. No	Meetings	Sitting fees per Meeting (in ₹)
1	Board Meeting	20,000
2	Committee Meeting	20,000

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2015 (up to March 31, 2015):

S. No	Name of the Part time Non official Independent Directors	Sitting fees (in ₹)		Total (in ₹)
		Board Meeting	Committee Meeting	
1	Dr. Devi Singh	40,000	1,00,000	1,40,000

S. No	Name of the Part time Non official Independent Directors	Sitting fees (in ₹)		Total (in ₹)
		Board Meeting	Committee Meeting	
2	Shri Venkataraman Subramanian	40,000	60,000	1,00,000
3	Dr. Sunil Kumar Gupta	1,80,000	2,60,000	4,40,000

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2014

S. No	Name of the Part time Non official Independent Directors	Sitting fees (in ₹)		Total (in ₹)
		Board Meeting	Committee Meeting	
1	Dr. Devi Singh	1,60,000	3,55,000	5,15,000
2	Shri Venkataraman Subramanian	1,60,000	2,40,000	4,00,000
3	Dr. Sunil Kumar Gupta	40,000	-	40,000

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2013

S. No	Name of the Part time Non official Independent Directors	Sitting fees (in ₹)		Total (in ₹)
		Board Meeting	Committee Meeting	
1	Dr. Devi Singh	1,35,000	2,40,000	3,75,000
2	Shri Venkataraman Subramanian	1,35,000	1,50,000	2,85,000
3	Dr. Sunil Kumar Gupta	1,05,000	30,000	1,35,000
4	Dr. Govinda Marapalli Rao*	1,20,000	1,35,000	2,55,000

* Dr. Govinda Marapalli Rao ceased to be Director pursuant to a Presidential Notification No. 10/(2)-B(S)/2012 dated January 02, 2013 w.e.f. February 05, 2013

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2012

S. No	Name of the Part time Non official Independent Directors	Sitting fees (in ₹)		Total (in ₹)
		Board Meeting	Committee Meeting	
1	Dr. Devi Singh	1,20,000	2,10,000	3,30,000
2	Dr. Govinda Marapalli Rao	90,000	90,000	1,80,000
3	Shri Venkataraman Subramanian	90,000	1,35,000	2,25,000
4	Dr. Sunil Kumar Gupta	15,000	-	15,000

Relationship with other Directors

None of the Directors of the Company are, in any way, related to each other.

RELATED PARTY TRANSACTIONS

Related party transactions entered during the last 3 financial years immediately preceding the year of circulation of this Information Memorandum for Private Placement including with regard to loans made or guarantees given or securities provided:

FY 2013-14 and FY 2012-13:

Details of amount due from/ to the related parties:

(₹ in Crores)

Particulars	As at 30.09.2014	As at 31.03.2014	As at 31.03.2013
Long-term Debt			
RECTPCL	60	60.00	35.00
RECPDCL	7	7.00	-
Key Managerial Personnel	0.17	0.08	0.04
Loans & Advances			
RECTPCL	2.44	-	1.76
RECPDCL	0.25	-	1.59
Key Managerial Personnel	0.32	3.65	83.14
Other Current Liabilities			
RECPDCL	0	2.57	-

Details of Transactions with the related parties:

(₹ in Crores)

Particulars	For the year ended 30.09.2014	For the year ended 31.03.2014	For the year ended 31.03.2013
Long Term Debt - Amount Invested			
RECTPCL	0	25.00	35.00
RECPDCL	0	7.00	-
Key Managerial Personnel	0	0.04	0.04
Loans & Advances			
Key Managerial Personnel	0.04	0.09	0.08
Refund of Share Application Money			
EESL		-	2.50
Sale of Fixed Assets			
RECTPCL		0.05	-
Dividend from Subsidiaries			
RECTPCL	0.1	0.10	0.10
RECPDCL	0.25	0.05	0.05
Interest Income - Loans & Advances			
RECTPCL	0.14	0.34	0.13
RECPDCL	0	0.01	-
Key Managerial Personnel	0.01	-	-
Apportionment of Employee Benefit and Other Expenses			
RECTPCL	2.03	4.96	1.94
RECPDCL	1.42	3.04	2.74
Finance Cost			
Interest Paid to RECTPCL	0	2.95	0.04
Interest Paid to RECPDCL	0	0.10	-
Employee Benefits Expense - Managerial Remuneration	1.06	1.56	1.65
Other Expenses			
RECTPCL	5.84	-	-

Particulars	For the year ended 30.09.2014	For the year ended 31.03.2014	For the year ended 31.03.2013
RECPDCL	0	-	1.04

FY 2011-12:
Details of amount due from/ to the related parties:
(₹ in crores)

Particulars	As at 31.03.2012
REC TPCL	1.57
REC PDCL	0.52

Details of Transactions with the related parties:
(₹ in crores)

Name	Subsidiary	Key Managerial Personnel
Advances recoverable in cash/in kind/value to be received	4.71	-
Loans & Advances	-	0.01
Remuneration	-	1.36

DETAILS OF ANY INSPECTIONS/INVESTIGATION/INQUIRY CONDUCTED UNDER COMPANIES ACT, 2013 AND PREVIOUS COMPANY LAW DURING THE LAST THREE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

NIL

FRAUDS COMMITTED AGAINST COMPANY

NIL

DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT, 2013 OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF INFORMATION MEMORANDUM FOR PRIVATE PLACEMENT AGAINST THE COMPANY AND ITS SUBSIDIARIES

There has been no inquiry, inspection or investigation initiated or conducted against the Company or its subsidiaries under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Information Memorandum for Private Placement. Further there was no prosecution filed, fines imposed, compounding of offences against the Company or its subsidiaries in the last three years immediately preceding the year of circulation of Information Memorandum for Private Placement.

DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY

There has been no act of material fraud committed against the Company in the last three years immediately preceding the year of circulation of Information Memorandum for Private Placement.

OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION

Other than and to the extent mentioned elsewhere in the Information Memorandum for Private Placement, the Issuer has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

AUDITORS' QUALIFICATIONS

Details with respect to qualifications, reservations and adverse remarks of the auditors of the Company in the last five financial years immediately preceding the year of circulation of Information Memorandum for Private Placement and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said qualifications, reservations and adverse remarks are given as under:

Financial Year	Auditors' qualifications, reservations and adverse remarks
2013-14	Nil
2012-13	Nil
2011-12	Nil
2010-11	Nil
2009-10	Nil

VIII. BRIEF SUMMARY OF BUSINESS/ ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS**SUMMARY OF BUSINESS**

We are a public financial institution in the Indian power infrastructure sector. We are engaged in the financing and promotion of transmission, distribution and generation including renewable energy projects throughout India. We believe our organization occupies a key position in the GoI's plans for the growth of the Indian power sector.

We assist our clients in formulating and implementing a broad array of power projects and finance those projects. Our clients primarily include both Indian public sector power utilities at the central and state levels and private sector power utilities. We service our clients through a network of project offices spread across India and one national level training centre at Hyderabad. Our project offices play an integral role in the development of our relationships with our clients, the operation and promotion of our business and in our loan appraisal, loan sanction and post-sanction monitoring processes. Our primary financial product is project-based long-term loans. We fund our business with market borrowings of various maturities, including bonds and term loans. Because our sources enable us to raise funds at competitive costs, we are able to price our financial products competitively.

We commenced our operations in 1969 for the purpose of developing the power infrastructure in rural areas. We have contributed to the development of rural India and India's agriculture through our funding of transmission and distribution projects in rural areas. Our mandate has evolved in accordance with the development priorities of the GoI and, since Fiscal 2003, permits us to finance all segments of the power sector, including generation, transmission and distribution, throughout the country. For Fiscal 2012, 45.18% of our loan sanctions related to generation projects (which includes generation and renewable energy projects), 45.89% related to transmission and distribution projects (including International Co-operation and Development Project – "IC&D") and 8.93% related to other sanctions relating to short term, bridge loans and debt refinancing. Our mandate was further extended to include financing other activities with linkages to power projects, such as coal and other mining activities, fuel supply arrangements for the power sector and other power-related infrastructure. In June 2011, we set up a separate division for funding renewable projects in order to further achieve the goal of conserving fossil fuels and reducing our carbon foot prints.

REC is one of only 16 Indian public sector undertakings to be granted "Navratna" status by the Department of Public Enterprise by virtue of our operational efficiency and financial strength. The GoI has rated our performance as "Excellent" continuously since Fiscal 1994. We have also been ranked among the top ten public sector undertakings in India by the Ministry of Heavy Industries and Public Enterprises for Fiscal 2000, Fiscal 2001, Fiscal 2002, Fiscal 2004 and Fiscal 2005.

Domestically, we hold the highest credit rating for long-term borrowing domestic credit rating from each of CRISIL, India Ratings & Research and CARE. On an international basis, we hold long-term borrowing ratings from Fitch and Moody's that are on par with sovereign ratings for India.

The President of India, acting through nominees from the MoP, currently holds 65.64% of the issued and paid up equity capital of our Company. The GoI, acting through the MoP, oversees our operations and has power to appoint Directors to our Board.

We have experienced growing demand for our financial products, and therefore have demonstrated consistent growth in our business.

- Our loan sanctions and loan disbursements have grown from ₹ 50,836 crores and ₹ 27820 crores in Fiscal 2012 to ₹ 70,740 crores and ₹ 35546 crores in Fiscal 2014.
- For Fiscal 2014, we sanctioned ₹ 70,740 crores of loans, including ₹ 29019 crores relating to generation projects, ₹ 39446 crores relating to transmission and distribution projects and ₹ 2275 crores under short-term loans.

- For Fiscal 2014, we disbursed ₹ 35,546 crores of loans, including ₹ 12,989 crores relating to generation projects, ₹ 20,968 crores relating to transmission and distribution projects and ₹ 1,589 crores under short-term loans.
- Our Company's loan assets have grown at a CAGR of 21.05% from ₹ 1,01,426 crores in Fiscal 2012 to ₹ 1,48,641 crores in Fiscal 2014 as per its standalone financial statements.
- Our Company's profit after tax as per its standalone financial statements for Fiscal 2012, 2013, and 2014 was ₹ 2,817 crores, ₹ 3,818 crores, and ₹ 4,684 crores, respectively.
- As on March 31, 2014, our Company had total loan assets of ₹ 1,48,641 crores and a net worth of ₹ 20,669 crores as per its standalone financial statement.

OUR STRENGTHS

We believe that the following are our primary strengths:

- Our financial position is strong and our business is profitable.
- We are uniquely positioned to access and appraise borrowers in the Indian power sector.
- We occupy a key strategic position in the Govt's plans for growth of the power sector.
- We have an experienced management team with sector expertise.
- Pan India presence through our zonal/project offices in most of state capitals.

OUR STRATEGY

- The key elements of our business strategy are as follows:
- Continue to fund the increased investment in the Indian power sector.
- Maintain the diversity of our asset portfolio and seek higher yielding loan assets.
- Increase our involvement in consortium lending and private sector participation in the Indian power sector.
- Increase our fee-based income.
- Implement technological innovation to manage our growth and remain a dynamic organisation.

IX. BRIEF CORPORATE HISTORY OF OUR COMPANY CHANGES IN THE REGISTERED AND CORPORATE OFFICE MAJOR EVENTS MILESTONES AND SUBSIDIARIES

Brief Corporate History of our Company

Our Company was incorporated as a private limited company under the Companies Act, 1956 on July 25, 1969 at New Delhi as "Rural Electrification Corporation Private Limited". The word "private" was deleted from the name of our Company on June 03, 1970. Our Company became a deemed public limited company with effect from July 01, 1975. Our Company was converted into a public limited company with effect from July 18, 2003.

Our Company was declared a 'Public Financial Institution' under Section 4A of the Companies Act, 1956 pursuant to a notification (S.O. 128(E)) dated February 11, 1992 issued by the then Department of Company Affairs, Ministry of Law, Justice and Company Affairs, GoI. We are also registered with the RBI as an NBFC with effect from February 10, 1998. Further, RBI vide its letter dated September 17, 2010 categorised REC as an Infrastructure Finance Company ("IFC"), in terms of their circular dated February 12, 2010.

Changes in the Registered and Corporate Office

Our Registered and Corporate Office is currently situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India. Our registered office was initially situated at Floor No. 3, Jeevan Vihar, Parliament Street, New Delhi 110 001, India, pursuant to a resolution of our Board dated September 5, 1969. The table below encapsulates changes in our registered office since our incorporation.

Date of shareholders' resolution	Change in address of the Registered Office
September 5, 1969	Floor No. 3, Jeevan Vihar, Parliament Street, New Delhi 110 001, India.
March 3, 1970	D-5, NDSE, Part-II, South Extension, New Delhi 110 049, India.
November 30, 1976	2nd and 3rd Floor, DDA Building, Nehru Place, New Delhi 110 019, India.
November 28, 1995	Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India.

Major Events and Milestones

Calendar Year	Event
1969	Incorporation of our Company
1970	Commenced lending operations to SEBs
1974	Authorised by the Ministry of Irrigation and Power to finance rural electrification under the 'Minimum Needs Programme'
1979	CIRE set up in Hyderabad
1988	Launch of Kutir Jyoti and Jal Dhara programmes for rural electrification
1992	Declared a Public Financial Institution under Section 4A of the Companies Act, 1956
1993	Entered into MoU with the MoP for the year 1993-1994 for the first time to achieve certain performance related targets
1998	Registered as a NBFC under Section 45(IA) of the RBI Act.
2001	Allowed to issue Capital Gains Tax Exemption Bonds under Section 54 EC of the IT Act.
	Upgradation from Schedule 'B' to Schedule 'A' Corporation
2002	Grant of Mini Ratna- I status
2005	Appointed as the nodal agency for RGGVY
2006	Entered into agreement with Japan International Cooperation Agency for availing a loan facility of JPY 20,629 million

Calendar Year	Event
	Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 70 million
2008	<p>Listed Equity Shares of the Company on NSE and BSE</p> <p>Accorded "Navratna" status by the Department of Public Enterprise, GoI for our operational efficiency and financial strength, which affords greater operational freedom and autonomy in decision making.</p>
2009	Received 'LAAA' rating from ICRA in relation to ₹ 25,000 crores long term borrowing programme for the Fiscal 2010
2010	<p>Follow-on issue of Equity Shares resulting in (a) raising ₹ 2,647.53 crores of gross proceeds through fresh issue and (b) GoI reducing its ownership to 66.80%</p> <p>RBI categorised REC as an Infrastructure Finance Company ("IFC")</p> <p>Entered into two offshore syndicated facility agreements for availing loan facilities of USD 400 million and USD 70 million respectively</p> <p>REC was included in the MSCI emerging marketing index</p>
2011	<p>REC successfully priced a USD 500 million 4.25% 5-year Reg S Senior Unsecured Notes transaction. REC was the first Indian NBFC -IFC to enter into the international debt market</p> <p>Entered into two offshore bilateral loan agreements for availing a loan facility of USD 100 million each from The Bank of Tokyo-Mitsubishi UFJ Ltd. and Mizuho Corporate Bank, Ltd.</p> <p>Completed a US\$ 300 Million Syndicated Term Loan Facility with Australia and New Zealand Banking Group Limited, The Bank of Tokyo-Mitsubishi UFJ Ltd. and Mizuho Corporate Bank, Ltd.</p>
2012	<p>REC has been rated excellent for fiscal 2011 in terms of MoU signed with Govt of India for the 18th year in succession since fiscal 1994 when the first MoU was signed.</p> <p>REC was appointed as Nodal Agency for implementation of National Electricity Fund.</p> <p>REC has issued tax free bond of ₹ 3,000 crores under Section 10(15)(iv)(h) of the IT Act in the Fiscal 2012.</p> <p>CHF Bond through Reg S for CHF 200 million were issued by REC which were listed in the Six Swiss Exchange, Switzerland.</p>
2013	<p>REC has issued tax free bond of ₹ 2648.41 crores under Section 10(15) (iv) (h) of the IT Act in the Fiscal 2013.</p> <p>REC received DSIJ PSU Award, 2012 for "Fastest Growing Operational Metrics" in Non-Manufacturing Navratna Category.</p> <p>REC received CIDC Vishwakarma Award 2013 in the category of "Achievement Award for Industry Doyen.</p> <p>REC received Award in the Category of "Non-Banking Financial Services" by India Pride Awards, Dainik Bhaskar and DNA.</p>
2014	<p>REC has been rated excellent for fiscal 2013 in terms of MoU signed with GoI for the 20th year in succession, since fiscal 1994 when the first MoU was signed.</p> <p>Entered into offshore syndicated facility agreements for availing loan facility of USD 285 million from Hong Kong and Shanghai Banking Corporation Limited, State Bank of India, Singapore Branch and Sumitomo Mitsui Banking Corporation as Mandated Lead Arrangers and Book runners (MLAB's) in November.</p> <p>REC has issued tax free bonds of ₹ 6,000 crores under Section 10(15) (iv) (h) of the Income Tax Act, 1961 in the Fiscal 2014.</p>

Calendar Year	Event
	REC named 'Best Employer India 2013' and also been awarded 'The Aon Hewitt Voice of Employee Award Public Sector Enterprise India 2013' by Aon Hewitt.
	"Best Governed Company" by Institute of Company Secretaries of India and REC has been awarded "ICSI National Award for excellence in corporate governance".

SUBSIDIARIES

REC Transmission Projects Company Limited

RECTPCL was incorporated on January 8, 2007 as a public limited company and its registered office is situated at Core-4, SCOPE Complex, 7, Lodi Road, New Delhi 110 003, India. It received its certificate of commencement of business on February 5, 2007. RECTPCL is engaged inter alia in the business of, to promote, organise or carry on the business of consultancy services and/or project implementation in any field of activity relating to transmission and distribution of electricity in India or abroad.

REC Power Distribution Company Limited

RECPDCL was incorporated on July 12, 2007 as a public limited company and its registered office is situated at Core-4, SCOPE Complex, 7, Lodi Road, New Delhi 110 003, India. It received its certificate of commencement of business on July 31, 2007. RECPDCL is presently engaged inter alia in the business of, to promote, develop, construct, own, operate, distribute and maintain 66KV and below voltage class electrification, distribution, electric supply lines or distribution system.

Nellore Transmission Limited

Nellore Transmission Limited was incorporated as a Special Purpose Vehicle, as a wholly owned subsidiary of REC Transmission Projects Company Limited, on 4th December, 2012 and it received its certificate of commencement of business on 6th February, 2013 to undertake activities for implementation of Transmission System for Connectivity for NCC Power Projects Ltd. (1320MW). Due to discovery of higher levelised tariff as compared to tariff as per prevailing CERC norms, Ministry of Power has de-notified the subject project for which SPV was initially incorporated.

Baira Siul Sarna Transmission Limited

Baira Siul Sarna Transmission Limited was incorporated as a Special Purpose Vehicle, as a wholly owned subsidiary of REC Transmission Projects Company Limited, on 24th January, 2013. It received its certificate of commencement of business on 8th March, 2013 to undertake activities for implementation of Baira Siul HEP – Sarna 220kV line. Due to revision in the estimated project cost for which SPV was incorporated, CEA has advised to put bidding process on hold.

Gadarwara (B) Transmission Limited

Gadarwara (B) Transmission Limited has been incorporated as a Special Purpose Vehicle, as a wholly owned subsidiary of REC Transmission Projects Company Limited, on 30th July, 2014 to undertake activities for implementation of Transmission System associated with Gadawara STPS (2x800 MW) of NTPC (Part-B). A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The Responses to RFQ for the project has been opened on 15th September, 2014. Eleven bidders have participated at the RFQ stage and all the bidders have qualified to participate in RFP stage. The RFP for the project has been issued on 14th November, 2014. The process of selection of developer is expected to conclude during FY 2014-15.

Gadarwara (A) Transco Limited

Gadarwara (A) Transco Limited has been incorporated as a Special Purpose Vehicle, as a wholly owned subsidiary of REC Transmission Projects Company Limited, on 5th August, 2014 to undertake activities for implementation of Transmission System associated with Gadawara STPS (2x800 MW) of NTPC (Part-A). A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The Responses to RFQ for the project has been opened on 15th September, 2014. Eleven bidders have participated at the RFQ stage and all the bidders have qualified to participate in RFP stage. The RFP for the project has been issued on 14th November, 2014. The process of selection of developer is expected to conclude during FY 2014-15.

Maheshwaram Transmission Limited

Maheshwaram Transmission Limited has been incorporated as a Special Purpose Vehicle, as a wholly owned subsidiary of REC Transmission Projects Company Limited, on 14th August, 2014 to undertake activities for implementation of Connectivity Lines for Maheshwaram (Hyderabad) 765/400 kV Pooling S/s. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The Responses to RFQ for the project has been opened on 22nd September, 2014. Six bidders have participated at the RFQ stage and all the bidders have qualified to participate in RFP stage. The RFP for the project has been issued on 22nd October, 2014. Subsequently, due to minor revision in the scope of associated transmission project, the bidding process for the project is under hold on want of information/data from CEA and is expected to conclude during FY 2015-16.

X. CAPITAL STRUCTURE
CAPITAL STRUCTURE (as on December 31, 2014)

(Rs. in Crores)

		Aggregate value at nominal value
A)	AUTHORISED SHARE CAPITAL	
	1,200,000,000 Equity Shares of face value of ₹10/- each	1,200.00
B)	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
	987,459,000 Equity Shares of face value of ₹10/- each fully paid up	987.46
C)	SECURITIES PREMIUM ACCOUNT	3223.72

Notes:

Since the present offer comprises of issue of non-convertible bonds, it shall not affect the paid-up equity share capital or share premium account of the Company after the offer

Share Capital History

Date of Issue/allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
October 7, 1969	2,000	1,000	1,000	Initial subscription ⁽¹⁾	Cash	Nil	2,000,000	2,000,000
January 30, 1970	28,000	1,000	1,000	Further issue	Cash	Nil	28,000,000	30,000,000
December 2, 1970	60,000	1,000	1,000	Further issue	Cash	Nil	60,000,000	90,000,000
April 30, 1971	20,000	1,000	1,000	Further issue	Cash	Nil	20,000,000	110,000,000
January 28, 1972	10,000	1,000	1,000	Further issue	Cash	Nil	10,000,000	120,000,000
August 28, 1972	80,000	1,000	1,000	Further issue	Cash	Nil	80,000,000	200,000,000
September 27, 1973	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	270,000,000
March 23, 1974	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	310,000,000
October 31, 1974	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	410,000,000
February 20, 1975	90,000	1,000	1,000	Further issue	Cash	Nil	90,000,000	500,000,000
March 8, 1976	50,000	1,000	1,000	Further issue	Cash	Nil	50,000,000	550,000,000
August 17, 1976	50,000	1,000	1,000	Further issue	Cash	Nil	50,000,000	600,000,000
July 30, 1977	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	670,000,000
September 4, 1978	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	770,000,000
July 25, 1979	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	870,000,000
April 23, 1980	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	910,000,000

Date of Issue/allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
August 23, 1980	15,000	1,000	1,000	Further issue	Cash	Nil	15,000,000	925,000,000
September 22, 1980	75,000	1,000	1,000	Further issue	Cash	Nil	75,000,000	1,000,000,000
July 27, 1981	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	1,100,000,000
May 10, 1982	16,600	1,000	1,000	Further issue	Cash	Nil	16,600,000	1,116,600,000
August 16, 1982	83,400	1,000	1,000	Further issue	Cash	Nil	83,400,000	1,200,000,000
May 28, 1983	16,600	1,000	1,000	Further issue	Cash	Nil	16,600,000	1,216,600,000
August 3, 1983	83,400	1,000	1,000	Further issue	Cash	Nil	83,400,000	1,300,000,000
August 17, 1984	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	1,410,000,000
May 29, 1985	30,000	1,000	1,000	Further issue	Cash	Nil	30,000,000	1,440,000,000
August 6, 1985	60,000	1,000	1,000	Further issue	Cash	Nil	60,000,000	1,500,000,000
December 17, 1985	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	1,610,000,000
May 21, 1986	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	1,650,000,000
July 16, 1986	220,000	1,000	1,000	Further issue	Cash	Nil	220,000,000	1,870,000,000
June 8, 1987	47,000	1,000	1,000	Further issue	Cash	Nil	47,000,000	1,917,000,000
August 6, 1987	239,000	1,000	1,000	Further issue	Cash	Nil	239,000,000	2,156,000,000
May 27, 1988	53,300	1,000	1,000	Further issue	Cash	Nil	53,300,000	2,209,300,000
July 30, 1988	266,700	1,000	1,000	Further issue	Cash	Nil	266,700,000	2,476,000,000
June 14, 1989	58,300	1,000	1,000	Further issue	Cash	Nil	58,300,000	2,534,300,000
July 20, 1989	291,700	1,000	1,000	Further issue	Cash	Nil	291,700,000	2,826,000,000
November 15, 1990	300,000	1,000	1,000	Further issue	Cash	Nil	300,000,000	3,126,000,000
January 28, 1991	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	3,196,000,000
May 27, 1991	30,000	1,000	1,000	Further issue	Cash	Nil	30,000,000	3,226,000,000
August 21, 1991	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	3,426,000,000
November 27, 1991	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	3,626,000,000
June 11, 1992	65,000	1,000	1,000	Further issue	Cash	Nil	65,000,000	3,691,000,000
September 17, 1992	210,000	1,000	1,000	Further issue	Cash	Nil	210,000,000	3,901,000,000
June 18, 1993	190,000	1,000	1,000	Further issue	Cash	Nil	190,000,000	4,091,000,000

Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consider- ation in Cash/ other than cash	Cumula- tive Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
September 10, 1993	295,000	1,000	1,000	Further issue	Cash	Nil	295,000,000	4,386,000,000
February 23, 1994	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	4,426,000,000
August 23, 1994	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	4,626,000,000
November 22, 1994	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	4,866,000,000
August 25, 1995	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	5,106,000,000
September 13, 1995	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	5,346,000,000
August 27, 1996	370,000	1,000	1,000	Further issue	Cash	Nil	370,000,000	5,716,000,000
November 21, 1996	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	5,826,000,000
July 31, 1997	170,000	1,000	1,000	Further issue	Cash	Nil	170,000,000	5,996,000,000
September 5, 1997	310,000	1,000	1,000	Further issue	Cash	Nil	310,000,000	6,306,000,000
June 29, 1998	160,000	1,000	1,000	Further issue	Cash	Nil	160,000,000	6,466,000,000
September 4, 1998	340,000	1,000	1,000	Further issue	Cash	Nil	340,000,000	6,806,000,000
December 14, 2000	500,000	1,000	1,000	Further issue	Cash	Nil	500,000,000	7,306,000,000
March 13, 2002	500,000	1,000	1,000	Further issue	Cash	Nil	500,000,000	7,806,000,000
<i>The face value of equity shares of our Company were split from a face value of ₹ 1,000 per equity share to ₹10 per equity share pursuant to a resolution of our shareholders dated September 27, 2002.</i>								
March 5, 2008	78,060,000	10	105	Initial public offering	Cash	***	780,600,000	8,586,600,000
March 5, 2010	1,28,799,000	10	(193-215)	Further public offering	Cash	***	1,287,990,000	9,874,590,000

Our company has not allotted any shares other than cash.

XI. SUMMARY TERM SHEET FOR CAPITAL GAIN TAX EXEMPTION BOND SERIES X

Security Name	Capital Gain Tax Exemption Bonds – 54EC Bonds Series X
Issuer	Rural Electrification Corporation Limited
Type of Instrument	Bond in the nature of Debentures; Bullet Redemption (at the end of 3 th Year from the Deemed Date of Allotment).
Nature of Instrument	Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds, Series X, in the nature of Debentures
Mode of Issue	Private placement
Eligible Investors	<ol style="list-style-type: none"> 1. Individuals 2. Hindu Undivided Families (HUF) 3. Partnership firm 4. Insurance Companies 5. Companies and Body Corporates 6. Provident Funds, Superannuation Funds and Gratuity Funds 7. Banks 8. Mutual Funds 9. Financial Institutions (FIs) 10. Foreign Portfolio Investors (Subject to existing regulations) 11. RRBs 12. NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis 13. Co-operative Banks <p>However, out of the aforesaid class of investors eligible to invest, this Information Memorandum is intended solely for the use of the person to whom it has been sent by REC for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the Bonds offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from REC). For documents to be attached with application form see page no 39.</p>
Listing	The Bonds are not proposed to be listed on any stock exchange due to non-transferability of Bonds in lock in period.
Rating of the Instrument	'CARE AAA' by Credit Analysis & Research Ltd. 'CRISIL AAA' by CRISIL Limited 'IND AAA' by India Ratings & Research Private Ltd
Issue Size	Rs. 1000 crores plus Green Shoe Option to retain oversubscription
Objects of the Issue	<p>The Issue is for augmenting the medium term rupee resources of REC for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of REC.</p> <p>The funds raised by way of the issue will be utilized for various operations of REC.</p>
Face Value	10,000 per Bond
Issue Price	At par (Rs.10,000 per Bond)
Coupon Rate	6.00 % p.a.
Coupon Payment Frequency	Annual
Coupon payment dates	Every year on June 30 till redemption and balance along with redemption.

Coupon Type	Fixed
Day Count Basis	Actual / Actual
Tenor	3 Years – 36 months from the Deemed Date of Allotment
Redemption / Maturity	At Par, at the end of 3 years from the Deemed Date of Allotment
Redemption Amount	At par (Rs. 10,000 per Bond)
Minimum Application and in multiples of thereafter	Application must be for a minimum size of Rs. 20,000 (2 bonds) and in multiple of Rs. 10,000 (1 bond) thereafter.
Maximum Application Size	500 Bonds of Rs. 10,000/- each (Subject to Section 54EC of Income Tax Act, 1961)
Issue Timing	Issue Opening Date: April 6, 2015, Issue Closing Date: March 31, 2016 (at the close of the banking hours) or at a date as may be decided by REC in its absolute discretion. This Information Memorandum shall be valid for above period.
Issuance mode of the Instrument	In Physical / Demat mode
Cheque / Draft to be Drawn on	‘Rural Electrification Corporation Limited-54EC Bonds’
Depository	NSDL & CDSL
Record Date	15 days prior to each Coupon and redemption date
Security	The Bonds is / would be secured by way of mortgage and / or hypothecation of immovable and / or movable properties of the Company as agreed between the Trustee and the Company.
Governing Law and Jurisdiction	Applicable laws in India and the Jurisdiction shall be Courts of Delhi.

XII. TERMS OF OFFER**AUTHORITY FOR THE ISSUE**

This issue is being made pursuant to the Resolution of the Board of Directors of the Company, passed at its 412th Meeting held on March 13, 2015, special resolution passed in annual general meeting held on September 18, 2014 and is made under appropriate provisions of the Income Tax Act, 1961.

OBJECTS OF THE ISSUE AND UTILIZATION OF THE PROCEEDS

The Issue is for augmenting the medium term rupee resources of REC for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of REC.

The funds raised through this private placement are not meant for any specific project as such and therefore the proceeds of this Issue shall be utilized for the regular business activities of REC. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfillment of the Objects of the Issue.

STATUS/SECURITY

The Capital Gains Tax Exemption Bonds Series-X shall be secured by a mortgage and / or hypothecation of immovable and / or movable properties of the Company as agreed between the Trustee and the Company.. The Bonds will at all times rank pari-passu with other creditors (present and future) secured against the immovable property and charge on receivables of REC including the Bonds already issued and secured and the Bonds to be issued and secured by the REC from time to time against the said immovable property and receivables of REC.

BOND/ DEBENTURE REDEMPTION RESERVE

As per Companies (Shares and Debentures) Regulation, 2014 For NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997, no DRR is required in the case of privately placed debentures.

TAX BENEFITS UNDER THE INCOME TAX ACT, 1961**Under Section 54EC for REC Capital Gain Bonds**

Section 54EC relating to exemption on long term capital gains if invested in Bonds was inserted by the Finance Act 2000 effective for the assessment year 2001-2002 and subsequently amended from year to year. The section reads as follows:

“Section 54EC of Income Tax Act, 1961” (CAPITAL GAIN NOT TO BE CHARGED ON INVESTMENT IN CERTAIN Bonds).

- 1) Where the capital gain arises from the transfer of a long term capital asset (the capital asset so transferred being hereafter in this section referred to as the original asset) and the assessee has, at any time within a period of six months after the date of such transfer, invested the whole or any part of capital gains in the long term specified asset, the capital gain shall be dealt with in accordance with the following provisions of this section, that is to say,
 - a) if the cost of the long-term specified asset is not less than the capital gain arising from the transfer of the original asset, the whole of such Capital gain shall not be charged under section 45;
 - b) if the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, so much of the capital gain as bears to the whole of the capital gain the

same proportion as the cost of acquisition of the long-term specified asset bears to the whole of the capital gain, shall not be charged under Section 45.

[Provided that the investment made on or after the 1st day of April 2007 in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees.]

The following second proviso shall be inserted after the existing proviso to sub-section (1) of Section 54EC by the Finance (No. 2) Act, 2014, w.e.f. 1-4-2015 :

Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees.

- 2) Where the long-term specified asset is transferred or converted (otherwise than by transfer) into money at any time within a period of three years from the date of its acquisition, the amount of capital gains arising from the transfer of the original asset not charged under Section 45 on the basis of the cost of such long-term specified asset as provided in clause (a) or, as the case may be, clause (b) of sub-section (1) shall be deemed to be the income chargeable under the head "Capital gains" relating to long-term capital asset of the previous year in which the long-term specified asset is transferred or converted (otherwise than by transfer) into money."

EXPLANATION - In a case where the original asset is transferred and the assessee invests the whole or any part of the capital gain received or accrued as a result of transfer of the original asset in any long-term specified asset and such assessee takes any loan or advance on the security of such specified asset, he shall be deemed to have converted (otherwise than by transfer) such specified asset into money on the date on which such loan or advance is taken.

- 3) Where the cost of the long-term specified asset has been taken into account for the purposes of clause (a) or clause (b) of sub-section (1),
 - a) a deduction from the amount of income-tax with reference to such cost shall not be allowed under section 88 for any assessment year ending before the 1st day of April, 2006.
 - b) a deduction from the income with reference to such cost shall not be allowed under section 80C for any assessment year beginning on or after the 1st day of April, 2006.

EXPLANATION: For the purposes of this section.

- a) cost, in relation to any long-term specified asset, means the amount invested in such specified asset out of capital gains received or accruing as a result of the transfer of the original asset;
- b) long-term specified asset for making any investment under this section during the period commencing from the 1st day of April, 2006 and ending with the March 31, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2006, but on or before March 31, 2007.
 - i) by the National Highways Authority of India constituted under section-3 of the National Highways Authority of India Act, 1988 (68 of 1988); or
 - ii) by the Rural Electrification Corporation Ltd., a company formed and registered under the Companies Act, 1956 (1 of 1956), And notified by the Central Government in the Official Gazette for the purposes of this section with such conditions (including the condition for providing a limit on the amount of investment by an assessee in such bond) as it thinks fit;
 - iii) Provided that where any bond has been notified before the 1st day of April, 2007, subject to the conditions specified in the notification, by the Central Government in the Official Gazette under the provisions of clause (b) as they stood immediately before their amendment by the Finance Act, 2007, such bond shall be deemed to be a bond notified under this clause;

long-term specified asset for making any investment under this section on or after the 1st day of April, 2007 means any bond, redeemable after three years and issued on or after the 1st day of April, 2007 by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 (68 of 1988) or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (1 of 1956).

Please Note:

Where the application in the Bonds is made by the investors in joint names, such joint holder(s) shall ensure that no separate application has been made by such joint holder as an applicant singly or jointly with some other applicant and if such separate application is made, the investments made in the 54EC Bonds during the financial year 2013-14 shall not in aggregate exceed Rs. 50 lacs.

REC shall not be responsible for any consequences including denial of any benefit under Section 54EC of the Income Tax Act, 1961 that may arise on account of multiple applications being made by the applicant either singly or along with the other joint holders such that the investments in the 54EC Bonds during the financial year 2013-14 exceed Rs. 50 Lacs.

NO TAX DEDUCTION AT SOURCE ON INTEREST PAYABLE

Vide notification No 359/2002 dated December 2, 2002, REC has been **exempted from deduction of tax at source** under Section 193 of The Income Tax Act 1961, on the interest payable on **REC 54EC Capital Gain Tax Exemption Bonds**. **However, this is subject to further instructions / circulars / notification from the concerned authorities.**

DEEMED DATE OF ALLOTMENT/ BOND CERTIFICATES

Deemed Date of Allotment of Bonds will be the last day of the month during which the subscription amount has been credited to REC account. Investors are informed that Corporation would normally process allotments pertaining to a month at the month end and it takes maximum 4 weeks from month end to dispatch letter of advice/allotment. REC shall endeavor to make a firm allotment for all valid applications received from eligible investors.

Subject to the completion of all legal requirements, the REC will issue the Bond Certificates within 6 months as per the Section 56(4)(d) of the Companies Act, 2013 (in case of Physical option) or Bonds shall be credited to the depository account if marked by the Applicant in the application form (in case of Demat option).

REGISTERED BONDHOLDER

Bondholder whose name appears in the register of Bondholders maintained by the Corporation or its Registrar (in case of investors opting for physical certificates) and beneficial owners on the record date (in case of investors opting for demat option)

PAYMENT OF INTEREST

- a) The interest will be payable annually on June 30th each year on **actual/actual basis**.
- b) The interest payment on the Bonds shall be made to the registered bondholders.
- c) **1st Interest from the date of credit to REC account in respect of the allotments made up to May 31, 2015 will be made on June 30, 2015. 1st Interest on subsequent allotment would be made on June 30, 2016.**
- d) The interest payment for the first and last year or part thereof beginning from the date of credit and ending with the date of redemption, respectively, shall be proportionate (**on actual/actual basis**) and all interest on Bonds will cease on the date of redemption.

PAYMENT ON REDEMPTION

REC's liability to Bondholder(s) towards all their rights including payment of face value shall cease and stand extinguished upon redemption of the Bonds in all events. Further, REC will not be liable to pay any interest, income or compensation of any kind after the date of such Redemption of the Bond(s).

- a) The Bonds will be automatically redeemed by REC on maturity i. e. on the expiry of 3 years from the deemed date of allotment, Physical bond certificate need not to be surrendered for redemption. The redemption proceeds would be paid to the Registered Bondholders.
- b) In case of transmission applications pending on the Record Date, the redemption proceeds will be issued to the legal heirs after the confirmation of the adequacy and correctness of the documentation submitted with such application till such time, the redemption proceeds will be kept in abeyance.

MODE OF PAYMENTS

Interest/redemption payment will be made by ECS/NECS/ RTGS/NEFT/At Par Cheque/Demand Drafts. Efforts will be made to cover all cities where collection centers are appointed. In case the ECS/NECS facility is not available; REC reserves the right to adopt any other suitable mode of payment. Cheque clearing charges, if any, will have to be borne by the Bondholders.

EFFECT OF HOLIDAYS ON PAYMENTS

If the date of payment of interest or redemption or any date specified does not fall on a Working Day, the succeeding Working Day shall be considered as the effective date. Interest and principal or other amounts, if any, shall be paid on the succeeding Working Day. In case the date of payment of interest falls on a holiday, the payment shall be made on the next Working Day, without any interest for the period overdue. In case the date of redemption falls on a holiday, the payment shall be made on the next Working Day along with interest for the period overdue.

REFUND / WITHDRAWAL OF APPLICATION MONEY

The amount once credited in REC's account will not be refunded. However, In case of rejection of the Application on account of technical grounds, refund without interest will be made.

TRANSFERABILITY OF BONDS

To avail the benefit under Section 54EC of the Income Tax Act, 1961, the investment made in the Bonds needs to be held for a period of at least three years from the Deemed Date of Allotment. The Bonds are for tenure of 3 years and are NON TRANSFERABLE NON NEGOTIBLE and cannot be offered as a security for any loan or advance. However, Transmission of the Bonds to the legal heirs in case of death of the Bondholder/Beneficiary to the Bonds is allowed.

LISTING

The Bonds are not proposed to be listed on any stock exchange due to non-transferability of Bonds in lock the in period.

REGISTRAR

RCMC Share Registry (P) Ltd. has been appointed as Registrar to the Issue. The Registrar will monitor the applications while the private placement is open and will coordinate the post private placement activities of allotment, dispatching interest warrants etc. **Any query/complaint regarding application/allotment/interest & redemption payments/transmission should be forwarded to:**

RCMC Share Registry (P) Ltd.

B-25/1, First Floor,
Okhla Industrial Area Phase-II
New Delhi-110020

TRUSTEE AND ITS RESPONSIBILITIES

SBICAP Trustee Company Limited has been appointed as Debenture Trustee for the holder of Bonds.

The Trustee shall protect the interest of the Bondholders in the event of default by REC in regard to security creation, timely payment of interest and repayment of principal etc and shall take necessary action at the cost of REC. No Bondholder shall be entitled to proceed directly against REC unless the Trustee, having become so bound to proceed, fail to do so.

BOND IN DEMATERIALISED FORM

REC has made arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Ltd. (CDSL) to issue the Bonds in dematerialized form to all successful applicants. All the provisions relating to issue, allotment, transmission, etc. in respect of dematerialization and rematerialization of the Bonds as may be prescribed under the Depositories Act, 1996 and the Rules thereunder or by the NSDL/CDSL or such similar agency, would be applicable to these Bonds. Applicants should forward the Bond(s) Certificate along with demat request through their depository participant to the Registrar for dematerialisation of holdings.

In case any investor wishes to hold the Bonds in physical mode the investor is required to choose (tick at) the appropriate place in the Application Form.

JOINT APPLICATION

Maximum of three individuals can apply through a Joint Application and should be in the similar sequence as mentioned in the Demat Account, if any.

NOMINATION

In accordance with Section 72 of Companies Act, 2013, the sole bondholder or where the Bonds are held by more than one person, first bondholder, along with other joint Bondholders [being individual(s)] may nominate any one person (being an individual) who, in the event of death of sole holder or all the joint holders, as the case may be, shall become entitled to the Bond(s). Nominee shall be entitled to the same rights to which he will be entitled if he were the registered holder of the Bond(s). In the event of death of the nominee, the Bondholder will be entitled to make a fresh nomination in the manner prescribed, at any time during the validity of the Bonds. When the bond is held by two or more person, the nominee shall become entitled to receive the amount only on the demise of all the Bondholders in succession.

The Bondholders are advised to provide the specimen signature of the nominee to the Company to expedite the transmission of Bond(s) to the nominee. In case of bonds in Demat form, demographic details will be picked up from DP ID/CLIENT ID.

Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner, any person to become entitled to the securities of the company, in the event of the death of the nominee during his minority.

TRANSMISSION/SUCCESSION

In the event of demise of sole holder of the Bonds, the company will recognise the executor or administrator of the deceased Bondholders, or the holder of succession certificate or other legal representative as having title to the Bonds only if such executor or administrator obtains and produces

probate or letter of administration or is the holder of the succession certificate or the legal representation, as the case may be, from an appropriate court in India.

Where Bonds are held in the joint names and first holders dies, the second holder will be recognized as the Bondholder(s) and in case, second holder dies, the third holder will be recognized as the Bondholder(s). It will be sufficient for the Company to delete the name of the deceased Bondholder after obtaining satisfactory evidence of his death. provided, a third person may call on the Company to register his name as successor of the deceased Bondholder after production of probate or letter of administration or succession certificate or the legal representation or any other document obtained from an appropriate court in India.

In case of physical form, the legal heirs of deceased Bondholder are advised to send the bond Certificate(s) to the Registrar, along with their name, address and specimen signature. REC and/or persons/Registrar appointed by them for this purpose after examining and being satisfied regarding adequacy and correctness of the documentation shall register the transmission in its books.

In case of Dematerialised form successor (s) will be, as intimated by Depository Participant of Bondholder.

HOW TO APPLY

(A) By depositing of application form with Cheque/DD:

Investors are required to submit the Application Form duly filled along with necessary enclosures at the specified Collecting Bankers as indicated at our website: www.recindia.nic.in. Demand Draft or crossed Cheque should be payable in favour of **"Rural Electrification Corporation Limited - 54EC Bonds"**. Demand Draft charges, if any, shall be borne by the applicant.

(B) By RTGS/NEFT payment:

The investor can also directly deposit the amount in the REC collection account by way of NEFT/RTGS and invariably submit the duly filled application with same bank as detailed below and mention the UTR NO at space provided in the application form for cheque details:

	Bank	A/c No	IFSC Code	MICR No	Branch
1	Canara Bank	2471201001150	CNRB0002471	110015115	Capital Market Services Branch, Jeevan Bharti Building, Sansad Marg, New Delhi-110001
2	HDFC Bank	00030350000584	HDFC0000003	110240001	G - 3/4 , 19 K G Marg, Surya Kiran Building, New Delhi-110001
3	IDBI Bank	0127103000006859	IBKL0000127	110259012	4th Floor, Indian Red Cross Society Building, 1, Red Cross Road, New Delhi-110001
4	Indusind Bank	200008580241	INDB0000165	400234020	219-220, Somdutt Chambers-Ii, Bhikaji Cama Place, New Delhi-110066
5	YES Bank	000381000000301	YESB0000003	110532002	8, Nyaya Marg, Chanakya Puri, New Delhi- 110 021
6	ICICI Bank	000405108563	ICIC0000004	400229002	Capital Market Division, 122/1 Mistry Bhavan, Backbay Reclamation, Churchgate, Mumbai-400020
7	Axis Bank	915020015055414	UTI0000007	110211002	New Delhi Main Branch, Statesman House, 148, Barakhamba Road, New Delhi - 110001

APPLICATION BY POST

The applicant, if they so desire, may forward their applications through post to any of the controlling branches of the collection bankers as given below, provided they are accompanied with a Demand Draft payable at New Delhi for the application amount as to reach during such period when the issue is open for subscription.

Canara Bank	Capital Market Services Branch, Jeevan Bharti Building, Sansad Marg, New Delhi-110001
HDFC Bank	G - 3/4 , 19 K G Marg, Surya Kiran Building, New Delhi-110001
IDBI Bank	4th Floor, Indian Red Cross Society Building, 1, Red Cross Road, New Delhi-110001
INDUSIND Bank	219-220, Somdutt Chambers-Ii, Bhikaji Cama Place, New Delhi-110066
YES Bank	8, Nyaya Marg, Chanakya Puri, New Delhi- 110 021
ICICI Bank	Capital Market Division, 122/1 Mistry Bhavan, Backbay Reclamation, Churchgate, Mumbai-400020
AXIS Bank	New Delhi Main Branch, Statesman House, 148, Barakhamba Road, New Delhi - 110001

DOCUMENTS TO BE PROVIDED BY INVESTORS OTHER THAN INDIVIDUALS (IN ADDITION TO THE DOCUMENTS TO BE PROVIDED WITH KNOW YOUR CUSTOMER FORM)

1. Partnership Firms: A certified true copy of: (i) Documentary evidence of authorization to invest in the Bonds and to receive the money on redemption, if the same is not provided in the partnership deed and (ii) Specimen signature of authorized signatories.
2. Companies and Body Corporate, Financial Institutions, Foreign Portfolio Investors: A certified true copy of (i) Board resolution authorizing investment and containing operating instructions and (ii) Specimen signatures of authorized signatories.
3. Banks: A certified true copy of (i) Power of Attorney and (ii) Specimen signatures of authorized signatories.
4. Provident Funds, Superannuation Funds and Gratuity Funds: (i) Resolution passed by the competent authority authorizing the investment and (ii) Specimen signatures of the authorized signatories.
5. Mutual Funds : A certified true copy of (i) SEBI registration certificate; (ii) Resolution passed by the competent authority authorizing the investment and containing operating instructions and (iii) Specimen signatures of the authorized signatories.

DOCUMENTS TO BE PROVIDED BY ALL INVESTORS

1. Self-attested copy of PAN Certificate (In case of Joint application, self-attested PAN copy of all the applicants) or Form 60 where bond application size is Rs. 50,000/- or more
2. Photo Copy of cancelled Cheque for NECS facility Self-attested copy of address proof.

LIMITATION OF LIABILITY

Liability of REC shall be limited to only the principal and interest, in terms of this Information Memorandum, on the Bond. REC shall not be liable for any cost, loss, damage, injury or claim due to the terms of this Bond or any matters incidental thereto including change or amendment in any Law or Regulation, proceedings in court or due to rejection of the Application.

BONDHOLDER NOT A SHAREHOLDER

The Bondholders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of REC, such resolution will first be placed before the Bondholders for their consideration.

MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against REC where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to REC.

FUTURE BORROWINGS

REC shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as REC may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustee in this connection.

NOTICES

All notices required to be given by REC or by the Trustee to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or by hand delivery to REC or to such persons at such address as may be notified by REC from time to time.

DISPUTES & GOVERNING LAW

The Bonds are governed by and shall be construed in accordance with the laws of India. Any dispute arising thereof will be subject to the jurisdiction of courts of Delhi.

INVESTOR RELATIONS AND GRIEVANCE REDRESSAL

Arrangements have been made to redress investor grievances expeditiously as far as possible, REC endeavors to resolve the investors grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of bonds applied for, amount paid on application and Bank and Branch/REC collection centre where the Application was submitted, may be addressed to the Resource Mobilization Unit at the Head office. All investors are hereby informed that the company has appointed a Compliance Officer who may be contracted in case of any problem related to this issue.

COMPLIANCE OFFICER

Sh. Vijay Kumar,
DGM(Finance),
Rural Electrification Corporation Limited, Core – 4 SCOPE Complex,
Lodi Road, New Delhi –110 003,
Tel.; 011-43091620
Facsimile: 011 24368553,
E-mail: vkumar@recl.nic.in

The investors can contact the Compliance Officer in case of any pre-issue/ post-issue related problems such as non-CREDIT of letter(s) of allotment/ bond certificate(s) in the Demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc.

PARTICULARS OF DEBT SECURITIES ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (II) AT A PREMIUM OR DISCOUNT, OR (III) IN PURSUANCE OF AN OPTION

REC hereby confirms that it has not issued any shares or debt securities or agreed to issue any shares or debt securities for consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

XIII. SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS

REC hereby confirms that:

- a) The main constituents of REC's borrowings have been in the form of borrowings from Banks and Financial Institutions, Bonds etc.
- b) REC has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c) REC has neither defaulted in repayment/ redemption of any of its borrowings including loan, debentures etc. nor affected any kind of roll over against any of its borrowings in the past.
- d) The Issuer has not defaulted on payment of any kind of statutory dues to the Government of India, State Government(s), statutory/ regulatory bodies, authorities, departments etc., since inception.

XIV. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

REC hereby declares that there has been no material event, development or change at the time of issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of REC.

XV. PERMISSION/ CONSENT FROM PRIOR CREDITORS

The Corporation hereby confirms that it is entitled to raise money through current issue of Bonds without the consent/ permission/ approval from the Bondholders/ Trustees/ Lenders/ other Creditors of REC. However, in case of such requirement arises, the same would be obtained in due course and would be shared with the Trustee.

XVI. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, REC is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of REC. However investor may inspect the Charter Documents, Bonds Trust Deed, Bond Trust Agreement, etc. in relation to this issue subject to relevant regulation and fees, if any.

XVII. DECLARATION

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of Bonds, is guaranteed by the Government of India.

The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Information Memorandum for Private Placement.

The Issuer accepts no responsibility for the statement made otherwise than in the Information Memorandum for Private Placement or in any other material issued by or at the instance of the Issuer and that anyone who places reliance on any other source of information would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution number 412.4.3 dated March 13, 2015 to sign this Information Memorandum for Private Placement and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum for Private Placement and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

For and on behalf of Rural Electrification Corporation Limited

Sd/-

Rakesh Kumar Arora

Executive Director (Finance)

Place: New Delhi

Date: April 6, 2015

XVIII. ANNEXURES

A. LIST OF ADDRESS OF REC'S ZONAL AND PROJECT OFFICES

Zonal Office:

	Zone	Location of Zonal Office	STD Code No.	Office Telephone No./Mob.	Fax No.
1	Southern Karnataka Bengluru	No. 1/5, Ulsore Road, Bengluru-560042	080	25550240 25598035 25598244	25598243
2	Eastern West Bengal KOLKATA	I.B. -186 Sectoe-III Salt Lake City, Kolkata-700106	033	23566989 23567017 23567018	23356900
3	Central, Uttar Pradesh Lucknow	19/8, Indira Nagar Extension, ring Road, Lucknow 226016	0522	2716324 2717376	2716815
4	Western Maharashtra MUMBAI	51-B, Mittal Tower 5th Floor, Nariman Point, Mumbai-400021	022	22831004 22830985	22831004
5	Northern Haryana PANCHKULA	Bay No. 7-8, Sector-2, Panchkula- 134112	0172	2563864, 2563863 2563822,	2567692

Project Offices:

	Project Offices	Location of Project Offices	STD Code No.	Office Telephone No./Mob.	Fax No.
1	GUWAHATI (Assam)	"SRADDHA", MG Road- GS Road Crossing, (SOHUM/HDFC Point) Christian Basti, Guwahati - 781005	0361	2343712 2343713 2343714	2343712
2.	Hyderabad (Andhra Pradesh)	Shivranpally Post NPA, near Aramghar, national Highway No. 7 Hyderabad-500052	040	24014034 24014420	24014235
3	Patna (Bihar)	'Mautya Lok' Complex Block-C 4th Floor, New Dak Bangalow Road, Patna-100001	0612	2224596 2221131	2224596
4	Ranchi (JHARKHAND)	A-101 & D-104, Om Shree Enclave, Near Loyola School, Airport Road, HINOO, Ranchi- 834002	0651	2253123	2224596
5	VADODARA (Gujarat)	Plot No. 585, T.P Scheme No.2, Behind Pusti Complex, Opp. VMC Ward Office, Atma Jyoti Ashram Road, Subhanpura, Vadodara - 390023	0265	2397487	2397652
6	SHIMLA (Himachal Pradesh)	Pt. Padamdev Commercial Complex, Phase-II, First Floor, The Ridge, Shimla - 171001	0177	2653411	2804077
7	Jammu (JAMMU & KASHMIR)	157-A, Gandhi Nagar, Behind Apsara Cinema, Jammu-180004	091	2450800	2450868
8	TRIVANDRUM (Kerala)	'O'-5, 4th Floor, "Saphallyam" Commercial Complex, TRIDA Building Palayam, Thiruvananthapuram-695034	0471	2328662	2328579

	Project Offices	Location of Project Offices	STD Code No.	Office Telephone No./Mob.	Fax No.
9	BHOPAL (Madhya Pr.)	Metro walk, 2nd Floor, West Hall No. 3 Bittan market, Bhopal-462016	0755	2460006	2460008
10	SHILLONG (Meghalaya)	Rinadee Old Jowai Road Lachumiere, Shillong-793001	0364	2210190	2225687
11	BHUBANESWAR (Orissa)	Deen Dayal Bhawan, Fifth Floor, Ashok Nagar, Janpath, Bhubaneswar-751009	0674	2393206 2536649	2536669
12	JAIPUR (Rajasthan)	J-4-A, Jhalana Dungari, Institutional Area, Jaipur-302004	0141	2707840 2700161	2706986
13	CHENNAI (Tamil Nadu)	No. 12 & 13 T.N.H.B. Complex, Luz Church Road, 180 (Luz Corner) Mylapore, Chennai-600004	044	24987960 24672376	24670595

B. Financial Information
C. Copy of Board resolution dated March 13, 2015 and special resolution dated September 18, 2014
D. CONSENT LETTER OF TRUSTEE
E. CREDIT RATING LETTERS
F. APPLICATION FORM

Financial Information

Particulars	As on/for the 6 months ended 30.09.2014 (Audited)	As on/for the year ended 31.03.14 (Audited)	As on/for the year ended 31.03.13 (Audited)	As on/for the year ended 31.03.12 (Audited)
Net worth	23,543.41	20,669.46	17,454.38	14,563.04
Total Debt	1,39,056.45	1,26,240.19	1,07,791.17	90,056.47
of which – Non Current Maturities of Long Term Borrowing	1,22,535.06	110162.3	90,960.38	76,553.68
- Short Term Borrowing	3,500.00	2540	2,480.00	2,500.00
- Current Maturities of Long Term Borrowing	13,021.39	13537.89	14,350.79	11,002.79
Net Fixed Assets	78.82	81.83	80.05	78.48
Non-Current Assets	1,49,180.99	1,37,673.55	1,15,465.53	91,061.39
Cash and Cash Equivalents	5,000.67	1,192.94	1,484.26	5,311.48
Current Investments	94.32	47.16	47.16	47.16
Current Assets	21,329.36	15,179.35	15,041.76	17,485.32
Current Liabilities	23,786.86	21,381.69	21,823.83	17,320.82
Asset Under Management	N.A.	N.A.	N.A.	N.A.
Off Balance Sheet Assets	N.A.	N.A.	N.A.	N.A.
Interest Income	9,634.29	16806.39	13,290.95	10,264.02
Interest Expense(including other borrowing costs)	5,706.76	10,038.46	8,083.76	6,431.35
Net interest income	3,927.53	6,767.93	5,207.19	3,832.67
Provisioning & Write-offs	139.16	312.02	130.68	52.27
PAT	2,787.09	4,683.70	3,817.62	2,817.03
Gross NPA (%)	0.82%	0.33%	0.38%	0.48%
Net NPA (%)	0.67%	0.24.%	0.31%	0.42%
Tier I Capital Adequacy Ratio (%)	16.83%*	16.02%	16.50%	15.05%
Tier II Capital Adequacy Ratio (%)	3.17%*	3.33%	1.21%	0.95%
Total Loan Assets (net)	1,62,177.18	1,48,504.24	1,27,266.00	1,01,361.74
Capital Adequacy ratio (%)	20.00%*	19.35%	17.71%	16.00%
Net interest margin	5.05%	4.90%	4.55%	4.19%
Yield on Loan Assets	12.39%	12.18%	11.62%	11.21%
Cost of funds	8.60%	8.58%	8.17%	8.03%
Return on Net worth (average)	25.19%	24.57%	23.85%	20.60%
Debt equity ratio (times)	5.91	6.11	6.18	6.18
Total Assets	1,70,510.35	1,52,852.90	1,30,507.29	1,08,546.71
Return on assets (average)	3.45%	3.31%	3.19%	2.89%
Interest Coverage Ratio	1.67	1.65	1.64	1.59

Balance Sheet

	Particulars	Half Year ended on 30.09.2014 (Audited)	As at	As at	As at
			31.03.2014	31.03.2013	31.03.2012
I.	EQUITY AND LIABILITIES				
-1	Shareholders' Funds				
	(a) Share Capital	987.46	987.46	987.46	987.46
	(b) Reserves and Surplus	22,555.95	19,682.00	16,466.92	13,575.58
	Sub-total (1)	23,543.41	20,669.46	17,454.38	14,563.04
-2	Non-current Liabilities				
	(a) Long-term Borrowings	1,22,535.06	1,10,162.30	90,960.38	76,553.68
	(b) Deferred Tax Liabilities (Net)	142.98	173.69	-	-
	(c) Other Long-term Liabilities	29.79	23.52	80.25	23.01
	(d) Long-term Provisions	472.25	442.24	188.45	86.16
	Sub-total (2)	1,23,180.08	1,10,801.75	91,229.08	76,662.85
-3	Current Liabilities				
	(a) Short-term Borrowings	3,500.00	2,540.00	2,480.00	2,500.00
	(b) Other current liabilities	20,145.54	18,583.73	19,116.40	14,502.37
	(c) Short-term Provisions	141.32	257.96	227.43	318.45
	Sub-total (3)	23,786.86	21,381.69	21,823.83	17,320.82
	Total (1+2+3)	1,70,510.35	1,52,852.90	1,30,507.29	1,08,546.71
II.	ASSETS				
-1	Non-current Assets				
	(a) Fixed assets				
	(i) Tangible Assets	66.19	69.67	67.59	68.24
	(ii) Intangible Assets	1.76	2.45	3.71	2.22
	(iii) Capital work-in-progress	10.87	9.71	8.75	7.92
	(iv) Intangible Assets under Development	-	-	-	0.10
		78.82	81.83	80.05	78.48
	(b) Non-current Investments	1,613.47	1,660.63	613.45	710.43
	(c) Deferred Tax Assets (Net)	-	-	9.51	10.05
	(d) Long-term Loans & Advances	1,47,482.65	1,35,898.97	1,14,574.53	89,985.31
	(e) Other Non-current Assets	6.05	32.12	187.99	277.12
	Sub-total (1)	1,49,180.99	1,37,673.55	1,15,465.53	91,061.39
-2	Current Assets				
	(a) Current Investments	94.32	47.16	47.16	47.16
	(b) Cash & Bank Balances	5,000.67	1,192.94	1,484.26	5,311.48
	(c) Short-term Loans & Advances	1,539.05	381.58	1,915.95	2,972.75
	(d) Other Current Assets	14,695.32	13,557.67	11,594.39	9,153.93
	Sub-total (2)	21,329.36	15,179.35	15,041.76	17,485.32
	Total (1+2)	1,70,510.35	1,52,852.90	1,30,507.29	1,08,546.71

STANDALONE STATEMENT OF PROFIT AND LOSS

S.No.	Particulars	Half Year ended on 30.09.2014 (Audited)	Year ended	Year ended	Year ended
			31.03.2014	31.03.2013	31.03.2012
I.	Revenue from Operations	9,690.84	17017.98	13,537.37	10,434.66
II.	Other Income	82.13	102.82	61.3	74.41
III.	Total Revenue (I+II)	9,772.97	17,120.80	13,598.67	10,509.07
IV.	Expenses				
(i)	Finance Costs	5,706.76	10038.46	8,083.76	6,431.35
(ii)	Employee Benefits Expense	63.28	129.91	151.84	170.97
(iii)	Depreciation & Amortization	3.64	4.21	3.75	3.27
(iv)	Other Expenses	44.56	105.47	64.69	58.35
(v)	Allowance for Bad & Doubtful Debts	106.82	47.32	25	49.09
(vi)	Contingent Allowance against Standard Loan Assets	32.34	264.7	105.68	0
(vii)	Allowance for Rescheduled Loans	0	0	0	3.18
	Total Expenses (IV)	5,957.40	10,590.07	8,434.72	6,716.21
V.	Profit before Prior Period Items & Tax (III-IV)	3,815.57	6,530.73	5,163.95	3,792.86
VI.	Prior Period Items	0	-0.39	0	0
VII.	Profit before Tax (V-VI)	3,815.57	6,531.12	5,163.95	3,792.86
VIII.	Tax Expense :				
(i)	Current Year	1,058.22	1704.66	1,345.79	974.59
(ii)	Earlier Years/ (Refunds)	0.59	14.04	0	-1.48
(iii)	Deferred Tax	-30.33	128.72	0.54	2.72
	Total Tax Expense (i+ii+iii)	1,028.48	1,847.42	1,346.33	975.83
IX.	Profit for the period from Continuing Operations (VII-VIII)	2,787.09	4,683.70	3,817.62	2,817.03
X.	Profit from Discontinuing Operations (after tax)	0	0	0	0
XI.	Profit for the period (IX+X)	2,787.09	4,683.70	3,817.62	2,817.03
XII.	Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)				
	(1) Basic	28.22	47.43	38.66	28.53
	(2) Diluted	28.22	47.43	38.66	28.53

Cash Flow Statement

PARTICULARS	Half Year ended on 30.09.2014 (Audited)	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
A. Cash Flow from Operating Activities :				
Net Profit before Tax	3815.57	6531.12	5,163.95	3,792.86
Adjustments for:				
1) Profit / Loss on Sale of Fixed Assets	0.05	0.69	0.33	0.18
2) Depreciation	3.64	4.21	3.75	3.27
3) Allowance for bad & doubtful debts	106.82	47.32	25	49.09
4) Allowance for Rescheduled Loan Assets	0	0	0	3.18
5) Contingent Allowance against Standard Loan Assets	32.34	264.7	105.68	
6) Allowance for Staff Advance	0	0.07	0	
7) Interest on Commercial Paper	203.69	230.88	86.49	
8) Excess Provision written back	0	-3.18	-0.04	0
9) Profit on sale/redemption of investments	0	0	-0.34	-0.84
10) Loss/ Gain(-) on Exchange Rate fluctuation	138.23	304.27	77.51	52.55
11) Dividend from Subsidiary Co.	-0.35	-0.15	-0.15	-0.05
12) Dividend from Investments	-3.63	-0.38	-0.25	-0.13
13) Interest on Long term investments	-76.15	-47.16	-54.71	-62.25
14) Provision made for Interest on Advance Income Tax	0	2.96	2.06	0.25
15) Discount on Bonds written off	2.42	4.83	4.83	4.71
16) Interest Accrued on Zero Coupon Bonds	34.53	64.97	59.88	55.46
17) Dividend & Dividend Tax paid in excess of provision	0	0.01	0.01	-
Operating profit before Changes in Operating Assets & Liabilities:	4257.16	7405.16	5474	3898.28
Increase / Decrease :				
1) Loan Assets	-13779.75	-22427.06	-25,929.26	-19,703.14
2) Other Operating Assets	-180.86	-355.16	89.29	30.29
3) Operating Liabilities	254.21	-273.94	1,676.09	940.47
Cash flow from Operations	-9449.24	-15651	-18689.88	-14834.1
1) Income Tax Paid (including TDS)	-952.98	-1640.06	-1,375.84	-981.21
2) Income Tax refund	0	8.27	0	1.48
Net Cash Flow from Operating Activities	-10402.22	-17282.79	-20065.72	-15813.83
B. Cash Flow from Investing Activities				
1) Sale of Fixed Assets	0.06	0.31	0.05	0.17
2) Purchase of Fixed Assets (incl. CWIP & Intangible Assets under development)	-1.86	-3.46	-4.95	-13.84
3) Redemption of 8% Government of Madhya Pradesh Power Bonds II	0	94.32	94.32	94.32
4) Redemption of units of "Small is Beautiful" Fund (Net)	0	0	0.15	0.9
5) Profit on sale/redemption of investments	0	0	0.34	0.84
6) Investment in Shares of Energy Efficiency Services Ltd.	0	0		0
7) Refund of Share Application Money in Energy Efficiency Services Ltd.	0	0	2.5	0
8) Investment in Shares of Universal Commodity Exchange Ltd.	0	0	0	-16
9) Dividend from Subsidiary Co.	0.35	0.15	0.15	0.05
10) Interest on Long-Term investments	54.99	47.16	54.71	62.25
11) Dividend from Investments	3.63	0.38	0.25	0.13
Net Cash Flow from Investing Activities	57.17	138.86	147.52	128.82
C. Cash Flow from Financing Activities				
1) Issue of Bonds (Net of redemptions)	10358.91	17492.7	13,816.96	20,108.21
2) Raising of Term Loans/ STL from Banks/ FIs (Net of repayments)	-1329.7	-3044.4	-1,652.74	-3,227.60
3) Raising of Foreign Currency Loan (Net of redemptions)	2743.9	1706.32	4,484.19	2,857.01
4) Grants received from GOI including interest (Net of refund)	2207.26	2920.69	606.77	2,238.28
5) Disbursement of grants	-377.73	-2429.28	-940.37	-2,766.93
6) Repayment of Govt. Loan	-2	-7.21	-9.5	-11.49
7) Payment of Final Dividend	-172.81	-148.13	-246.86	-394.98
8) Payment of Interim Dividend	0	-765.28	-666.54	-493.73
9) Payment of Corporate Dividend Tax	-29.31	-155.2	-148.16	-144.17
10) Issue of Shares	0	0	0	0
11) Premium on issue of Securities	0	1.24	0.05	0
12) Issue of Commercial Paper (Net of repayments)	754.26	1281.16	847.18	0
Net Cash flow from Financing Activities	14152.78	16852.61	16090.98	18164.6
Net Increase/Decrease in Cash & Cash Equivalents	3807.73	-291.32	-3827.22	2479.59
Cash & Cash Equivalents as at the beginning of the year	1192.94	1484.26	5,311.48	2,831.89
Cash & Cash Equivalents as at the end of the year	5000.67	1192.94	1484.26	5311.48

Note: Previous period figures have been rearranged and regrouped wherever necessary.

Dated: October 10, 2014

CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF RURAL ELECTRIFICATION CORPORATION LIMITED AT THE 45TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 18TH DAY OF SEPTEMBER, 2014 AT 11.00 A.M. AT MANEKSHAW CENTRE, PARADE ROAD, DELHI CANTONMENT, NEW DELHI-110010.

The following Special Resolution, proposed in the Notice of 45th Annual General Meeting dated August 12, 2014, has been passed by the shareholders of the Company with requisite majority :-

Item No. 5 - Issue of Unsecured/Secured Non-Convertible Bonds/Debentures through Private Placement as per the provisions of the Companies Act, 2013 and Rules made there under.

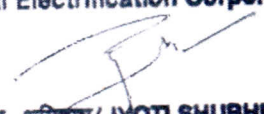
“RESOLVED THAT in supersession of the earlier Resolution passed by the shareholders of the Company through Postal Ballot on June 10, 2014 and in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Notification, 2012 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any existing lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds upto ₹ 35,000 crore **during a period of one year from the date of passing of this resolution** by way of issue of unsecured/secured non-convertible bonds / debentures of the Company on private placement basis, in one or more tranches, to such person or persons, who may or may not be the bond/ debenture holders of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident

Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹ 35,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/debentures, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/ debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/ discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/ debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force."

प्रमाणित सत्य प्रतिलिपि
CERTIFIED TRUE COPY

कृते रूरल इलक्ट्रीफिकेशन कारपोरेशन लिमिटेड
For Rural Electrification Corporation Limited


ज्योतिशुभ्र अमिताभ/JYOTI SHUBHRA AMITABH
नगरप्रबंधक एवं कंपनी सचिव/GM & Company Secretary
(एक सी एस नं. 4298)/(F.C.S. No. 4298)

Extract of Minutes of the 412th Meeting of the Board of Directors of Rural Electrification Corporation Limited held on Friday, the 13th March, 2015 at 3.00 PM at the Registered Office of the Company.

Item No. 412.4.3 Launch of Capital Gain Tax Exemption Bond Series-X under Section 54-EC of the Income Tax Act, 1961 through Private Placement on "ON TAP" basis during the Financial Year 2015-16.

Shri Rakesh Kumar Arora, ED (Finance) was present during discussion on this proposal.

ED (Finance) informed the Board that REC has been raising funds by way of bonds eligible for Capital Gains Tax Exemption benefits to the Investors, under the provisions of Section 54EC of the Income Tax Act, 1961. REC and NHAH are eligible to issue such Capital Gains Tax Exemption (CGTE) bonds. In FY 2014-15, REC raised ₹ 3957 crore till January 2015 from the last series 'IX' of CGTE Bonds issued through Private Placement on 'On Tap' basis.

He further informed that since there is no change in the said Section 54EC under the Union Budget for FY 2015-16, it is proposed to launch a fresh series of CGTE Bonds in FY 2015-16 to mobilize funds, under private placement on "ON Tap" basis. The terms of the proposed issue of '**REC Capital Gains Tax Exemption Bonds – Series X in the nature of debentures**', as detailed in the Agenda Note, were informed to the Board. It was informed that the proposed issue size is ₹ 1000 crore (with green shoe option to retain over subscription) and the issue will open on 6th April, 2015. The bonds will carry a coupon rate of 6% and their redemption will be at par after a tenor of 3 years. The security required will be to the tune of ₹ 7000 crore and earlier charge created on 54EC Bonds unutilized/released, will be vacated accordingly.

He also informed that the proposed issue falls within the present limit of ₹ 35000 crore approved by the shareholders at their 45th AGM held on 18th September, 2014, for issue of unsecured / secured non-convertible bonds/debentures on private placement basis.

The Board, after discussion, approved the proposal as detailed in the Agenda Note and passed the following resolution:

"RESOLVED THAT the proposal for launch of a fresh Series 'X' of 54 EC Capital Gains Tax Exemption Bonds during the FY 2015-16 up to 31st March, 2016 or till any notification/modification is done by the Govt. in the relevant Section i.e. 54 EC of the Income Tax Act, 1961 whichever is earlier, broadly on the terms and conditions given in the Information Memorandum be and is hereby approved with authorization to CMD/ Director (Fin.) to take all further necessary action in this regard including extension/ appointment and fixing the terms of engagement of various intermediaries and associates such as Mobilizers, Collecting Bankers, Debenture Trustees, Legal Advisor/ Counsel, Registrar etc."



“RESOLVED FURTHER that the CMD/Director (Fin.) be and are hereby authorized to increase or decrease coupon rate, pre-close the issue and/ or intermediaries fee during the tenure of the issue as may be required by the market conditions.”


“RESOLVED FURTHER THAT Director (Fin.)/ Exe. Director (Fin.)/G.M. (Fin.)/ Addl. G.M. (Fin.)/ Dy. G.M. (Fin.) be and are hereby severally authorized to make necessary arrangements for printing of bond certificates on completion of allotment of bonds and seek affixation of signatures of Executive Director (Fin) and G.M. (Fin) or any other officer as decided by CMD by means of mechanical printing on bond certificates.”

“RESOLVED FURTHER THAT the CMD/ Director (Fin.) be and are hereby severally authorized to approve creation of additional charge on immovable and/ or movable properties of the Corporation in favour of trustees for bond holders. Executive Director (Fin.)/ G.M.(Fin.)/addl. G.M.(Fin.)/ Dy. G.M.(Fin) along with G.M.(Legal)/ Dy. G.M.(Legal)/Chief Manager (Legal)/Manager(Legal) be and are hereby severally authorized to execute the necessary documents in this regard.”

“RESOLVED FURTHER THAT the Director (Fin.)/ Company Secretary be and are hereby severally authorized to execute and file necessary documents for creation/ modification/ satisfaction of charge with the office of Registrar of Companies and also filling of the petitions before the Company Law Board/ Court wherever required for the various series of the REC Bonds issued from time to time as prescribed under the provisions of the Companies Act 1956.”

“RESOLVED FURTHER THAT the Director (Fin.)/ Executive Director (Fin.)/ G.M.(Fin.)/ Addl. G.M.(Fin.)/ Dy. G.M.(Fin.)/ Chief Manager (F&A) be and are hereby severally authorized to file necessary documents with NSDL/CDSL/ SEBI and also to approve consolidation/ splitting of bonds, taking note of nomination/ change of nomination/ sub-division of allotment letters/ bonds and vice versa and conversion from physical to de-mat form/ re-mat/ transmission of all bonds. ”

“RESOLVED FURTHER THAT the Company Secretary and in his absence authorized persons from CS Division /Dy GM (Fin) be and are hereby authorized to affix Common Seal of the Corporation on any document, if so required in connection with 54 EC Capital Gains Tax Exemption Bonds during the year 2015-16 in accordance with the provisions of Articles of Association of the Corporation.”





No.1/SBICATCL/Mktg/DD/2015-16/CL - 1202

Date: 1st April, 2015.

Rural Electrification Corporation Ltd.
Regd Office : Core-4, SCOPE Complex,
7, Lodi Road, New Delhi - 110003.

Dear Sir,

Kind Attn: Mr. Vijay Kumar – DGM (Finance)

**Appointment of SBICAP Trustee Company Limited as Debenture Trustee for your
proposed Bonds Series X of 54 EC Bonds for F.Y. 2015-16 aggregating to
Rs. 1,000 Crores with a Green shoe option to retain over subscription.**

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee.

In this connection, we hereby give our consent to act as Debenture Trustee on the following terms:-

- Acceptance Fees : Rs.10,000/- plus applicable taxes (one time payment) to be paid immediately on acceptance of trusteeship assignment for the above mentioned facility.'
- Annual Service Charges : Rs.9,500/- p.a. plus applicable service tax payable yearly in advance on 1st April each year from the date of allotment of Bonds /Debentures. The Trusteeship remuneration will be payable by you till the time repayment / redemption of entire Bonds /Debentures and its satisfaction of charge thereof in full.
- Trust Settlement Fees : Rs.1,000/- payable in advance before execution of documents. (Refundable at the time of repayment after three years)
- Out of Pocket Expenses : On Actual Basis

We request you to kindly contact following officials:

Mr. Ardhendu Mukhopadhyay contact no. 022 – 43025502 Cell no.8879150002 & Mr. Deepak Dhondye contact no. 022 -43025514 Cell no. 8879150014 for any assistance in future.

We keenly look forward for our association.

Yours Faithfully


Ardhendu Mukhopadhyay
Authorised Signatory

We accept the above terms

For


Authorised Signatory

(Signature with stamp)

उप महाप्रबन्धक (वित्त) / Dy. General Manager (Fin.)

CARE/DRO/RL/2015-16/1017

Mr. Rakesh Kumar Arora
ED – Finance
Rural Electrification Corporation Ltd.
Core 4, Scope Complex,
7, Lodhi Road, New Delhi - 110003

April 06, 2015

Confidential

Dear Sir,

Credit rating for proposed FY16 Market Borrowing Programme

Please refer to your request for rating of proposed long term and short-term market borrowing programme for FY16 aggregating to Rs. 51,500 crore of your company.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Long-term borrowing – Market Borrowing Programme (FY16)	45,500	CARE AAA (Triple A)	Assigned
Short-term borrowing – Market Borrowing Programme (FY16)	6,000	CARE A1+ (A One Plus)	Assigned
Total	51,500		

3. The Commercial Paper/Short term debt issue would be for a maturity not exceeding one year.

4. The rationale for the rating will be communicated to you separately.

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.




5. Please arrange to get the rating revalidated, in case the issue is not made within a period of **six months** for long term rating and **two months** for short term rating from the date of our initial communication of rating to you (that is April 03, 2015).
6. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
7. Please inform us the details of issue [date of issue, name of investor, amount issued, interest rate, date of payment of interest, date and amount of repayment etc.] as soon as the instruments have been placed.
8. Kindly arrange to submit to us a copy of each of the documents pertaining to the issues, including the offer document and the trust deed.
9. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicize/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.
11. CARE ratings do not take into account the sovereign risk, if any, attached to the foreign currency loans, and the ratings are applicable only to the rupee equivalent of these loans.
12. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
13. CARE ratings are **not** recommendations to buy, sell, or hold any securities or sanction, renew, disburse or recall the concerned bank facilities.



If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

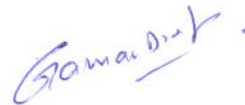
Yours faithfully,



Gaurav Jain

[Analyst]

gaurav.jain@careratings.com



Gaurav Dixit

[Assistant General Manager]

gaurav.dixit@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

April 6, 2015

Mr. Ajeet Agarwal
Director - Finance
Rural Electrification Corporation Limited
Core-4, SCOPE Complex
7, Lodhi Road
New Delhi-110 003



Dear Mr. Agarwal,

Re: CRISIL Rating for the Rs.455.0 Billion Long Term Borrowings Programme* of Rural Electrification Corporation Limited.

We refer to your request for a rating for the captioned Debt Programme.

CRISIL has, after due consideration, assigned a “CRISIL AAA/Stable” (pronounced “CRISIL Triple A with stable outlook”) rating for the captioned Debt Programme. Instruments with this rating are considered to have the **highest** degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular^[1] on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rajat Bahl
Director – Financial Sector Ratings

Malvika Bhotika
Manager – Financial Sector Ratings

* Subject to total borrowings under long-term borrowing programme and lower tier II bonds, not to exceed Rs.455.0 billion at any point in time during 2015-16 (refers to financial year, April 1 to March 31).

^[1] Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 6691 3001 – 09.

CRISIL Limited

Corporate Identity Number: L67120MH1987PLC042363

Details of the Rs.455.0 Billion Long Term Borrowings Programme*of Rural Electrification Corporation Limited.

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Amount</i>
<i>Investors:</i>						
<i>Trustees:</i>						

In case there is an offer document for the captioned Debt programme, please send us a copy of it.

Mr. A. K. Agarwal
Director Finance,
Rural Electrification Corporation Limited,
Core-4, SCOPE Complex,
7-Lodhi Road
New Delhi - 110003

April 6, 2015

Kind Attn: Mr. A. K. Agarwal, Director Finance

Dear Sir,

Re: Rural Electrification Corporation Limited – FY16 borrowing program of INR515bn.

India Ratings & Research (Ind-Ra) has assigned Rural Electrification Corporation's (REC) FY16 INR455bn long-term borrowing programme an 'IND AAA' rating with a Stable Outlook and its INR60bn short-term debt/commercial paper programme (including bank guarantee) an 'IND A1+' rating. The two programmes are part of REC's FY16 INR515bn borrowing programme. The agency has also affirmed REC's Long-Term Issuer Rating at 'IND AAA' with a Stable Outlook.

India Ratings notes that the ratings are assigned to the programme and not to the notes issued under the programme. There is no assurance that notes issued under the programme will be assigned a rating, or that the rating assigned to specific issue under the programme will have the same rating as the rating assigned to the programme.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.



India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter and any changes thereof to the investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings



Rakesh Valecha
Senior Director



Sandeep Singh
Senior Director

Dear Sirs,
I/We have read and understood the Information Memorandum for Private Placement. I/We bind myself/ourselves to their provisions and apply for allotment. Please place my/our name(s) on the register of Bondholder(s).

☐ Physical Mode ☐ Demat Mode **DPID & Client ID No.**

	No. of Bonds (Max. 500)	Amount (Rs.)	Date	Accepting Officer's Signature & Bank's Seal
In Numbers				
In Words				
Cheque/DD No. dated drawn on for Rs. In words				

INSTRUCTIONS

INSTRUCTIONS FOR INVESTORS

- 1) Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**. A blank space must be left between two or more parts of the name.
- 2) Minimum investment-2 Bonds of Rs. 10000/- each and maximum investment-500 Bonds amounting to Rs. 50 lakhs in a financial year.
- 3)
 - a) Investors are required to submit the Application Form duly filled along with either a Demand Draft or account payee Cheque payable in favour of **"Rural Electrification Corporation Limited - 54EC Bonds"** along with necessary enclosures at the designated branches of collecting banks- **Canara Bank, HDFC Bank, IDBI Bank, IndusInd Bank, YES Bank, ICICI BANK or AXIS BANK**
 - b) Applicant should mention his name, address and application number on the reverse of the Cheque/ Demand Draft. Cash, Money Orders or Postal Orders will **NOT** be accepted.
 - c) For details of designated bank branches, please refer Information Memorandum (IM) or visit our website: www.recindia.nic.in or <http://rec.rcmcdelhi.com>
 - d) Investors are advised in their own interest to fill up complete details of their bank particulars alongwith a cancelled cheque. In absence of such information, the interest & redemption warrants shall be mailed at given address at applicant's sole risk.
 - e) A copy of Information Memorandum for the Bond issue is attached herewith for reference & record.
- 4) Application once submitted cannot be withdrawn and subscription amount will not be refunded (as per IM).
- 5) In case neither the PAN nor the GIR No. has been allotted, or the Applicant is not assessed to income tax, the appropriate information should be mentioned in the space provided. In case the investor has applied for and not yet been allotted the PAN/GIRNo. then he is required to furnish a copy of the acknowledged Form 49A. In case the investor is applying through a demand draft and PAN/GIR No. has not been allotted he is required to furnish a declaration in Form 60.
- 6) In case of application under the Power of attorney or by Limited Companies or other corporate bodies, a certified copy of the Power of Attorney or a copy of the approval of the relevant authority, as the case may be should be submitted along with the Application Form.
- 7) In case a partnership firm makes investments, the application is required to be made in the name of the partnership firm and the application form can be signed by any partner(s) authorised to do in this behalf and affixing a rubber stamp of the firm.
- 8) The applications would be accepted as per the provisions of the IM of the issue, other applicable rules and regulations. REC is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason. An Application Form that is not complete in all respect is liable to be rejected.
- 9) It is advisable that investor keeps a photocopy of the application form and mentions his/her **mobile number, email ID** in the application form.
- 10) In case of Bonds allotted under Demat Mode, the demographic details will be picked up from the DPID/ CLIENT ID i.e., Payment warrants would be prepared in favour of sole/ first applicant and issued as per the details identified by the Bondholder's Demat Account. Therefore, Bank particulars in the Application Form should match with the bank details provided in the Demat Account.
- 11) **As a matter of precaution against possible fraudulent encashment of interest/redemption warrants due to loss/ misplacement, applicants are requested to mention the full particulars of their bank account, as specified in the Application Form. In case, where the investor applies for bonds under Physical Mode, all the Payment Warrants will be issued as per the details captured in the Register of Bondholders and any discrepancy arising due to wrong information furnished in the application form shall at the applicant's sole risk.**
- 12) **ISSUE HIGHLIGHTS** : Interest rate @ 6.00% payable annually on June 30th. Lock in period of 3 years (No transfer is permitted). The Bonds will automatically redeem after expiry of three years. Bonds are AAA rated by CRISIL, CARE, ICRA and IRRPL.
- 13) Interest/Redemption shall be paid by way of warrant/NECS/RTGS/NEFT payable at par at locations where collection centres are appointed. Interest is payable annually on 30th June every year till date of redemption.
- 14) Vide notification No. 359/2002 dated 2nd December, 2002, the Corporation has been **exempted from deduction of tax at source** under section 193 of the Income Tax Act 1961, on the interest payable **on REC 54 EC Capital Gain Tax Exemption Bonds**.
- 15) REC reserves the right to revise the coupon rate and/or close the issue by giving a notice. All applications submitted but not accepted by REC would be returned by REC to the applicant without any interest.
- 16) For any details, Please contact our RTA/REC Investors Services Cell. The status of allotment/ servicing may also be obtained by visiting at : <http://rec.rcmcdelhi.com>

RURAL ELECTRIFICATION CORPORATION LIMITED
KNOW YOUR CUSTOMER FORM (FOR INVESTOR)

1. Name of Applicant (1st Applicant)/HUF/Corporate/Firm/Trust/Funds etc.

[illegible]

2. PAN/DIN (Issued by MCA, Wherever applicable)

3. Permanent Address (with telephone nos.) in case of Individual and HUF

[illegible]

4. Business/Office Address (with telephone and fax nos) wherever applicable

[illegible]

5. Nature of Business _____

6. Source of Funds

Signature of Applicant

ALL INVESTORS TO PROVIDE

Self-attested copy of PAN Card (In case of Joint application, self-attested PAN copy of all the applicants) or Form 60 where bond application size is Rs. 50,000/- or more.
Photo Copy of cancelled Cheque for NECS facility .

(a) For Resident Indian Nationals

Documents in support of Name and Address (copies attested by Gazetted Officer/Notary/Self Attested in case of Individual only)

PAN Card and any one of the following

- (i) Ration Card (ii) Passport (iii) Driving Licence (iv) Identify Card issued by any institution (v) Copy of the electricity bill or telephone bill showing residential address (vi) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (vii) voters identity card.

(b) For NRIs/ Other foreign eligible investor

- (i) Passport-Mandatory (ii) Driving Licence

(c) For Corporate-Investor

Documents in support (copies attested by Company Secretary/Director)

- (i) Certificate of incorporation and Memorandum & Articles of Association (ii) Resolution of the Board of Directors and identification of those who have authority to operate (iii) Power of Attorney granted to its managers, officers or employees to transact business, on its behalf (iv) Copy of PAN/PAN Allotment letter.

(d) For Partnership Firms-Investor

Documents in support (copies attested by Notary)

- (i) Registration certificate, if registered (ii) Partnership deed (iii) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf (iv) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses (v) Telephone bill in the name of firm/partners (vi) Copy of PAN/PAN Allotment letter.

(e) Trust & Foundations-Investor

Documents in support (copies attested by Notary)

- (i) Certificate of registration, if registered (ii) Power of Attorney granted to transact business on its behalf (iii) Any officially valid document to identify the Trustees, Settlors, Beneficiaries and those holding Power of Attorney, Founders/Managers/ Directors and their addresses (iv) Resolution of the managing body of the Foundation/Association (v) Telephone bill (vi) Copy of PAN/PAN Allotment letter (otherwise exemption certificate issued by IT Authorities)

APPLICANT'S UNDERTAKING

I/We hereby agree and confirm that:

1. I/We have read, understood and agreed to the contents and terms & conditions of Rural Electrification Corporation Limited Private Placement Information Memorandum for Bond Series-X, provisions of Section 54EC of Income Tax Act, 1961 and other related laws.
2. I/We confirm that the information provided in this form is true & correct and I/We enclose herewith Self attested copies of KYC Documents.

Applicant's Signature

FORM NO. 60

(See second proviso to rule 114B)

Form of declaration to be filled by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B

1. Full name and address of the declarant
2. Particulars of transaction
3. Amount of the transaction:
4. Are you assessed to tax?
5. if yes,
 - (i) Details of Ward/Circle/Range where the last return of income was filed?
 - (ii) Reasons for not having permanent account number?
6. Details of the document being produced in support of address in serial no. 1 above**.

Verification

Ido hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the..... day of.....

Date :

Place :

.....
Signature of the declarant

Documents as an address proof :- **
(Any one of the following)

- (a) Ration Card
- (b) Passport
- (c) Driving Licence
- (d) Copy of the electricity bill or telephone bill showing residential address
- (e) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address
- (f) Any other valid documentary evidence in support of his address given in the declaration.

RTA : Any further communications in connection with this application (quoting the number of acknowledgement slip) should be addressed to "RCMC share Registry Pvt Ltd," B-25/1, First Floor, Okhla Industrial Area, Phase-2, New Delhi – 110 020, Contact Person : Mr. Rajesh Adhana, Telephone Number: 011-26387320/21/23/24, Mob.8527695121 Fax : 011-26387322, E-mail : investor.services@rcmcdelhi.com

REC Investors Service Cell : Rural Electrification Corporation Ltd, Core - 4, SCOPE Complex, 7, Lodi Road, New Delhi 110 003, Tel. : 011-24361320, 43091527. Toll Free No. 1800 2001333, email ID. : investorcell@recl.nic.in