

SUMMARY TERM SHEET

REC proposes to raise bonds with Issue Size ₹500 Crore under option to retain over subscription under Series 140

Security Name	7.52% Rural Electrification Corporation Limited 2026
Issuer	Rural Electrification Corporation Limited
Type of Instrument	Unsecured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures
Seniority	Unsecured, Senior and Unsubordinated Bond Series
Nature and status of Instrument	Unsecured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures ("Bonds")
Mode of Issue	Private placement
Eligible Investors	<ol style="list-style-type: none"> 1. Mutual Funds, 2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013; 3. Scheduled Commercial Banks; 4. State Industrial Development Corporations; 5. Insurance Companies registered with the Insurance Regulatory and Development Authority; 6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorised to invest in the Issue 7. National Investment Funds set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 8. Insurance funds set up and managed by army, navy or air force of the Union of India; 9. Companies and Bodies Corporate authorized to invest in bonds/debentures; 10. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures; 11. Gratuity Funds and Superannuation Funds; 12. Societies authorized to invest in bonds/debentures; 13. Trusts authorized to invest in bonds/debentures; 14. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices); 15. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/debentures.
Non-Eligible classes of Investors	<ol style="list-style-type: none"> 1. Minors; 2. Non-resident investors being an individual including NRIs, QFIs(individual), and FPIs(individual or family offices); 3. Venture Capital Fund and Foreign Venture Capital Investor; 4. Overseas Corporate Bodies; 5. Person ineligible to contract under applicable statutory/regulatory requirements;

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अपर महाप्रबन्धक (वित्त)

Addl. General Manager (Fin.)

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	6. Resident Individual Investors; 7. Hindu Undivided Families; and 8. Partnership firms
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	BSE and/or NSE
Rating of the Instrument	IND AAA by IRRPL CARE AAA (Triple A) by CARE CRISILAAA/Stable by CRISIL ICRAAAA by ICRA
Issue Size	Rs. 500 Crore with option to retain oversubscription
Option to retain oversubscription (Amount)	Yes
Objects of the Issue	To augment long-term resources of the Company for the purpose of carrying out its functions authorized under the object clause of the Memorandum of Association of REC.
Details of the utilization of the Proceeds	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.
Coupon Rate	7.52%
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Date*	Annually, First interest payment shall be on 30.11.2017, after that on 30.11.2018, 30.11.2019, 30.11.2020, 30.11.2021, 30.11.2022, 30.11.2023, 30.11.2024, 01.12.2025 and final interest on 07.11.2026 along with maturity proceeds.
Coupon Type	Fixed
Coupon Reset	N.A.
Day Count Basis  विजय कुमार / VIJAY KUMAR अपर महाप्रबन्धक (वित्त)	Actual/Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis.

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Interest on Application Money	In respect of Investors to whom Bonds are Allotted in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Interest on Refunded Money against which Allotment is not made	In respect of applications, which are valid but rejected on account of oversubscription, interest on refunded money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) (excluding the valid rejections) for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. The refund amounts together with interest thereon shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Default Interest Rate	2% p.a. over the coupon rate will be payable by the Company for the defaulting period in case of default in payment of interest/redemption amount.
Tenor	10 Years
Redemption Date **	November 07, 2026
Redemption Amount	Redeemed at face value of Bonds
Redemption Premium /Discount	Nil
Issue Premium/Discount	Nil
Issue Price	Rs. 10 lakh per bond
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Put option Date	N.A.
Put option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.

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Call Notification Time	N.A.
Face Value	Rs. 10 lakh per bond
Minimum Application and in multiples of Debt securities thereafter	Application must be for a minimum size of INR 10 Crores (100 bonds) and in multiple of INR 1 Crore (10 bond) thereafter.
Issue Timing	
1. Issue Opening Date	November 07, 2016
2. Issue Closing Date	November 07, 2016
3. Pay-in Date	November 07, 2016
4. Deemed Date of Allotment	November 07, 2016
No. of Applications	N.A.***
Issuance mode of the Instrument	In Dematerialized mode
Trading mode of the Instrument	In Dematerialized mode
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Effect of Holidays	<p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p>
Record Date	15 days prior to each Coupon Payment Date/ Redemption date.
Security	Bonds are Unsecured.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited

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	<p>to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture/Bond Trust Deed; 4. Rating letter from IRRPL; 5. Rating letter from CARE; 6. Rating letter from CRISIL; 7. Rating letter from ICRA; 8. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 9. Tripartite Agreement between the Issuer; Registrar and CDSL for issue of Bonds in dematerialized form; 10. Letter appointing Registrar; 11. Application made to BSE and/or NSE for seeking their in-principle approval for listing of Bonds; 12. Listing Agreement with BSE and/or NSE; and 13. Letters appointing Arrangers to the Issue.
Additional Covenants	<p>In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and up to but excluding the date on which such amount is actually paid.</p> <p>The Company shall allot the Bonds within sixty days from the date of receipt of the application money for such Bonds and if the Company is not able to allot the Bonds within such period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of 12% p.a. from the expiry of the sixtieth day.</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Bonds within the prescribed period from the Deemed Date of Allotment, the Company shall pay penal interest at the rate as mentioned in relevant regulations.</p> <p>In case the Bonds issued to the SEBI registered FIIs / sub-accounts of FIIs/FPIs are not listed within 15 days of issuance to the SEBI registered FIIs / sub-accounts of FIIs/FPIs, for any reason, then the FII/sub-account of FII/FPIs shall immediately dispose of the Bonds either by way of sale to a third party or to the Issuer and in case of failure to list the Bonds issued to SEBI registered FIIs/ sub-accounts of FIIs/FPIs within 15 days of issuance, the Issuer shall immediately redeem / buyback such Bonds from the FIIs/sub-accounts of FIIs/FPIs.</p>
Events of Default	As specified the Bond Trust Deed
Remedies	As mentioned in Bond Trust Deed

Vijay
विजय कुमार / VIJAY KUMAR
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Addl. General Manager (Finance)

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Cross Default	N.A.
Trustee	SBICAP Trustee Company Limited
Registrars	Karvy Computershare Private Limited
Role and Responsibilities of Debenture Trustee	The Trustees shall protect the interest of the Bondholders as stipulated in the Bond Trust Deed and in the event of default by REC in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of REC. No Bondholder shall be entitled to proceed directly against REC unless the Trustees, having become so bound to proceed, fail to do so.
Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> Rating letters from IRRPL, CARE, ICRA and CRISIL not being more than one month old from the issue opening date; Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders; Making an application to BSE and/or NSE for seeking their in-principle approval for listing of Bonds.
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> Ensuring that the payment made for subscription to the Bonds is from the bank account of the person/ entity subscribing to the Bonds and keep record of the bank accounts from where payments for subscriptions have been received and in case of subscription to the Bonds to be held by joint holders, monies are paid from the bank account of the person whose name appears first in the Application Form; Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, National Capital Territory of Delhi & Haryana with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of thirty days of circulation of the Private Placement Offer Letter; Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under Section 42(9) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi & Haryana within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014; Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment; Taking steps for listing of Bonds with BSE and/or NSE within 15 days from

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As per the SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, if the date of payment of interest falls on a holiday or Sunday then such payment shall be made on the succeeding day after including the interest for holiday or Sunday.

** As per the SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, if the redemption date falls on a holiday or Sunday, then such payment shall be made on the previous working date along with interest is required to be paid till the redemption date.

***As per the RBI circular no. RBI/2014-15/475 DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015, there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of Rs. 1 crore and above.

Illustration of Bond Cash Flows

Company	Rural Electrification Corporation Limited	
Face Value (per security)	Rs. 10 lakh per Bond	
Issue Date/Date of Allotment	November 07th, 2016	
Tenure	विजय कुमार / VIJAY KUMAR	10 Years
Coupon Rate	अपर महाप्रबन्धक (वित्त)	7.52% p.a.
Addl. General Manager (Fin.) रुरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड Rural Electrification Corporation Ltd. (भारत सरकार का उद्यम / A Govt. of India Enterprise) कोर-4, रॉपर परिसर / Core-4, SCOPE Complex 7, लोधी रोड, नई दिल्ली / 7, Lodhi Road, New Delhi-03		

Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual / Actual

Particulars	Original Date	Revised Date	No. of Days	Cash Flow
1st Coupon	Thursday 30.11.2017	Thursday 30.11.2017	388	1678711233
2nd Coupon	Friday 30.11.2018	Friday 30.11.2018	365	1579200000
3rd Coupon	Saturday 30.11.2019	Saturday 30.11.2019	365	1579200000
4th Coupon	Monday 30.11.2020	Monday 30.11.2020	366	1579200000
5th Coupon	Tuesday 30.11.2021	Tuesday 30.11.2021	365	1579200000
6th Coupon	Wednesday 30.11.2022	Wednesday 30.11.2022	365	1579200000
7th Coupon	Thursday 30.11.2023	Thursday 30.11.2023	365	1579200000
8th Coupon	Saturday 30.11.2024	Saturday 30.11.2024	366	1579200000
9th Coupon	Sunday 30.11.2025	Monday 01.12.2025	366	1583526575
10th Coupon	Saturday 07.11.2026	Saturday 07.11.2026	341	1475362192
Principal	Saturday 07.11.2026	Saturday 07.11.2026		21000000000
TOTAL				36792000000


 विजय कुमार / VIJAY KUMAR
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