

SECTION XII
SUMMARY TERM SHEET

REC Limited (formerly known as Rural Electrification Corporation Limited) proposes to raise bonds with Issue Size Rs. 500 Crore under Series 173 (3 years) with Green-shoe option to retain oversubscription up to Rs. 2000 Crore.

Security Name	8.35% REC Limited 2022
Issuer	REC Limited (formerly known as Rural Electrification Corporation Limited)
Type of Instrument	Unsecured, redeemable, non-convertible, non-cumulative, taxable bonds in the nature of debentures
Seniority	Unsecured, senior and unsubordinated bond
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 which are individual, and FPIs which are 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; 6. Resident individual investors; 7. HUFs; 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 IR&RPL

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	CRISIL AAA/Stable by CRISIL ICRA AAA by ICRA CARE AAA by CARE
Issue Size	Rs. 500 Crore with green-shoe option to retain oversubscription
Option to retain oversubscription (Amount)	Upto Rs.2000 crores aggregating to Rs.2500 crores
Reasons of retaining oversubscription	To meet the Issuer's fund requirements for lending and repayment of liabilities.
Objects of the Issue	To augment long-term resources of the Issuer for the purpose of carrying out its functions authorized under the object clause of the Memorandum of Association of the Issuer.
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 the Issuer. 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	8.35% per annum
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Date*	First Interest payment on 13.03.2020 and the last interest payment on 13.03.2022 along with maturity proceeds.
Coupon Type	Fixed
Coupon Reset	N.A.
Day Count Basis	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
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 I.T. Act, 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 Designated 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 (fifteen) 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 I.T. Act, 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 (fifteen) days from the Deemed Date of Allotment.
Default Interest Rate	2% per annum over the coupon rate will be payable by the Issuer for the defaulting period in case of default in payment of interest or redemption amount.
Tenure	3 years
Redemption Date **	13.03.2022
Redemption Amount	Redeemed at face value of Bonds

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Redemption Premium /Discount	Nil
Issue Premium/Disc ount	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.
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 Rs. 1 Crores (10 Bonds) and in multiple of Rs. 0.1 Crore (1 Bonds) thereafter.
Bidding Date	12 March, 2019
Issue Timing	
1. Issue Opening Date	12 March, 2019
2. Issue Closing Date	12 March, 2019
3. Pay-in Date	13 March, 2019
4. Deemed Date of Allotment	13 March, 2019
Settlement Cycle	T+1 day ('T' being the bidding date as set out above)
No. of Applications	N.A ***
Issuance	In dematerialized mode

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mode of the Instrument	
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)/ warrant(s)/ demand draft(s)/direct credit/ RTGS/ NECS/ NEFT or any other electronic mode offered by the Banks.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Holiday Convention	<p>If the interest payment date falls on a holiday, the payment of interest up to original scheduled date, will be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.</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>It is clarified that Interest/redemption with respect to the Bonds shall be made only on the days when the money market is functioning in Mumbai.</p> <p>If 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 (fifteen) days prior to each Coupon Payment Date or Redemption Date.
Security	The Bonds are unsecured.
Reissuance and consolidation	The Issuer shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Bond Trustee to the Bondholders; 2. Bond trustee agreement; 3. Bond trust deed; 4. Rating letter from IR&RPL; 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 the 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; 13. Letters appointing Arrangers to the Issue; and 14. Electronic bidding platform agreements with BSE and NSE dated August 24, 2016 and December 07, 2016, respectively.
Additional Covenants	The Issuer shall allot the Bonds within 60 (sixty) days from the date of receipt of the Application money for such Bonds and if the Issuer is not able to allot the Bonds within such period, it shall repay the Application money to the subscribers within 15 (fifteen) days from the date of completion of 60 (sixty) days and if the Issuer fails to repay the Application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of

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	<p>12% p.a. from the expiry of the 60th (sixtieth) day.</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within 15 (fifteen) 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 Issuer 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 (fifteen) 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 (fifteen) 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 in the Bond trust deed.
Remedies	As mentioned in Bond trust deed.
Cross Default	N.A.
Bond Trustee	BEACON Trusteeship Limited.
Registrars	Karvy Fintech Private Limited.
Role and Responsibilities of Bond Trustee	The Bond Trustee shall protect the interest of the Bondholders as stipulated in the Bond Trust Deed and in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. No Bondholder shall be entitled to proceed directly against REC unless the Bond Trustee, 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 Bond Trustee conveying their consent to act as Bond Trustee for the Bondholders; and 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"> Maintaining a complete record of private placement offers in Form PAS-5; Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under Section 42(8) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi and Haryana within 15 (fifteen) days of the Deemed Date of Allotment along with fee as provided in the Fees Rules; 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 (fifteen) days from the Deemed Date of Allotment of Bonds; Submission of Bond trust deed with BSE and/or NSE within 5 (five) working days of execution of the same for uploading on their website; and Filing of Form PAS-4 and PAS- 5 with SEBI. <p>Further, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>
Mode of Subscription	Successful bidders are required to do the funds pay-in from their same bank account which is updated by them in the BSE Bond - EBP Platform or NSE Bond - EBP Platform (as applicable) while placing the bids and into the relevant designated bank account. In case of mismatch in the bank account details between BSE Bond - EBP Platform / NSE Bond - EBP Platform (as applicable) and the bank account from which payment is done by the successful bidder, the payment will be returned back. Payment should be made by the deadline specified by the BSE or NSE (as applicable). Successful bidders should do the funds pay-in to the bank

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	accounts of the clearing corporation of the relevant Exchanges as further set out under "Particulars of the Offer" Section of the Private Placement Offer Letter.
Settlement Mechanism	Through clearing corporation of NSE/BSE
Allocation Option	Uniform yield
Bidding type	Closed bidding
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of New Delhi.

- * Under the SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016 as amended, if the Coupon Payment Date falls on a holiday or Sunday, the payment may be made on the following working day without including the interest for holiday or Sunday and the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.
- ** Under the SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, as amended, 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.
- *** Under the RBI circular no. RBI/2014-15/475 DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015, as amended, 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 for Bond Series 173

Issuer	REC Limited
Face Value (per security)	Rs.10,00,000/-
Date of Allotment	13 March, 2019
Tenure	3 years
Coupon Rate	8.35% per annum
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual / Actual

Particulars	Original Date	Revised Date	No. of Days	Cash Flow
1 st Coupon	Friday 13-03-2020	Friday 13-03-2020	366	2,08,75,00,000
2 nd Coupon	Saturday 13-03-2021	Monday 15-03-2021	365	2,08,75,00,000
3 rd Coupon	Sunday 13-03-2022	Monday 14-03-2022	365	2,08,75,00,000
Principal	Sunday 13-03-2022	Monday 14-03-2022		25,00,00,00,000

(DJS)

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दलजीत सिंह खत्री / DALJEET SINGH KHATRI
महामन्दबक (फिन.) / General Manager (Fin.)
आरइंसी लिमिटेड / REC LIMITED
(गोvt सरकार का उद्यम / A Govt. of India Enterprise)
कोर-4, स्कोप परिसर / Core-4, SCOPE Complex
7, लोही चौक, नई दिल्ली / 7, Lodhi Road, New Delhi-03