SECTION XIV
SUMMARY TERM SHEET

REC Limited (formerly known as Rural Electrification Corporation Limited) proposes to raise bonds with Issue Size of Rs. 500 Crores under Series 199 (with maturity of 10 years and 7 days) with green-shoe option to retain oversubscription up to Rs. 1499.50 Crores for Series 199.

Series	199
Security Name	7.96% REC Limited 2030
Issuer	REC Limited (formerly known as Rural Electrification Corporation Limited)
Type of Instrument	Unsecured, redeemable, non-convertible, non-cumulative, subordinated Tier II Taxable Bonds in the nature of *Debentures*
Nature of Instrument	Unsecured
Seniority	Unsecured and Subordinated Tier II Bond. These Bonds shall be fully paid-up, unsecured, subordinated to the claims of other creditors, free of restrictive clauses and shall not be redeemable at the initiative of the holder or without the prior consent of Reserve Bank of India, wherever required.
Mode of Issue	Private placement
Eligible Investors	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, 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, authorised to invest in the Issue; 12. Societies authorized to invest in bonds/ debentures; 13. Trusts authorized to invest in bonds/ debentures; 14. 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	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. 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	ICRA AAA by ICRA. CRISIL AAA by CRISIL CARE AAA by CARE IND AAA by IRRPL
Issue Size	Rs. 500 Crores with green-shoe option to retain oversubscription
Option to retain oversubscription (Amount)	Upto Rs. 1499.50 Crores aggregating to Rs. 1999.50 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	7.96% per annum
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Annual
Coupon Payment Date*	First Interest payment on June 15, 2021 and thereafter June 15 every year and last interest payment on June 15, 2030 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	Not applicable.
Interest on Refunded Money against which Allotment is not made	Not applicable.
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	10 years and 7 days
Redemption Date **	June 15, 2030
Redemption Amount	Redeemed at face value of Bonds
Redemption Premium /Discount	Nil
Issue Premium/Discount	Nil
Issue Price	Rs.10 Lakhs 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 Lakhs per Bond
Minimum Application and in multiples of Debt Securities thereafter	Application must be for a minimum size of Rs. 1 Crore (10 Bonds) and in multiple of Rs. 0.1 Crore (1 Bond) thereafter.
Bidding Date	June 05, 2020

Issue Opening Date	June 05, 2020
Issue Closing Date	June 05, 2020
Pay-in Date	June 08, 2020
Deemed Date of Allotment	June 08, 2020
Settlement Cycle	T+1 days ('T' being the bidding date as set out above)
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)/ warrant(s)/ demand draft(s)/direct credit/ RTGS/ NECS/ NEFT or any other electronic mode offered by banks.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Holiday/Business Day Convention	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 in accordance with the schedule originally stipulated at the time of issuing the security. 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. 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. 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.
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	The Issuer has executed/shall execute or obtain the documents including but not limited to the following in connection with the Issue: 1. Letter appointing Bond Trustee to the Bondholders; 2. Bond trustee agreement; 3. Bond trust deed; 4. Rating letter from CARE; 5. Rating letter from IRPPL; 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 12% p.a. from the expiry of the 60th (sixtieth) day.

	Listing: The Issuer shall complete all the formalities and seek listing permission within 15 (fifteen) days from the Deemed Date of Allotment. 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. In case of delay in execution of the Bond trust deed within the prescribed period from the Deemed Date of Allotment, the Issuer shall pay penal interest at the rate as mentioned in relevant regulations, till the date of execution of the Bond trust deed. In case the Bonds issued to the SEBI registered FPIs are not listed within 15 (fifteen) days of issuance to the SEBI registered FPIs, for any reason, then the 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 FPIs within 15 (fifteen) days of issuance, the Issuer shall immediately redeem / buyback such Bonds from the FPIs.
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	KFin Technologies 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	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: 1. Rating letters from CARE, ICRA, IRPPL and CRISIL not being more than one month old from the issue opening date; 2. Seek a written consent letter from the Bond Trustee conveying their consent to act as Bond Trustee for the Bondholders; and 3. Making an application to BSE and/or NSE for seeking their in-principle approval for listing of Bonds.
Conditions subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed in accordance with the time frame mentioned elsewhere in this Private Placement Offer Letter: 1. Maintaining a complete record of private placement offers in Form PAS-5; 2. 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, 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; 3. 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; 4. Taking steps for listing of Bonds with BSE and/or NSE within 15 (fifteen) days from the Deemed Date of Allotment of Bonds; 5. 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 6. Submission of Form PAS-4 and PAS- 5 with the SEBI. Further, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.
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 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 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. Successful bidders should do the funds pay-in to the bank 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 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 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 in accordance with 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 199

Issuer	REC Limited
Face Value (per security)	Rs.10,00,000/-
Date of Allotment	June 08, 2020
Date of Redemption	June 15, 2030
Tenure	10 years and 7 days
Coupon Rate	7.96%
Frequency of the Interest Payment with specified dates	Annual. First Interest payment on June 15, 2021 and thereafter June 15 every year and last interest payment on June 15, 2030 along with maturity proceeds.
Day Count Convention	Actual / Actual

Particulars	**Original**		**Revised**		**No. of Days**	**Cash Flow**
	Day	**Date**	**Day**	**Date**		
1st Coupon	Tuesday	15-06-2021	Tuesday	15-06-2021	372	16221,25,874
2nd Coupon	Wednesday	15-06-2022	Wednesday	15-06-2022	365	15916,02,000
3rd Coupon	Thursday	15-06-2023	Thursday	15-06-2023	365	15916,02,000
4th Coupon	Saturday	15-06-2024	Saturday	15-06-2024	366	15916,02,000
5th Coupon	Sunday	15-06-2025	Monday	16-06-2025	365	15916,02,000
6th Coupon	Monday	15-06-2026	Monday	15-06-2026	365	15916,02,000
7th Coupon	Tuesday	15-06-2027	Tuesday	15-06-2027	365	15916,02,000
8th Coupon	Thursday	15-06-2028	Thursday	15-06-2028	366	15916,02,000
9th Coupon	Friday	15-06-2029	Friday	15-06-2029	365	15916,02,000
10th Coupon	Saturday	15-06-2030	Saturday	15-06-2030	365	15916,02,000
Principal	Saturday	15-06-2030	Saturday	15-06-2030		199950,00,000
TOTAL:-						**359415,43,874**