

## SECTION XVI SUMMARY TERM SHEET

REC Limited (formerly known as Rural Electrification Corporation Limited) proposes to raise zero coupon bonds with Base Issue Size of Rs. 1,000 Crores under Series 239 (with maturity of 10 years and 1 month) with Green Shoe Option to retain oversubscription of Rs. 4,000 Crores, pursuant to the CBDT notification number No. 56/2023/F. No.164/1/2023-ITA-1 dated August 1, 2023. The Issuer confirms that the Green Shoe Option does not exceed five times the Base Issue Size. The Key Information Document is the seventh tranche under the General Information Document. The Issuer shall not be creating a sinking fund for accrued interest on the Bonds.

Series	239
Security Name	ZCB REC Limited 2034
Issuer	REC Limited (formerly known as Rural Electrification Corporation Limited)
Type of Instrument	The Bonds are zero coupon, unsecured, redeemable, non-convertible, non-cumulative, taxable, bonds in the nature of debentures.
Nature of Instrument	The Bonds are zero coupon, 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	1. A "Qualified Institutional Buyer" ("QIB") as defined under Regulation 2 (ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended; and 2. Any non-QIB, who/which has been authorized by the Issuer, to participate in this Tranche Issue of Bonds on the EBP Platform.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	BSE and NSE. The Bonds under a Series will be listed on the BSE and NSE within 3 (three) trading days from the Tranche Issue closing date.
Rating of the Instrument	'CRISIL AAA/Stable' by CRISIL; 'IND AAA/Stable' by IRRPL; 'CARE AAA; Stable' by CARE; and '[ICRA] AAA (Stable)' by ICRA
Total Issue Size	Rs. 5,000 Crores with green-shoe option to retain oversubscription
Base Issue Size	Rs. 1,000 Crores
Option to retain oversubscription (Amount)	Rs. 4,000 Crores. The Issuer confirms that the Green Shoe Option does not exceed five times the Base Issue Size.
Reasons of retaining oversubscription	To meet the Issuer's fund requirements for lending and repayment of liabilities.
Minimum Subscription	Not applicable as the Issue is being made on private placement basis.
Minimum Application and in multiples of Debt Securities thereafter	Application must be for a minimum size of 100 Bonds and in multiple of 1 Bond thereafter.
Objects of the Issue	100% of the amount raised through this private placement shall be used 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.
Tenure	10 years and 1 month
Redemption Date*	3 November 2034
Coupon Rate	Not applicable.
Step Up/Step Down Coupon Rate	Not applicable.
Coupon Payment Frequency	Not applicable.
Coupon Payment Date	Not applicable.
Coupon Type	Not applicable.
Coupon Reset Frequency	Not applicable.
Coupon Reset Process	Not applicable.
Day Count Basis	Actual / Actual
Interest on Application money	Not applicable.

Interest on Refunded Money against which Allotment is not made	Not applicable.
Default Interest Rate	<p>2% (two percent) per annum will be payable by the Issuer for the defaulting period in case of default in payment of Redemption Amount.</p> <p>2% (two percent) per annum will be payable by the Issuer for the period of delay in cases where the Bond Trust Deed for the Bonds is not executed in accordance with the timeline under applicable law.</p> <p>1% (one percent) per annum will be payable by the Issuer for the period of delay between the Deemed Date of Allotment and the date of listing, in accordance with the timeline under applicable law.</p> <p>In case of delay of allotment of debt securities beyond the stipulated time period, the Issuer will comply with applicable regulatory requirements, if any, with respect to such delay.</p>
Redemption Amount	Redeemed at the face value of Bonds
Redemption Premium / Discount	Nil
Issue Premium / Discount	The Bonds are issued at a discount of Rs. 45,750 to the face value, and the effective yield as a result of such discount is 6.25% (" <b>Effective Yield</b> ").
Issue Price	Rs. 54,250 per Bond
Face Value	Rs. 1 Lakh per Bond
Premium / Discount at which security is issued and the effective yield as a result of such discount.	The Bonds are issued at a discount of Rs. 45,750 to the face value, and the Effective Yield as a result of such discount is 6.25%.
Put Option Payment Date / Put Option Redemption Date	Not Applicable.
Put Option Price	Not Applicable.
Put Notification Time	Not Applicable.
Put Option	Not Applicable.
Call Option Payment Date	Not Applicable.
Call Option Price	Not Applicable.
Call Notification Time	Not Applicable.
Call Option	Not Applicable.
Bidding Date	30 September 2024
Issue Opening Date	30 September 2024
Issue Closing Date	30 September 2024
Date of earliest closing of the Issue, if any	30 September 2024
Pay-in Date	3 October 2024
Deemed Date of Allotment	3 October 2024
Issue Timing	12:00 PM to 1:00 PM.
Settlement Cycle	T + 2 day ('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 Redemption Amount 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 Convention	<p>If the Redemption Date of the Bonds under a Series 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.</p> <p>It is clarified that payment of Redemption Amount with respect to the Bonds under a Series shall be made only on the days when commercial banks are open for business 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 the Redemption Date.

All covenants of the Issue (including side letters, accelerated payment clauses etc).	<p>In addition to those set out in this summary term sheet, the covenants in relation to the Tranche Issue of Bonds under a Series are as set out in Annexure IV (Clause A) the Key Information Document.</p> <p>The Issuer shall not be creating a sinking fund for accrued interest on the Bonds.</p> <p><i>Side Letters:</i> The Issuer has not entered into any side letters containing separate covenants for the Bonds under a Series.</p> <p><i>Accelerated payment:</i> The payment of the Bonds can be accelerated only on the occurrence of an ‘Event of Default’. For further details, please refer to Annexure IV (Clause B) of the Key Information Document.</p>
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the Bondholder(s) for a Series over and above the coupon rate as specified in the Bond Trust Deed for the Bonds under a Series and disclosed in the Key Information Document.	The Bonds are unsecured.
Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document	<p>The Bonds are unsecured.</p> <p>Please refer to the “Default Interest Rate” for the default interest payable (if any) over and above the Effective Yield.</p>
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Tranche Issue:</p> <ol style="list-style-type: none"> <li>1. Letter appointing Bond Trustee to the Bondholder(s);</li> <li>2. Bond trustee agreement;</li> <li>3. Bond Trust Deed for the Bonds under a Series;</li> <li>4. Rating letter from CRISIL;</li> <li>5. Rating letter from IRRPL;</li> <li>6. Rating letter from CARE;</li> <li>7. Rating letter from ICRA;</li> <li>8. Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>9. Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds under a Series in dematerialized form;</li> <li>10. Letter appointing the Registrar;</li> <li>11. Application made to BSE and NSE for seeking their in-principle approval;</li> <li>12. Listing Agreement with BSE and NSE;</li> <li>13. Letters appointing Arrangers to the Tranche Issue; and</li> <li>14. Electronic bidding platform agreements with BSE and NSE dated August 24, 2016 and December 07, 2016, respectively.</li> </ol>
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	As set out in Annexure IV (Clause D) to the Key Information Document.
Creation of Recovery Expense Fund	The Issuer will create a recovery expense fund with the BSE as the Designated Stock Exchange, in the manner as specified by the SEBI Debenture Trustee Operational Circular, as amended from time to time, and inform the Bond Trustee about the same.
Conditions for Breach of Covenants (as specified in the Bond Trust Deed for the Bonds under a Series)	In cases of default by the Issuer in the performance or observance of any covenant, obligation, condition or provision contained in the Bond Trust Deed for the Bonds under a Series (other than the obligation to pay the Redemption Amount) and such default continues for 30 (thirty) business days or is not rectified within 7 (seven) business days after written notice has been given thereof by the Bond Trustee to the Issuer requiring the same to be remedied, the same will be construed as an Event of Default. In cases of default committed in payment of the Redemption Amount on the due date, the same will

	be construed as an Event of Default. The Bond Trustee may waive any breach by the Issuer of any of the covenants and provisions in the Bond Trust Deed for the Bonds under a Series.
Remedies on Events of Default	As mentioned in the Bond Trust Deed for the Bonds under a Series.
Cross Default	Not applicable.
Bond Trustee	Beacon Trusteeship Limited.
Registrar	KFIN Technologies Limited
Role and Responsibilities of Bond Trustee	<p>The Bond Trustee shall protect the interest of the Bondholder(s) under a Series as stipulated in the Bond Trust Deed for the Bonds under a Series, 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.</p> <p>No Bondholder(s) for the Bonds under a Series shall be entitled to proceed directly against REC unless the Bond Trustee, having become so bound to proceed, fail to do so.</p>
Risk Factors Pertaining to the Tranche Issue of Bonds under a Series	Please refer to Chapter X of the Key Information Document.
Conditions precedent to subscription of Bonds under a Series	<p>The subscription from investors for the Tranche Issue of Bonds under a Series shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Rating letters as set out in the Key Information Document will be valid as on the date of issuance and listing of the Bonds under a Series;</li> <li>2. Seek a written consent letter from the Bond Trustee conveying their consent to act as Bond Trustee for the Bondholder(s); and</li> <li>3. In-principle approval from the BSE and NSE.</li> </ol>
Conditions subsequent to subscription of Bonds under a Series	<p>The Issuer shall ensure that the following documents are executed/ activities are completed in accordance with the time frame mentioned elsewhere in the Key Information Document:</p> <ol style="list-style-type: none"> <li>1. Maintaining a complete record of private placement offers in Form PAS-5;</li> <li>2. Filing a return of allotment of Bonds under a Series with complete list of all Bondholder(s) for a Series 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 under the Companies Act;</li> <li>3. Credit of demat account(s) of the allottee(s) by number of Bonds under a Series allotted within the stipulated time period from the Deemed Date of Allotment;</li> <li>4. Making listing application for Bonds under a Series and receiving listing permission with BSE and NSE on or before 3 (three) trading days from the Tranche Issue closing date; and</li> <li>5. Submission of Bond Trust Deed for the Bonds under a Series with BSE and NSE within the timeline under applicable law for uploading on their website.</li> </ol> <p>Further, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Key Information Document.</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 while placing the bids and into the relevant designated bank account. In case of mismatch in the bank account details between the 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 the 'Issue Procedure' section of the Key Information Document.
Settlement Mechanism	Through clearing corporation of BSE.
Allocation Option	Uniform price.
Bidding type	Closed bidding. The bidding will be based on the price of the Bond.
Bidding Methodology	Since this is Zero Coupon Bond, coupon shall be zero, and accordingly price-based bidding has been done. As per the CBDT notification, the bond price, after discount, is Rs. 49,643. Bidding has been done for the issue price including premium. The issue price is Rs. 54,250 per Bond.
Governing Law and Jurisdiction	The Bonds under a Series shall be 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 Master Circular, as amended, if the redemption date falls on a holiday or Sunday, then such payment shall be made on the previous working date. Under the SEBI Master Circular, the second and fourth Saturday will not be considered as working days for the purpose of payment of the redemption amount.

Note: If there is any change in Effective Yield pursuant to any event then such new Effective Yield and events which lead to such change shall be disclosed. The list of documents which has been executed in connection with the issue and subscription of Bonds under a Series is set out in Section XVIII of the Key Information Document. The Redemption Amount of the Bonds under a Series is unsecured. The recovery of 100% of the amount of the Bonds shall depend on the market scenario prevalent at the time of enforcement. The Issuer has provided granular disclosures in the Key Information Document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "Object of the Issue".

### Illustration of Bond Cash Flows

<b>Issuer</b>	REC Limited
<b>Face Value (per security)</b>	Rs.1,00,000/-
<b>Issue Price (per security)</b>	Rs. 54,250 per Bond
<b>Discount (per security)</b>	Rs. 45,750 per Bond
<b>Date of Allotment</b>	3 October 2024
<b>Date of Redemption</b>	3 November 2034
<b>Tenure</b>	10 years and 1 month
<b>Effective Yield</b>	6.25%
<b>Coupon Rate</b>	Not applicable
<b>Frequency of the Interest Payment with specified dates</b>	Not applicable
<b>Day Count Convention</b>	Actual / Actual

### Cash Flows For One Bond With A Face Value of Rs. 1,00,000

Particulars	Original		Revised		No. of Days	Cash Flow
	Day	Date	Day	Date		
Redemption	Friday	03-11-2034	Friday	03-11-2034	3683	1,00,000
<b>TOTAL:</b>					<b>3683</b>	<b>1,00,000</b>