

SECTION XV
SUMMARY TERM SHEET

Series Name	REC Capital Gain Tax Exemption Bonds Series - XVIII.
Issuer	REC Limited (formerly known as Rural Electrification Corporation Limited)
Type of Instrument	Bonds in the nature of debentures. Bullet redemption (at the end of 5 (Five) years / 60 (Sixty) from the Deemed Date of Allotment).
Nature of Instrument	Secured, rated, unlisted, non-convertible, non-cumulative, redeemable, taxable bonds under Series XVIII, in the nature of Debentures issued for cash at par on “on tap” basis with benefits under Section 54EC of the Income Tax Act, 1961.
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	<ol style="list-style-type: none"> 1. Individuals 2. Hindu undivided families 3. Partnership Firm 4. Limited liability partnership 5. Insurance companies 6. Companies and body corporates 7. Provident funds, superannuation funds and gratuity funds 8. Banks 9. Mutual funds 10. Financial institutions 11. Foreign portfolio investors (subject to existing regulations) 12. Regional rural banks 13. NRIs/other foreign eligible investor investing out of NRO A/c on non-repatriable basis subject to applicable law 14. Co-operative banks. 15. Any other investor subject to applicable laws. <p>In each case, as eligible to subscribe to these Bonds under Section 54EC of the Income Tax Act, 1961. 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 pages 76 and 77.</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	‘ICRA AAA’ by ICRA Limited. ‘CARE AAA’ by Care Ratings Limited. ‘CRISIL AAA’ by CRISIL Ratings Limited. ‘IND AAA’ by India Ratings and Research Private Limited.
Issue Size	Rs. 1500 Crore (Rupees One Thousand Five Hundred Crore) plus Green Shoe Option to retain oversubscription.
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 offer are not meant for any specific project 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 offer shall be utilized only towards satisfactory fulfilment of the Objects of the Issue.
Face Value	Rs. 10,000 (Rupees Ten Thousand) per Bond.
Issue Price	At par. Rs. 10,000 (Rupees Ten Thousand) per Bond.
Discount / Premium at which Bond is issued	N.A.

Coupon Rate	5.25% (Five point Two Five Percent) p.a.
Coupon Payment Frequency	Annual
Coupon payment dates	Interest will be paid every year on June 30 until redemption and the balance interest shall be paid along with redemption.
Coupon Type	Fixed
Day Count Basis	Actual / Actual
Tenor	5 (Five) years / 60 (Sixty) months from the Deemed Date of Allotment
Redemption / Maturity	At Par, at the end of 5 (Five) years / 60 (Sixty) months from the Deemed Date of Allotment.
Redemption Amount	At par. Rs. 10,000 (Rupees Ten Thousand) per Bond.
Redemption Premium/ Discount	N.A.
Put Option	N.A.
Call Option	N.A.
Minimum Application and in multiples of thereafter	Application must be for a minimum size of Rs. 20,000 (Rupees Twenty Thousand) (2 (Two) Bonds) and in multiple of Rs. 10,000 (Rupees Ten Thousand) (1 (One) Bond) thereafter.
Maximum Application Size	500 (Five Hundred) Bonds of Rs. 10,000 (Rupees Ten Thousand) each (Subject to Section 54EC of Income Tax Act, 1961) i.e. Rs. 50,00,000 (Rupees Fifty Lakh)
Issue Timing	Issue Opening Date: April 1, 2024, Issue Closing Date: March 31, 2025 (at the close of the banking hours) or at a date as may be decided by REC in its absolute discretion.
Issuance mode of the Instrument	In physical or dematerialized mode as opted by the Eligible Investor.
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.
Cheque / Draft to be Drawn on	“REC Limited - 54EC Bonds” or “Rural Electrification Corporation Limited - 54EC Bonds”
Depository	NSDL and CDSL
Record Date	15 days prior to each Interest payment and redemption date.
Security	The Bonds would be secured by way of mortgage and / or hypothecation of immovable and / or movable properties of the Issuer as agreed between the Bond Trustee and the Issuer.
Transaction Documents	Bond Trust Deed; Bond Trustee Agreement; Duly filled application form; and Information Memorandum.
Governing Law and Jurisdiction	Applicable laws in India and the Jurisdiction shall be Courts of Delhi.
Bond Trustee	SBICAP Trustee Company Limited
Registrar to the Issue	Alankit Assignments Limited

Note:

1. REC reserves the right to revise the coupon rate and/or close the issue by giving notice on its website. The Eligible Investors are 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 / collection banker, without any interest.
3. Application for minimum Rs. 20,000 (Rupees Twenty Thousand) and in multiples of Rs. 10,000 (Rupees Ten Thousand) thereafter will be accepted, any amount received in fraction will be refunded to the Eligible Investor without interest.
4. Only long term capital gains arising from transfer of long term capital assets being land or building or both, within a period of 6 months of the transfer, can be invested in these Bonds.