

REC LONG TERM INFRASTRUCTURE BONDS-SERIES (2011-12)

PRIVATE PLACEMENT

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| Issuer | REC Limited (“the issuer”) | | | |
| Offering | 2,00,000 Nos. Redeemable, Non-Convertible REC Long Term Infrastructure Unsecured Bonds – Series of Rs. 5,000/- each aggregating to Rs. 100 crore with a green-shoe option to retain over-subscription | | | |
| Type | Private Placement basis | | | |
| Instrument | Redeemable, Non-Convertible REC Long Term Infrastructure Unsecured Bonds having benefits under section 80 CCF of the Income Tax Act, 1961 for investment up to Rs. 20,000/- | | | |
| Eligible Investors | Resident Indian Individuals (Major) and HUF through Karta of the HUF | | | |
| Face Value | Rs. 5,000/- per bond | | | |
| Minimum Application | Rs. 5,000/- (i.e. 1 Bond) | | | |
| Maximum Application | No limit | | | |
| Application in multiples of | Rs. 5,000/- (i.e. 1 Bond) | | | |
| Deemed Date of Allotment | February 15, 2012 | | | |
| Options | I | II | III | IV |
| Interest Payment Frequency | Cumulative | Annual | Cumulative | Annual |
| Coupon (% p.a.) | 8.95% p.a. (Annual Compounding) | 8.95% p.a. (payable annually) | 9.15% p.a. (Annual Compounding) | 9.15% p.a. (payable annually) |
| Tenor | 10 (Ten) years | 10 (Ten) years | 15 (Fifteen) years | 15 (Fifteen) years |
| Buyback option | At the end of 5 yrs+ 1day | At the end of 5 yrs +1 day | At the end of 7 yrs + 1 day | At the end of 7 yrs + 1 day |
| Interest Payment date | At the time of maturity | 15th February every year | At the time of maturity | 15th February every year |
| Maturity amount in case of buy back option | | | | |
| Buyback Date | 16 February 2017 | 16 February 2017 | 16 February 2019 | 16 February 2019 |
| Maturity Amt. after 5 yrs + 1 day | Rs.7677/-* | Rs.5000/- | Not Applicable | Not Applicable |
| Maturity Amt. after 7 yrs + 1 day | Not Applicable | Not Applicable | Rs.9231/-* | Rs.5000/- |
| Maturity Date / Maturity amount in case of without buy back option | | | | |
| Maturity Date | 15 February 2022 | 15 February 2022 | 15 February 2027 | 15 February 2027 |
| Maturity Amt after 10 yrs | Rs.11783/-* | Rs.5000/- | Not Applicable | Not Applicable |
| Maturity Amt after 15 yrs | Not Applicable | Not Applicable | Rs.18592/-* | Rs.5000/- |
| Lock-in period | 5 years from the deemed Date of Allotment | | | |
| Security | Unsecured | | | |
| Trustee | IL&FS Trust Co. Ltd. | | | |
| Listing | Proposed to be listed on BSE/ NSE or both | | | |
| Depositories | National Securities Depository Ltd. and Central Depository Services (India) Ltd. | | | |
| Registrars | Beetal Financial & Computer Services Ltd. | | | |
| Issuance & Trading | Bonds shall be issued both in Dematerialised as well as Physical form. However, trading allowed only in Dematerialised mode after the expiry lock-in-period of 5 years. | | | |
| Mode of Interest Payment / Redemption | Through NECS/ At Par Cheques/Demand Drafts (as per mandate given by investor) | | | |

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| Issue Schedule | Issue Open : December 19, 2011 Issue Close : February 10, 2012 The issuer would have the right to pre-close the issue or extend closing date of issue by giving one day notice to the arrangers |
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First annual interest shall be paid on 15th Feb 2013. Interest on Application Money at the above rates from the date of credit in REC Bank A/c to date immediately preceding the deemed date of allotment shall be paid with 1st Annual interest payment.

Note: REC can at its sole and absolute discretion revise the terms of the offer including coupon rate and period. The investors are advised to check the terms and conditions including coupon rate prevailing at the time of applying.