

Subscription Period

Closes on+: on TAP (Up to 31st March, 2024)

Objective

To finance projects aimed at integrated system improvement, power generation, promotion of decentralised and non-conventional energy sources, energy conservation, renovation and maintenance, power distribution with focus on pumpset energisation, rural household electrification and other related work.

Issue Highlights

Issuer:	Rural Electrification Corporation Limited (REC)
Mode of issue:	Private Placement
Transfer:	Non-transferable, Non-negotiable and cannot be offered as a security
Issue Size:	Rs. 1500 crore plus Green Shoe Option to retain oversubscription
Face Value:	Rs 10,000 per Bond
Issue Price:	Rs 10,000 per Bond
Tenure:	5 Years
Coupon Rate:	5.25% payable annually
Min Investment:	Rs 20,000/- (2 Bond)
In Multiples of:	Rs 10,000/- (1 Bond)
Max Investment:	Rs 50,00,000/- (500 Bonds) each in a financial year (subject to section 54EC of IT Act 1961)
Ratings :	'ICRA AAA' by ICRA Limited; 'CRISIL AAA' by CRISIL Limited; 'CARE AAA' by CARE Ratings; 'IND AAA' by India Ratings and Research Private Ltd
Interest payment & date:	Annual on 30th June of each year
Mode of Subscription:	100% on application
Issuance Mode:	Physical / or Demat Mode
TDS:	No TDS would be deducted
Who Can Apply:	<ul style="list-style-type: none"> :) Resident Indian individuals :) HUF through the Karta :) Partnership firm :) Insurance Companies :) Companies and Body Corporates :) Provident Funds, Superannuation Funds and Gratuity Funds :) Banks / Mutual Funds :) FIs / FIIs (Subject to existing regulations) :) RRBs / NRIs investing out of NRO A/c on non-repatriable basis :) Co-operative Banks :) Other eligible categories
Mode of Interest payment :	Interest payment will be made by NECS/At Par Cheque/Demand Drafts
Deemed date of allotment :	Last day of each month
Redemption :	At par, at the end of 5 years from the deemed date of allotment. [Lock-in for 5 yrs] No premature redemption
Refund :	The amount once credited in REC's account will not be refunded

Trustee:	SBICAP Trustee Co. Ltd.
Registrar:	KFintech Pvt Ltd
Bankers to the Issue:	HDFC Bank, Canara Bank, IDBI Bank, IndusInd Bank, Axis Bank, ICICI Bank, Yes Bank
Cheque In favour of:	'RURAL ELECTRIFICATION CORPORATION LIMITED-54EC Bonds' OR "REC Ltd. 54 EC Bonds"

Issue Highlights

Documents To Be Provided By Investors Other Than Individuals (In Addition To The Documents To Be Provided With Know Your Customer Form)

Partnership Firms :	A certified true copy of (i) Documentary evidence of authorization to invest in the Bonds and to receive the money on redemption, if the same is not provided in the Partnership deed and (ii) Specimen signature of authorized signatories.
Companies and Body Corporates, Financial Institutions, Foreign Institutional Investors :	A certified true copy of (i) Board resolution authorizing investment and containing operating instructions and (ii) Specimen signature of authorized signatories.
Banks :	A certified true copy of (i) Power of Attorney and (ii) Specimen signature of authorized signatories.
Provident Funds, Superannuation Funds and Gratuity Funds :	A certified true copy of (i) Resolution passed by the competent authority authorizing the investment and (ii) Specimen signature of authorized signatories.
Mutual Funds :	A certified true copy of (i) SEBI registration certificate (ii) Resolution passed by the competent authority authorizing the investment and containing operating instructions and (iii) Specimen signatures of the authorized signatories.

Documents To Be Provided By All Investors

	(i) Self attested copy of PAN Certificate (In case of Joint application, self attested PAN copy of all the applicants) or Form 60 where bond application size is Rs. 50,000/- or more (ii) Photo Copy of cancelled Cheque for ECS facility
--	---

Conclusion

- ✓ REC is government owned organization which has got "NAVARATNA" status from the Govt of India.
- ✓ The Bond is 'ICRA AAA' by ICRA Limited; 'CRISIL AAA/Stable' by CRISIL Limited 'IND AAA' by India Ratings & Research Private Ltd. which indicates the stability in repayment of principal & interest thereon.
- ✓ Investor can save the Capital gain earned on his/her property by investing in REC Capital Gain Bond u/s 54EC

Note:

- 1) Source : Information Memorandum
- 2) Corporation has right to close the issue by giving notice
- 3) Please read the terms and conditions carefully on the application form

Disclaimer:

The information contained herein is confidential and is intended solely for the addressee(s). Any unauthorized access, use, reproduction, disclosure or dissemination is prohibited. This information does not constitute or form part of and should not be construed as, any offer for sale or subscription of or any invitation to offer to buy or subscribe for any securities. The information and opinions on which this communication is based have been compiled or arrived at from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, correctness and are subject to change without notice. IFIN - IFCI Financial Services Ltd. and/ or its clients may have positions in or options on the securities mentioned in this report or any related investments, may affect transactions or may buy, sell or offer to buy or sell such securities or any related investments. Neither IFIN - IFCI Financial Services Ltd. nor any of its affiliates shall assume any legal liability or responsibility for any incorrect, misleading or altered information contained herein. The material/ charts contained in this document are based on information that is publicly available, including information developed in-house. The report / recommendations contained in the report are the personal views and opinions of the author and are not to be construed as advice. IFIN or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipient alone shall be responsible for any decision taken on the basis of this report. The recipients of this report should rely on their own investigations, seek appropriate professional advice, before dealing and or transacting in any of the products/ instrument referred to in this report. Products/ Instruments are subject to market risks and returns may fluctuate depending on various factors. Past performance of the products/instruments does not indicate the future prospects & performance thereof. Such past performance may not be sustained in future. The investors shall obtain, read and understand the risk disclosure documents, offer documents and/or any other relevant documents before making any decision for investment