

To,

**The Bond Holders,
REC Limited (“Issuer”)**

Subject: No Objection Certificate / Ceding pari passu charge in favour of credit facilities extended to REC Limited and Debenture Trustee for Public Issue and Private Placement of non-convertible redeemable taxable bonds.

This is with reference to the Public and Private Placement of Secured, Unsecured, Redeemable **non-convertible redeemable taxable bonds** (“**Bonds**”) issued by **REC Limited (“Issuer”)** from time to time under various Trust Deeds (collectively referred to as “**Existing Trust Deed**”) wherein we would like to inform the Bond holder/s (“**Existing Bond Holder/s**”) as per the latest BENPOS for the respective NCB issuances.

In relation to the above, we have been informed that the Issuer has proposed to enhancement and new exposure of credit facilities as mentioned below which has been provided to the Existing Bond Holders under the Existing Trust Deed.

Issue details	Proposed exposure (Rs. in Cr)	Remarks
Series XVII – F.Y. 2023-24	Rs.1,500 crore plus green shoe option	New Exposure

In this connection, please be informed that as per the covenants under the Existing Trust Deed executed for the various Bonds issuances, the Issuer shall not create any further encumbrances on the Security, except with the prior consent / NOC of the Debenture Trustee. In the event of receipt of such request by the Issuer and upon receipt of a Chartered Accountant certificate suggesting that even after creation of such further charge on the Security the Security Cover required under the Existing Trust Deed shall continue to be maintained, as per the requirements of the applicable SEBI regulations, Debenture Trustee is required to provide 5 working days to the Existing Bond Holders and seek their approval for creation of further charge.

Accordingly, please note that the Issuer has obtained and submitted to us a Chartered Accountant Certificate (*as attached*), which indicates that there would be no dilution of Security below the Security Cover stipulated under the Existing Trust Deed and that the Issuer has maintained and will continue to maintain the stipulated security cover under Existing Trust Deed to secure the existing outstanding Bonds.

In light of the above, considering the stipulated Security Cover as stated under the Existing Trust Deed is maintained, there is no specific requirement for Vistra to obtain ‘consent’ from the Existing Bond Holders under the Existing Trust Deed, prior to providing the NOC to the Issuer for charge in favour of credit facilities extended to REC Limited and Debenture Trustee for Public Issue and Private Placement of Non-Convertible Bonds. However, irrespective of the same as a prudent trustee and as per the requirement under the applicable law, we would hereby inform you of receipt of the said request from the Issuer. Kindly note that this is for your information and records and we await your objection/observation, if any, within 5 working days.

In case of any additional information required, please feel free to enquire us. We will assist you with the same and facilitate the response your queries from the Issuer.

Thanks & Regards

Vistra ITCL (India) Limited | Trust Operations



REC Limited | आर ई सी लिमिटेड

(भारत सरकार का उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003
Corporate Office: Plot No. I-4, Near IFFCO Chowk Metro Station,
Sector-29, Gurugram - 122001 (Haryana)
Tel: +91 124 444 1300 | Website: www.recindia.nic.in
CIN : L40101DL1969GOI005095 | GST No.: 06AAACR4512R3Z3



To,

Date: 16/03/2023

Mr. Sanjay Dodti

M/s Vistra ITCL (India) Limited.
IL&FS Financial Centre,
Plot C-22, G Block, Bandra Kurla Complex,
Bandra East
Mumbai - 400051

Dear Sir,

Re: Consent for ceding first pari passu charge and no objection in relation to proposed private placement of non-convertible redeemable taxable bonds in the nature of debentures of Rs. 10,000/- each for cash at par on “on tap” basis with benefits under section 54EC of the Income Tax Act, 1961, Series XVII (“bonds”), for Long Term Capital Gain, of Rs.1,500 crore plus green shoe option to retain oversubscription, to be issued in financial year 2023-24 and / or any further extension to the series.

REC Limited (the “**Company**”) is proposing to issue a private placement of bonds in the nature of debentures of Rs. 10,000/- each of Rs.1,500 crore plus green shoe option to retain oversubscription in FY 2023-24 and/or any further extension to the series.

The Company will issue Bonds secured *inter alia* by way of charge in favour of the debenture trustee, on hypothecation on all the current and future loan assets of the Company and all monies receivable thereunder, except those receivables specifically charged, on a *pari passu* basis with all other lenders of the Company holding *pari passu* charge over the security so as to maintain a minimum security cover of one time of the outstanding amount against the Bonds at any point of time until the maturity date of the Bonds (the “**Proposed Security**”).

We seek your no-objection for ceding first ranking *pari passu* charge over the Proposed Security and consent for the Proposed Issue in the format provided herewith as **Annexure-A** at the earliest. Following the Proposed Issue and the security to be granted in connection therewith, we will continue to maintain the security cover as required under the documents representing indebtedness with you.

We look forward to receiving your consent at the earliest.

Yours sincerely,

For **REC Limited**

(Parth Shah)
DM (Finance)



ANUPAM GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

To,
Vistra ITCL(India) Limited
The IL &FS Financial Centre G Block,
Plot C-22, BKC Road,
Bandra Kurla Complex Bandra East,
Mumbai, Maharashtra 400051

Based on examination of books of accounts and other relevant records/documents of REC Limited, we hereby certify that:

a) Security Cover for debt securities:

- i. The financial information as on 31-12-2022 has been extracted from the books of accounts for the quarter ended 31-12-2022 and other relevant records of the listed entity;
- ii. The security provided by the listed entity provide coverage of 1.04 times (Annexure-I) of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed for the below mentioned ISIN

Amt in Crores

S.No	ISIN	Facility	Type of charge	Sanctioned Amount	Outstanding Amount As on 31-12-2022	Cover Required	Security Required
1	INE020B07GH7	NCD	Pari-Passu	2160.3	2160.3	100% of Outstanding Amount + Interest	2248.93

b) Compliance of all the covenants/terms of the issue in respect of debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed/unlisted debt securities (NCD's) and certify that such covenants/terms of the issue have been complied by the listed entity.

For ANUPAM GUPTA & ASSOCIATES

Chartered Accountants
FRN: 022487N

Anupam Gupta

Proprietor
Membership No 511754
UDIN: 23511754BGXSFJ3691

Date: March 7, 2023

Place: Noida

Name of Company: REC Limited
Name of Debenture Trustee : Vistra ITCL(India) Limited
As on 31-12-2022

Annexure -I

₹ in Crs.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debts not backed by any assets offered as security (applicable only for liability side)	(Total C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(L+M+N+O)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value									
Assets															
Property, Plant and Equipment	Land and Building			Yes	1.05		617.04			618.09			5.17		5.17
Capital work in progress							6.88			6.88					-
Right of Use Assets							-			-					-
Goodwill							-			-					-
Intangible Assets							2.08			2.08					-
Intangible Assets under Development							-			-					-
Investments							2,984.89			2,984.89					-
Loans (book debts)	Book debts			Yes	2,335.95		3,95,551.17			3,97,887.12				2,335.95	2,335.95
Inventories							-			-					-
Trade Receivables							-			-					-
Cash and Cash Equivalents							200.50			200.50					-
Bank balances other than Cash and Cash Equivalents							967.61			967.61					-
Others							37,462.78			37,462.78					-
Total		-	-		2,337.00	-	4,37,792.95			4,40,129.95	-	-	5.17	2,335.95	2,341.12
Liabilities															
Secured debt securities															
a. Debt securities to which this certificate pertains				Yes	2,245.18					2,245.18					
b. Other debt sharing pari-passu charge with above debt					44,962.09					44,962.09					
Unsecured debt securities															
a. Other Debt									1,43,364.51	1,43,364.51					
b. Subordinated debt									6,795.46	6,795.46					
Other Borrowings															
Bank									56,176.87	56,176.87					
Others borrowing									1,05,432.10	1,05,432.10					
Trade payables									-	-					
Lease Liabilities									-	-					
Provisions							126.19			126.19					
Others							26,187.77			26,187.77					
Total				0	47,207.27	-	26,313.96			3,11,768.94	3,85,290.17				
Cover on Book Value															1.04
Cover on Market Value															1.04
		Exclusive Security Cover Ratio													
					Pari-Passu Security Cover Ratio		1.04								

1. We confirm that the Company has complied with the covenants mentioned in the disclosure documents of the Secured redeemable Non-convertible debentures for the period ended December 31, 2022.
2. The market value of Rs. 5.17 crore of the immovable property is on the basis of certified valuation done on 25 April, 2022 (Chennai).