





## INSTRUCTIONS FOR INVESTORS – MUST READ BEFORE INVESTMENT

### **A. REC's Advice to Investor**

- 1) REC advises all the investors to apply in **demat mode due to the below mentioned advantages**. If an investor does not have a demat account, REC recommends that they may open a demat account, which can be opened very quickly at zero/low cost. Only in cases where an investor cannot open a demat account than they may apply for the Bonds in physical mode.

The advantages of opening a demat account are as follows:

- Faster credit in demat account (10 days after allotment) as compared to physical dispatch of Bond Certificate (45 days after allotment).
- All changes can be done from a single place itself i.e. bank account, nominee, email, mobile no, address etc.
- No chances of loss/theft of Bond Certificate.
- REC Fetches the data for interest/redemption payment from Depository Participant, therefore accuracy increases manifold.

While applying in demat mode, please double check the details like DP-ID-Client ID, First Holder/Second Holder/Third Holder with Client Master list (CML). Payment will be made in favour of sole/ first holder. In case there is mismatch in the details provided in the application and CML than the investor shall be allotted Bonds in physical mode.

- 2) REC advises all investors to appoint a Nominee in respect of their investments in Physical Mode. If investor does not wish to appoint a nominee, then they are required to fill ISR-3 Form (The same can be obtained from <https://recindia.nic.in/uploads/files/Form-ISR-3.pdf>).
- 3) REC advises all its investors to keep a **photocopy of the Application Form** for their future reference.

### **B. Instructions for Filling up the form**

- 1) All the details mentioned in the Application Form are required to be filled in mandatorily. Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**.
- 2) Minimum investment is 2 Bonds of Rs. 10000 each amounting to Rs. 20,000 and maximum investment is 500 Bonds of Rs. 10,000 each amounting to Rs. 50 Lakhs in a financial year.
- 3) **As a matter of precaution against possible fraudulent encashment of interest/redemption warrants due to loss/ misplacement, applicants are requested to mention the full particulars of their bank account, as specified in the Application Form. In case, where the investor applies for Bonds under physical mode, all the payment warrants will be issued as per the details captured in the Register of Bondholders and any discrepancy arising due to wrong information furnished in the Application Form shall be at the applicant's sole risk.**
- 4) In case of application under the Power of Attorney or by Limited Companies or other body corporate, a certified copy of the Power of Attorney or a copy of the approval of the relevant authority, as the case may be should be submitted along with the Application Form.
- 5) In case a partnership firm makes investments, the application is required to be made in the name of the partnership firm and the Application Form can be signed by any partner(s) authorized to do in this behalf and affixing a rubber stamp of the firm.

### **C. Instructions for Submitting the form.**

- 1) In case the investor has the necessary net-banking payment limits, then they may apply for bonds online in REC Portal (Recommended by REC) - (Link: <https://www.recindia.nic.in/54EC>)
- 2) In case investor does not have the necessary net-banking payment limits, they may pay through RTGS as well. Investors need to mandatorily mention the UTR Number and attach the payment proof. The documents can be uploaded in REC Portal (Link: <https://www.recindia.nic.in/54EC>) or it can be submitted to collection branches as per Point 3 below. Investors are also advised to email the documents to investorcell@recl.in. The Bank details of REC for RTGS payments are as follows:  
**Beneficiary Name: REC Limited – 54EC Bonds**  
**Account Number: 00030350000584 IFSC: HDFC0000003 MICR: 110240001**  
**Bank: HDFC Bank - K.G. Marg New Delhi**
- 3) In case of Payment by Cheque/DD, Investors are required to submit the Application Form duly filled along with either an account payee Cheque or Demand Draft payable in favor of “**REC Ltd - 54EC Bonds**” along with necessary enclosures and the same needs to be submitted to Collection branches as per Point 4 below.
- 4) Collection Banker Branches: The duly filled form along with RTGS/Cheque/DD details can be submitted at any branches of **HDFC Bank, Axis Bank, IDBI Bank, Yes Bank across India** or the designated branches of the following collecting banks- **Canara Bank, ICICI Bank, IndusInd Bank**. The list of the same can be obtained here: <https://www.recindia.nic.in/54EC> - Collecting Banker/Branches. In case of any issues of banks not accepting applications, please call us on 1800 180 2992 or email at investorcell@recl.in.
- 5) Applicant's name, address, mobile number and application number should be mentioned on the reverse of the Cheque/ Demand Draft. Cash, Money Orders or Postal Orders will **NOT** be accepted.

### **D. General Instructions**

- 1) The Bonds are under a lock-in-period of **5 years** from the date of allotment. Premature redemption is not permitted under any circumstances. The Bonds are not transferable or marketable. In case of death of the sole/first holder, the Bonds can be transmitted in the name of second/third holder or nominee.
- 2) **Interest rate is 5.00% p.a.** payable annually on June 30<sup>th</sup> until the date of redemption. The Bonds will automatically redeem after expiry of **5 years** without surrender of bond certificate and the interest/redemption proceeds will be automatically credited in the registered bank account of the applicant. The Bonds are rated AAA by CRISIL, CARE, ICRA and India Ratings.
- 3) The date of credit of application money to REC's account shall be the deciding date for allotment of Bonds. Amount credited within 1<sup>st</sup> to 15<sup>th</sup> of the month shall be allotted by the last day of the month, Amount credited within 16<sup>th</sup> to last day of the month shall be allotted by 15<sup>th</sup> of next month. Interest and 54EC benefit shall be available to the investor from the date of credit of funds in REC's account. In case of applications for issue in demat form, Bonds shall be credited within 10 days of allotment. In case of applications for issue of Bonds in physical mode, a Bond Certificate shall be dispatched within 45 days of allotment.
- 4) For allotment done by 31<sup>st</sup> May, the first interest payment shall be 30<sup>th</sup> June of same year. For allotment done post 31<sup>st</sup> May, the first interest payment shall be 30<sup>th</sup> June of next Year. Interest shall be paid from the date of credit in REC Collection Account.
- 5) Pursuant to notification number 359/2002 dated 2<sup>nd</sup> December, 2002, REC has been **exempted from deduction of tax at source** under section 193 of the Income Tax Act 1961, on the interest payable on REC 54 EC Capital Gain Tax Exemption Bonds.
- 6) For status of allotment please visit [https://kosmic.kfintech.com/REC/Rec\\_query\\_window.aspx](https://kosmic.kfintech.com/REC/Rec_query_window.aspx) or contact our RTA/ REC Investor's Services Cell at the details mentioned in Acknowledgement Slip at Page 2 of this Application Form.
- 7) **Application once submitted cannot be withdrawn and subscription amount will not be refunded as per Information Memorandum.** REC is entitled, at its sole and absolute discretion, to accept or reject any application, in part or in full, without assigning any reason. The application shall be considered complete only upon receiving duly filled Application Form along with the proof of payment. An Application Form that is not complete in all respect may be rejected by REC.
- 8) The Bond Issue is being made strictly on a private placement basis. It is not and should not be deemed to constitute an offer to the public in general.
- 9) In case of any inconsistency in the provisions of application form and Information Memorandum, the provisions of Information Memorandum shall prevail.

## DOCUMENTS REQUIRED FOR MAKING AN APPLICATION IN 54 EC BONDS

### 1. Mandatory Documents for all the investors

- a) PAN Card (in case of Joint application, self-attested PAN copy of all the applicants).
- b) Cancelled Cheque bearing First/Sole Holder's Name, Account Number, IFSC and MICR.
- c) Client Master List (if Application is done in Demat Mode)

### 2. Mandatory Documents depending on type of Investors

#### (i) Resident Indian Nationals

Any ONE of the following where residential address is mentioned for address proof:

- a) Aadhar Card.
- b) Passport/Driving License
- c) Voters Identity card
- d) Ration Card
- e) Registered Lease or Sale Agreement of Residence or Utility Bills like Telephone Bill (Only Landline), Electricity Bill or Gas Bill – Not more than 3 months old.
- f) Identity Card/Documents issued by any of the following: Central/State Government and its departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.

#### (ii) NRIs/ Other foreign eligible investor

- a) Passport (Mandatory)

#### (iii) Body Corporate

All documents (as applicable) attested by Company Secretary/Director

- a) Certificate of incorporation and Memorandum & Articles of Association
- b) Resolution of the Board of Directors and identification of those who have authority to operate
- c) Power of Attorney granted to its managers, officers or employees to transact business, on its behalf
- d) GST Certificate

#### (iv) HUF

All documents (as applicable) attested by Karta

- a) HUF Deed
- b) PAN and Address Proof of Karta

#### (v) Partnership Firms

All documents (as applicable) attested by any Partner/Notary

- a) Registration certificate, if registered
- b) Partnership deed
- c) Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf
- d) Any officially valid document identifying the partners and the persons holding the Power of Attorney and their addresses

#### (vi) Trusts and Foundations

All documents (as applicable) attested by Trustee/Notary

- a) Certificate of registration, if registered
- b) Power of Attorney granted to transact business on its behalf
- c) Any officially valid document to identify the Trustees, Settlers, Beneficiaries and those holding Power of Attorney, Founders/Managers/ Directors and their addresses
- d) Resolution of the managing body of the Foundation/Association