



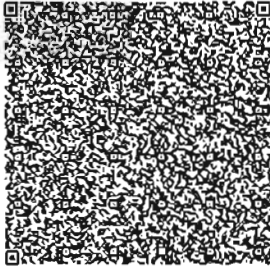
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL74762615908037L
Certificate Issued Date : 09-Oct-2013 10:18 AM
Account Reference : IMPACC (IV)/ dl775503/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL77550347658589714104L
Purchased by : RURAL ELECTRIFICATION CORPORATION LTD
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : RURAL ELECTRIFICATION CORPORATION LTD
Second Party : Not Applicable
Stamp Duty Paid By : RURAL ELECTRIFICATION CORPORATION LTD
Stamp Duty Amount(Rs.) : 300
(Three Hundred only)



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THIS STAMP PAPER SHALL FORM PART AND PARCEL OF THIS BOND TRUST CUM HYPOTHECATION DEED DATED OCTOBER 09, 2013 EXECUTED BETWEEN RURAL ELECTRIFICATION CORPORATION LIMITED AND IDBI TRUSTEESHIP SERVICES LIMITED.



श्री. के. जोहर / B. K. JOHAR
उप महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)
रुरल इलेक्ट्रिफिकेशन कॉरपोरेशन लिमिटेड
Rural Electrification Corporation Ltd.
(वि. 1 सरकार का उद्यम / A Govt. of India Enterprise)
ए-4, स्कोप परिसर / Core-4, SCOPE Complex

A.P.S. MANOCHA
Dy. General Manager (Law)
Rural Electrification Corporation Ltd.
Core-4, SCOPE Complex, 7 Lodhi Road

(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रुरल इलेक्ट्रिफिकेशन कॉरपोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

BOND TRUST cum HYPOTHECATION DEED

This Bond Trust cum Hypothecation Deed (hereinafter referred to as the "Deed") is made at New Delhi on this 09th day of October, 2013 between:

- RURAL ELECTRIFICATION CORPORATION LIMITED**, a Company registered under the provisions of the Companies Act, 1956 (1 of 1956) with Corporate Identity Number (CIN) L40101DL1969GOI005095 and is a Government Company within the meaning of sub-section 45 of section 2 of the Companies Act, 2013 having its registered office at Core - 4, SCOPE Complex, 7, Lodi Road, New Delhi - 110003, India (hereinafter referred to as the "Company"/ "REC"/ "Corporation" which expression shall unless excluded by or repugnant to the context or meaning thereof, be deemed to include its successors and assignees) through its Authorized Signatories, to represent and act on behalf of the Company, to execute this Deed of the **ONE PART**; and
- IDBI TRUSTEESHIP SERVICES LIMITED**, a company incorporated under the Companies Act, 1956 with Corporate Identity Number (CIN) U65991MH2001GOI131154 having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001, acting in its capacity as bond trustee for the benefit of the Bondholders (as defined hereunder) (hereinafter referred to as the "BOND Trustee"/ "Trustee"/ "ITSL", which expression shall unless excluded by or repugnant to the context or meaning thereof, be deemed to include its successors and assignees) through its Authorised Signatory of ITSL who is duly authorized to act in this regard of the **OTHER PART**.

The Company and the BOND Trustee are hereinafter collectively referred to as "Parties" and individually referred to as a "Party".

WHEREAS

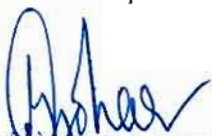
- (A) The Company is engaged in the business of financing power generation, transmission and distribution all over the country and development of the infrastructure in the power sector.
- (B) As on March 31st, 2013 the Authorized, Issued, Subscribed and Paid-up Capital of the Company was as follows:

Authorised Share Capital: Rs. 1200,00,00,000.00

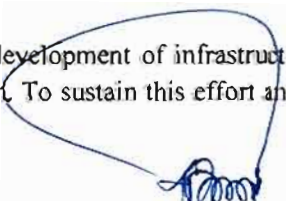
Issued, Subscribed and Paid up Capital: Rs. 987,45,90,000.00

- (C) The Company has been making substantial contribution to the development of infrastructure in the power sector with special emphasis on the rural electrification. To sustain this effort and as a




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A.P.S. MANOCHA


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part of its fund mobilizing program to augment medium and long term rupee resources, the Company has privately placed under the terms and conditions as contained in disclosure document for 116 series (hereinafter referred to as “**Disclosure Document**”) secured, non-convertible, non-cumulative, redeemable, taxable bonds in the nature of debentures of Rs. 10 lakhs each (“**Bonds**”), under series 116 issued in dematerialized form.

(D) The proceeds of the Bonds shall be used for augmenting medium to long-term rupee resources of the Company for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of the Company. The funds raised by way of this issue will be utilized for various operations of REC.

(E) The Company has pursuant to:

- (i) the authority granted by the Resolutions dated March 18th, 2013 & July 04th, 2013 passed at a 394th & 396th meeting of its Board of Directors; and
- (ii) the approval of its shareholders in terms of the resolutions passed under Section 293(1)(d) of the Companies Act, 1956 at the 43rd Annual General Meeting held on September 20th, 2012 to increase the borrowing limit to Rs. 1,45,000 crore. Provided that, the total amount borrowed and outstanding at any point of time shall not exceed a sum of Rs. 1,45,000 crore (Rupee one lakh forty five thousand crore only) over and above the paid up capital and free reserves of the Company;
- (iii) will be issuing Bonds in the nature of debentures under Series 116, hereinafter referred to as “**Series 116**” to the investors as detailed in the “Third Schedule” hereto on the terms and conditions contained in the Disclosure Document for private placement of the Bonds issued by the Company.

(F) The terms of the issue of Series 116 Bonds are subject to the Disclosure Document, Memorandum and Articles of Association of the Company, the Companies Act, 1956, Securities and Exchange Board of India Act, 1992 and Securities Contracts Regulation Act, 1956, Reserve Bank of India Act, 1934 and applicable rules and regulations made thereunder.

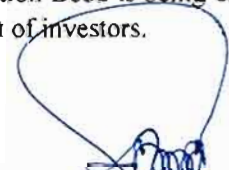
(G) The Company is issuing, Bonds in the nature of debentures under Series 116 which will be subscribed by already identified investors and has also availed of various loan facilities from banks and financial institutions which are secured, *inter alia*, on various receivables due to the Company.

(H) One of the terms of the issue of Bonds is that Bond shall be secured for the repayment/redemption of the principal amount of the Bonds together with payment of interest, additional interest in case of default (where applicable), remuneration of the BOND Trustee and all costs, charges, expenses and other monies payable in respect thereof in favour of BOND Trustee on first *pari passu* charge basis by way of hypothecation on the book debts of the Company which are not specifically charged to any other lender/trustee and on which existing lenders/trustees have ceded their first charge, such that, the minimum security cover of 100 % of the total face value of the Bonds shall be maintained at all times. Therefore, this Bond Trust cum Hypothecation Deed is being created in favour of the BOND Trustee to protect the interest and for the benefit of investors.




श्री. बी.के. जोहार B. K. JOHAR
उप महा प्रबंधक (वित्त) / Dr. General Manager (Fin.)


A.P.S. MANOCHA


(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
सुरत इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड

- (I) The BOND Trustee has, at the request of the Company agreed to act as trustee under these presents for the benefit of the Bondholders as per the Consent Letter No. 1403/ITSL/OPR/CL/13-14/DEB/311 dated 15th July, 2013.
- (J) The Company and the BOND Trustee agreed that the Bonds (as defined hereunder) shall deem to be constituted and issued under this Deed.

NOW THIS DEED WITNESSETH AND IT IS HEREBY MUTUALLY AGREED AND DECLARED AMONGST THE PARTIES HERETO AS UNDER:

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Deed, unless there is anything in the subject or context inconsistent therewith, the expressions listed below shall have the following meanings:

“**Act/Companies Act**” shall mean the Companies Act, 1956;

“**Applicable Law**” means all statutes, enactments, acts of legislature or parliament, laws, by-laws, rules, regulations, notifications, circulars, orders, ordinances, codes, guidelines, policies, notices, directions and judgments or other requirements of any Government Authority in any relevant jurisdiction, as applicable to the Party concerned;

“**Articles**” shall mean articles of association of the Company;

“**Bankers' Goods**” means receivables, book debts and other movable assets on the security of which, by charges created or which may hereafter be created, the Company has obtained or may hereafter obtain banking facilities for its working capital requirements;


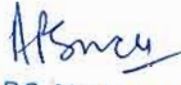
“**Beneficial Owner(s)**” shall mean the several persons who are for the time being the beneficiaries of the BONDS as per the list of the Beneficial Owner(s) maintained by the Depositories namely National Securities Depository Ltd. (NSDL), and Central Depository Services (India) Ltd. (CDSL) in dematerialised form and being furnished to the Company as on the Record Date;

“**Bonds(s)**” shall mean secured, non-convertible redeemable, non-cumulative, taxable bonds in the nature of debentures of Rs. 10 lakhs each offered through private placement route under the terms of Disclosure Document;

“**Bondholders**”/“**Holder of Bonds**” shall mean the eligible investors, who have been issued and allotted the Bonds in accordance with the terms and conditions of the Disclosure Document, and on transfer of the Bonds, shall include the Persons whose names are entered/shall be entered in the Register of Bondholders of the Company and shall include Beneficial Owners;

“**Business Day**” shall mean a day on which the commercial banks are open for business operations in New Delhi;


B.K. JOHAR
महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)
सरल इलेक्ट्रॉनिकेशन कॉर्पोरेशन लिमिटेड



A.P.S. MANOCHA
Dy. General Manager


(राकेश कुमार अरोरा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
सरल इलेक्ट्रॉनिकेशन कॉर्पोरेशन लिमिटेड
Simple Electronics Corporation Ltd.

“**Deemed Date of Allotment**” means the date on which the duly authorized committee approves the Allotment of the Bonds;

“**Depository(ies)**” shall mean the National Securities Depository Limited (NSDL), Central Depository Services (India) Ltd. (CDSL) or, as the case may be, such other depository registered with the Securities and Exchange Board of India (SEBI), with whom the Company has entered into Deed for keeping and dealing the Bonds in dematerialized form;

“**Disclosure Document**” shall mean the Disclosure Document to be issued for Series I 16;

“**Events of Default**” shall have the meaning specified in Clause 8 of this Deed;

“**Financial Covenants and Conditions**” shall mean the covenants and conditions on the part of the Company to be observed and performed as set out in Second Schedule as may be modified from time to time in accordance with these presents;

“**Government Authority**” shall mean any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, Government;

“**Interest**” shall mean the interest payable on the Bonds as specified in Second Schedule;

“**Interest Payment Date**” shall be the date as mentioned in the Disclosure Document;

“**Material Adverse Effect**” shall mean any change including but not limited to any event or effect that is materially adverse to the business, assets (including intangible assets) as a whole, financial condition or results of operations of the Company, including revocation of any licenses or permits materially important to the current business or business proposed to be undertaken by the Company, taken as a whole;

“**Maturity Date**” shall have the meaning set out in Second Schedule;

“**Memorandum**” means the memorandum of association of the Company;

“**Person(s)**” shall mean a person, and includes any individual, corporation, firm, partnership, joint venture, association, organisation, trust, state or Governmental Authority or other legal entity (in each case, whether or not having separate legal personality);

“**R&T Agent**” means Beetal Financial & Computer Services (P) Ltd having its registered office at Beetal House, 3rd Floor, Madangir, behind local shopping center, New Delhi- 110062;

“**Record Date(s) for Interest**” means the Record Date for First Interest Payment and the Record Date(s) for subsequent Interest Payments as described in Disclosure Document;

“**Record Date for First Interest Payment and Record Date(s) for Subsequent Interest Payments**” means the date falling 15 Business Days prior to the respective Interest Payment Date/Redemption Date;


श्री. के. एन. ए. वी. के. ज्युहार
उप महा प्रबन्धक (वित्त) / Dy. General Manager (Fin.)
रुरल इलेक्ट्रिफिकेशन कॉर्पोरेशन लिमिटेड


A.P.S. MANOCHA
Dy. General Manager (Law)


(राकेश कुमार अरोरा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रुरल इलेक्ट्रिफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

“Redemption Date(s)” shall be the date as mentioned in the Disclosure Document.

“Register” shall have the meaning assigned to it in clause 28 of this Deed.

“Special Resolution” shall have the meaning assigned to it in Fourth Schedule.

“Security” means the Bonds shall be secured by way of first *pari passu* charge on the book debts of the Issuer which are not specifically charged to any other lender/trustee and on which existing lenders/trustees have ceded their first charge, and as may be agreed between the Issuer and the Trustees, pursuant to the terms of the Bond Trust cum Hypothecation Deed with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.

1.2 Interpretation

In this Deed:

- (a) Words denoting singular shall include plural and vice-versa.
- (b) Words denoting one gender only shall include the other gender.
- (c) Words denoting persons only shall include individual, corporation, firm, partnership, joint venture, association, organisation, trust, state or Governmental Authority or other legal entity (in each case, whether or not having separate legal personality).
- (d) All references in these presents to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment.
- (e) All references in these presents to schedules, recitals, sections, sub-sections, paragraphs or sub-paragraphs shall be construed as reference respectively to the schedules, recitals, sections, sub-sections, paragraphs and sub-paragraphs of these presents;
- (f) The provisions contained in the schedules hereunder written shall have effect in the manner as if they were specifically set forth herein.
- (g) All capitalised terms not specifically defined herein shall have the meaning ascribed to them in the Disclosure Document.

2. BOND TRUSTEE


2.1 Subject to the terms, conditions and covenants contained in this Deed, IDBI Trusteeship Services Limited agrees to act as BOND Trustee for the purposes and in accordance with the terms and provisions set forth herein for the benefit of the Bondholders (including their successors, transferees, novatees and assignees) under Series 116 on the remuneration as mentioned in Clause 37 hereof.

3. COVENANT TO PAY PRINCIPAL AND INTEREST




B. K. JOHAR
Dy. General Manager (Fin.)


A.P.S. MANOCHA
Dy. General Manager (Legal)


(राकेश कुमार अरोड़ा, RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रिफिकेशन कॉरपोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

3.1(i) The Company covenants to the BOND Trustee that the Bonds to be issued are secured, non-convertible, non-cumulative, redeemable, taxable Bonds (series 116) in the nature of debentures of Rs.10 Lakhs each. The tradable lot/market lot is 1 (one) Bond only. The interest payable on the Bonds shall be as provided in Financial Covenants and Conditions in Second Schedule of this Deed. Provided that if so called upon by the BOND Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the BOND Trustee at Delhi and such payment shall be deemed to be in *pro tanto* satisfaction of the aforesaid covenant of the Company to make such payments to the Bondholders.

(ii) The Company covenants with the BOND Trustee that it shall pay to the Bondholders the principal amount of Bonds payable on Redemption Date(s) thereof as mentioned in the Financial Covenants and Conditions detailed in the Second Schedule hereunder written.

(iii) The payments shall be made by way of post dated cheque(s) / interest warrants / Real Time Gross Settlements (RTGS), National Electronic Fund Transfer (NEFT) etc., which will be dispatched to the Bondholders/Beneficial Owner(s), before the due date by post.

(iv) The Company covenants that in case of default in payment of interest and/or principal amount on the respective due dates, an additional interest of 2% p.a. will be payable for the defaulting period.

(v) Taxes as applicable under the Income Tax Act, 1961 or any other statutory modifications thereof will be deducted at source, as applicable. Tax Exemption Certificate/Document under the provision of Income Tax Act, 1961, if any, must be lodged at the registered office of the Company before the relevant Record Date.

(vi) If the due date for any payment of the principal amount of the Bonds, interest, trustee fees and all monies payable under these presents falls on a public holiday at New Delhi, then the immediately next working day shall be the due date for such payments.

3.2 The Trustees shall be entitled to enforce the obligations of the Company under or pursuant to the Financial Covenants and Conditions as if the same were set out and contained in these presents.

4. LISTING

4.1 The Company shall list the Bonds on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited (NSE) and/or Bombay Stock Exchange (BSE).


5. FORM OF THE BONDS

5.1 The Bonds are issued in dematerialised form and the same shall be in accordance with the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended ("SEBI Debt Regulations"), Depositories Act, 1996 and the applicable rules, regulations, circulars and notifications made thereunder and issued as per the terms and conditions stipulated under the Disclosure Document together with the benefits of the Financial Covenants and




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Rural Electrification Corporation Ltd.

Conditions as set out in Second Schedule. The Bondholders will have the right to convert the dematerialised securities into physical form as per applicable rules and regulations.

5.2 The Financial Covenants and Conditions and the terms of the Disclosure Document shall be binding on the Company, the BOND Trustee, the Bondholders and all Persons claiming by, through or under any of them and the BOND Trustee shall be entitled to enforce the obligations of the Company under or pursuant to the Disclosure Document and the Financial Covenants and Conditions as if the same were set out and contained in this Deed.

5.3 The Company confirms that all necessary disclosures shall be in the Disclosure document including necessary disclaimers that investors should carefully read and note the contents of the Disclosure Document and each prospective investor should make its own independent assessment of the merit of the investment in the Bonds issued by the Company. Further, prospective investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Furthermore, prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

5.4 The BOND Trustee, "*ipso facto*" do not have the obligations of a borrower or a Principal Debtor or a Guarantor in respect of the monies paid/invested by investors for the Bonds.

5.5 The principal amount of the Bonds on redemption, interest (inclusive of default/additional interest where applicable) and all other monies hereby secured shall, between the holders of the Bonds, inter-se rank *pari passu* without any preference or priority whatsoever on account of date of issue or allotment or otherwise.

6. CHARGE

6.1 For the consideration aforesaid and as security for the redemption and payment of the principal amount of the Bonds on redemption, interest, default interest (where applicable), BOND Trustees' remuneration and all other monies hereby secured or intended to be hereby secured or intended to be secured, the Company hereby, as and by way of first *pari passu* charge –

(i) on the book debts of the Issuer which are not specifically charged to any other lender/trustee and on which existing lenders/trustees have ceded their first charge, and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Debenture/ Bond Trust cum Hypothecation Deed with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.

The Issuer undertakes that it has obtained permission/ consent from the earlier creditor(s) to create *pari passu* charge and execute the necessary documents for creation of the charge, including the Debenture/ Bond Trust cum Hypothecation Deed, within time frame prescribed in the relevant regulations/ act/ rules etc and submit with NSE/BSE within five working days of execution of the same for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer's obligation to create security.



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उप महा प्रबन्धक (वित्त) / Dy. General Manager (Fin.)

A.P.S. MANOCHA

(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रीफिकेशन कॉरपोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

(ii) Notwithstanding anything herein contained, the Company shall be at liberty to obtain from a bank or banks overdraft/cash credit facilities as may be agreed to by the BOND Trustee for meeting its working capital requirements and the charge created under this Clause 6 shall not include the Bankers' Goods charged or to be charged by the Company in favour of its bankers to secure such overdraft facility/ cash credit facility for the working capital requirements of the Company.

(iii) The Company will have the right, to withdraw any portion of the security and replace the same with security of a value equal to or greater than the value of the security that may be withdrawn only with the written permission from the BOND Trustee.

6.2 The Company shall within such period as may be permitted by the BOND Trustee, furnish to the BOND Trustee as additional security, if the BOND Trustee is of the opinion that during the subsistence of the Bonds, the security for the Bonds has become inadequate and the BOND Trustee has, accordingly, call upon the Company to furnish such additional security. In such case, the Company shall forthwith, at its own costs and expenses, furnish to the BOND Trustee such additional security in form and manner satisfactory to the BOND Trustee as security for the Bonds, and upon creation of such additional security, the same shall vest in the BOND Trustee subject to all the trusts, provisions and covenants contained in these presents.

Provided however that the total security to be provided by the Company shall at all times be at least one time of the aggregate face value amount of Bonds outstanding at all times.

6.3 The company is permitted to securitize its book debts, including the specific book debts that form part of the Security, from time-to-time. Provided that, the Company maintains the minimum security cover of one time.

6.4 The Security created by or pursuant to this Deed is a continuing security and shall remain in full force and effect until the repayment/redemption in full of all amounts due in respect of the Bonds.

6.5 The powers which this Deed confers on the BOND Trustee and any receiver appointed hereunder are cumulative and without prejudice to their respective general powers under the Applicable Law and may be exercised as often as the BOND Trustee or the receiver may deem fit and appropriate and the BOND Trustee may, in connection with the exercise of its powers, joint or concur with any Person in any transaction, scheme or arrangement whatsoever and the Company acknowledges that the respective powers of the BOND Trustee or the receiver appointed hereunder shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.


7. POWER OF BOND TRUSTEE TO PERMIT THE COMPANY TO DEAL WITH HYPOTHECATED BOOK DEBTS

At any time before the security constituted hereunder becomes enforceable, the BOND Trustee may, at the cost and request of the Company, and without any consent of the Bondholders, do or concur with, or approve of, the Company in doing all or any of the things and particularly but not by way of limitation, the following:




बी. क. जोरार / B. K. JOKAR
उप महा प्रबंधक (वित्त) / Dt. General Manager (Fin.)


A.P.S. MANOCHA


(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रुरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

- a) call in, collect, convert, deal with or exercise any right in respect of all or any of the Security upon such terms and for such consideration as the BOND Trustee deem expedient including any lien, charge, pledge or otherwise howsoever or other encumbrance of any kind.
- b) approve the debt/asset cover in respect of the Bonds;
- c) assent to any modification of any contracts or arrangements which may be subsisting in relation to the Security;
- d) assign any part or all Security in the name of or under the control of the BOND Trustee or any nominee of the BOND Trustee if deemed expedient with a view to the realisation or otherwise thereof;
- e) institute, defend, enforce any suit or proceeding and settle, adjust, refer to arbitration, compromise and arrange all accounts, disputes, reckonings, questions, claims or demands whatsoever in relation to any or all of the Security;
- f) enter into, make, execute and do all acts, deeds, matters, things and assurances, from time to time, in relation to the Security as the BOND Trustee may approve and in such manner and on such terms as the BOND Trustee may determine in the interest of the Bondholders/Beneficial Owner(s);

Provided that all security of any description and all capital monies arising from or receivable upon any such dealing as aforesaid remaining after payment therefrom of the costs and expenses of and incidental to such dealing shall be and become part of the Security and shall be paid to or vested in or specifically charged in favour of the BOND Trustee in such manner as the BOND Trustee shall require.

8. EVENTS OF DEFAULT AND REMEDIES

8.1 Events of Default

If one or more of the events specified herein (hereinafter called the "Event of Default") happens, the BOND Trustee may, in their discretion, or shall, upon request in writing of the Holders of the Bonds of an amount representing not less than three-fourth (3/4th) in value of the aggregate amount of the Bonds under the Series 116, for the time being outstanding, or by Special Resolution duly passed at a meeting of the Bondholders of the present Series 116 convened in accordance with the provisions set out in the Fourth Schedule hereunder written, by a notice in writing to the Company declare the principal amount of the Bonds and all interest on Bonds to be due and payable on Bonds forthwith shall become enforceable.

- (a) Default is committed in payment of the principal amount of the Bonds on the due date(s) and continues for a period of 30 (thirty) days or is not rectified within 7 (seven) Business Days of intimation to the Company, unless it is due to technical error beyond control of the Company;

- (b) Default is committed in payment of any interest on the Bonds in at least 1% of the aggregate amount of Bonds on the due date(s) and continues for a period of 30



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Rural Electrification Corporation Ltd.

(thirty) days or is not rectified within 7 (seven) Business Days of intimation to the Company unless it is due to technical error beyond control of the Company;

- (c) Default is committed by the Company in the performance or observance of any covenant, obligation, condition or provision contained in these presents and/or the Financial Covenants and Conditions (other than the obligation to pay principal and interest) and such default continues for 30 (thirty) Business Days after written notice has been given thereof by the BOND Trustee to the Company requiring the same to be remedied;
- (d) Any indebtedness of the Company for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised (whether or not for cash consideration) from banks or financial institutions by whatever means (including acceptances, credits, deposits and leasing), including interest thereon, becomes due prior to its stated maturity by reason of default of the terms thereof or any such indebtedness is not paid at its stated maturity or there is a default in making payments due under any guarantee or indemnity given by the Company in respect of the indebtedness of borrowed monies of any person, provided that individual amounts referred to above exceed Rs. 10,00,00,000 (Rupees Ten Crore Only) and the default is not rectified within 7 (seven) Business Days, unless the failure to pay is caused by technical error beyond the control of Company;
- (e) Any information given by the Company to the Bondholders/Beneficial Owners or the BOND Trustee in any reports and the representations and warranties given or deemed to have been given by it to the BOND Trustee is misleading or incorrect in any material respect;
- (f) If, without the prior written approval of the BOND Trustee, the Security or any part thereof is sold, disposed of, assigned, charged, encumbered or alienated, and consequent to which the Company has not created additional security so as to maintain the required security cover;
- (g) If there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, whether voluntarily or compulsorily, may be or have been commenced and admitted;
- (h) The Company has voluntarily or involuntarily commenced or become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved or liquidated;
- (i) The Company is unable to or has admitted, in writing, its inability to pay its debts as they mature;

- (j) A receiver or a liquidator has been appointed or allowed to be appointed of all or any substantial part of the undertaking of the Company or an attachment, sequestration, distress or execution (or analogous process) is levied or enforced upon or issued against a substantial part of the assets of the Company;





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Rural Electrification Corporation Ltd.

- (k) If, any extra-ordinary circumstances have occurred, that makes it improbable for the Company to fulfil its obligation under these presents and/or the Bonds;
- (l) The Company ceases or threatens to cease to carry on its business or gives notice of its intention to do so;
- (m) If, the Company is unable to pay its debts within the meaning of Section 434 of the Act and orders for winding up has been passed by the court; and
- (n) The Bonds are not listed in accordance with clause 4 of this Deed within stipulated period or any grace period if so allowed under the provisions of the respective Applicable Laws, or if such listing of the Bonds ceases at any point of time prior to the Maturity Date due to an act of the Company or failure by the Company to take all necessary action to ensure re-listing.

8.2 Remedies

If one or more of the events specified in clause 8.1 happen(s), the BOND Trustee may, in their discretion, and shall, upon request in writing of the Bondholders of an amount representing not less than three-fourths (3/4th) in value of the nominal amount of the Bonds under the present Series 116 for the time being outstanding or by a Special Resolution duly passed at the meeting of the Bondholders convened in accordance with the provisions set out hereunder in the Fourth Schedule, by a notice in writing to the Company, declare the principal of and all accrued interest on the Bonds to be due and payable forthwith and the Bonds shall without any further action become due for redemption along with the interest accrued thereon and the security offered under this deed and / or under any security document executed by the Company shall be enforceable by the Trustee as provided under this Deed.

8.3 Appointment of Nominee Director

Subject to the requisite governmental approvals, on happening of any of the Events of Default, in addition to the rights specified above, the Bondholders/BOND Trustee shall have the right to appoint a nominee on the Board of Directors of the Company (hereinafter referred to as the "Nominee Director") in terms of the SEBI Debt Regulations, in the event of:


- (a) two consecutive defaults in payment of interest to the Bondholders; or
- (b) default in redemption of the Bonds.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares.

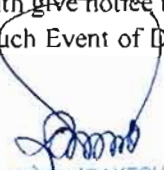
8.4 Notice on the happening of an Event of Default

If any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default has happened, the Company shall, forthwith give notice thereof to the Bondholders/BOND Trustee in writing specifying the nature of such Event of Default, or of such event.




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8.5 Expenses incurred in case of Collection

Expenses incurred by the Bondholders/BOND Trustee for collection of amount payable under interest or redemption after an Event of Default has occurred shall be payable by Company.

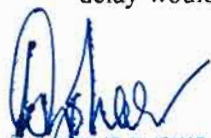
8.6 Right to Disclose/ Publish the Names of the Company and its Directors as Defaulters

On happening of any Event of Default as mentioned in Clause 8.1(a) or clause 8.1(b), the Bondholders/BOND Trustees shall have an unqualified right to disclose the name of the Company and its functional directors to Reserve Bank of India (RBI)/ or any other statutory/regulatory authority in this behalf. The Bondholders/ BOND Trustee and/or RBI/or any other statutory/regulatory authority shall have the right to publish the name of the Company and its directors as defaulters in such manner and through such medium as they in their absolute discretion may think fit.

9. TRUST OF THE SECURITY


The (book debts) shall be and remain security to the BOND Trustee for the due repayment of the principal amount of the Bonds, premium on redemption, interest, default/additional interest (where applicable), remuneration of the BOND Trustee, and all other monies payable under the Bonds and these presents intended to be hereby secured. The BOND Trustee shall permit the Company, until the happening of any Event of Default upon the happening of which the security hereby constituted shall become enforceable as herein provided, to hold and enjoy the Security and to carry on therein and therewith the business authorized by the Memorandum of Association of the Company. Upon happening of any Event of Default, the BOND Trustee may (but subject to the provisions herein contained as to notice where such provision is applicable) in their discretion, and shall, upon request in writing of the Holders of Bonds of an amount representing not less than three-fourths (3/4th) in value of the aggregate amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at a meeting of the Bondholders convened in accordance with the provisions set out in the Fourth Schedule hereunder written receive the rents, profits and income of the Security or any of them or any part thereof and subject to the rights conferred on the BOND Trustee by Clause 7 hereof may, at their discretion and shall, upon request of the Bondholders as mentioned above, sell, call in, collect and convert into monies the same or any part thereof with full power to sell any of the Security either by public auction or private contract and either for a lump sum or a sum payable by instalments or for a sum on account and a charge for the balance and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title as to the removal of any security which may be sold separately or otherwise as the BOND Trustee shall think proper and with full power to buy in or rescind or vary any contract for sale of the Security or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such acts, assurances and things as they shall think fit. PROVIDED ALWAYS that before taking possession as aforesaid or making any sale, calling in, collection or conversion under the aforesaid power in that behalf (hereinafter referred to as the "Power of Sale") the BOND Trustee shall give written notice of their intention to the Company. However, the BOND Trustee shall not be bound to give any such notice in any case where they shall certify, that in their opinion further delay would imperil the interests of the Bondholders or in case where an order or resolution for




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Rural Electrification Corporation Ltd

the winding up of the Company shall have been made or passed. The BOND Trustee shall not exercise the Power of Sale if in the case of such power arising by reason of any default in payment of any monies due in respect of the principal or interest. The Company shall provide to the BOND Trustee the payment of monies so in arrears within three months next after the notice has been given or if in the case of such power arising by reason of any provisions as herein stated the Company shall, within 7 (Seven) days of the receipt of a notice, remove, discharge or pay out any distress, execution or process or fully perform the covenants, conditions or provisions breached, if capable of being performed, or make good the breach thereof, or pay adequate compensation for such breach to the satisfaction of the BOND Trustee and any compensation so paid to the BOND Trustee shall be deemed to be part of the Security.

10. TRUST OF PROCEEDS OF SALE/ REALISATION OUT OF THE SECURITY

The BOND Trustee shall hold UPON TRUST the monies received by them or the receiver in respect of the Security or any part thereof arising out of any sale, calling in, collection or conversion under the Power of Sale and they shall, in the first place, by and out of the said monies reimburse themselves and pay, retain and discharge all the costs, charges and expenses incurred in or about the entry, appointment of receiver, calling in, collection, conversion or the exercise of the Trusts and powers under these presents, including the remuneration of the BOND Trustee and its receiver as herein provided, and shall apply the residue of the said monies subject to the rights of the first *pari passu* chargeholders:

FIRSTLY in or towards payment to the Bondholders/Beneficial Owner(s) *pari passu* of all arrears of interest including default/additional interest (which shall be deemed to accrue due from day to day) remaining unpaid on the Bonds held by them;

SECONDLY in or towards payment to the Bondholders/Beneficial Owner(s) *pari passu* of all principal amounts owing on the Bonds held by them and whether the said principal amounts shall or shall not then be due and payable;

THIRDLY in or towards payment of the surplus (if any) of the said monies to the person or persons entitled thereto.

Provided that, if the BOND Trustee is of the opinion that it is expedient to do so, payments may be made on account of principal before the whole or part of the interest due on the Bonds has been paid off, but such alteration in the order of payment of principal and interest herein prescribed shall not prejudice the right of the Bondholder(s)/Beneficial Owner(s) to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which sum ultimately realized from the security may be sufficient to pay.


11. BOND REDEMPTION/INTERST PAYMENTS

No action will ordinarily be required on the part of the Bondholder at the time of redemption/interest payment, and the Maturity Amount/Interest Payment will be paid to those Bondholders whose names appear in the Register of Bondholders maintained by REC/Registrar on the Record Date fixed for the purpose of redemption. However,




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Surat Electrification Corporation Ltd.

REC may require the Consolidated Bond Certificate(s), duly discharged by the sole holder or all the joint-holders [signed on the reverse of the Consolidated Bond Certificate(s)] to be surrendered for redemption on Maturity Date and sent by the Bondholders by registered post with acknowledgment due or by hand delivery to the Registrar to the Issue or REC or to such persons at such addresses as may be notified by REC from time to time. Bondholders may be requested to surrender the Consolidated Bond Certificate(s) in the manner stated above, not more than three months and not less than one month prior to the Maturity Date so as to facilitate timely payment..

12. POWER OF THE BOND TRUSTEE TO INVEST UNCLAIMED AMOUNT

Upon occurrence of Event of Default, after provision for payment and satisfaction of the Bonds is made by the deposit in a Bank as aforesaid, the Trustees may invest the same in any of the investments herein authorised.

13. BOND TRUSTEES' RIGHTS TO CARRY ON BUSINESS

On the happening of any Event of Default and upon the security hereby constituted becoming enforceable and after the Trustees shall have sold, called in, collected or converted under the Power of Sale as mentioned in Clause 9 hereinabove, the Trustees may, if they shall think fit so to do but not otherwise, either themselves carry on and manage the business of the Company in and with the Security or any of them or appoint a Receiver to carry on and manage the same and the Trustees or the Receiver may manage and conduct the same as they shall in their discretion think fit.

The Trustees or the Receiver so appointed may for the purpose of carrying on the said business do all or any of the following acts and things viz-

- (a) Employ or remove such experts, officers, agents, managers, clerks, accountants, servants, workmen and others and upon such terms with such salaries, wages or remuneration as the Trustees or the Receiver shall think proper;
- (b) Repair the buildings and other property comprised in the Security;
- (c) Insure all or any of the Security of an insurable nature against loss or damage by fire and against such other risks in such sum or sums as the Trustees or the Receiver shall think fit;
- (d) Settle, arrange, compromise and submit to arbitration any account, claims, questions or dispute whatsoever which may arise in connection with the said business or the Security or in any way relating to the security and execute release other discharges in relation thereto;
- (e) Bring, take, defend, compromise, submit to arbitration and discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the business or any portion of the Security;




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- (f) Allow time for payment of any debt with or without security;
- (g) Subject to such consent as may be necessary demise or let out, sub-let or under let the Security or any part or parts thereof for such terms at such rents and generally in such manner and upon such conditions and stipulations as the Trustees or the Receiver shall think fit;
- (h) Exchange any part or parts of the Security for any other security or property suitable for the purposes of the Company whether forming part of the General Assets or not and upon such terms as may seem expedient and either with or without payment or receipt of moneys for equality of exchange or otherwise;
- (i) Assent to the modification of any contracts or arrangements which may be subsisting in respect of any of the Security and, in particular the terms of any concession or licences for the time being held;
- (j) Execute and do all such acts, deeds and things as to the Trustees or the Receiver may appear necessary or proper for or in relation to any of the purposes aforesaid.

The Trustees or the Receiver so appointed may for any of the purposes aforesaid do or cause to be done all such acts and things respecting the business and the Security as the Trustees/Receiver could do or cause to be done if the Trustees/ Receiver had the absolute possession of the Security and had carried on the said business for the benefit of the Trustees without being answerable for any loss or damage which may happen thereby.

14. DECLARATION OF TRUST BY TRUSTEE

The Trustee hereby declares and confirms that it has simultaneously with the execution of this Trust Deed, settled and kept apart a sum of Rs. 1,000/- being initial corpus (herein after referred as Initial Contribution) of Trust created in terms of this Deed to have and hold together with all additions or accretions thereto including the investment represented the same subject to terms of this Deed.

Trustee declares that in relation to Bondholder, it shall, as the case may be hold:

- (i) Initial Contribution;
- (ii) Security;
- (iii) All of its rights under or pursuant to this Deed and all sums received by it under this Deed(save for money on its accounts);
- (iv) All monies received by it out of whether prior to or as a result of enforcement of security Transaction Documents or the exercise of rights and remedies under the provisions of the Transaction Documents.

Upon trust and for the benefit of the Bondholders subject to powers and provisions contained and concerning the same for due payment and discharge of amount outstanding.

15. POWER OF BOND TRUSTEE TO BORROW



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Rural Electrification Corporation Ltd.

Upon occurrence of Event of Default, the Trustees may, with the consent in writing of the owner(s) of Bonds representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding by a special resolution duly passed at a Meeting of Bondholder(s)/ Beneficial Owner(s) convened in accordance with the provisions set out in the Fourth Schedule hereunder written, raise or borrow moneys on the security of the Security or any part thereof ranking *paripassu* with or subservient to these presents as the Trustees with such consent or sanction shall decide, for the purpose of making any payment under or by virtue of these presents or in relation to the exercise or any powers, duties or obligations of the Trustees or the Receiver or otherwise in relation to the Security or these presents or for the purpose of paying off or discharging any mortgages or charges for the time being on the Security or any part thereof or any costs, charges and expenses which shall be incurred by the Trustees under or by virtue of these presents and the Trustees may raise and borrow such moneys as aforesaid at such rate or rates of interest and generally on such terms and conditions as the Trustees shall think fit.

16. POWER OF TRUSTEES TO APPOINT RECEIVER

The BOND Trustee, at any time after the Security hereby hypothecated becomes enforceable and whether or not the BOND Trustee shall then have taken possession of the Security and in addition to the power hereinbefore conferred upon the BOND Trustee after such entry into or taking possession, may, in writing, appoint any one or more of the officers of the BOND Trustee or any bank or financial institution doing business in India or a practicing chartered accountant as Receiver(s) (the “**Receiver**”) of the Security or any part thereof and remove any Receiver(s) so appointed and appoint any such other person(s) in his or their stead and unless the BOND Trustee shall otherwise prescribe in writing such Receivers shall have all the powers hereinbefore conferred upon the BOND Trustee. All the provisions and powers hereinbefore declared in respect of a Receiver appointed by the BOND Trustee after taking possession by the BOND Trustee shall apply to a Receiver appointed before taking possession by the BOND Trustee and in particular such Receiver shall be deemed to be the agent of the Company which shall be solely responsible for his acts and defaults and for his remuneration. In addition to the foregoing, the following provisions shall also apply to such Receiver, subject to the provisions of Section 123 of the Companies Act:

(b) Receiver to be invested with powers by BOND Trustee:

The BOND Trustee may invest the Receiver with such powers and discretions including powers of management in respect of the Security as the BOND Trustee may think expedient;

(c) Receiver to exercise powers vested in BOND Trustee:

Unless otherwise prescribed by the BOND Trustee in writing, the Receiver shall have and may exercise all the powers and authorities hereby conferred on the BOND Trustee;

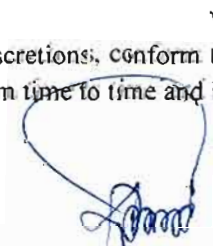
(d) Receiver to conform to regulations made by BOND Trustee:

The Receiver shall, in the exercise of his powers, authorities and discretions, conform to the regulations and directions made and given by the BOND Trustee, from time to time and in the accordance with the law.




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Rural Electrification Corporation Ltd

(e) Receiver's remuneration:

The BOND Trustee may, from time to time, in consultation with the Company fix the remuneration of the Receiver and direct payment thereof out of the security, but the Company alone shall be liable for the payment of such remuneration;

(f) Receiver to give security:

The BOND Trustee may, from time to time and at any time. require the Receiver to give security for the due performance of his duties and may fix the nature and the amount of the security to be given, but the BOND Trustee shall not be bound in any case to require any such security;

(g) Receiver to pay the monies:

Unless otherwise directed by the BOND Trustee, all monies, from time to time, received by such Receiver shall be paid over to the BOND Trustee to be held by them UPON THE TRUSTS herein declared of and concerning the monies arising from any sale, calling in, collection or conversion of the Security;

(h) BOND Trustee may pay monies to Receiver:

The BOND Trustee may pay over to the Receiver any monies constituting part of the Security to the intent that the same may be applied for the purposes hereunder contained by such Receiver and the BOND Trustee may, from time to time, determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver;

(i) Receiver's power to borrow on the current assets (book debts):

Subject as provided herein, the Receiver may, for the purpose of carrying on business of the Company mentioned in (b) above, for defraying any costs, charges, losses or expenses (including his remuneration) which shall be incurred by him in exercise of the powers and authorities vested in him raise and for all or any purpose raise and borrow monies on the security of the current assets (book debts) or any part thereof at such rate or rates of interest and generally on such terms and conditions as he may think fit, and no person lending any such money/monies shall be concerned to inquire as to the propriety or purpose of the exercise of the said power or to see to the application of any monies so raised or borrowed: Provided that the Receiver shall not exercise the said power without first obtaining the written consent of the BOND Trustee but the BOND Trustee shall incur no responsibility or liability to any lender or otherwise by reason of their giving or refusing such consent whether absolutely or subject to any limitation or condition:

(j) Receiver agent of the Company:


Every Receiver shall be the agent of the Company for all purposes and the Company alone shall be responsible for his or its acts and defaults, losses or misconduct and liable on any contract or engagement made or entered into by the Receiver and for the Receiver's




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remuneration and the BOND Trustee and the Bondholders shall not incur any liability or responsibility therefore by reason of their making or consenting to his appointment as such Receiver.

17. INVESTMENT OF CAPITAL MONIES

Subject as aforesaid, the BOND Trustee shall invest the net capital monies referred to in Clause 7 hereof upon some or one of the investments hereinafter authorised or place the same upon deposit or in current account in the name of the BOND Trustee with any scheduled bank or banks with power, from time to time, at their discretion, to vary such investments and to resort to any such investments for any of the purposes for which such proceeds are under these presents authorised to be expended and subject as aforesaid the BOND Trustee shall stand possessed of the said investments UPON THE TRUSTS herein declared and until the Power of Sale shall arise to pay the net income thereof and any net monies in the nature of income arising to the Company and after the Power of Sale shall have arisen, to hold the investments and income thereof respectively and the net monies in the nature of income UPON THE TRUSTS and purposes hereinbefore expressed concerning the monies to arise from any sale, calling in, collection and conversion made as aforesaid; Provided always that in default of such Power of Sale arising and after payment and satisfaction of all monies intended to be secured by these presents the said investments monies and income thereof and net monies last aforesaid shall be held in trust for the Company or its successors or permitted assigns.

18. AUTHORISED INVESTMENTS

Any monies which under the Trust or powers herein contained ought to be invested by the BOND Trustee may be invested in the name of the BOND Trustee or under the legal control of the BOND Trustee in any of the investments by law authorised for investment of Trust monies for the time being in force in India with power to vary and transpose such investments and in so far as the same shall not be invested shall be placed on deposit in the name of the BOND Trustee in a scheduled bank or banks.

19. POWER OF BOND TRUSTEE UPON EXECUTION BEING LEVIED

In addition to the powers hereinbefore conferred, the BOND Trustee may appoint a Receiver to protect the Security which may at any time appear to be in danger of being taken under any process of law by any creditor of the Company or be otherwise in jeopardy and where a Receiver is appointed under this Clause the provisions of Clause 16 hereof shall apply *mutatis mutandis* and the BOND Trustee may at any time discharge the Receiver.

20. APPLICATION OF MONIES FROM BUSINESS

The BOND Trustee shall out of the monies received by the BOND Trustee in carrying on the business and out of the rents, profits and income of the Security, pay and discharge the costs, charges and expenses incurred in such management including the remuneration of the Receiver (if any) and in the management of the Security or in the performance or exercise or the attempted performance or exercise of the powers and duties under these presents and all other outgoings which the BOND Trustee or Receiver shall think fit to pay and shall pay and apply the residue of the said receipts, rents, profits and monies in the manner hereinbefore provided with respect to the




श्री. के. जोहार / B. K. JOHAR
उप महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)


A.P.S. MANOCHA
Dy. General Manager (Fin.)


(राकेश कुमार अरोड़ा) / RAKESH KUMAR ARORA
महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

monies arising from any sale or conversion under the Power of Sale or conversion under these presents.

21. WHEN BOND TRUSTEE MAY INTERFERE

Except as provided herein, the BOND Trustee shall not be in any manner required, bound or concerned to interfere with the management of the affairs of the Company or its business or the custody, of the Security or any part thereof.

22. REPRESENTATIONS, WARRANTIES, COVENANTS AND UNDERTAKINGS OF THE COMPANY

22.1 The representations, warrants and covenants made by the Company to the BOND Trustee hereunder are made as of the date hereof and as of each date till the Maturity Date, and are valid till the Maturity Date.


22.2 The Company affirms represents and covenants as follows: -

- i) That the Security herein charged is the sole and absolute properties of the Company and save for the encumbrances already disclosed and created/to be created hereunder written, are free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment or other process issued by any Court or other authority;
- ii) That notwithstanding anything by the Company done or executed or omitted to be done or executed or knowingly suffered to the contrary, the Company has power to charge unto the BOND Trustee, the Security;
- iii) Subject to the Applicable Laws, it shall be lawful for the BOND Trustee upon taking possession under the provisions herein contained of all or any of the Security henceforth to hold and enjoy the same and to receive the rents, profits and income thereof without any interruption of disturbance by the Company or any other person or persons claiming by, through, under or in trust for the Company and the BOND Trustee shall be freed and discharged from or otherwise sufficiently indemnified by the Company against all encumbrances and demands whatsoever;
- iv) The Company has complied with and shall comply with the provisions of the Reserve Bank of India Act, 1934, Securities and Exchange Board of India Act, 1992, SEBI Debt Regulations, and applicable rules regulations, circular, notifications and laws made thereunder, and other applicable rules, regulations, circulars, notifications and laws and agrees to furnish information on a regular basis to BOND Trustee in terms of the aforesaid regulations, the Listing Agreement for Debt Securities and other applicable circulars and laws;
- vii) None of the Directors of the Company is a person who is disqualified to hold office of director under section 274 of the Companies Act.
- viii) The Company has obtained in principle approval for listing and trading of Bonds from BSE and the NSE for listing of the Bonds pursuant to their DCS/COMP/SP/IP-




बी. के. जोहार / B. K. JOHAR
महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)
रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड


A.P.S. MANOCHA
Dy. General Manager (Law)


(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

PPDI/133/13-14 and NSE/LIST/217696-Q dated October 03, 2013 and October 03, 2013, respectively.

22.3 The Company hereby represents and warrants to the Bond Trustee that:

(a) Corporate Status

The Company:

- (i) is duly incorporated in India and validly existing company under the Act;
- (ii) is a public limited company listed on the BSE and NSE; and
- (iii) has power and authority to own its properties and assets and to transact the business in which it is engaged or proposes to be engaged and to do all things necessary or appropriate to consummate the transactions contemplated by this Deed.

(b) Corporate Power and Authority

The Company has the corporate power to execute and deliver and to comply with the provisions of this Deed and that it has taken all necessary corporate and other action(s) to authorise the execution, delivery and performance by it of such other documents as have been executed and delivered as of each date this representation and warranty is made or deemed made in connection with the issue of the Bonds.

(c) No Violation

Neither the execution and delivery by the Company of this Deed nor the other documents as have been executed and delivered in connection with the issue of the Bonds as of each date this representation and warranty is made or deemed to be made, nor the Company's compliance with or performance of the terms, and provisions hereof or thereof (a) will contravene, in any material respect, any provision of any Applicable Law, or any order, writ, injunction or decree of any court or Government Authority, (b) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, in any material respect of, or constitute a default under, any contract or instrument to which the Company is a party (c) will violate any provisions of the Memorandum and Articles.

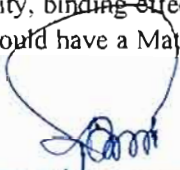
(d) Governmental Approvals

Otherwise specifically mentioned under this Deed or Disclosure Document, no separate Government approval, clearance, permission or consent is required to authorise, or is required in connection with: (i) the execution, delivery and performance by the Company of this Deed or any of the documents executed in connection with the issue of the Bonds; or (ii) the legality, validity, binding effect or enforceability, hereof or thereof, in each case, a lack of which would have a Material Adverse Effect.




बी. के. जोहार / B. K. JOHAR
एन महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)


A.P.S. MANOCHA
Dy. General Manager (Law)


(राकेश कुमार अरोरा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रुरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

(e) Litigation

To the best of the Company's knowledge, there are no actions, suits or proceedings pending or threatened against the Company, including with respect to governmental, statutory or other approvals, which could reasonably be expected to have a Material Adverse Effect.

(f) Tax Returns and Payments

The Company has filed all tax returns required by Applicable Law to be filed by it and has paid all taxes payable by it which have become due pursuant to such tax returns, save and except those not yet delinquent and/or contested in good faith and for which adequate reserves have been established/ provision made, to the extent required by the Applicable Laws.

(g) Compliance with Statutes

The Company to the best of its knowledge is in compliance in all material respects with the Applicable Laws in respect of the conduct of its business and the ownership of its property. The parties to this Deed will ensure that this Deed and other documents in relation to the issue of the Bonds executed is and those to be executed will, when executed, be in proper legal form under the respective governing laws for the enforcement thereof and all consents and permissions required have been or will be obtained in accordance with the Applicable Laws.

(h) Material Adverse Effect

To the best of the Company's knowledge, there are no facts or circumstances, conditions or occurrences which could collectively or otherwise reasonably be expected to result in a Material Adverse Effect or which could lead to a breach of any of the provisions of this Deed.

(i) Assurance

The Company shall execute all such deeds, documents and assurances and do all such acts and things as the BOND Trustee may reasonably require for exercising the rights under these presents and the Bonds.

(j) Solvency

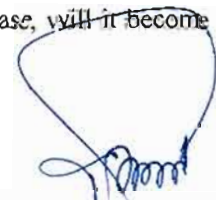
(i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of the Applicable Laws, nor in any such case, will it become so in consequence of entering into this Deed.



श्री. बी. आर. जोहार / B. R. JOHAR,
उप-महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)



श्री. ए.पी.एस. मणोचा / A.P.S. MANOCHA,
उप-महा प्रबंधक (कानून) / Dy. General Manager (Law)



(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

- (ii) The Company, by reason of financial difficulties, has not commenced negotiations with one or more of its creditors with a view to rescheduling its indebtedness.
- (iii) The value of the assets of the Company is more than its respective liabilities and it has sufficient capital to carry on its business.
- (iv) The Company has not taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

22.4 The Company hereby covenants with the BOND Trustee that the Company shall, at all times during the continuance of the Security (except as may otherwise be previously agreed in writing by the BOND Trustee):

- (a) Execute all such deeds, documents and assurances and do all such acts and things as the BOND Trustee may reasonably require for exercising the rights, powers and authorities hereby conferred on the BOND Trustee or for effectuating and completing the Security hereby created and shall, from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurances, acts and things as the BOND Trustee may require for facilitating realisation of the Security and in particular the Company shall execute all transfers, conveyances, assignments and assurances of the Security whether to the BOND Trustee or to its nominees and shall give all notices, orders and directions which the BOND Trustee may think expedient and further shall, for such purposes or any of them make or consent to the making of any application in the name of the Company to any Government or local authority as the BOND Trustee may require for the sale and/or transfer of the Security or any part thereof;
- (b) Carry out and conduct its business with due diligence and efficiency and in accordance with sound engineering, technical, managerial and financial standards and business practices with qualified and experienced management and personnel;
- (c) Utilize the monies received towards subscription of the Bonds for the purpose as specified in the Disclosure Document. The Company shall on demand by the BOND Trustee, furnish to the BOND Trustee a certificate of utilization, duly signed by the auditors/chartered accountants of the Company;
- (d) Maintain and keep in proper condition the records pertaining to the Security. If the Company fails to keep in proper condition the aforesaid records in respect of the Security or any part thereof, then the BOND Trustee may, but shall not be bound to, maintain the same in proper condition and any expense incurred by the BOND Trustee and its costs and charges therefore shall be reimbursed by the Company;

- (e) Keep proper books of account as required by the Companies Act and therein make true and proper entries of all dealings and transactions of and in relation to the Security and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the




 B. K. JOHAR
 Dy. General Manager (Fin.)


 A.P.S. MANOCHA
 Dy. General Manager (Fin.)


 (राकेश कुमार अरोरा / RAKESH KUMAR ARORA)
 महा प्रबंधक (वित्त) / General Manager (Finance)
 करल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
 Karal Electric Corporation Ltd.

books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Security and the business of the Company shall at all reasonable times be open for inspection of the BOND Trustee and such person or persons as the BOND Trustee shall, from time to time, in writing for that purpose appoint;

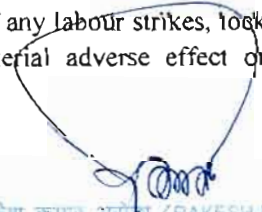
- (f) Permit the BOND Trustee and such person as the BOND Trustee shall, from time to time, in writing for that purpose appoint, in consultation with the Company to inspect/scrutinize the records pertaining to the Security and pay all traveling, hotel and other expenses of any person whom the BOND Trustee may depute for the purpose of such inspection with prior permission of the company;
- (i) Punctually pay all rents, royalties, taxes, rates, levies, cess, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and if so required by the BOND Trustee produce the receipts for such payments and also punctually pay and discharge all debts, obligations and liabilities which may have priority over the Security charged herein and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company in respect of or any part of the Security;
- (j) Forthwith give a notice in writing to the Trustee of commencement of any proceedings affecting the Security and of any orders, directions or notices received from any Court or tribunal affecting or likely to affect the Security;
- (l) Diligently preserve its corporate existence and status and all consents now held or any rights, licenses, privileges or concessions hereafter acquired by it in the conduct of its business and that it will comply with each and every term of the said consents, rights, licenses, privileges and concessions and comply with all acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Security or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Bonds or the security for the Bonds is not thereby materially endangered or impaired;
- (n) Reimburse all sums paid or expenses incurred by the BOND Trustee or any Receiver, attorney, agent or other Person appointed by the BOND Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf and all such sums shall carry interest at the rate of interest payable on the Bonds from the date, when the same shall have been paid and until such reimbursement, all such sums shall be a charge upon the Security in priority to the charge securing the Bonds;
- (o) Promptly inform the BOND Trustee of the happening of any labour strikes, lockouts, shut-downs, fires or any event likely to have a material adverse effect on the Company's profits or business and the reasons therefor;



ब. के. जोहार / B. K. JOHAR
उप महा प्रबन्धक (वित्त) / Dy. General Manager (Fin.)



A.P.S. MANOCHA
Dy. General Manager (Law)



(राकेश कुमार अरोरा) / RAKESH KUMAR ARORA
महा प्रबन्धक (वित्त) / General Manager (Finance)
रूपल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rupal Electrifcation Corporation Ltd.

- (q) Promptly inform the BOND Trustee of any loss or damage, which the Company may suffer due to force majeure circumstances or act of God against which the Company may not have insured its properties;
- (t) Promptly inform the BOND Trustee of any change in the composition of its Board of Directors;
- (u) Not declare or pay any dividend to its shareholders during any financial year unless it has paid the instalment of principal and interest then due and payable on the Bonds, or has made provision satisfactory to the BOND Trustee for making such payment.
- (v) Company shall inform the BOND Trustee before declaring and distribution of dividend, subject to Applicable Laws.
- (w) Execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the BOND Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the BOND Trustee, pay the stamp duty on this Deed on or at the time of execution of this Deed and all reasonable costs of the BOND Trustee (including legal costs) and other charges, if any, incurred in connection with the stamping and if, any penalty or legal costs or any other charges are paid by the BOND Holder.
- (x) The Company shall perform and observe in all material respects including in a timely manner, all its covenants as contained in this Deed.

22.5 The Company hereby undertakes and agrees with the BOND Trustee:

- (i) The Company shall, as soon as possible but not later than (unless otherwise specified) 15 (fifteen) Business Days from the occurrence of any of the events set out below:
 - (a) forthwith give notice to the BOND Trustee of occurrence of any Event of Default or any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, specifying the nature of such Event of Default or of such event and any steps the Company has taken or proposes to take to remedy the same;
 - (b) provide to the BOND Trustee such further information regarding the financial condition, business and operations of the Company as the BOND Trustee may reasonably request in relation to the payments due to be made on the Bonds;
 - (c) forward the details of utilisation of funds raised through the issue of Bonds duly certified by the Company's statutory auditors/Chartered Accountant, to the BOND Trustee



12

बि. के. जोहार / B. R. JOHAR
 महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)

Handwritten signature of A.P.S. MANOCHA

A.P.S. MANOCHA
 Dv. General Manager (Law)



(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
 महा प्रबंधक (वित्त) / General Manager (Finance)
 सरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
 Simplification Corporation Ltd.

- (d) on occurrence of a rating downgrade event, notify the BOND Trustee;
- (e) shall furnish, upon the request of the BOND Trustee such documentation and other evidence as is reasonably requested by the BOND Trustee (including on behalf of any Bondholders) for such Bondholders to conduct any “know your customer” or other similar procedures under Applicable Laws.
- (f) Company shall inform the BOND Trustee in respect of any change in nature of business by Company before such change.
- (g) Company shall inform the BOND Trustee of any major change in Board of Directors, which may amount to change in control as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011.
- (ii) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Bonds and furnish to the BOND Trustee such data, information, statements and reports as may be deemed necessary by the BOND Trustee in order to enable them to comply with the provisions the said regulations thereof in performance of their duties in accordance therewith to the extent applicable to the BONDS; and
- (iii) The provisions of the Act in relation to the issue of the BONDS.
- (iv) The Company shall promptly and expeditiously attend to and redress the grievances, if any, of the BOND Holders. The Company further undertakes that it shall promptly comply with the reasonable suggestions and directions that may be given in this regard, from time to time, by the BOND Trustee and shall inform the BOND Trustee periodically of such compliance.
- (vi) The Company shall take all necessary steps to ensure that the Bonds are listed in accordance with Clause 4 of this Deed within stipulated period of time and that such listing of the Bonds continues till the Maturity Date.
- (vii) Promptly inform the Trustees if it has notice of any application for winding up having been made or any statutory notice of winding up is given to the Company under the Companies Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company and affecting title of the Company to its properties, or if a receiver is appointed of any of its properties or business or undertaking.
- (viii) The Company shall ensure that the Bonds are rated and a rating is continued till the Maturity Date.
- (ix) The Company shall reimburse all reasonable sums paid or expenses incurred by the BOND Trustee or any attorney, manager, agent or other Person appointed by the BOND Trustee for all or any of the purposes mentioned in these presents within a reasonable time on receipt of a notice of demand from them in this behalf.

श्री. अ. पी. एस. जोहार
महा. प्रबंधक (वित्त) / Dy. General Manager (Fin.)

A.P.S. Manocha
A.P.S. MANOCHA
Dy. General Manager (Law)

(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा. प्रबंधक (वित्त) / General Manager (Finance)
रुरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

- (x) The Company must not enter into any amalgamation, demerger, merger, acquisition or reconstruction which in any manner violates, overrides or circumscribe the provisions of securities laws or exchange requirements or any other applicable laws.
- (xi) The Company shall, on demand, forward to BOND Trustee a quarterly report inter alia containing the following particulars (i) names and addresses of the Bondholders (ii) details of interest due but unpaid and reasons thereof (iii) number and nature of grievances received and resolved by the Company or any other information as required under the regulations.
- (xii) The Company shall furnish to stock exchanges half yearly communication as required under listing agreement.

23. REPRESENTATIONS, WARRANTIES, COVENANTS AND UNDERTAKINGS OF THE BOND TRUSTEE

- 23.1(a) The BOND Trustee is registered with SEBI under a valid and subsisting registration no. IND000000460 to act as a debenture/ bond trustee, and the certificate of registration is valid from 26.04.2012 to 25.04.2017. The BOND Trustee shall ensure that the certificate of registration remains in force, including taking prompt steps for renewal of such certificate, in case of expiry. The BOND Trustee shall immediately inform the Issuer if its registration is cancelled or withheld, for any reason whatsoever;
- (b) The BOND Trustee has complied with and shall comply with all Applicable Laws, regulations and guidelines, including but not limited to SEBI (Debenture Trustees) Regulations, 1993, as amended and the SEBI Debt Regulations;
- (c) The BOND Trustee shall make all efforts and carry out such acts as are necessary for the protection of the holder(s) of Bond(s) and to do all things necessary in order to resolve the grievances of the holders) of Bond(s);
- (d) The BOND Trustee shall ensure on a continuous basis that the security charged to the Bond(s) is available and adequate at all times to discharge the interest and principal amount payable in respect of the Bond(s) and that such security is free from any other encumbrances save and except those which are specifically agreed to by the BOND Trustee;
- (e) The BOND Trustee shall exercise due diligence at all times, ensure proper care and exercise independent professional judgment;
- (f) The BOND Trustee shall take appropriate measures for protecting the interest of the Holder(s) of Bond(s) as soon as any breach of this Deed or law comes to its notice; and
- (g) The BOND Trustee shall be responsible for the acts or omissions of its employees and agents in respect to the conduct of its business.

24. REALISATION OF MONIES


 बी. क. जोहार / B. K. JOHAR
 उपा महा प्रबन्धक (वित्त) / Dy. General Manager (Fin.)


 A.P.S. MANOCHA
 Dy. General Manager (I aw)


 (राकेश कुमार अरोड़ा) / RAKESH KUMAR ARORA
 महा प्रबंधक (वित्त) / General Manager (Finance)
 रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
 Rural Electrification Corporation Ltd.

24.1 Trust of Proceeds

The BOND Trustee shall hold UPON TRUST the monies received by them or any part thereof in their capacity as BOND Trustee for the benefit of the Bondholders and they shall utilise the monies received in the following order of priority:

- (i) Firstly, to reimburse themselves and retain, pay or discharge all the costs, charges and expenses incurred in calling in, collection, or the exercise of the powers and trusts under these presents, including their remuneration as herein provided;
- (ii) Secondly, in or towards *pari passu* payment to the Bondholders of the interest and redemption amount and all amounts due and remaining unpaid (which shall be deemed to accrue from day to day) on the Bonds held by them.

24.2 Liability to Bondholders for deficiency

The Company shall remain liable to the Bondholders for any deficiency in the repayment of all amounts due to it under this Deed and/or the Bonds.

25. BOND TRUSTEE NOT TO RECOGNISE ANY INTEREST IN THE DEBENTURE/ BONDS

The BOND Trustee shall not be affected by any notice, express or implied, of the rights, title or claim of any Person to the said monies other than the Bondholders.

26. BONDS FREE FROM EQUITIES

The Bondholders will be entitled to their Bonds free from equities or cross claims by the Company against the original or any intermediate holders thereof.

27. AUTHORISED INVESTMENTS

Any monies which under the trust or powers herein contained ought to be invested by the BOND Trustee may be invested in the name of the BOND Trustee or under the legal control of the BOND Trustee in the name of the BOND Trustee, subject to Applicable Laws.

28. REGISTER OF BONDHOLDERS


The register of the Bondholders in respect of Bonds (the "Register") will be maintained by the Depository in accordance with the provisions of the Companies Act, Depositories Act, 1996 and the regulations made thereunder and the regulations made by SEBI and other statutory authorities made from time to time. The R&T Agent shall, in relation to the Bonds, obtain a list of beneficial holders from the Depository as at the Record Date for Interest, on such date or within one Business Day of such date. The Company in accordance with the provisions of Section 152 of the Companies Act, will maintain a physical register. the BOND Trustee and / or the BOND Holders or any of them or any other Person shall, as provided in Section 163 of the Act be entitled to




श्री. के. जोहार / B. K. JOHAR

उप महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)


A.P.S. MANOCHA
Dy. General Manager


(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

inspect the said register / record and to take copies of or extracts from the same or any part thereof during usual business hours.

29. POWERS OF THE BOND TRUSTEE

29.1 In addition to the rights, powers and duties of the BOND Trustee contained in this Deed, the BOND Trustee shall exercise all rights, powers and duties in accordance with and available to the BOND Trustee under the:

- (i) Indian law; and / or
- (ii) Principles of equity.

29.2 The BOND Trustee shall have right to inspect the registers and books of accounts maintained by the Company.

29.3 The rights and powers available to the BOND Trustee under this Deed shall vest in the BOND Trustee exclusively for the benefit of the Bondholders.

30. DEBENTURE/BOND REDEMPTION RESERVE

At present no Bond/Debenture Redemption Reserve (DRR) is required to be created in terms of clarification issued by the Department of Company Affairs, Govt. of India vide no. 6/3/2001 – CL.V dated 18th April, 2002 recently amended vide Notification No. 04/2013 dated 11th February, 2013, for privately placed Bonds issued by NBFCs (Non Banking Financial Companies) registered with RBI under section 45-1A of the RBI (Amendment) Act 1997. Accordingly, the Company is not required to create any DRR.

31. PURCHASERS AND PERSONS DEALING WITH BOND TRUSTEE NOT PUT ON ENQUIRY

No purchaser, existing chargeholders or other person dealing with the BOND Trustee or any Receiver appointed by them or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the Security charged herein or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any sale, calling in, collection or conversion or to see to the application of any money paid to the BOND Trustee or Receiver and in the absence of malafide on the part of such purchaser, existing chargeholder or other person such dealing shall be deemed so far as regards the safety and protection of such person to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

32. RECEIPT OF BOND TRUSTEE TO BE EFFECTUAL DISCHARGE

Upon any such sale, calling in, collection or conversion as aforesaid and upon any other dealing or transaction under the provisions herein contained the receipt of the BOND Trustee for the purchase money of any part of the Security sold and for any other monies paid otherwise howsoever, to them shall effectually discharge the purchaser or purchasers or person paying the



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A.P.S. MANOCHA

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महा प्रबंधक (वित्त) / General Manager (Finance)
रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

same there from and from being concerned to see to the application or being answerable for the loss or misapplication or non-application thereof.

33. APPLICATION TO COURT

The BOND Trustee may, at any time after the Security hereby charged becomes enforceable, apply to the Court for an order that the powers and trusts hereof be exercised and carried into execution under the directions of the Court and for the appointment of a Receiver of the Security or any of them and for any other order in relation to the execution and administration of the powers and trusts hereof as the BOND Trustee shall deem expedient and they may assent to or approve of any application to the Court made at the instance of any of the Bondholders and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such application or proceeding.

34. ADDITIONAL POWERS OF BOND TRUSTEE

In addition to the other powers conferred on the BOND Trustee and provisions for their protection and not by way of limitation or derogation of anything in these presents contained or of any statute limiting the liability of the BOND Trustee, IT IS EXPRESSLY DECLARED as follows:

- (a) The BOND Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the BOND Trustee or otherwise;
- (b) The BOND Trustee shall be at liberty to accept a certificate signed by any one of the directors of the Company or other authorized signatories of the Company as identified in the relevant board resolution as to any act or matter prima facie within the knowledge of the Company as sufficient evidence thereof and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the director so certifying expedient as sufficient evidence that it is expedient
- (c) The BOND Trustee shall be at liberty to keep these presents at its registered office or elsewhere or if the BOND Trustee so decide with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors and the BOND Trustee may pay all sums required to be paid on account of or in respect of any such deposit;
- (d) Save as herein otherwise expressly provided the BOND Trustee shall, as regards all trusts, powers, authorities and discretions hereby vested in them, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;
- (e) With a view to facilitating any dealing under any provision of these presents the BOND Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- (f) The BOND Trustee shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination, bonafide made, whether



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or not the same shall relate wholly or partially to the acts or proceedings of the BOND Trustee, shall be conclusive and binding upon all Persons interested hereunder. Without limiting the effect of the foregoing, in respect of any doubt or ambiguity arising in relation to any of the provisions of these presents or if the BOND Trustee is unsure as to the manner in which it should exercise its powers, authorities, discretions, rights or remedies under these presents, the BOND Trustee may obtain the instructions or directions of Bondholders representing at least 50% (fifty percent) of the aggregate outstanding Bonds under any one Series, and it shall not be liable to the Bondholders or any other party for so acting in accordance with such instructions or directions;

35. BREACH OF COVENANT BY THE COMPANY MAY BE WAIVED

The BOND Trustee may waive any breach by the Company of any of the covenants and provisions in this document. The BOND Trustee may waive on such terms and conditions as it deem expedient any breach by the Company of any of the covenants and provisions in these presents contained, without prejudice to the rights of the BOND Trustee in respect of any subsequent breach thereof.

36. POWER OF BOND TRUSTEE TO DELEGATE/APPOINT AGENTS

36.1 The BOND Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them by these presents act through an officer, agent, or officers for the time being of the BOND Trustee and the BOND Trustee may also, whenever they think it expedient delegate by power of attorney or otherwise to any such officer all or any of the Trusts, powers, authorities and discretions vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the BOND Trustee may think fit.

36.2 The BOND Trustee shall appoint, or ensure that the Company appoints, the R&T Agent and shall specify in the relevant documentation that the R&T Agent shall be responsible for performance of the following functions:

- (a) To obtain a list of Beneficial Owners from the Depository(ies) as at the Record Date for Interest, on such date or within one Business Day of such date;
- (b) To examine the details specified in the form submitted by each Bondholders and in the event of erroneous or incorrect forms, to determine in its sole discretion, the number of fully paid Bonds to be allocated to the Bondholders;


37. BOND TRUSTEE'S REMUNERATION

37.1 The Company shall in each and every year during the continuance of this Deed pay to the BOND Trustee so long as they hold the office of the BOND Trustee of these presents, remuneration hereinafter mentioned for their services as BOND Trustee in addition to all legal, traveling and other costs, charges and expenses which the BOND Trustee or their officers, employees or agents may incur in relation to execution of the Deed hereof. The remuneration shall continue to be payable until the BOND Trustee hereof shall be finally discharged and whether or not a Receiver




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Rural Electrification Corporation Ltd.

shall have been appointed or the Trust hereof shall be in course of administration by or under the direction of the Court. (As mentioned in consent letter no. 1403/ITSL/OPR/CL/13-14/DEB/311 dated 15th July, 2013)

Acceptance Fee	Service Charge	Out of Pocket Expenses
Rs. 20,000/- plus applicable taxes; payable on appointment	Rs. 30,000 /- p.a. plus applicable taxes. First such payment would become payable immediately for pro-rata period from Execution of Debenture Trustee Agreement till 31.03.2014, there after service charges are payable on annual basis in advance on 1 st April each year till full redemption of the Bonds	To be claimed on actual basis

37.2 The Company shall pay to the BOND Trustee all legal, traveling and other costs, charges and expenses incurred by them, their officers, employees, agents in connection with execution of these presents with prior permission of the Company.

38. APPOINTMENT OF BOND TRUSTEE AS ATTORNEYS OF THE COMPANY

In the event of default, the Company hereby irrevocably appoints the Trustees to be the Attorneys of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Trustees be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts of obligations declared or imposed upon the Company by these presents or of giving to the Bondholder(s)/Beneficial Owner(s) or to the Trustees on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustees or any Receiver appointed by them.

39. MODIFICATIONS TO THESE PRESENTS

The BOND Trustee shall concur with the Company in making any modifications in these presents which is essential and in the opinion of the BOND Trustee would not be materially prejudicial to the interests of the Bondholders, and to any modification of the terms of the Bonds or any of the other Transaction Documents which is of a formal, minor or technical nature or is to correct a manifest error. Any other change or modification to the terms of the Bonds or the Deed shall require approval by the Bondholders as set out in the Fourth Schedule. Upon obtaining such


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 Rural Electrification Corporation Ltd

approval, the BOND Trustee and the Company shall give effect to the same by executing necessary deed(s) supplemental to these presents (as necessary).

40. RETIREMENT & REMOVAL OF BOND TRUSTEE

40.1 The BOND Trustee hereof may retire at any time without assigning any reason and without being responsible for any loss or costs occasioned by such retirement provided that they shall have given atleast (one) month's prior notice in writing to the Company in that behalf. Provided that, any resignation by the BOND Trustee shall become effective only after a successor BOND Trustee has been appointed in accordance with this Deed and the BOND Trustee shall not relinquish his duties unless another trustee has been appointed. The Company will ensure that it takes the necessary steps to appoint a new trustee in place of the retiring Bond Trustee within reasonable period of time.

40.2 The BOND Trustee hereof may be removed by the Bondholders by a Special Resolution duly passed at the meeting of the Bondholders convened in accordance with the provisions set out in the Fourth Schedule and the Company shall appoint such person or persons as may be nominated by the Bondholders as the new BOND Trustee hereof;

40.3 For the purposes aforesaid, forthwith upon receipt of the notice of retirement from the BOND Trustee for the time being hereof or on the occurrence of the vacancy in the office of the BOND Trustee hereof, the Company shall inform the same to the Bondholders. The Company may, in consultation with the Bondholders appoint a body corporate or a statutory corporation which is a financial institution in the public sector which is registered under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as a BOND Trustee hereof.

41. POWER OF COMPANY TO WITHDRAW SECURITY ON SUBSTITUTING OF OTHER SECURITY

41.1 The Company shall be at liberty at any time during the continuance of this Security, with the consent of the BOND Trustee, to withdraw any part of the Security from such of the trusts, powers and provisions hereof as exclusively relate to the Security upon substituting other security whether of the same or different tenure or kind but of a value equal to or greater than the value of the security proposed to be withdrawn. But, before the BOND Trustee permit the Company to withdraw any such security under this Clause, the Company must prove to the satisfaction of the BOND Trustee that the security proposed to be substituted for the same is of a value equal to or greater than the value of the security proposed to be withdrawn and that such security is suitable for the purpose of business of the Company and upon such proof being given, must convey or assign or cause to be conveyed or assigned such security to the BOND Trustee in such manner as they shall direct UPON THE TRUSTS hereof relating to the Security and thereupon the BOND Trustee shall be at liberty to re-convey to the Company or as the Company may direct the security to be withdrawn TO HOLD the same free from such of the trusts, powers and provisions hereof as exclusively relate to the Security and a declaration in writing signed by the BOND Trustee that the proof aforesaid has been furnished to their satisfaction shall have the effect, that is to say:

(a) The BOND Trustee may accept a certificate signed by any one of the directors of the Company to the effect that any such security purported to be substituted is in his opinion suitable for the purpose of business of the Company as sufficient evidence of the fact;



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A.P.S. MANOCHA
Dy. General Manager (Legal)

(राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA)
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रूरल इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

- (b) The BOND Trustee shall be at liberty to accept the fact that the Company has given a specified price for any such security proposed to be substituted as sufficient evidence that the same is worth such price but they may in their discretion require a written report of a valuer appointed / approved by them;
- (c) The BOND Trustees shall be at liberty to accept such security to such hereditaments as the Company shall acquire provided that the BOND Trustee shall be advised that security so acquired is one which is a reasonably good security or security not likely to be determined;

42. COVENANT FOR RECONVEYANCE

Upon proof being given to the reasonable satisfaction of the BOND Trustee that all the Bonds entitled to the benefit of the trusts hereof together with interest, and all other monies payable there under have been paid off or satisfied in accordance with the tenor thereof and upon payment of all costs, charges and expenses incurred by the BOND Trustee or by any receiver in relation to these presents (including the remuneration of the BOND Trustee and of any receiver and all interest thereon) and upon observances and performance of the terms and conditions and covenants herein contained the BOND Trustee shall, at the request and cost of the Company, release, re-assign or re-convey to the Company or, as the Company may direct, to such other person entitled thereto the Security or such part thereof as may remain subject to the security hereby charged freed and discharged from the trusts and security hereby charged.

43. NOTICES

- 43.1 Any notices, request and other communications to be given or made under this Deed shall be in writing; and except as provided otherwise in this Deed, such notice, request or other communication shall be deemed to have been duly served or made when it shall be delivered by registered post, courier, hand, email or facsimile (with receipt of a facsimile confirmation slip being sufficient evidence of such transmission by the sender) to the Party to which it is required or permitted to be served or made at such Party's address as specified below.

Provided however that any notice or communication to the BOND Trustee shall be effective only on actual receipt by the officer of any such Person for whose attention the notice or communication has been expressly marked.

Provided further that an original of each notice and communication sent by telex or facsimile shall be dispatched by person, or courier and, if such person or courier service is not available, by registered first class mail with postage prepaid, provided that the effective date of any such notice shall be determined in accordance with this Section, without regard to the dispatch of such original.

The address for service of the Company shall be:


Rural Electrification Corporation Limited (REC)

Address : Core – 4, SCOPE Complex, 7, Lodi Road, New Delhi – 110003
 Attention : Mr. B. K. Johar, Dy. General Manager (Finance)




 श्री. बी. के. जोहार / B. K. JOHAR
 महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)
 ग्रामीण विद्युत् आपूर्ति निगम लिमिटेड


 A.P.S. MANOCHA
 Dy. General Manager (Law)


 (राकेश कुमार अरोड़ा) / RAKESH KUMAR ARORA
 महा प्रबंधक (वित्त) / General Manager (Finance)
 ग्रामीण विद्युत् आपूर्ति निगम लिमिटेड

Tel No. : +91 11 43091675

Fax : +91 11 24369849

Email : bkjohar@rediffmail.com

The address for service of the BOND Trustee shall be:

IDBI Trusteeship Services Limited (ITSL)

Address : Asian Building, Ground Floor, 17, R. Kamani Marg. Ballard Estate,
Mumbai - 400 001

Attention : Vice President

Tel No. : 022-40807000

Fax : 022-66311776

Email : itsl@idbitrustee.com

44.2 Any Party may in writing to other Party change its designated address. Such change shall take effect when all Parties have been informed of it.

44. WAIVER

45.1 No Implied Waiver or Impairment

No delay or omission of the BOND Trustee in exercising any right, power or remedy accruing of the BOND Trustee upon any default hereunder shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the BOND Trustee in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the BOND Trustee in respect of any other defaults nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the BOND Trustee herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity.

45.2 Express Waiver

A waiver or consent granted by the BOND Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given



B.K. Johar

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A.P.S. Manocha

A.P.S. MANOCHA
Dy. General Manager (Law)
Rural Electrification Corporation Ltd.
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New Delhi 110002

Raresh Kumar Arora

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Rural Electrification Corporation Ltd.
(भारत सरकार का उद्यम / A Govt. of India Enterprise)

45. MISCELLANEOUS

46.1 Limitation on Rights of Others

Nothing in this Deed, whether express or implied, shall be construed to give to any Person other than the BOND Trustee and the Bondholders any legal or equitable right, remedy or claim under or in respect of this Deed, except as expressly provided in this Deed, any covenants, conditions or provisions contained herein all of which are, and shall be construed to be, for the sole and exclusive benefit of the BOND Trustee and the Bondholder.

46.2 Other Remedies

The rights and remedies conferred upon the BOND Trustee under this Deed:

- (a) shall not prejudice any other rights or remedies to which the BOND Trustee may, independently of this Deed, whether by statute or otherwise, be entitled and in particular, the BOND Trustee and/or the Bondholders shall retain all rights and remedies available to it under the Disclosure Document and this Deed; and
- (b) shall not be prejudiced by any other rights or remedies to which the BOND Trustee may, independently of this Deed, be entitled to.

46. SEVERABILITY

Every provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

47. Effective Date




The provisions of this Deed shall become effective on the Deemed Date of Allotment of Series 116.

48. GOVERNING LAW

This Deed shall be governed by and construed in accordance with laws of India.

49. JURISDICTION

50.1 The Company agrees that the courts and tribunals in New Delhi shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed.

 श्री. क. जोहार / B. K. JOHAR महा प्रबंधक (वित्त) / Dy. General Manager (Fin.) रूरल इलेक्ट्रिफिकेशन कॉर्पोरेशन लिमिटेड Rural Electrification Corporation Ltd. (भारत सरकार का उद्यम / A Govt. of India Enterprise) कोर-4, स्कोप परिसर / Core-4, SCOPE Complex नई दिल्ली, भारत / New Delhi, India	 A.P.S. MANOCHA Dy. General Manager (Law) Rural Electrification Corporation Ltd. Core-4, SCOPE Complex, 7 Lodhi Road New Delhi 110002	 (राकेश कुमार अरोड़ा / RAKESH KUMAR ARORA) महा प्रबंधक (वित्त) / General Manager (Finance) रूरल इलेक्ट्रिफिकेशन कॉर्पोरेशन लिमिटेड Rural Electrification Corporation Ltd. (भारत सरकार का उद्यम / A Govt. of India Enterprise)
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50. INCONSISTENCY

In the event of any inconsistency between the provisions of this Deed and the Disclosure Document, In that case, the disclosure document should prevail and the Parties shall take all necessary steps to remove the inconsistency.



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JESL
MUMBAI

THE FIRST SCHEDULE
(Details of Security)

First *pari passu* charge on the book debts of the Issuer which are not specifically charged to any other lender/trustee and on which existing lenders/trustees have ceded their first charge, and as may be agreed between the Issuer and the Trustees, to the extent of collection made under the Issue.



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Trustee
MUMBAI

THE SECOND SCHEDULE

FINANCIAL COVENANTS AND CONDITIONS

1. INTEREST RATE AND MANNER OF PAYMENT

The Bonds shall carry interest at the interest rate stipulated in the Disclosure Document of 116 Series from the Deemed Date of Allotment. The interest will be paid annually from the Deemed Date of Allotment till redemption of the bonds. The interest payable shall be computed on actual/actual day count basis.

The interest payment on the Bonds shall be made to the Bondholders whose name is registered in the register of bondholders on the record date. The final interest shall be paid along with the redemption proceeds.

Interest on application money shall be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment..

2. REDEMPTION PERIOD

The face value of the Bond will be redeemed at par on expiry of 3 years and 5 years from the Deemed Date of Allotment. The Bonds will not carry any obligation, for interest or otherwise, after the date of redemption. The Bonds held in the dematerialized form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered Bondholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the Bondholders. In case the redemption date falls on a day which is not a Business Day, then the payment due shall be made on the next Business Day.

3. PUT /CALL OPTION

Put/Call option shall be as per the term sheet included in the Disclosure Document..

4. PAYMENTS

Payment of the principal and interest will be made to the registered holder and in case of joint holders to the one whose name stands first in the register of Bondholders or list maintained by the Depositories. Such payments shall be made by cheque or warrant drawn or RTGS / ECS / NECS / NEFT by the Company.

5. TAXATION

The interest on application money will be paid subject to deduction of tax at source at the rates prevailing from time to time under the Income Tax Act, 1961 or any other statutory modification or enactment thereof.

Interest on Bonds from deemed date of allotment shall be subject to prevailing tax laws.




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6. FURTHER BORROWINGS

The Company shall be entitled to make further issue of Bonds and/or raise further loans and/or avail of further deferred payment/guarantee facilities which may be secured or unsecured from time to time for such amounts and from such persons/public financial institutions/banks or any other financial corporations or body corporate, on such terms as may be mutually acceptable to the Company, the Trustees and the investment institutions participating in such issues in future.

7. TRANSFER OF BONDS

The normal procedure applicable for dematerialised securities shall be followed for transfer of Bonds in electronic form. In case of transfer (from one dematerialised holder to another dematerialised holder), the seller will give delivery instructions containing details of the buyer's DP account to his Depository Participant (DP).

8. BONDHOLDERS NOT ENTITLED TO SHAREHOLDERS RIGHTS

The Bondholders will not be entitled to any of the rights and privileges available to the shareholders including right to receive notices of or to attend and vote at General Meetings or to receive Annual Reports of the Company.

If, however, any resolution affecting the rights attached to the Bonds is placed before the Shareholders, such resolution will first be placed before the Bond Trustees for their consideration and requisite action.

9. VARIATION OF BONDHOLDERS RIGHTS

The rights, privileges and conditions attached to the Bonds may be varied, modified or abrogated with the consent in writing of the holders of at least three-fourths of the amount outstanding on the Bonds or with the sanction of a Special Resolution passed at a meeting of the Bondholders.

10. ENFORCEMENT

At any time after the Bonds or any of them have become repayable and have not been repaid, the BOND Trustee may at their discretion and without further notice institute such proceedings against the Company as they may think fit to enforce repayment thereof together with accrued interest and all other monies payable in respect thereof but they shall not be bound to take any such proceedings unless -

- (a) The Trustees are so requested in writing by the Bondholder(s)/ Beneficial Owner(s) of the Bonds;




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- (b) Sufficient monies are advanced by the Bondholder(s)/ Beneficial Owner(s) to the Trustees for enforcement of their rights and security; and
- (c) The Trustees are indemnified to their satisfaction by the Bondholder(s)/ Beneficial Owner(s).

11. TERM SHEET

Security Name	9.05% Rural Electrification Corporation Limited 2016 9.24% Rural Electrification Corporation Limited 2018
Issuer	Rural Electrification Corporation Limited
Type of Instrument	1. 3 year Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures ("Bonds"). Bullet Redemption (At the end of 3rd Year). 2. 5 year Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures ("Bonds"). Bullet Redemption (At the end of 5th Year).
Nature and status of Instrument	Secured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures ("Bonds")
Mode of Issue	Private placement
Eligible Investors	<ul style="list-style-type: none"> Commercial Banks, Co-operative Banks, Urban Cooperative Bank and Regional Rural Bank Financial Institutions Companies, including NBFCs and RNBFCs, Body Corporate registered under the applicable laws in India and authorized to invest in bonds Insurance Companies Mutual Funds Provident/ Superannuation/ Gratuity / Pension Funds and other Trusts authorized to invest in Bonds <p>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 securities 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).</p>
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The Bonds are proposed to be listed on WDM segment of the National Stock Exchange and / or Bombay Stock Exchange within 15 days from the date of allotment of debt securities. The in-principle approval for listing of the Bonds have been obtained by the Company from NSE and BSE vide their letter no. dated NSE/LIST/217696-Q dated October 03, 2013 and DCS/COMP/SP/IP-PPDI/133/13-14 dated October 03, 2013 respectively.</p> <p>In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the company will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investors.</p>
Rating of the Instrument	<p>"CRISIL AAA/Stable" by CRISIL Ltd.</p> <p>"IND AAA" by India Ratings & Research Private Limited</p> <p>"CARE AAA (Triple A)" by CARE Ltd.</p> <p>"[ICRA]AAA" by ICRA Ltd.</p>




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Issue Size	INR 300 crores plus green shoe option
Option to retain oversubscription (Amount)	Green Shoe Option
Objects of the Issue	To augment long-term resources of the Company for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of REC.
Details of the utilization of the Proceeds	The funds raised through this private placement are not meant for any specific project as such and therefore the proceeds of this Issue shall be utilized for the regular business activities of REC. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfilment of the Objects of the Issue.
Coupon Rate	Option I (3Year) - 9.05% p.a. Option II (5Year) - 9.24% p.a.
Step Up/Step Down Coupon Rate	None
Coupon Payment Frequency	Annual
Coupon payment dates	1 st Interest payment on 17th October 2014, thereafter, every year on 17th October
Coupon Type	Fixed
Coupon Reset	None
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	Option I (3Year) - @ 9.05% p.a. & Option II (5Year) - @ 9.24% p.a. (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment. The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by REC within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant. *
Default Interest Rate	2% p.a. over the coupon rate will be payable by the Company for the defaulting period in case of default in payment of interest/redemption amount.
Tenor	Option I (3Year) - 36 months from the Deemed Date of Allotment Option II (5Year) - 60 months from the Deemed Date of Allotment
Redemption Date	Option I (3Year) - 17th October 2016 Option II (5Year) - 17th October 2018
Redemption Amount	Option I (3Year) - At par (INR10 lakh per Bond) at the end of 3 Years from the Deemed Date of Allotment. Option II (5Year) - At par (INR10 lakh per Bond) at the end of 5 Years from the Deemed Date of Allotment.
Redemption Premium /Discount	NIL




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Rural Electrification Corporation Ltd.

Issue Price	At par (INR 10 lakh per Bond)
Discount at which security is issued and the effective yield as a result of such discount.	Since there is no discount or premium on either issue price or redemption value of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the Bonds at the time of issue.
Put option Date	N/A
Put option Price	N/A
Call Option Date	N/A
Call Option Price	N/A
Put Notification Time	N/A
Call Notification Time	N/A
Face Value	10 lakh per Bond
Minimum Application and in multiples of __ Debt securities thereafter	Application must be for a minimum size of INR 10 Crores (100 bonds) and in multiple of INR 1 Crore (10 bond) thereafter.
Issue Timing 1. Issue Opening Date* 2. Issue Closing Date * 3. Pay-in Date * 4. Deemed Date of Allotment *	Issue Opening: 11.10.2013 Issue Closing: 11.10.2013 Pay-in Date: 11.10.13 Deemed Date of Allotment: 17.10.2013
No. of Applications	The application form will be restricted to 49 investors.
Issuance mode of the Instrument	In Dematerialised mode
Trading mode of the Instrument	In Dematerialised mode
Settlement mode of the Instrument	The Bonds held in the Dematerialised Form shall be taken as discharged on payment of the redemption amount by REC on maturity to the registered Bondholders whose names appear in the Register of Bondholders on the record date. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Business Day Convention	If any interest payment date falls on a day which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for Business in the city of New Delhi), then payment of interest will be made on the next day that is a business day but without liability for making payment of interest for the intervening period.
Record Date	15 days prior to each Coupon Payment / Redemption date.
Security	<p>The Bonds has been secured by way of first <i>pari passu</i> charge on the book debts of the Issuer which are not specifically charged to any other lender/trustee and on which existing lenders/trustees have ceded their first charge, and as may be agreed between the Issuer and the Trustees, pursuant to the terms of the Bond Trust cum Hypothecation Deed with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times.</p> <p>The Issuer undertakes that it has obtained requisite permission/ consent from the earlier creditor(s)/trustees to create <i>pari passu</i> charge and execute the necessary documents for creation of the charge, including the Bond Trust cum Hypothecation Deed, within time frame prescribed in the relevant regulations/ act/ rules etc and submit with NSE/BSE within five</p>





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	working days of execution of the same for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer's obligation to create security.
Transaction Documents	Bond Trustee Agreement and any other document designated by the Bond Trustee.
Additional Covenants	<p>Security Creation: The Issuer has obtained permission/ consents from the existing creditor(s) to create pari passu charge including for the execution of Bond Trust Cum Hypothecation Deed in compliance with the relevant regulations/ act/ rules etc. and has submitted with the Stock Exchanges for uploading on its website.</p> <p>In case of delay in execution of Bond Trust cum Hypothecation Deed, the Company will refund the subscription with penal/additional interest of 2% p.a. over the coupon rate till the execution of the Bond Trust cum Hypothecation Deed.</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment.</p>
Events of Default	As specified the Bond Trust cum Hypothecation Deed
Cross Default	Not Applicable
Trustee	IDBI Trusteeship Services Limited
Registrars	Beetal Financial & Computer Services (P) Ltd.
Role and Responsibilities of Debenture Trustee	The Trustees shall protect the interest of the Bondholders in the event of default by REC in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of REC. No Bondholder shall be entitled to proceed directly against REC unless the Trustees, having become so bound to proceed, fail to do so.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of New Delhi


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**THE THIRD SCHEDULE
LIST OF ALLOTEES OF SERIES 116**

As the Bonds are tradable in nature therefore bondholders will keep on changing, therefore a list of the same is not practical to provide, however the Registrar will provide the list of the Bondholders to the Bond Trustee after completion of allotment process and the list will be part and parcel of the Third Schedule of this Deed. The company shall obtain list of beneficiaries / bond holders on quarterly basis from Registrar and provide the same to the Trustee as and when demanded by the Trustee.


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THE FOURTH SCHEDULE

PROVISIONS FOR MEETINGS OF THE BONDHOLDERS

The following provisions shall apply to the meetings of the Bondholders:-

1. Who may convene the meeting

- (i) The BOND Trustee or the Company may, at any time, and the BOND Trustee shall at the request in writing of the holder(s) of Bonds representing not less than one-tenth in value of the aggregate outstanding amount of the Bonds, convene a meeting of the Bondholders. Any such meeting shall be held at such place in the city where the registered office of the Company is situated or at such other place as the BOND Trustee shall determine in consultation with the Company.
- (ii) The BOND Trustees may call or cause to be called by the Company a meeting of all the Bondholders on the happening of any event which may constitute a payment default or which in the opinion of the BOND Trustee affects the interests of the Bondholders.

2. Notice of meeting to Bondholders

- (a) A meeting of the Bondholders may be called by giving not less than 21 (twenty-one) days' notice in writing.
- (b) A meeting may be called after giving shorter notice than that specified in sub-clause (i), if consent is accorded thereto by Holders of Bonds representing not less than 50 % (fifty per cent.) of the aggregate outstanding Bonds.

3. Contents and Manner of Service of Notice and Persons on whom it is to be Served

- (a) Every notice of a meeting of the Bondholders shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(b) Notice of every meeting shall be given to:

- (i) every Bondholder in the manner provided in this Agreement for service of notice;
- (ii) the person(s) entitled to a Bond as a consequence of death or insolvency of a Bondholder, by sending it through post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred.
- (iii) the auditor for the time being of the Company in the manner authorised by Section 53 of the Act in the case of the members of the Company; and



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Rural Electrification Corporation Ltd.

- (iv) the BOND Trustee when the meeting is convened by the Company and the Company when the meeting is convened by the BOND Trustee.

Provided that, where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the Bondholders.

- (v) The accidental omission to give notice to, or the non-receipt of notice by, any Bondholder or other person to whom it should be given shall not invalidate the proceedings at the meeting.

4. Explanatory Statement to be Annexed

- (i) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including, in particular, the nature of the concern or interest, if any, therein of every director and the manager, if any, of the Company.

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Bondholders relates to, or affects, any other company, the extent of shareholding interest in that other company of any director, and the manager, if any, of the first mentioned company shall also be set out in the statement if the extent of such shareholding interest is not less than 20% (twenty per cent.) of the paid up share capital of that other company.

- (ii) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

5. Quorum for Meeting

- (i) At every meeting of the Bondholders, the holder(s) of not less than 3/4th (three fourth) of the aggregate outstanding Bonds under any one Series shall be the quorum for the meeting of the Bondholders, and the provisions of the following sub-clause (ii) shall apply with respect thereto.

- (ii) If, within half an hour from the time appointed for holding a meeting of the BOND Holders, a quorum is not present, the meeting, if called upon the requisition of the BOND Holders shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the BOND Trustee may determine and if, at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the holding of the meeting, the BOND Holders present shall be a quorum.

6. Chairman of Meeting




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Rural Electrification Corporation Ltd.

- (i) The nominee of the BOND Trustee shall be the chairman of the meeting and in his absence the Bondholders personally present at the meeting shall elect one of them to be the chairman thereof on a show of hands.
- (ii) If a poll is demanded on the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Act, the chairman elected on a show of hands exercising all the powers of the chairman under the said provisions.
- (iii) If some other person is elected chairman as a result of the poll, he shall be chairman for the rest of the meeting.

7. Directors and BOND Trustee may Attend Meeting

The BOND Trustee and the directors of the Company and their respective legal advisors/solicitors may attend any meeting but shall not be entitled to vote thereat.

8. Passing of Resolution by Poll

At any meeting, a resolution put to the vote of the meeting shall be decided by way of a poll.

9. Votes

At every such meeting each Bondholder shall be entitled to 1 (one) vote in respect of every Bond of which he is a holder and in respect of which he is entitled to vote.

10. Proxies

- (i) Any Bondholder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a Bondholder or not) as his proxy to attend and vote instead of himself.
- (ii) In every notice calling the meeting there shall appear with reasonable prominence a statement that a Bondholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Bondholder .
- (iii) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a copy of the power of attorney certified by a notary shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 (twenty-four) hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.

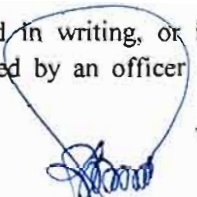
(iv) The instrument appointing a proxy shall:

- (a) be in writing; and
- (b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.




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 Rural Electrification Corporation Ltd.

- (c) The instrument appointing a proxy shall be in any of the forms set out at the foot of Annexure "D" to the Companies (Central Government's) General Rules and Forms, 1956, and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the Articles of the Company.
- (d) Every Bondholder entitled to vote at a meeting of the Bondholders of the Company on any resolution to be moved there at shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.
- (e) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Bond in respect of which the proxy is given; provided that, no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

11. To Vote Differently

A Bondholder entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

12. Scrutineers at Poll

- (i) The chairman of the meeting shall appoint 2 (two) scrutineers to scrutinise the votes given on the poll and to report thereon to him.
- (ii) The chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (iii) Of the two scrutineers appointed under this Clause, one shall always be a Bondholder (not being an officer or employee of the Company) present at the meeting, provided that such a Bondholder is available and willing to be appointed.

13. Manner of Taking Poll and Results Thereof

- (i) Subject to the provisions of the Act, the Chairman of the meeting shall have the power to regulate the manner in which a poll shall be taken.
- (ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.




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रूरल इलेक्ट्रिफिकेशन कॉर्पोरेशन लिमिटेड
Rural Electrification Corporation Ltd.

14. Voting in Case of Joint Holders

In the case of joint Bondholders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the other joint holder or holders.

15. Power to Adjourn Meeting

The chairman of a meeting of the Bondholders may, with the consent of a simple majority of the Bondholders by value present (whether in person or by proxy) at the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

16. Casting Vote

In the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Bondholder.

17. Continuance of Business

The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

18. Chairman's Decision Conclusive

The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

19. Powers of the Meeting

A meeting of the BOND Holders shall, inter alia. have the following powers in respect of matters relating to the Bonds, exercisable in the manner hereinafter specified:

- (i) Power to sanction any compromise or arrangement proposed to be made between the Company and the Bondholders.
- (ii) Power to sanction any modification, alteration or abrogation of any of the rights of the Bondholders (other than as set out in (iv) below) against the Company, whether such right shall arise under this Agreement or Bonds or otherwise.
- (iii) Power to sanction any modification, alteration or abrogation of any of the terms of the Bonds relating to the Maturity Date, Interest, redemption amount.



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सरल इलेक्ट्रॉनिक्स कॉर्पोरेशन लिमिटेड

- (iv) Power to assent to any scheme for reconstruction or amalgamation of or by the Company whether by sale or transfer of assets under any power in the Company's Memorandum of Association or otherwise under the Act or provisions of any law.
- (v) Power to assent to any modification of the provisions contained in this Agreement and to authorise the BOND Trustee to concur in and execute any supplemental Agreement embodying any such modification.
- (vi) Power to remove the existing BOND Trustee and to appoint new BOND Trustee in respect of the Bonds.
- (vii) Power to give any direction, sanction, request or approval under any provision of this Agreement.

20. Special Resolution

The powers set out in Clause 19 of this Schedule shall be exercisable by a resolution passed by votes representing 3/4th (three-fourths) of the aggregate outstanding amount of the Bonds under any one Series, at a meeting of the Bondholders duly convened and held in accordance with provisions herein contained (referred to as a "Special Resolution").


21. Resolution

A resolution passed by votes representing the outstanding amount of the at a general meeting of the Holders duly convened and held in accordance with these presents, shall be binding upon all the Holders, whether present or not at such meeting, and each of the Holders shall be bound to give effect thereto accordingly, and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

22. Minutes

Minutes of all resolutions and proceedings of every such meeting as aforesaid shall be recorded and duly entered in books maintained for the said purpose and any such minutes as aforesaid, if purported to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting of the BOND Holders, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been so recorded shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken.


Notwithstanding anything herein contained, it shall be competent for all the Bondholders to exercise the rights, powers and authorities of the Bondholders under this Agreement by a letter or letters signed by or on behalf of the Bondholders representing 3/4th (three fourth) of the aggregate outstanding amount of the Bonds under any one Series without convening a meeting of the Bondholders as if such letter or letters constituted a Special Resolution, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.



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A.P.S. MANOCHA
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Rural Electrification Corporation Ltd.

23. Provisions for the Written Consent of the Bondholders

- (i) For any written consent of the Bondholders, the BOND Trustee (or as applicable, the Company or a Bondholder) shall provide a notice in writing to the last available address of each Bondholder at least 10 (ten) Business Days prior to the date on which any decision is required to be made or consent to be provided is. The record date of such notice shall be the date falling 3 (three) Business Days prior to the date of dispatch of such notice.
- (ii) If the notice specifies any notice period, then any consents received after such notice period will not be accepted. The Bondholders are required to submit their consent only in written form to the BOND Trustee.



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 Rural Electrification Corporation Ltd.
 (भारत सरकार का उद्यम / A Govt. of India Enterprise)
 कोर-4, स्कोप परिसर / Core-4, SCOPE Complex
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IN WITNESS WHEREOF the Company and the BOND Trustee have caused these presents to be executed by their authorised officials the day, month and year first hereinabove written in the manner hereinafter appearing.

Signed and delivered by RURAL ELECTRIFICATION CORPORATION LIMITED, as the Company, by the hand of:

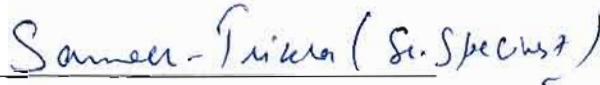

बी. के. जोहार / B. K. JOHAR
उप महा प्रबंधक (वित्त) / Dy. General Manager (Fin.)
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Signed and delivered by the within IDBI TRUSTEESHIP SERVICES LIMITED, as the BOND Trustee, by the hand of:


IDBI TRUSTEESHIP SERVICES LTD.
AUTHORISED SIGNATORY


Sameer-Triker (Sr. Specialist)