

KAILASH CHAND JAIN & CO.

Chartered Accountants

**819, Laxmi Deep Building,
Laxmi Nagar District Center,
New Delhi-110092.**

SCV & CO. LLP.

Chartered Accountants

**B-41, Panchsheel Enclave,
New Delhi- 110017.**

Independent Auditor's Certificate

on

**Security Cover and Compliance with Covenants as at September 30, 2024
under Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board
of India (Listing Obligations and
Disclosure requirements) Regulations, 2015, as amended.**

For submission to SBICAP Trustee Company Limited

October 26, 2024

**To,
The Board of Directors,
REC Limited
Core-4, SCOPE Complex, 7 Lodhi Road
New Delhi-110003**

1. This certificate is issued in accordance with the terms of our engagement letter dated October 04, 2024 with REC Limited ("the Company").
2. We, Kailash Chand Jain & Co. and SCV & CO LLP, Chartered Accountants, have been appointed as Joint Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement ("Appendix 1") showing Asset Cover as per the terms of "Information - Memorandum & Debenture-Trust-Deed" and compliance with Covenants for the listed non-convertible debentures as at September 30, 2024 ("the Statement") which has been prepared by the Company from the Special Purpose Interim Financial Statements and other relevant record and documents maintained by the Company as at September 30, 2024 pursuant to the requirements of the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended by SEBI Circular No. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 on "Revised format for Security Cover certificate, monitoring and revision in timelines", ("the SEBI Regulations"), and has been signed by us for identification purpose only.
3. This Certificate is required by the Company for the purpose of submission with the Debenture Trustees of the Company to ensure Compliance with the SEBI Regulations in respect of its listed non-Convertible debt securities as at September 30, 2024 ("Debentures"). The Company has entered into agreement(s) with the Debenture Trustees ("Debenture Trust Deed") in respect of such Debentures, as indicated in the Statement.



Management's Responsibility for the Statement

4. The preparation of the accompanying Statements including preparation of Annexure 1 is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Debenture Trustees and for the complying with all the covenants as prescribed in the Information Memorandum and Debenture Trust Deed.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to report on the following based on our examination of the matters in the statement with reference to the books of account and other records of the company for the period ended 30th September 2024 which have been subjected to Limited Review as per the SEBI (LODR) requirements: to provide a limited assurance and conclude as to whether :-
 - a) the Company has maintained asset cover as per the terms of the information Memorandum and Debenture Trust Deed; and
 - b) the Company is in compliance with all the covenants as mentioned in the information Memorandum and Debenture Trust Deed as indicated in the Statement.
7. We have reviewed the Special Purpose Interim Financial Statements of the Company for quarter and period ended September 30, 2024 and expressed an unmodified conclusion vide our Review Report dated October 26, 2024. We conducted our review of the Financial Statement in accordance with the Standard on Review Engagements (SRE) – 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Special Purpose Interim Financial Statements are free of material misstatement. A Review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we have not expressed an audit opinion.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial information, specified elements, accounts or items thereof, for the purpose of this Certificate. Accordingly, we do not express such opinion.



11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 6 above. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to the Statement:
- a) Obtained and read the Debenture Trust Deed and the Information Memorandum and noted the asset cover percentage required to be maintained by the Company in respect of Debentures, as indicated in the Statement.
 - b) Traced and agreed the principal amount of the Debentures outstanding as on September 30, 2024 to the Special Purpose Interim Financial Statements of the Company as at and for the quarter ended September 30, 2024 referred to in paragraph 6 above.
 - c) Obtained and read the particulars of asset cover required to be provided in respect of Debentures as indicated in the Debenture Trust Deed and the information Memorandum and compared it with the information furnished in Annexure 1 of the Statement.
 - d) Traced the Value of assets indicated in the Statement to the Special Purpose Interim Financial Statements of the Company as at September 30, 2024, referred to in paragraph 6 above, and other relevant records maintained by the Company.
 - e) Obtained the particulars of security created in the register of charges maintained by the Company. Traced the value of charge created against assets to the asset cover in Appendix-I of the Statement.
 - f) Examined and verified the arithmetical accuracy of the computation of asset cover indicated in Annexure-I of the Statement.
 - g) With respect to compliance with financial covenants, we have performed following procedures:
 - i. Compared the financial covenants computed by the management as at September 30, 2024 with the requirements stipulated in the Debenture Trust Deed to verify whether such covenants are in compliance with the requirements of the Debenture Trust Deed.
 - ii. Performed necessary enquiries with the management regarding any instances of the non-compliance with financial covenants or communications received from the Trustees indicating any breach of covenants during the quarter ended September 30, 2024.
 - h) With respect to the non-financial covenants, we have reviewed the covenants and also obtained management representation that the Company has complied with all the other covenants including affirmative, informative, and negative covenants, as prescribed in the information Memorandum and Debenture Trust Deed as at September 30, 2024.

Conclusion

12. Based on our examination, as above, and the information and explanations given to us reliance placed on the representations mentioned in paragraph 11(h) above, and procedures performed by us, as referred to in paragraph 11 above and according to the information and explanation received along with representations provided by the management, we report that the statement is in agreement with the unaudited books of account and other records of the Company as produced to us for our examination. Nothing has come to our attention that causes us to believe that:



- a. The Company has not maintained asset cover as per the terms of the information Memorandum and Debenture Trust deed; and
- b. The Company is not in compliance with all the covenants as mentioned in the information Memorandum and Debenture Trust Deed as on September 30, 2024.

Restriction on Use

This Certificate has been issued solely at the request of the Company's management, solely in connection with the purpose mentioned in the paragraph 3 above and to be submitted with the accompanying Statement to the Debenture Trustees/ Stock Exchanges and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For M/s Kailash Chand Jain & Co.
Chartered Accountants,
ICAI Firm Registration: 112318W



Name - Saurabh Chouhan
Designation: Partner
Membership Number: 167453
UDIN: 24167453BKBGEH8466

For M/s SCV & Co. LLP.
Chartered Accountants,
ICAI Firm Registration: 000235N/N500089



Name – Abhinav Khosla
Designation: Partner
Membership Number: 087010
UDIN: 24087010BKBOHA7661

Place: Delhi
Date: October 26, 2024

Appendix 1

Security Cover and Compliance with Covenants as at September 30, 2024

a) Security Cover for debt securities:

i) The financial information as on 30-09-2024 has been extracted from the books of accounts for the quarter ended 30-09-2024 and other relevant records of the listed entity.

ii) The security provided by the listed entity provide coverage of 1.48 times (Annexure-II) of the interest and principal amount, which is in accordance with the terms of issue/ debenture trust deed for the below mentioned ISIN

Amount in Rs. Crores

Series	ISIN	Facility	Type of Charge	Sanctioned Amount	Outstanding Amount as on 30-09-2024	Covered Required	Security Required
Series 2012-13 Public Issue and Private Placement	INE020B07GV8	NCD	Pari-Passu	1,146.75	1,146.75	100% of Outstanding Amount + Interest	1,218.12
	INE020B07GX4						
	INE020B07GZ9						
Series 2013-14 Public Issue and Private Placement	INE020B07HN3	NCD	Pari-Passu	4,691.63	4,691.63	100% of Outstanding Amount + Interest	4,945.51
	INE020B07HP8						
	INE020B07HS2						
	INE020B07HQ6						
	INE020B07HT0						
	INE020B07HV6						
	INE020B07ID2						
	INE020B07IG5						
	INE020B07IE0						
Series 2015-16 Public Issue and Private Placement	INE020B07IH3	NCD	Pari-Passu	1,000.00	1,000.00	100% of Outstanding Amount + Interest	1,057.81
	INE020B07JO7						
	INE020B07JP4						
	INE020B07JQ2						
	INE020B07JR0						
	INE020B07JS8						
	INE020B07JT6						
	INE020B07JU4						



Series	ISIN	Facility	Type of Charge	Sanctioned Amount	Outstanding Amount as on 30-09-2024	Covered Required	Security Required
Series XIII	INE020B07LM7	NCD	Pari-Passu	3,302.39	3,302.39	100% of Outstanding Amount + Interest	3,349.57
	INE020B07LN5						
	INE020B07LO3						
	INE020B07LP0						
	INE020B07LQ8						
	INE020B07LR6						
Series XIV	INE020B07LS4	NCD	Pari-Passu	5,312.07	5,312.07	100% of Outstanding Amount + Interest	5,379.79
	INE020B07LT2						
	INE020B07LU0						
	INE020B07LV8						
	INE020B07LW6						
	INE020B07LX4						
	INE020B07LY2						
	INE020B07LZ9						
	INE020B07MA0						
	INE020B07MB8						
	INE020B07MC6						
	INE020B07MD4						
Series XV	INE020B07ME2	NCD	Pari-Passu	7,312.80	7,312.80	100% of Outstanding Amount + Interest	7,399.03
	INE020B07MF9						
	INE020B07MG7						
	INE020B07MH5						
	INE020B07MI3						
	INE020B07MJ1						
	INE020B07MK9						
	INE020B07ML7						
	INE020B07MM5						
	INE020B07MN3						
	INE020B07MO1						
	INE020B07MP8						



Series	ISIN	Facility	Type of Charge	Sanctioned Amount	Outstanding Amount as on 30-09-2024	Covered Required	Security Required
Series XVI	INE020B07MQ6	NCD	Pari-Passu	12,152.39	12,152.39	100% of Outstanding Amount + Interest	12,291.77
	INE020B07MR4						
	INE020B07MS2						
	INE020B07MT0						
	INE020B07MU8						
	INE020B07MV6						
	INE020B07MW4						
	INE020B07MX2						
	INE020B07MY0						
	INE020B07MZ7						
	INE020B07NA8						
	INE020B07NB6						
Series XVII	INE020B07NC4	NCD	Pari-Passu	11,419.57	11,419.57	100% of Outstanding Amount + Interest	11,550.05
	INE020B07NK7						
	INE020B07NL5						
	INE020B07NJ9						
	INE020B07NG5						
	INE020B07NI1						
	INE020B07NH3						
	INE020B07NF7						
	INE020B07ND2						
	INE020B07NE0						
	INE020B07NN1						
	INE020B07NM3						
Series XVIII & Bond Application Money Pending Allotment	INE020B07NP6	NCD	Pari-Passu	4,254.06	4,254.06	100% of Outstanding Amount + Interest	4,293.06
	INE020B07NO9						
	INE020B07NQ4						
	INE020B07NR2						
	INE020B07NS0						
	INE020B07NT8						
				50,591.66	50,591.66		51,484.71

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

Covenants/terms of the issue have been complied by the Company. Further the company has utilized the proceeds raised from above mentioned debt securities for the purposes as specified in the respective Information memorandums.



1. We confirm that the Company has complied with the covenants and has utilized the proceeds raised from above mentioned debt securities for the purposes as specified in the disclosure documents of the Non-convertible debt securities. The market value of Rs. 8.37 crore of the immovable property is on the basis of certified valuation done on 20 April, 2022 (validity).

For REC Limited

For REC Limited

SCV & Co., LLP
Chartered Accountants