

**Option I - TERM SHEET**

Dated: 18 November 2020

**6.07% NABARD NCD Series MIF 1B**

Security Name	<b>6.07% NABARD 2027 NCD Series MIF 1B</b>
Issuer	National Bank For Agriculture And Rural Development
Type / Nature of Instrument	Redeemable, Unsecured, Taxable, Non-Convertible, Non Priority Sector bonds
Seniority	Senior debt on par with other borrowing obligations of the Bank as regards repayment of principal and interest by the Bank out of its own funds.
Mode of Issue	On Private placement basis
Eligible Investors	Refer Information Memorandum (IM) dated 13 November 2020
Listing	The Issue will be listed on BSE/NSE within 15 days from the deemed date of allotment. In case, the bonds are not listed within the said limit, NABARD would immediately redeem / buyback said bonds from the investors. <u>Delay in Listing:</u> In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, NABARD shall pay penal interest of @ 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 investor.
Rating	'IND AAA/Stable' by INDIA Ratings and [ICRA] AAA/ Stable' by ICRA
Issue Size	<b>₹ 659.70 crore</b>
Option to retain oversubscription	None
Objects of the issue	To fund Projects under Micro Irrigation Fund (MIF)
Details of utilisation of proceeds	To provide loans to the State Governments under Micro Irrigation Fund.
Coupon rate	6.07% p.a fixed
Step-Up/down rate	Not Applicable
Coupon Reset Process	Not Applicable
Coupon Payment dates	Annual (As per bond cashflow schedule in this termsheet)
Coupon Payment	Fixed
Day Count basis / Computation of Interest	Interest payable on bonds will be calculated on the basis of actual number of days elapsed in year of 365/366 days as the case may be. [Actual / Actual] In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a annual interest payment, 366 days would be

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	reckoned once as the denominator; in line with SEBI circular No CIR /IMD/ DF-1/122/2016 dated November 11, 2016.
Interest on application	Not Applicable
Default interest Rate	Refer Information Memorandum (IM) dated 13 November 2020
<b>Deemed Date of Allotment</b>	<b>19 November 2020</b>
<b>Tenor</b>	<b>07 years</b>
<b>Redemption Date</b>	<b>19 November 2027</b>
Redemption Amount	Interest and principal
Redemption (Pre/Dis)	Bullet payment at par, on completion of the tenor of the instrument.
Issue Price	₹ 10,00,000/- per bond to issued at par
Premium / Discount at which security is issued & the effective yield as a result of such discount	To be issued at par through uniform price/coupon/yield allotment
Put/ Call Option Date	N.A
Put /Call Option Price	N.A
Put / Call Notification time	N.A
Face Value	₹ 10,00,000/- per bond
Minimum Application	One Bond and multiple of one bond thereafter (₹ 10 lakh and in multiple of ₹ 10 lakh thereafter)
Issuance/Trading mode	Only in Demat form
Depository's Name	NSDL / CDSL
Holiday Convention	If any Coupon Payment Date falls on a day that is not a Business Day (Saturday/ Sunday/ Holiday) in Mumbai, the payment shall be made by the Issuer on the immediately succeeding Business Day. However interest will not be paid for the extended period.  If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day (Saturday/ Sunday/ Holiday) in Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.  In the event the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.
Record date	15 days prior to due date for payment (interest/ redemption)
Security	N.A. (Unsecured)
Transaction documents	Refer Information Memorandum (IM) dated 13 November 2020
Conditions Precedent / Subsequent to Disbursement	None
Events of Default	Refer Information Memorandum (IM) dated 13 November 2020
Cross default clause	



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**National Bank for Agriculture and Rural Development**

वित्त विभाग

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Responsibilities of Trustee	
Governing law and jurisdiction	
Default interest Rate	<b>Default in Payment:</b> In case of default in payment of Interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the coupon rate shall be payable by NABARD.
Debenture Trustee	Axis Trustee Services Limited
Arrangers of the issue (including Option I and Option II of issue)	A K Capital Services Ltd: ₹ 130.00 cr, Axis Bank Ltd ₹ 723.70 cr, Derivium Traditions Securitites India Pvt Ltd ₹ 100.00 cr, HDFC Bank Ltd ₹ 575.00 cr, ICICI Bank Ltd ₹ 785 cr, ICICI Securities Primary Dealership Ltd ₹ 100.00, Kotak Mahindra Bank Ltd ₹ 285.00 cr, PNB Gilts Ltd ₹ 250.00 cr, Tipsons Consultancy Services Pvt Ltd ₹ 100.00, Trust Investment Advisors Pvt Ltd ₹ 150.00 cr
Disclosure Document	Information Memorandum dated 13 November 2020
Borrowing programme	Approved by Board of Directors in their 231 <sup>st</sup> meeting held on 29th February 2020
<b>Bidding and settlement Parameters</b>	
EBP - Platform	The NSE Ltd. EBP
Issue Timing	Opens on: 18 November 2020 at 10:30 AM Closes on: 18 November 2020 at 11:30 AM Pay- in date/Deemed date of allotment: 19 November 2020 (T+1)
Bidding Type	Closed Book Bidding – <b>Bidding for Annual Coupon</b>
Allotment Method	<b>Uniform price/yield as per bids accepted</b>
Settlement mode	NSCCL

[\*] to be decided on EBP of NSE Ltd

To the extent permitted under regulatory framework, NABARD reserves the right to change schedule of the issue including early closure / partial closure / cancellation without prior consent of investors or arrangers. NABARD also reserves the right to alter the lot size and/ or reject the application if any of the above terms and conditions are not fulfilled. NABARD will not pay any interest on the amount so refunded.

#### Illustration of Per Bond Cash Flows

Company	NABARD
Face Value (per security)	₹ 10 lakh per Bond
Date of Allotment	19 November 2020
Total Issue Size	₹ 659.70 crore
Redemption Date	19 November 2027
Coupon Rate	6.07% pa
Frequency of the Interest Payment with specified dates	Annual

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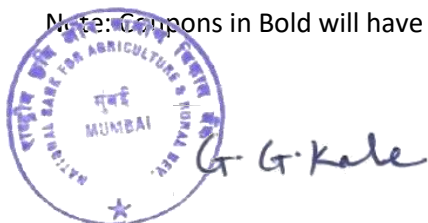
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Day Count Convention	Actual / Actual
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Per Bond Cash Flow Schedule

Cash Flows	Date	Revised Date due to non-weekday	No. of Days in Coupon Period	Amount in Rupees
1 <sup>st</sup> Coupon Payment	19-Nov-21		365	60700
2 <sup>nd</sup> Coupon Payment	19-Nov-22	21-Nov-22	365	60700
3 <sup>rd</sup> Coupon Payment	19-Nov-23	20-Nov-23	365	60700
<b>4<sup>th</sup> Coupon Payment</b>	<b>19-Nov-24</b>		<b>366</b>	<b>60700</b>
5 <sup>th</sup> Coupon Payment	19-Nov-25		365	60700
6 <sup>th</sup> Coupon Payment	19-Nov-26		365	60700
7 <sup>th</sup> Coupon Payment & Redemption Payment	19-Nov-27		365	1060700

Note: Coupons in Bold will have leap year denominator



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