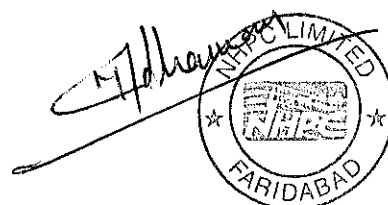
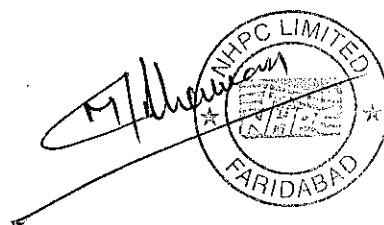


Term Sheet W2 Series

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| Security Name | NHPC 7.35 % p.a. W2 Series Bonds 2027 |
| Issuer | NHPC LIMITED |
| Type of Instrument | Secured Redeemable, Non Convertible, Non Cumulative, Taxable Bonds (W2 Series) in the nature of Debentures |
| Nature of Instrument | Secured |
| Seniority | Senior and Unsubordinated |
| Mode of Issue | Private Placement |
| Eligible Investors | <p>Qualified Institutional Buyers ("QIBs"):</p> <ul style="list-style-type: none">k. Mutual Funds registered with SEBI,l. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;m. Alternative Investment Funds;n. Scheduled Commercial Banks;o. State Industrial Development Corporations;p. Insurance Companies registered with the Insurance Regulatory and Development Authority;q. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;r. National Investment Funds set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the Government of India published in the Gazette of India;s. Insurance funds set up and managed by army, navy or air force of the Union of India.t. Insurance funds set up and managed by the Department of Posts, India. <p>Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.</p> <p>Non QIBs:</p> <ul style="list-style-type: none">k. Companies and Bodies Corporate authorized to invest in bonds/ debentures;l. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures; |



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| | <p>m. Gratuity Funds and Superannuation Funds;</p> <p>n. Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;</p> <p>o. Societies authorized to invest in bonds/ debentures;</p> <p>p. Trusts authorized to invest in bonds/ debentures;</p> <p>q. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;</p> <p>r. Resident Individual Investors;</p> <p>s. Hindu Undivided Families through Karta;</p> <p>t. Partnership firms formed under applicable laws in India in the name of the partners.</p> <p>Any other investor authorised to invest in these bonds, subject to confirmation from the issuer.</p> |
| Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing) | On the Wholesale Debt Market (WDM) Segment of Bombay Stock Exchange (BSE). |
| Rating of the Instrument | "ICRA AAA" by ICRA Ltd. and "CARE AAA" [Triple A] BY CARE LTD. |
| Issue Size | Rs 500.00 Crore |
| Option to retain oversubscription (Amount) | Rs 250.00 Crore |
| Objects of the Issue | To refinance existing loans and to partly meet the debt requirement of ongoing construction projects including recoupment of expenditure already incurred. |
| Details of the utilization of the Proceeds | To refinance existing loans and to partly meet the debt requirement of ongoing construction projects including recoupment of expenditure already incurred. |
| Coupon Rate | 7.35% p.a. |
| Step Up / Step Down Coupon Rate | None |
| Coupon Payment Frequency | Annual |
| Coupon payment dates | Each Anniversary date of the allotment |
| Coupon Type | Fixed |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.) | None |
| Day Count Basis | Actual/ Actual |



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| | 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 | Interest at the coupon rate (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 up to one day prior to the Deemed Date of Allotment |
| Default Interest Rate | In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and up to but excluding the date on which such amount is actually paid. |
| Tenor | 10 years |
| Redemption Date | Bonds are redeemable at par in 5 equal annual installments starting at the end of 6th year of date of allotment. Each bond will comprise of 5 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 6 th , 7 th , 8 th , 9 th & 10 th year respectively of date of allotment. |
| Redemption Amount | At Par at Rs 50.00 lakh each. |
| Redemption Premium / Discount | Nil |
| Issue Price | At Par at Rs 50.00 lakh each. |
| Discount at which security is issued and the effective yield as a result of such discount. | None |



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| Put Option Date | None |
| Put Option Price | None |
| Call Option Date | None |
| Call Option Price | None |
| Put Notification Time | None |
| Call Notification Time | None |
| Face Value | Rs 50.00 Lac each Each bond will comprise of 5 Detachable, Separately Transferable Redeemable Principal Parts (STRPPs) redeemable at par at the end of 6 th , 7 th , 8 th , 9 th & 10 th year respectively of date of allotment. |
| Minimum Application | Rs 5.00 Crores thereafter in multiples of Rs 50.00 lakh |
| Issue Timing Issue Opening Date | 0900 hrs on 15 Sep 2017 |
| Issue Closing Date | 1700 hrs on 15 Sep 2017 |
| Pay-in Date | 15 Sep 2017 |
| Deemed Date of Allotment | 15 Sep 2017 |
| Issuance mode of the instrument | Demat |
| Trading mode of the instrument | Demat |
| Settlement mode of the instrument | Payment of Interest and repayment of Principal shall be made by way of ECS / Direct Credit / RTGS / NEFT/ Cheque (s) / Warrant (s) / Demand Draft (s). |
| Depository | National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL) |
| Business Day Convention | Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai. (Kindly see "Effect of Holidays" on page no. 90). |
| Record Date | 15 calendar days prior to each Coupon Payment Date and redemption date (both dates exclusive). |
| Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) | The Bonds will be secured by way of first pari-passu charge on the selective movable and immovable assets of the Company, i.e., The charge will be created in favor of Debenture Trustee on behalf of the Bondholders in such form and manner in one or more tranches and through one or more security documents as considered appropriate by the Company of value not less than 1.00 times the value of the Bonds outstanding. |

