

**TERM SHEET -**

Security Name	<b>NHPC AB Series</b>
Issuer	NHPC LIMITED
Issue Price	At Par at Rs. 10.00 lacs each.
Tenor	10 years from deemed date of allotment including moratorium period of 5 years.
Issue Size ( Base amount)	Rs. 500 Crores
Option to retain oversubscription (Amount)- Green shoe option	Rs. 250 Crores.
Face Value	Rs. 10 Lacs Each per bond. 05 Separately Transferable Redeemable Principal Parts (STRPPs) <b>having face value of Rs. 2.00 lacs each</b> , redeemable annually from the end of 6 <sup>th</sup> year from the deemed date of allotment till maturity.
Premium/Discount	Nil
Type of Instrument	Secured, Redeemable, Non Convertible, Non Cumulative, Taxable Bonds ( AB Series) in the nature of Debentures.
Nature of Instrument	Secured
Seniority	Senior and Unsubordinated
Mode of Issue	Private Placement
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	Wholesale Debt Market (WDM) Segment of Bombay Stock Exchange (BSE) and NSE.
Bidding	Through electronic bidding platform of NSE.
Issue opening date	23.04.2020
Issue closing date	23.04.2020
Mode of Bidding	Closed bidding
Manner of Allotment	Uniform Yield.
Manner of settlement	Through Clearing Corporation of NSE.
Settlement Cycle	T+1
Deemed date of allotment	24.04.2020
Rating of the Instrument	CARE AAA; Stable by CARE Ratings. IND AAA/Stable by India Rating & Research.
Objects of the Issue	To meet out the CAPEX requirement of the company including partly recoupment of CAPEX already incurred.



Details of the utilization of the Proceeds	To meet out the CAPEX requirement of the company including partly recoupment of CAPEX already incurred.
Coupon Rate	6.80% per annum.
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  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.
Redemption Date	Each Bond shall comprise 05 Separately Transferable Redeemable Principal Parts (STRPPs). Each STRPP is redeemable at par separately from the end of 6 <sup>th</sup> year of the deemed date of allotment till the end of 10 <sup>th</sup> year.
Redemption Amount	At par- Rs. 10.00 lacs per bond comprising 05 STRPPs of Rs. 2.00 lacs each. Each STRPP shall be redeemed annually at the end of 6 <sup>th</sup> year, 7 <sup>th</sup> year, 8 <sup>th</sup> year, 9 <sup>th</sup> year and 10 <sup>th</sup> year respectively.
Discount at which security is issued and the effective yield	None
Put Option Date	None
Put Option Price	None
Call Option Date	None
Call Option Price	None
Put Notification Time	None
Call Notification Time	None
Minimum Application	Rs 10.00 Lac thereafter in multiples of Rs 10.00 lac
Issuance mode of the instrument	Demat
Trading mode of the instrument	Demat
Depository	National Securities Depository Ltd. (NSDL) & Central Depository Services Ltd. (CDSL)
Trustee	IDBI Trusteeship Services Ltd.
Registrar	RCMC Share Registry Private Limited.





Rating Agencies	India Rating and Research Private Limited and CARE Rating Limited
Eligible Investors	<p>All Qualified Institutional Buyers (QIBs) and any non-QIB investors specifically mapped on the NSE- EBP Platform, are eligible to bid/invest/apply for this issue.</p> <p>All participants are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue.</p>
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 in the IM).
Record Date	15 calendar days prior to each Coupon Payment Date and redemption date (both dates exclusive).
Effect of Holiday	<p>If the interest payment date falls on a holiday, the payment would be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.</p> <p>If the redemption date (also being the last coupon payment date) of the bonds falls on a day that is not a working day, the redemption proceeds (including the coupon payment) shall be paid on the immediately preceding working day along with interest accrued on the Bonds until but excluding the date of such payment.</p>
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the offer document.)	<p>The Bonds will be secured by way of 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.</p> <p>The company reserves the right to create further charge on such asset cover for its present and future financial requirements or otherwise, without any prior consent of the Bondholders, or as provided for</p>



	under the Bond Trust Deed, provided that minimum asset cover of one time is maintained.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> <li>1. Letter of Appointment in favour of Debenture Trustees to the Bondholders;</li> <li>2. Debenture Trusteeship Agreement;</li> <li>3. Debenture Trust Deed;</li> <li>4. Rating Agreement with Rating Agency;</li> <li>5. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>6. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>8. Application to NSE for seeking its in-principle approval for bidding of Bonds;</li> <li>9. Listing Agreement with BSE &amp; NSE.</li> </ol>
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>i. Rating letter(s) from the rating agency(ies) not being more than one month old from the issue opening date;</li> <li>ii. Letter from the Debenture Trustees conveying their consent to act as Trustees for the Bondholder(s);</li> <li>iii. Letter from NSE conveying its in-principle approval for listing of Bonds.</li> </ol>
Conditions Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame:</p> <ol style="list-style-type: none"> <li>i. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 01 working days from the date of bidding thru Electronic Book Platform.</li> <li>ii. Listing of bonds within 20 days from the Deemed Date of Allotment as per the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as</li> </ol>





	<p>amended.</p> <ol style="list-style-type: none"> <li>1. Execution of DTD, MoE /Deed of Hypothecation for creation of security within 3 months of closure of issue or offer as per Rule 18 sub rule 5 of Companies (Share Capital and Debentures) Rules, 2014 and regulation 15(1) of SEBI (Issue and Listing of Debt Securities) Regulation, 2008.</li> <li>2. The charge shall be registered with ROC within prescribed time from the date of creation of charge as per provisions laid down under section 77 of The companies Act 2013, as amended.</li> </ol> <p>Besides, the Issuer shall perform all activities mandatory as per the applicable law.</p>
Events of Default	<p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer, excluding in case of technical errors due to reasons beyond the control of the Company.</p> <p>Besides, it would also constitute an "Event of Default" by the Issuer, if the Issuer does not perform or does not comply with one or more of its material obligations in relation to the Bonds issued in pursuance of terms and conditions stated in the Offer Letter-cum-application form.</p> <p>Provisions as contained in to SEBI (Issue and Listing of Debt Securities) (Amendment) Regulation, 2012 and The Companies Act, 2013 as amended shall apply, in case of event of default.</p>
Remedies	<p>Upon the occurrence of any of the Events of Default, the Trustees shall on instructions from majority Bondholder(s), declare the amounts outstanding to be due and payable forthwith and the security created under the security documents shall become enforceable, and the Trustees shall have the right to enforce any security created pursuant to the security</p>



	documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.
Provisions related to Cross Default Clause	N/A
Role and Responsibilities of Debenture Trustee	<p>The trustee shall protect the interest of the Bondholders in the event of default by the Company about timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Bondholder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.</p> <p>The trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, The Securities and Exchange Board of India ( Debenture Trustee) Regulation, 1993, The Bond Trusteeship Agreement, The Bond Trust Deed, Disclosure Documents and all other related transactions documents, with due care, diligence and loyalty.</p> <p>The trustee shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds.</p>
Additional Covenants	<p><b>i. Security Creation:</b> Where an issuer fails to execute the trust deed within the period specified in the sub-regulation without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the company will refund the subscription with agreed rate of interest or will pay penal interest of at least two percent per annum over the coupon rate till these conditions are complied with at the option of investors.</p> <p><b>ii. Default in Payment :</b> In case of default in payment of Interest and/or Principle redemption on the due dates, additional interest of at least @ 2% p.a.</p>



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	<p>over the coupon rate will be payable by the Company for the defaulting period.</p> <p>iii. <b>Delay in Listing</b> : 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 investor.</p> <p>The interest rate mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.</p>
Date of Passing Board resolution	07 <sup>th</sup> February, 2020
Date of resolution passed by the Shareholders in the postal ballot process, authorizing the overall borrowing limit under clause ( c ) of sub section (1) of section 180 .	09 <sup>th</sup> September, 2014
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing applicable laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Delhi.
Validity of the offer letter`	Till the date of closure of the issue.

