

# SUMMARY TERM SHEET

Issuer	National Highways Authority of India ("NHAI"/ the "Authority"/ the "Issuer")
Issue Size	Rs. 8,500 crores
Option to retain oversubscription	Nil
Objects of the Issue	Part financing of the various projects being implemented by NHAI under the NHDP and other national highway projects as approved by the Government of India
Instrument	Taxable Secured Redeemable Non-Convertible Bonds in the nature of Debentures
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Credit Rating	"CRISIL AAA/Stable" by CRISIL, "[ICRA]AAA/Stable" by ICRA, "IND AAA/Stable" by IRRPL and "CARE AAA" by CARE
Seniority	Secured, Senior and Unsubordinated
Mode of Issue	Private Placement
Security	<p>Mortgage over the property of NHAI situated at Ahmedabad along with fixed assets of NHAI, being highway projects comprising of all superstructures including highway lightings, road barriers and dividers, bridges, culverts and all other super structures constructed on national highways except those under the Surat-Manor Tollway Project entrusted to NHAI with a minimum security cover of one time of the aggregate face value amount of Bonds outstanding at all times. Such security creation requires prior approval and authorization by the Government of India as owner of the land. The No-Objection Certificate has been received by the NHAI from the Government of India in this respect.</p> <p>The Issuer has executed the Debenture cum Mortgage Trust Deed and has obtained the confirmation letter from debenture trustee regarding security creation for the aforesaid issue.</p>
Bond Series	NHAI Taxable Bond Series IV
Issue Size	Rs. 8,500 crores
Face Value	Rs. 10 lacs per Bond
Issue Price	At par
Redemption Amount	At par (Rs. 10 lacs) per Bond
Minimum Application	100 Bonds and in multiples of 10 Bond thereafter
Tenor	30 years from the Deemed Date of Allotment
Put Option	None
Put Option Price	Not applicable
Put Option Date	Not applicable
Put Notification Time	Not applicable
Call Option	After every 10 years from the date of allotment
Call Option Price	At par
Call Option Date	10 years from the date of allotment & then on 20 years from the deemed date of allotment
Call Notification Time	One month prior to the date of call
Redemption/ Maturity	At the end of 30 years from the Deemed Date of Allotment
Redemption/Call Date	January 24, 2027
Coupon Rate	<p>7.22%</p> <p>Calculated as per the formula wide your letter No. Inv/Dbt/SM/16-17/0040 dated 07.10.2016 - (15 days (working) average annualized G-SEC rate of 10 year maturity ending on the last Friday/last working day of the week preceding the disbursement date or Annualized GSEC rate of 10 year maturity on last Friday/last working day of the week preceding the disbursement date Whichever is higher plus 50 bps).</p>
Step Up/ Step Down Coupon Rate	The Reset date is on 10 <sup>th</sup> & 20 <sup>th</sup> year from the deemed date of allotment.

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Coupon Frequency	Annual
Coupon Payment Dates	First interest payment on January 24, 2018, Thereafter annually after every year
Coupon Type	Fixed rate to be reset at the 10 <sup>th</sup> anniversary as per method explained below. The rate decided would be fixed for every 10 years. The spread is fixed at 50 bps over the corresponding GSEC rate that's explained in the sanction letter dated 07 <sup>th</sup> Oct 16 and in the coupon rate methodology above.
Coupon Reset Process	To be calculated as per the formula vide your letter No. Inv/Dbt/SM/16-17/0040 dated 07.10.2016 - (15 days (working) average annualized G-SEC rate of 10 year maturity ending on the last Friday/last working day of the week preceding the disbursement date or Annualized GSEC rate of 10 year maturity on last Friday/last working day of the week preceding the disbursement date Whichever is higher plus 50 bps).
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis". 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 half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.
Interest on Application Money	Interest at the respective 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 upto one day prior to the Deemed Date of Allotment
Listing	Proposed on the Wholesale Debt Market (WDM) segment of BSE Limited ("BSE")
Trustees	SBICAP Trustee Company Limited
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Registrars	RCMC share Registry (P) Ltd.
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism
Business Day/ Working Day Convention	Working Days shall be all days on which commercial banks are open for business in the city of Delhi. Further, Sundays, have also been considered as non-Business Days. We have not considered the effect of public holidays as it is difficult to ascertain for future dates. If any of date(s) defined in the Draft Disclosure Document, except the Deemed Date of Allotment, the next working day shall be considered as the effective date(s) in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.
Record Date	15 days prior to each Coupon Payment Date and Redemption Date
Effect of holidays	If the interest payment date falls on a holiday, the payment may be made on the following working day. However, the calculation of payment of interest will be only till the day prior to holiday. Also, the dates of the future coupon payments would be as per the schedule stipulated in the Disclosure Document in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.  If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the 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 succeeding Business Day will be considered as the Record date.  The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

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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 appointing Trustees to the Bondholders;</li> <li>2. Bond/ Debenture Trusteeship Agreement;</li> <li>3. Bond/ Debenture Trust Deed;</li> <li>4. Rating Agreement with CRISIL;</li> <li>5. Rating Agreement with ICRA;</li> <li>6. Rating Agreement with IRRPL;</li> <li>7. Rating Agreement with CARE;</li> <li>8. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>9. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>10. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar;</li> <li>11. Application made to BSE for seeking its in-principle approval for listing of Bonds;</li> <li>12. Listing Agreement with BSE.</li> <li>13. Letters appointing Arrangers to the Issue.</li> <li>14. Trustee Consent Letter.</li> <li>15. Debenture trustee confirmation letter regarding security creation.</li> <li>16. Board Resolution authorizing issue of Bonds.</li> </ol>
Conditions precedent to subscription of Bonds	<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>1. Rating letters from the aforesaid rating agencies not being more than one month old from the issue opening date;</li> <li>2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);</li> <li>3. Application to BSE for seeking its in-principle approval for listing of Bonds.</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Draft Disclosure Document:</p> <ol style="list-style-type: none"> <li>1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment;</li> <li>2. Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates of the Bonds from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the bondholders.</li> </ol> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Draft Disclosure Document.</p>
Future Borrowings and Automatic Approvals to the Issuer	<p>As long as the Company maintains the stipulated security cover in respect NCD's, the Company shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form and also issue Debentures / Notes / other securities in any manner and to change its capital structure without the consent of Debenture holders/Debenture Trustee.</p> <p>Further, the Company shall not be required to obtain debenture holders/ debenture trustee consent for creating pari passu charge on the assets given as a security for further borrowings till the time stipulated security cover is maintained. In case, pari passu letter for any charge creation is requested by the Issuer, Debenture Trustee shall be empowered to issue the same without seeking consent from the Debenture holders, as long as the Issuer satisfies the above requirement of minimum security cover maintenance</p>
Events of Default	<p>If the Issuer commits a default in making payment of any instalment 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. In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the</p>



	respective Coupon Rates of the Bonds for the defaulting period
Remedies	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 documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.
Cross Default	Not Applicable
Role and Responsibilities of Trustees	<p>The Trustees shall protect the interest of the Bondholders in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.</p> <p>The Trustees 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 (Debt Securities) Regulations, 1993, the Bond/ Debenture Trusteeship Agreement, the Bond/ Debenture Trust Deed, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees 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> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit &amp; Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</p>
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 the competent court of New Delhi, India
Additional Covenants	<p><b>1. Default in Payment:</b> In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rates of the Bonds for the defaulting period.</p> <p><b>2. Listing:</b> The Issuer shall complete all the formalities and seek listing permission within 20 days from the Deemed Date of Allotment. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates of the Bonds from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the bondholders.</p>

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Mode of Subscription	Applicants may make remittance of application money only through electronic transfer of funds through Fund Transfer/ RTGS mechanism for credit as per details given hereunder:	
	Name of the Collecting Banker	IndusInd Bank
	Credit into Current A/c No.	National Highways Authority of India
	IFSC Code	201000980451
	Address of the Branch	Sushant Lok, Gurgaon
	Narration	Application money for taxable bonds series-IV (2016-17)
Issue Opening Date*	January 24, 2017	
Issue Closing Date*	January 24, 2017	
Pay-in Date *	January 24, 2017	
Deemed Date of Allotment *	January 24, 2017	

\* The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above dates without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the above date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

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**Cash Flows:**

If the interest payment date falls on a holiday, the payment may be made on the following working day. However, the calculation of payment of interest will be only till the day prior to that holiday. Also, the dates of the future coupon payments would be as per the schedule stipulated in the Disclosure Document/ Term Sheet in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the 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 succeeding Business Day will be considered as the Record Date. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. Investors should note that this example is solely for illustrative purposes. We have not considered the effect of public holidays as it is difficult to ascertain for future dates.

Face Value of the Bond (in Rs) – 10,00,000.00/-

Deemed Date of Allotment – January 24, 2017

Redemption/First Call Date – January 24, 2027

Coupon rate – 7.22%

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Cash Flows	Day, Date	Day count (Actual/Actual)	Amount (in Rs.)
1st Coupon	Wednesday, January 24, 2018	365/365	72200.00
2nd Coupon	Thursday, January 24, 2019	365/365	72200.00
3rd Coupon	Friday, January 24, 2020	366/366	72200.00
4th Coupon	Monday, January 25, 2021	365/365	72200.00
5th Coupon	Monday, January 24, 2022	365/365	72200.00
6th Coupon	Tuesday, January 24, 2023	365/365	72200.00
7th Coupon	Wednesday, January 24, 2024	366/366	72200.00
8th Coupon	Friday, January 24, 2025	365/365	72200.00
9th Coupon	Monday, January 26, 2026	365/365	72200.00
10th Coupon	Monday, January 25, 2027	365/365	72200.00
11th Coupon	Monday, January 24, 2028	366/366	72200.00
12th Coupon	Wednesday, January 24, 2029	365/365	72200.00
13th Coupon	Thursday, January 24, 2030	365/365	72200.00
14th Coupon	Friday, January 24, 2031	365/365	72200.00
15th Coupon	Monday, January 26, 2032	366/366	72200.00
16th Coupon	Monday, January 24, 2033	365/365	72200.00
17th Coupon	Tuesday, January 24, 2034	365/365	72200.00
18th Coupon	Wednesday, January 24, 2035	365/365	72200.00
19th Coupon	Thursday, January 24, 2036	366/366	72200.00
20th Coupon	Monday, January 26, 2037	365/365	72200.00
21st Coupon	Monday, January 25, 2038	365/365	72200.00
22nd Coupon	Monday, January 24, 2039	365/365	72200.00
23rd Coupon	Tuesday, January 24, 2040	366/366	72200.00
24th Coupon	Thursday, January 24, 2041	365/365	72200.00
25th Coupon	Friday, January 24, 2042	365/365	72200.00
26th Coupon	Monday, January 26, 2043	365/365	72200.00
27th Coupon	Monday, January 25, 2044	366/366	72200.00
28th Coupon	Tuesday, January 24, 2045	365/365	72200.00
29th Coupon	Wednesday, January 24, 2046	365/365	72200.00
30th Coupon	Thursday, January 24, 2047	365/365	72200.00
Principal Redemption NHAI Bond Series IV	Thursday, January 24, 2047		1,000,000.00

**Assumptions and Notes:**

1. The aggregate coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association handbook on market practices.
2. The actual dates and maturity amount will be in accordance to and in compliance with the provisions of SEBI circular CIR/IMD/DF-1/122/2016 dated November 11, 2016 giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.
3. In case of exercise of Call option after 10<sup>th</sup> year, the coupon and principal payment will be made on January 24, 2027. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day as per SEBI circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.
4. In case of exercise of Call option after 20<sup>th</sup> year, the coupon and principal payment will be made on January 23, 2037. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day as per SEBI circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.

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