

## I. SUMMARY TERM SHEET

Issuer	National Highways Authority of India ("NHAI" / the "Authority" / the "Issuer")
Issue Size	Rs 2000Crore with Green shoe option up to Rs.1000 Crore aggregating to Rs. 3000 crores
Base issue Size	Rs. 2000crores
Green Shoe Option	Rs.1000 crores
Security name	8.4535NHAI Taxable Bonds 2018-19 Series -2
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 under electronic book mechanism of NSE under SEBI Circular ref SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 read with "Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by NSE.
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 and projects awarded under TOTs 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 states that it has executed necessary Bond/ Debenture Trust Deed and will be submit the same to with NSE within five working days of execution of the same for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer's obligation to create security.</p>
Eligible Investors	<p>All QIBs, and any non-QIB Investors specifically mapped by the Issuer on the NSE BOND – EBP Platform, are eligible to bid / invest / apply for this Issue.</p> <p>All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.</p>
Bond Series	NHAI Taxable Bonds 18-19Series-2
Face Value	Rs. 10 lacs per Bond
Minimum bid size and in multiples thereafter	1 Debenture of Rs. 10,00,000 (Rupees Ten Lakhs) each and inmultiple of 1 Debenture of Rs. 10,00,000 (Rupees Ten Lakhs) each thereafter
Issue Price	At par



Redemption Amount	At par (Rs. 10 lacs) per Bond
Minimum Application	1 Debenture of Rs. 10,00,000 (Rupees Ten Lakhs) each and in multiple of 1 Debenture of Rs. 10,00,000 (Rupees Ten Lakhs) each thereafter
Tenor	30 years from the Deemed Date of Allotment
Put Option	Not applicable
Put Option Price	Not applicable
Put Option Date	Not applicable
Put Notification Time	Not applicable
Call Option	10 years from the date of allotment & then on 20 years from the deemed 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	30 years from deemed Date of Allotment [August 2, 2048]
Coupon Rate	8.4535 % p.a.
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.
Coupon Payment Frequency	Annual
Coupon Payment Dates	First interest payment on August 2, 2019 and thereafter annually every year
Coupon Type	Fixed
Coupon Reset Process	At the end of 10th and 20th year at formula of 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 up to one day prior to the Deemed Date of Allotment



Listing	Proposed on the Wholesale Debt Market (WDM) segment of NSE Ltd ("NSE")
Trustees	Vistra ITCL (India) Limited
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Registrars	M/s Beetal Financial & Computer Services (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 Series-2 IM, 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 dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security 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.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: <ol style="list-style-type: none"> <li>1. Letter appointing Trustees to the Bondholders;</li> <li>2. Bond/ Debenture Trust Deed;</li> <li>3. Rating letter from CRISIL;</li> <li>4. Rating letter from ICRA;</li> <li>5. Rating letter from IRRPL;</li> <li>6. Rating letter from CARE;</li> <li>7. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>8. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>9. Letter appointing Registrar;</li> <li>10. Application made to NSE for seeking its in-principle approval for listing of Bonds;</li> <li>11. Trustee Consent Letter.</li> <li>12. Board Resolution authorizing issue of Bonds.</li> </ol>
Conditions precedent to subscription	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: <ol style="list-style-type: none"> <li>1. Rating letters from the aforesaid rating agencies not being more than one</li> </ol>



Bonds	<p>month old from the issue opening date;</p> <ol style="list-style-type: none"> <li>Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);</li> <li>Application to NSE for seeking its in-principle approval for listing of Bonds.</li> <li>Execution of bond trust deed</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 Series-2 IM:</p> <ol style="list-style-type: none"> <li>Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 1 working days from Bid Closing date;</li> <li>Making listing application to NSE 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 Series-2 IM.</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 respective Coupon Rates of the Bonds for the defaulting period</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 documents towards repayment of the amounts outstanding and/or exercise such other rights as the Trustees may deem fit under the applicable laws.</p>
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 (Debenture Trustees) Regulations, 1993, the Bond/ Debenture Trusteeship Agreement, the Bond/ Debenture Trust Deed, Offer Letter 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	<ol style="list-style-type: none"> <li><b>1. Security Creation:</b> The Issuer states that it has executed the necessary documents for creation of the charge, including the Debenture/ Bond Trust Deed and will be submitting the same with NSE within five working days of execution of the same for uploading on its website.</li> <li><b>2. 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.</li> <li><b>3. 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.</li> </ol>
Mode of Subscription	As per SEBI circular dated January 5 <sup>th</sup> , 2018 and operational guidelines of NSE
Issue/Bid Opening Date	August 1, 2018
Issue/Bid Closing	August 1, 2018



Date	
Pay-in Date	August 2, 2018
Date of Allotment	August 2, 2018


