

## NATIONAL HIGHWAYS INFRA TRUST

### Public Issue of Secured, Rated, Listed, Redeemable Non-Convertible Debentures

Sponsored by NHAI, an autonomous authority of the GoI under the MoRTH constituted on June 15, 1989 by an Act of the Indian Parliament titled - The National Highways Authority of India Act, 1988 (the "NHAI Act"), the Trust consists of Initial Toll Roads comprise five stretches spanning a total length of approximately 389 kms and the Target Toll Roads comprise three stretches spanning a total length of approximately 246 kms. The Trust has filed for its maiden public issue of debt on 30<sup>th</sup> September 2022, wherein it intends to issue Secured, Rated, Listed NCDs of Face Value of ₹1,000/- each (comprising of three Separately Transferable and Redeemable Principal Parts ('STRPP', namely 1 STRPP A of FV of ₹300/-, 1 STRPP B OF FV of ₹300/- and 1 STRPP C OF FV of ₹400/-, for an amount aggregating up to ₹1,500 Cr.

Issuer	National Highways Infra Trust
Issue Size	₹ 1500 Crs (Base Issue Size: ₹ 750 Cr + Option to retain Oversubscription /Green shoe option (Amount): ₹ 750 Crs)
Rating	'CARE AAA; Stable' by CARE Ratings Limited and 'IND AAA/Stable' by India Ratings and Research Private Limited
Minimum Application	₹ 10,000 (i.e., 10 NCDs comprising of 10 STRPP A, 10 STRPP B, 10 STRPP C) *
Coupon	7.90%
Mode of Issuance and Allotment	Demat Only
Face Value of NCD	₹ 1,000
Listing	NSE & BSE
Mode of Submission of Application Forms	ASBA only

STRPP with Different ISIN	STRPP A	STRPP B	STRPP C
Tenor	13 Years	18 Years	25 Years
Frequency of Interest payment	Semi-Annual	Semi-Annual	Semi-Annual
Face value per STRPP	300	300	400
Amount (₹ / NCD) on Redemption Date/ Maturity for NCD Holders in Category I, Category II, Category III & Category IV **	Six (6) annual payments of ₹50 each, starting from 8th Anniversary	Six (6) annual payments of ₹50 each starting from 13th Anniversary* until Maturity	8 annual payments of ₹50 each starting from 18th Anniversary* until Maturity
Effective Yield (% per annum) for NCD Holders in Category I, Category II, Category III & Category IV	8.05%	8.05%	8.05%

\*\* For further details, please refer "Principle Redemption Schedule and Redemption Amounts" on page 270 of the Prospectus and illustrative cash flows given in Annexure A of the Prospectus.

\$Upon Allotment, an Investor will be Allotted all 3 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size #With respect to each STRPP, coupon will be paid on Semi-Annual basis every 6 months from the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The coupon accrued on every Redemption Date will be paid along with the Redemption Amount as per the Redemption Schedule for each respective STRPP. The last coupon payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

Subject to applicable tax deducted at source (TDS), if any. For further details, please see the section entitled "Statement of Possible Tax Benefits" of the Prospectus

\*If the Deemed Date of Allotment undergoes a change, the coupon payment dates, Redemption Dates and other cash flow workings shall be changed accordingly.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue. For further details, see "Issue Procedure" and "Terms of Issue" of the Prospectus.

### Indicative Principle Redemption Schedule and Redemption Amounts (for each NCD, comprising 1 (one) STRPP A, 1 (one) STRPP B and 1 (one) STRPP C)

Upon Allotment, an Investor will be Allotted all 3 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size, as explained in Case I, Case II

And Case III above. However, subsequent to listing, the Trading Lot shall be of 1 (one) STRPP forming part of any NCD, bearing individual ISIN will be tradable by the NCD Holders.

\*\* Principle Redemption Schedule and Redemption Amounts (for each NCD, comprising 1 (one) STRPP A, 1 (one) STRPP B and 1 (one) STRPP C)

	STRPP A	STRPP B	STRPP C	Total	Balance O/s
Tenor	13 Years	18 Years	25 Years		
Face Value	₹300.00	₹300.00	₹400.00	₹1,000.00	
1 <sup>st</sup> Anniversary*	-	-	-	-	₹1,000
2 <sup>nd</sup> Anniversary*	-	-	-	-	₹1,000
3 <sup>rd</sup> Anniversary*	-	-	-	-	₹1,000
4 <sup>th</sup> Anniversary*	-	-	-	-	₹1,000
5 <sup>th</sup> Anniversary*	-	-	-	-	₹1,000
6 <sup>th</sup> Anniversary*	-	-	-	-	₹1,000
7 <sup>th</sup> Anniversary*	-	-	-	-	₹1,000
8 <sup>th</sup> Anniversary*#	₹50.00	-	-	₹50.00	₹950
9 <sup>th</sup> Anniversary*#	₹50.00	-	-	₹50.00	₹900
10 <sup>th</sup> Anniversary*#	₹50.00	-	-	₹50.00	₹850
11 <sup>th</sup> Anniversary*#	₹50.00	-	-	₹50.00	₹800
12 <sup>th</sup> Anniversary*#	₹50.00	-	-	₹50.00	₹750
13 <sup>th</sup> Anniversary*#	₹50.00	₹50.00	-	₹100.00	₹650
14 <sup>th</sup> Anniversary*#	-	₹50.00	-	₹50.00	₹600
15 <sup>th</sup> Anniversary*#	-	₹50.00	-	₹50.00	₹550
16 <sup>th</sup> Anniversary*#	-	₹50.00	-	₹50.00	₹500
17 <sup>th</sup> Anniversary*#	-	₹50.00	-	₹50.00	₹450
18 <sup>th</sup> Anniversary*#	-	₹50.00	₹50.00	₹100.00	₹350
19 <sup>th</sup> Anniversary*#	-	-	₹50.00	₹50.00	₹300
20 <sup>th</sup> Anniversary*#	-	-	₹50.00	₹50.00	₹250
21 <sup>st</sup> Anniversary*#	-	-	₹50.00	₹50.00	₹200
22 <sup>nd</sup> Anniversary*#	-	-	₹50.00	₹50.00	₹150
23 <sup>rd</sup> Anniversary*#	-	-	₹50.00	₹50.00	₹100
24 <sup>th</sup> Anniversary*#	-	-	₹50.00	₹50.00	₹50
25 <sup>th</sup> Anniversary*#	-	-	₹50.00	₹50.00	NIL

\*Of Deemed Date of Allotment # Staggered Redemption by Face Value for each respective STRPP

With respect to each STRPP, Coupon will be paid on each semi-annual basis every six months from the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The last coupon payment under such STRPP will be made at the time of

Maturity (final redemption date) of the said STRPP.

With respect to each STRPP where Coupon is to be paid on a semi-annual basis, relevant Coupon will be paid on each semi-annual basis every six months from the Deemed Date of Allotment on the outstanding face value of the relevant STRPP.

The last coupon

Payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

The coupon accrued on every Redemption Date will be paid along with the Redemption Amount as per the Redemption Schedule for each respective STRPP. For further details, please refer "Issue Structure - Principal Redemption Schedule and Redemption

Amounts" on page 270 of the Prospectus and illustrative cash flows given in Annexure I of this Prospectus.

Please refer to Annexure A of the Prospectus, for details pertaining to the financial information of the Trust in accordance with the SEBI Operational Circular.

Subject to applicable tax deducted at source, if any. For further details, please see the section titled "Statement of Possible Tax Benefits" on page 67 of the Prospectus.

### What is STRPP Bonds?

A strip bond is a debt obligation whose principal and coupon payments are removed (or stripped) by investment firms or dealers and sold separately to investors. An investor who buys the separated principal from the bond, known as the residue, receives an amount equal to the face value of the bond when it matures.

**For example:** With respect to each STRPP where Coupon is to be paid on an annual basis, relevant Coupon will be paid on each anniversary of the Deemed Date of Allotment. The interest will be calculated basis the outstanding face value of the relevant STRPP on the immediate previous anniversary. The last Coupon Payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

With respect to each STRPP where Coupon is to be paid on a half yearly basis, relevant Coupon will be paid on each 6 months anniversary of the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The last Coupon Payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

### Unit holding as of March 31, 2022

Name of Unit Holder	%age Holding
NHAI (Sponsor)	16.06%
CPP Investment Board Pvt. Holdings Imc. (Canada Pension Plan Investment Board)	25.00%
Ontario Limited (Ontario Teachers' Pension Plan)	25.00%
SBI Balanced Advantage Fund	9.54%
Other Shareholders (<5% holding)	24.40%

### Strengths of the Trust:

- Experienced Sponsor with consistent track record in operating and maintaining projects in the roads and highways sector in India.
- Sizeable portfolio of diversified long-term revenue generating Toll Road assets.
- Presence in strategic regions/ Strategic geographic location of portfolio assets
- Experienced management team with industry experience.
- Growth opportunities and access to Sponsor's portfolio
- Favorable Concession Agreements terms with Low Counterparty Risk and Inflation Passthrough
- Financial Indebtedness As on June 30, 2022, the outstanding consolidated borrowings of the Trust and the Project SPV aggregated to ₹ 14,628.52 million. The key lenders are State Bank of India, Axis Bank Ltd & Bank of Maharashtra under the Loan Agreement Dated 29<sup>th</sup> Sep 2021. The debt/ equity ratio of the Trust, on a consolidated basis, as on June 30, 2022 (prior to this Issue) is 24.07% which is based on total borrowings (consisting of non-current borrowings and current maturities of long-term borrowings) of ₹ 14,628.52 million, and total Unit holders' Equity amounting to ₹ 60,777.13 million.

Particulars	Pre - Issue (In ₹ million) as on 29 <sup>th</sup> Sep 2022
Unit holders' Funds	0.01
Unit Capital	60,115.20
Other Equity	661.92
Total Unit holders' Funds (A)*	60,777.13
Long Term Borrowing	14,503.52
Other Borrowings (Current Maturity of Long Terms Borrowings)	125.00
Total Debt (B)	14,628.52
Total Debt/ Unit holders' Funds	24.07%

\* National Highways Infra Trust, the infrastructure investment trust (InvIT) of National Highways Authority of India (NHAI), has raised ₹ 12,170 million from investors in its follow-on offer, the ministry of road transport and highways (MoRTH) announced on Monday, 3<sup>rd</sup> of October 2022. The issue was fully subscribed before closing, with NHAI's own share of investment being ₹ 2,130 million, thereby total unit holder fund-raise of ₹ 14,300 million. The total equity post this round comes to -₹75,080 million.

## Illustration

### Case I - Application amount - ₹ 10,000

NCDs to be allotted - 10 NCDs which will comprise of STRPP A, STRPP B and STRPP C as under:

STRPP	A	B	C	Total
Tenor	13Y	18Y	25Y	
Face Value (X)	₹300	₹300	₹400	₹1,000
No. of STRPPSs (Y)	10	10	10	30
Total Face Value (X x Y)	₹3,000	₹3,000	₹4,000	₹10,000

### Case II - Application amount - ₹ 12,000

NCDs to be allotted - 12 NCDs which will comprise of STRPP A, STRPP B and STRPP C as under:

STRPP	A	B	C	Total
Tenor	13Y	18Y	25Y	
Face Value (X)	₹300	₹300	₹400	₹1,000
No. of STRPPSs (Y)	12	12	12	36
Total Face Value (X x Y)	₹3,600	₹3,600	₹4,800	₹12,000

### Case III - Application amount - ₹ 85,000

NCDs to be allotted - 85 NCDs which will comprise of STRPP A, STRPP B and STRPP C as under:

STRPP	A	B	C	Total
Tenor	13Y	18Y	25Y	
Face Value (X)	₹300	₹300	₹400	₹1,000
No. of STRPPSs (Y)	85	85	85	255
Total Face Value (X x Y)	₹25,500	₹25,500	₹34,000	₹85,000

Upon Allotment, an Investor will be Allotted all 3 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size, as explained in Case I, Case II and Case III above. However, subsequent to listing, the Trading Lot shall be of 1 (one) STRPP forming part of any NCD, bearing individual ISIN will be tradable by the NCD Holders.

## Who can apply?

<b>Category I - Institutional Investors</b>	<ul style="list-style-type: none"> <li>Public financial institutions, statutory corporations, commercial banks, co-operative banks and RRBs and multilateral and bilateral development financial institutions which are authorized to invest in the NCDs;</li> <li>Provident funds, pension funds with a minimum corpus of Rs 25 crores, superannuation funds and gratuity funds, which are authorized to invest in the NCDs;</li> <li>Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>Resident Venture Capital Funds registered with SEBI;</li> <li>Insurance Companies registered with IRDA;</li> <li>State industrial development corporations;</li> <li>Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>Systemically Important Non- Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements</li> <li>National Investment Fund set up by resolution no. F. No. 2/3/2005 -DDII dated November 23,2005 of the Government of India published in the Gazette of India; and</li> <li>Mutual Funds registered with SEBI.</li> </ul>
<b>Category II - Non Institutional Investors</b>	<ul style="list-style-type: none"> <li>Companies; bodies corporate and societies registered under the applicable laws in India and authorized to invest in the NCDs;</li> <li>Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>Co-operative banks and regional rural banks;</li> <li>Trusts including public/private charitable/religious trusts which are authorized to invest in the NCDs;</li> <li>Scientific and/or industrial research organizations, which are authorized to invest in the NCDs;</li> <li>Partnership firms in the name of the partners;</li> <li>Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>Association of Persons; and</li> <li>Any other incorporated and/ or unincorporated body of persons.</li> </ul>
<b>Category III - HNI Category</b>	<ul style="list-style-type: none"> <li>Individual Investors ("HNIs") - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above Rs.1,000,000 across all options of NCDs in the Issue.</li> </ul>
<b>Category IV - Individual Category</b>	<ul style="list-style-type: none"> <li>Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including Rs.1,000,000 across all options of NCDs in the Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit (being Rs 500,000 for public issue of debt securities) in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.</li> </ul>

**APPLICATIONS CANNOT BE MADE BY:**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors; Qualified Foreign Investors;
6. Overseas Corporate Bodies\*\*;
7. Foreign Venture Capital Funds; and.
8. Persons ineligible to contract under applicable statutory/ regulatory requirements.

*\*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

*\*\*The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

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