

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
UP RAJYA VIDYUT UTPADAN NIGAM CONTRIBUTORY PROVIDENT FUND TRUST
(Private & Confidential –For Private Circulation Only)

f. ISSUE DETAILS

TERM SHEET

Security Name	7.87 % MTNL SG BOND SERIES VII – B – 2022
Issuer	Mahanagar Telephone Nigam Limited
Type and Nature of Instrument	GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES
Seniority	Senior
Mode of Issue	Private Placement
Issuance & trading mode of instrument	In Demat Only
Eligible Investors	(a) Qualified Institutional Buyers (QIBs), as defined in the under Regulation 2 (ss) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and (b) Any non-QIB investor including arranger(s), who are authorized to invest/to participate in the issue through an Electronic Book Mechanism of BSE (BSE BOND – EBP). All QIBs, arrangers who bid on their own as well as on behalf of others and any non-QIB Investors specifically mapped by the Issuer on the BSE BOND – EBP Platform, are eligible to bid / invest / apply for this Issue All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue The offer or invitation of NCDs under this issue is not invited/applicable from/to a body corporate incorporated in, or a national of, a country which shares a land border with India (as per fifth proviso to Rule 14 (1) of Companies (Prospectus and Allotment of Securities) Rules 2014 amended by MCA vide notification dated 05th May 2022)
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	On the Wholesale Debt Market (WDM) Segment of the BSE Ltd. As per Operational Circular Issued by SEBI “SEBI/HO/DDHS/P/CIR/2021/613” dated 10th August 2021 The company ensures that bonds are listed within T+4 days (T (trading days) = Issue Closing Date). In case bonds are not listed within T+4 days, the issuer shall;

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	(a) pay penal interest of 1% p.a. over the coupon rate for the period of delay to the investor (i.e. from date of allotment to the date of listing); and (b) Be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchange.
Rating of the Instrument	“ IND AAA (CE)/Stable ” by India Ratings and Research Private Limited, and “ CARE AAA (CE); Stable ” by CARE Ratings Limited
Issue Size	Rs. 500 crore (‘Base Issue’) with green shoe option of Rs. 2,257.90 crore to retain over subscription
Minimum subscription	Rs. 500 crore
Option to retain oversubscription	Yes, Rs. 2,257.90 crore aggregating to Rs.2,757.90 crore
Objects of the Issue / Purpose for which there is requirement of funds	For repayment of Principal and interest amount of outstanding debts.
Details of the utilization of the Proceeds	The proceeds of the issue shall be utilized as per the object clause of the term sheet.
Coupon Rate	7.87 % per annum payable semi annually
Step-Up/ Step-Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Semi Annually
Coupon Payment Dates	Please refer to the cash flow illustration (Annexure XIII)
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count Basis (Actual/Actual)	Interest shall be computed on an “Actual/Actual basis” in accordance with SEBI dated 10 August 2021 circular number SEBI/HO/DDHS/P/CIR/2021/613, as amended (“SEBI Operational Circular”). If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next working day without provisioning the interest for additional days. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Cash Flow Illustration (Annexure XIII). If the maturity date, falls on a Sunday or a holiday, the redemption proceeds along with last coupon amount shall be paid on the previous working day till the last date use of principal amount. Where the Interest period (start date to end date) includes February 29, Interest shall be computed on 366 days-a-year basis.

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Interest on Application Money	As the Pay-In-Date and the Deemed Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.
Default Interest Rate	In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.
Tenor	10 years from the deemed date of allotment.
Redemption Date	Wednesday, 01st December 2032
Redemption Amount	Rs. 10,00,000/- per bond
Redemption Premium / Discount	NIL
Issue Price	Rs. 10,00,000/- per bond
Discount at which security is issued and the effective yield as a result of such discount.	NIL
Put Date	None
Put Price	None
Call Date	None
Call Price	None
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	None
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	None
Face Value	Rs 10,00,000/- per bond
Minimum Bid Lot/Minimum Application and in multiples of thereafter	Minimum application is of 1 bond of face value of Rs. 10 lakhs and in multiple of 1 bond (Rs 10 Lakhs) thereafter

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Issue Timings	
1. Bid/Issue Opening Date	1. 30 th November 2022
2. Bid/Issue Closing Date	2. 30 th November 2022
3. Pay in Date	3. 01 st December 2022
4. Deemed Date of Allotment	4. 01 st December 2022
Business Day/ Working Day Convention	Working Days means all days on which commercial banks in the New Delhi is open for business. Explanation: For the purpose of this definition, in respect of i) Announcement of bid /issue period: working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the New Delhi is open for business; ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays
Effect of holidays	If the coupon payment date falls on Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future coupon payments would continue to be as per the schedule originally stipulated in this Placement Memorandum If the maturity Date (also being the last Coupon Payment Date) of the debt security falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day till the last date use of principal amount {In accordance with SEBI dated 10 August 2021 circular number SEBI/HO/DDHS/P/CIR/2021/613, as amended (“SEBI Operational Circular”)}
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of credit through RTGS/NEFT or any other electronic mode offered by the Bank. Wherever the payment is not possible due to non-availability of Banking Details, the payment of interest and repayment of principal shall be made by through DD. DD shall be dispatched through Speed Post. The interest payment mode of payment is subject to the Regulation 12 of SEBI (LODR), Regulation 2015.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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Disclosure of Interest/ Redemption Date	Please refer to the cash flow illustration (Annexure XIII)
Record Date	15 days prior to each Coupon Payment Date and Redemption Date. 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.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Placement Memorandum and all other documents containing ratings, Debenture Trustee Consent, Sovereign Guarantee letter, Presidential Approval, Tripartite Agreement and RTA Consent
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ 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 placement memorandum	Bonds/Debentures are backed by Sovereign Guarantee of GoI vide Ministry of Finance OM No. 12(21)-(B)(SD)/2022 dated 02nd September 2022 The Bonds are secured by way of unconditional and irrevocable guarantee and continuing obligation for payment of principal amount of the Bonds issued by the Company, normal Interest thereon as agreed to be guaranteed by the GOI
Transaction Documents	The Issuer has executed already/executed the documents including but not limited to the following in connection with the Issue: Letter appointing Trustees to the Bondholders; Debenture Trusteeship Agreement; Debenture/Bond Trust Deed; Rating letter from India Ratings and CARE Ratings Tripartite Agreement between the MTNL; Registrar and NSDL for issue of Bonds in dematerialized form; Tripartite Agreement between the MTNL, Registrar and CDSL for issue of Bonds in dematerialized form; Letter appointing Registrar and agreement entered into between the

Placement Memorandum (Tranche 2) – MTNL SG Bond Series VII-B dated 30th November, 2022
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	MTNL and the Registrar; Application made to BSE for seeking their in-principle approval for listing of Bonds; (to be sent on 01/12/2022 on receipt of funds from allottee) Listing Agreement with BSE; Letters appointing Arrangers to the Issue Tripartite/Guarantee Agreement.
Conditions precedent to disbursement	The subscription from investors shall be accepted for allocation and allotment by the MTNL subject to the following: 1. Rating letters from INDIA Ratings and CARE not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 3. Executing the debenture trust deed, in favour of the Trustee 4. Letter from BSE conveying its in-principle approval for listing of Bonds
Conditions Subsequent to the disbursement	1. Maintaining a complete record of Placement Memorandum offers in Form PAS-5; 2. Filing a return of allotment of Debentures with complete list of all Debenture Holders in Form PAS-3 under Section 42(8) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi and Haryana within 15 (fifteen) days of the Deemed Date of Allotment along with fee; 3. Credit of demat account(s) of the allottee (s) by number of Debentures allotted within the stipulated time period from the Deemed Date of Allotment; 4. Making listing application to BSE within 4 (four) days from the Deemed Date of Allotment of the Debentures and seeking listing permission within 4 (four) days from the Deemed Date of Allotment of the Debentures; 5. Executing the Debenture Trust Deed in favour of the Trustee prior to the listing of the Debentures and submit the same with BSE
Events of Default	Payment Default a. The Trustee shall within 30 days before each due date inform the Company in writing regarding the Due date and the provision of Adequate Funds by MTNL. The Company shall

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	ensure that Adequate funds are available in the Designated account latest by 10 calendar days before the Due date b. In case the Designated Account does not have Adequate Funds latest by Ten (10) days prior to the Due date, it shall constitute a payment Default. c. In case of a Payment Default “ the Trustee shall forthwith invoke the GOI Guarantee, in case the Designated account is not funded to the requisite extent by at least 8 days before the payment Due date by sending a notice to DOT. d. Any invocation of the guarantee pursuant to the Guarantee Agreement should be within Sixty (60) days from the Due date. In case the guarantee is not invoked within the stipulated period of Sixty (60) days, the guarantee shall cease to exist only for that portion of the Principal and/or Interest for which the guarantee has not been invoked.
Creation of Recovery Expense Funds	Bank Guarantee already executed with BSE
Conditions for breach of Covenants	As applicable as per Offer Document, Tripartite Agreement, other such agreements including the Bi-Partite Agreement and Trust Deed as and when entered as required under regulations.
Provisions related to Cross Default Clause	Not Applicable
Role and Responsibilities of Debenture Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. 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, Placement Memorandum and all other related transaction documents, with due care, diligence and loyalty. The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis.

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	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 & 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 from time to time. 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. SEBI vide its circular no. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 provide relaxation upto December 31, 2022 from the requirement of Regulation 58 (1) (b) of listing regulations. (Exception to send soft copies only upto 31/12/2022 and afterwards hard copies to be sent directly to debenture holders) Hard copies of full annual reports will be sent to those Debenture Holders who request for the same after 31/12/2022 as SEBI allowed to send soft copies only upto 31/12/2022; Soft copies of full annual reports to be sent to all NCD holders who have registered their email with issuer or depository
Risk factors pertaining to the issue	Please refer page number 54 to 59 of the Placement Memorandum
Manner of Settlement in the issue	Through Clearing Corporation/ICCL
Manner of Bidding	Closed Bidding
Manner of allotment	The allotment will be done on uniform yield basis in accordance with the SEBI Operational Circular.
Mode of Subscription /Settlement Cycle	Successful Bidders shall be required to transfer funds from bank account (s) registered with EBP to the bank account of the Clearing Corporation/ICCL to the extent of funds pay-in obligation on or before 10.30 hours on T + 1 day i.e. 01/12/2022, T being the bidding end date as per the operating guidelines for electronic book mechanism issued by BSE. {In accordance with SEBI dated 10 August 2021 circular number SEBI/HO/DDHS/P/CIR/2021/613, as amended ("SEBI Operational Circular")}

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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 Courts at the city of Delhi only.
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MTNL reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by MTNL. In case if the Issue Closing Date/ Pay in Dates is/ are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by MTNL at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Dates may also be changed at the sole and absolute discretion of MTNL.

THESE DEBENTURES TO BE ISSUED DOES NOT FORMS PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021. THE FACE VALUE OF EACH DEBENTURE TO BE ISSUED ON PRIVATE PLACEMENT BASIS IS RS.10 LAKHS.

g. APPLICATION PROCESS

WHO CAN APPLY

Applications by Body Corporates/Companies/Public Financial Institutions/NBFCs/Statutory Corporations

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association/constitutional documents / bye-laws; (ii) Resolution authorizing investment and containing operating instructions; (iii) Specimen signatures of authorized signatories;

Application by Scheduled Commercial Banks

The application must be accompanied by certified true copies of (i) Board Resolution authorizing investments or letter of authorization or Power of Attorney; and (ii) Specimen signatures of authorized signatories.

Application by Regional Rural Banks

The applications must be accompanied by certified true copies of (i) Government notification/Certificate of Incorporation/Memorandum and Articles of Association /other documents governing the constitution; (ii) Resolution authorizing investment and containing operating instructions; (iii) Specimen signatures of authorized signatories;

Application by Insurance Companies

The applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney; (iii) resolution authorizing investment and containing operating instructions; and (iv) specimen signatures of authorized signatories.