

Serial Number
Addressed To

Private Placement Offer Document –MTNL Bond Series-V IM dated 08th Oct, 2020
(Private & Confidential –For Private Circulation Only)

T. TERM SHEET: ISSUE DETAILS

Security Name	7.05% MTNL 2020 - BONDS V
Issuer	Mahanagar Telephone Nigam Limited
Type of Instrument	GOVERNMENT OF INDIA GUARANTEED, UNSECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES
Government of India Guarantee	Ministry of Communications (Department of Telecommunications) Government of India vide its letter No F.No. 30-5/2015-PSU Affairs dated 02.09.2020 has conveyed presidential approval and executed a Guarantee Agreement dated 09.09.2020 with MTNL and SBICAP Trustee Company Limited in the capacity of Trustees for the Bondholders, conveying its unconditional and irrevocable guarantee for the repayment of principal amount of bonds of MTNL for an amount of Rs. 6,500 crore and normal interest thereon. Sovereign Guarantee authorization is issued by Ministry of Finance vide letter no. 12(19)-B(SD)/2020 dated 20.08.2020
Seniority	Senior and Unsubordinated
Mode of Issue	Private Placement
Security (where applicable)	Bonds/Debentures are Sovereign Guaranteed by GoI vide Ministry of Finance OM No. 12(19)-(B)(SD)/2020 dated 20th August 2020 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
Eligible Investors	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.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of the BSE Timeline for listing Further, in case of investment by FII/sub accounts of FII investors, it shall be ensured by the company that the bonds are listed within 15 days of allotment. In case bonds are not listed within 15 days, company shall immediately redeem/buyback the securities from such FII/sub accounts of FII investors as per RBI circular No. RBI/2011-12/423 dated March 01, 2012
EBP Platform	BSE BOND – EBP
Rating of the Instrument	“CRISIL AAA(CE)/Stable” by ‘CRISIL Limited, “CARE AAA(CE); Stable” by CARE Ratings Limited and “BWR AAA(CE)/Stable” by Brickwork India Rating Ltd.
Issue Size	Rs. 1,000 crore (‘Base Issue’) with green shoe option of Rs. 5,500 Crore to retain over subscription

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Option to retain over subscription (Amount)	Yes, Rs. 3,361.40 crore aggregating to Rs. 4,361.40 crore
Objects of the Issue	Refinancing of existing borrowings and CAPEX funding
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	7.05%
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Semi Annually
Coupon payment dates	Please refer to the cash flow illustration
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
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 (as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013 and CIR/IMD/DF-1/122/2016 dated 11th November 2016)
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	11 th October 2030
Redemption Amount	Rs. 10,00,000/- per bond
Redemption Premium / Discount	NIL
Issue Price/Face Value	Rs. 10,00,000/- per bond
Discount at which security is issued and the effective yield	NIL

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as a result of such discount.	
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 and in multiples of Debt securities thereafter	Minimum application is of 1 bond of face value of Rs. 10 lakhs and in multiple of 1 bond (Rs 10 Lakhs) thereafter
Issue Timings	
1. Issue Opening Date	1. 08 th October 2020
2. Issue Closing Date	2. 08 th October 2020
3. Pay in Date	3. 12 th October 2020
4. Deemed Date of Allotment	4. 12 th October 2020
Settlement Cycle	T+2 (T being bidding day as set out above)
Basis of Allotment (if any)	The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
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.
Business Day/ Working Day Convention	'Business Day' shall be a day when the money market is functioning in Mumbai. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.
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

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		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.														
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.														
Depository		National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).														
Structured Payment Mechanism	Payment	The Guarantee Agreement provide for a Structued Payment Mechanism whereby a Designated Trust & Retention Account in the name of “Mahanagar Telephone Nigam Limited (MTNL)-Bond Account” shall be opened exclusive for the benefit of the Trustee (on behalf of the bondholders). The following payment structure (wherein “T1” is assumed to be the due date for interest payments and “T2” is assumed to be the due date for principal repayment of the bonds) is envisaged for meeting the obligations on the rated bonds. Interest Payments <table><tr><th>Trigger Date</th><th>Action Point</th></tr><tr><td>(T1-30)th day*</td><td>Trustees to inform MTNL and the DoT/GOI in writing regarding the due date for payment of interest amount so that the necessary arrangements could be made for meeting the interest payment obligations on the Bonds.</td></tr><tr><td>(T1-10)th day*</td><td>The Designated Trust and Retention Account is to be funded by MTNL to the tune of the interest obligations on the Bonds.</td></tr><tr><td>(T1-8)th day*</td><td>If the Designated Trust and Retention Account is not funded to the requisite extent by (T1-8)th day, the Trustees shall forthwith invoke the GOI Guarantee by sending a Notice of Invocation to DoT/GOI.</td></tr><tr><td>(T1-3)th day*</td><td>Last date by which DoT/GOI shall deposit requisite funds in the Designated Trust and Retention Account as per the Notice of Invocation served by the Trustees.</td></tr></table> If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the following working day in line with SEBI circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016. PRINCIPAL REPAYMENT <table><tr><th>Trigger Date</th><th>Action Point</th></tr><tr><td>(T2-30)th day*</td><td>Trustees to inform MTNL and the DoT/GOI in writing regarding the due date for repayment of Principal amount so that the necessary arrangements could be made for meeting the</td></tr></table>	Trigger Date	Action Point	(T1-30)th day*	Trustees to inform MTNL and the DoT/GOI in writing regarding the due date for payment of interest amount so that the necessary arrangements could be made for meeting the interest payment obligations on the Bonds.	(T1-10)th day*	The Designated Trust and Retention Account is to be funded by MTNL to the tune of the interest obligations on the Bonds.	(T1-8)th day*	If the Designated Trust and Retention Account is not funded to the requisite extent by (T1-8)th day, the Trustees shall forthwith invoke the GOI Guarantee by sending a Notice of Invocation to DoT/GOI.	(T1-3)th day*	Last date by which DoT/GOI shall deposit requisite funds in the Designated Trust and Retention Account as per the Notice of Invocation served by the Trustees.	Trigger Date	Action Point	(T2-30)th day*	Trustees to inform MTNL and the DoT/GOI in writing regarding the due date for repayment of Principal amount so that the necessary arrangements could be made for meeting the
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		Principal repayment obligations on the Bonds.
	(T2-10)th day*	The Designated Trust and Retention Account is to be funded by MTNL to the tune of the Principal obligations on the Bonds.
	(T2-8)th day*	If the Designated Trust and Retention Account is not funded to the requisite extent by (T2-8)th day, the Trustees shall forthwith invoke the DoT/GOI Guarantee by sending a Notice of Invocation to GOI.
	(T2-3)th day*	Last date by which DoT/GOI shall deposit requisite funds in the Designated Trust and Retention Account as per the Notice of Invocation served by the Trustees.
	* 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 immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.	
Transaction Documents	The Issuer has executed already/executed/shall execute 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 CRISIL, CARE and BRICKWORKS Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; Letter appointing Registrar and agreement entered into between the Issuer and the Registrar; Application made to BSE for seeking their in-principle approval for listing of Bonds; Listing Agreement with BSE; Letters appointing Arrangers to the Issue Guarantee Agreement.	
Conditions precedent to subscription of Bonds	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: 1. Rating letters from CRISIL, BWR 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. Letter from BSE conveying its in-principle approval for listing of Bonds	
Conditions Subsequent to the subscription of bonds	1. Maintaining a complete record of private placement offers in Form PAS-5;	

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	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 15 (fifteen) days from the Deemed Date of Allotment of the Debentures and seeking listing permission within 20 (twenty) days from the Deemed Date of Allotment of the Debentures; 5. Executing the debenture trust deed, in favour of the Trustee within 90 (ninety) days of Deemed Date of Allotment of the Debentures and submission of the debenture trust deed with BSE within 5 (five) working days of execution of the same for uploading on their website. Further, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Draft Disclosure Document.
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 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.
Remedies	Upon the occurrence of any of the Events of Default, the Trustees shall forth declare the amounts outstanding to be due and payable forthwith and the guarantee will be invoked by the Trustees towards repayment of the amounts outstanding by issuing notice as prescribed in TPA and/or exercise such other rights as the Trustees may deem fit under the applicable laws subject to the conditions as set out in TPA.
Additional Covenants (SEBI/HO/MIRSD/DOS3/CIR/P/ 2019/98 dated May 27th, 2019)	DEFAULT IN PAYMENT: In case of default in payment of interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the

	Coupon Rate will be payable by the Issuer for the defaulting period, which shall mean the due date of payment to the actual date of payment excluding the date of payment in counting the period.
	DELAY IN LISTING: 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 investors. Further, in case of investment by FII/sub accounts of FII investors, it shall be ensured by the company that the bonds are listed within 15 days of allotment. In case bonds are not listed within 15 days, company shall immediately redeem/buyback the securities from such FII/sub accounts of FII investors as per RBI circular No. RBI/2011-12/423 dated March 01, 2012 ALLOTMENT OF SECURITIES: As per Company Act 2013 under section 42(6) of the Act, the Company shall allot the Debentures/ Bonds within (60) sixty days from the date of receipt of the application money for such Debentures/ Bonds and if the Company is not able to allot the Debentures/ Bonds within such period, it shall repay the application money to the subscribers within fifteen days from the date of completion of (60) sixty days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of 12% p.a. from the expiry of the sixtieth day. On the happening of any of the event of default, in addition to the rights specified above, the Debenture Holders/Bond Trustees shall have the right as indicated in the SEBI Regulations/ Company Act 2013 from time to time and also as per listing agreement.
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, Disclosure Document 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 May11, 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
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.
Trustees	SBICAP Trustee Co. Ltd.
Registrar	BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.
Mode of Subscription	As per SEBI EBP circulars and operational guidelines of Stock Exchanges Successful bidders are required to do the funds pay-in from their same bank account which is updated by them in the BSE Bond - EBP Platform (as applicable) while placing the bids and into the relevant designated bank account. In case of mismatch in the bank account details between BSE Bond - EBP Platform (as applicable) and the bank account from which payment is done by the successful bidder, the payment will be returned back. Payment should be made by the deadline specified by the BSE. Successful bidders should do the funds pay-in to the bank accounts of the clearing corporation of the relevant Exchange.
Manner of Bidding	Closed Bidding
Mode of Allotment/Allocation option	Uniform Yield
Mode of Settlement	Clearing Corporation of BSE (Indian Clearing Corporation Ltd)
ISSUE SCHEDULE:	
Issue Opening Date	08 th October 2020
Issue Closing Date	08 th October 2020
Pay-in Date	12 th October 2020
Deemed Date of Allotment	12 th October 2020

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U. DISCLOSURE OF CASH FLOWS:

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.

Company	MAHANAGAR TELEPHONE NIGAM LIMITED
Tenure	10 Years
Face Value (per security)	Rs 10,00,000/-
Deemed Date of Allotment	12 th October 2020
Redemption	11 th October 2030
Coupon Rate	7.05%
Frequency of the interest payment with specified dates	First Interest on 12.04.2021 and subsequent on 12.10.2021. Thereafter 12 th April and 12 th October till maturity
Day count Convention	Actual/Actual Coupon shall be computed on an “actual/actual basis”. Where the coupon period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis (as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th Oct 2013 and CIR/IMD/DF-1/122/2016 dated 11th November 2016)

Cash Flows

Coupon Payment	Actual Dates	Revised Dates	No. of days	Amount per Bond payable (in Rs.)
1 st	Monday, 12 April, 2021	Monday, 12 April, 2021	182	35,153.00
2 nd	Tuesday, 12 October, 2021	Tuesday, 12 October, 2021	183	35,347.00
3 rd	Tuesday, 12 April, 2022	Tuesday, 12 April, 2022	182	35,153.00
4 th	Wednesday, 12 October, 2022	Wednesday, 12 October, 2022	183	35,347.00
5 th	Wednesday, 12 April, 2023	Wednesday, 12 April, 2023	182	35,153.00
6 th	Thursday, 12 October, 2023	Thursday, 12 October, 2023	183	35,347.00
7 th	Friday, 12 April, 2024	Friday, 12 April, 2024	183	35,250.00
8 th	Saturday, 12 October, 2024	Monday, 14 October, 2024	183	35,250.00
9 th	Saturday, 12 April, 2025	Monday, 14 April, 2025	182	35,153.00
10 th	Sunday, 12 October, 2025	Monday, 13 October, 2025	183	35,347.00
11 th	Sunday, 12 April, 2026	Monday, 13 April, 2026	182	35,153.00
12 th	Monday, 12 October, 2026	Monday, 12 October, 2026	183	35,347.00
13 th	Monday, 12 April, 2027	Monday, 12 April, 2027	182	35,153.00
14 th	Tuesday, 12 October, 2027	Tuesday, 12 October, 2027	183	35,347.00
15 th	Wednesday, 12 April, 2028	Wednesday, 12 April, 2028	183	35,250.00
16 th	Thursday, 12 October, 2028	Thursday, 12 October, 2028	183	35,250.00
17 th	Thursday, 12 April, 2029	Thursday, 12 April, 2029	182	35,153.00
18 th	Friday, 12 October, 2029	Friday, 12 October, 2029	183	35,347.00
19 th	Friday, 12 April, 2030	Friday, 12 April, 2030	182	35,153.00
20 th	Friday, 11 October, 2030	Friday, 11 October, 2030	182	35,153.00
Redemption Date	Friday, 11 October, 2030	Friday, 11 October, 2030		10,00,000.00
Total				17,04,806.00