

NHAI Capital Gain Tax Exemption Bonds Series-XXI (2020-21)

03-08-2020

Subscription Period

Closes on+: on TAP (Up to 31st March, 2021)

Objective

To finance projects aimed at improving our national highways. NHAI is mandated to implement National Highways Development Project (NHDP) which is India's largest ever Highways Project in a phased manner. The National Highways have a total length of 72,000 (approx) km to serve as the arterial network of the country.

Issue Highlights

Issuer:	National Highways Authority of India
Mode of issue:	Private Placement
Transfer:	Non-transferable, Non-negotiable and cannot be offered as a security
Issue Size:	Rs. 5000 crore [on-tap]
Face Value:	Rs 10,000 per Bond
Issue Price:	Rs 10,000 per Bond
Tenure:	5 Years
Coupon Rate:	5.00% payable annually
Min Investment:	Rs 10,000/- (1 Bond)
In Multiples of:	Rs 10,000/- (1 Bond)
Max Investment:	Rs 50,00,000/- (500 Bonds) each in a financial year (subject to section 54EC of IT Act 1961)
Ratings :	AAA/Stable' by India Ratings; 'CRISIL AAA/Stable' by CRISIL 'CARE AAA' by CARE
Interest payment & date:	Annual on 1 st April of each year
Mode of Subscription:	100% on application
Issuance Mode:	Physical / or Demat Mode
TDS:	No TDS would be deducted
Who Can Apply:	: Resident Indian individuals : HUF through the Karta : Partnership firm : Insurance Companies : Companies and Body Corporates : Provident Funds, Superannuation Funds and Gratuity Funds : Banks / Mutual Funds : FIs / FII (Subject to existing regulations) : RRBs / NRIs investing out of NRO A/c on non-repatriable basis : Co-operative Banks : Other eligible categories
Mode of Interest payment :	Interest payment will be made by NECS/At Par Cheque/Demand Drafts
Deemed date of allotment :	Last day of each month
Redemption :	At par, at the end of 5 years from the deemed date of allotment.
Refund :	The amount once credited in NHAI account will not be refunded

Trustee:	IDBI Trusteeship Services Limited
Registrar:	Bigshare Services Pvt Ltd
Bankers to the Issue:	HDFC Bank, Canara Bank, IDBI Bank, Syndicate Bank, Axis Bank, ICICI Bank, Union Bank
Cheque In favour of:	'National Highways Authority of India'

Issue Highlights

Documents To Be Provided By Investors Other Than Individuals (In Addition To The Documents To Be Provided With Know Your Customer Form)

Partnership Firms :	A certified true copy of (i) Documentary evidence of authorization to invest in the Bonds and to receive the money on redemption, if the same is not provided in the Partnership deed and (ii) Specimen signature of authorized signatories.
Companies and Body Corporates, Financial Institutions, Foreign Institutional Investors :	A certified true copy of (i) Board resolution authorizing investment and containing operating instructions and (ii) Specimen signature of authorized signatories.
Banks :	A certified true copy of (i) Power of Attorney and (ii) Specimen signature of authorized signatories.
Provident Funds, Superannuation Funds and Gratuity Funds :	A certified true copy of (i) Resolution passed by the competent authority authorizing the investment and (ii) Specimen signature of authorized signatories.
Mutual Funds :	A certified true copy of (i) SEBI registration certificate (ii) Resolution passed by the competent authority authorizing the investment and containing operating instructions and (iii) Specimen signatures of the authorized signatories.

Documents To Be Provided By All Investors

	(i) Self attested copy of PAN Certificate (In case of Joint application, self attested PAN copy of all the applicants) or Form 60 where bond application size is Rs. 50,000/- or more & Aadhar (ii) Photo Copy of cancelled Cheque for ECS facility
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Conclusion

- ✓ NHAI is government owned organization
- ✓ The Bond is rated 'AAA/Stable' by India Rating; 'CRISIL AAA/Stable' by CRISIL; 'CARE AAA' by CARE which indicates the stability in repayment of principal & interest thereon.
- ✓ Investor can save the Capital gain earned on his/her property by investing in NHAI Capital Gain Bond u/s 54EC

Note:

- 1) Source : Information Memorandum
- 2) Corporation has right to close the issue by giving notice
- 3) Please read the terms and conditions carefully on the application form

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