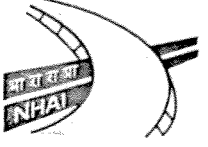


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भारतीय राष्ट्रीय राजमार्ग प्राधिकरण (पोत परिवहन, सड़क परिवहन और राजमार्ग मंत्रालय) National Highways Authority of India

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(Ministry of Shipping, Road Transport and Highways)
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G-5 & 6, Sector-10, Dwarka, New Delhi-110075
NHAI/CGM(F&A)/2013

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Dated:-29/05/2013

CIRCULAR

Sub:- Securitization of future cash flow in BOT(Toll) Projects.

The issue regarding Securitization of future cash-flow in BOT (Toll) Projects was discussed in the 94th Board Meeting of the Authority held on 14/05/2013. With a view to ameliorate the shortage of equity and improve liquidity of the prospective bidders, Board approved the proposal for granting of permission by NHAI to the Concessionaires of BOT(Toll) projects, which have Toll revenues significantly surplus to the repayment obligations, to raise subordinate loan on the strength of future surplus cash flows of their operational BOT road projects subject to the following conditions:-

- a) Raising of subordinate loan upto 30% of TPC of NHAI would be allowed only after COD of the project is achieved in case of 4-laning projects and construction is completed in case of 6 laning Projects.
- b) Repayment of such loan would be the last priority under the waterfall mechanism of the Escrow Agreement. It would be allowed only after meeting all kinds of statutory levies / taxes, O&M expenses, concession fee, damages and other dues of the Authority and Debt Service along with interest due.
- c) Submission of an undertaking by the Concessionaire that it would not enhance the amount of Debt due, Termination Payment or any other liability of NHAI in any manner whatsoever.
- d) Receipt of NOC from the existing lenders of the Project.
- e) Receipt of such loan, giving of loan to the parent company. Servicing and repayment of loan by the parent company and servicing and repayment of the subordinate loan would be routed through Escrow account of SPV.
- f) Such loans would be used exclusively for investment as equity in road sector projects.

- g) Statutory Auditors of the SPV as well as the Group Company availing the loan from the concessionaire shall provide the details confirming the name of the project, the Authority awarding the project, TPC of the project, sources of funds and the amount of the equity invested within three months of availing such loan.

This has the approval of the Board of the Authority in its 94th Meeting held on 14/05/2013.



(N. R. Dash)

Chief General Manager (F&A)

Copy to:-

- 1) PS to Chairman, NHAI
- 2) PS to All Members/CVO
- 3) PS to all CGMs
- 4) All GM/DGMs/Managers, HQ