

SUMMARY OF TERM SHEET

Security Name	8.05% NMC GREEN BONDS - SERIES- II
Issuer	Nashik Municipal Corporation (“NMC”/ “Corporation”/ “Issuer”)
Type of Instrument	Rated, Listed, Taxable, Unsecured, Redeemable, Non-Convertible Green Municipal bonds in the nature of debentures (hereinafter referred to as “Green Bonds”/ “Bonds”/ “Debentures”/ “NCDs”)
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Public Issue by Nashik Municipal Corporation of up to 20,00,000 (Twenty Lakhs) Unsecured, Rated, Listed, Taxable, Redeemable, Non-Convertible Green Municipal Bonds of face value of Rs 1,000 each, (comprising of 8 (Eight) separately transferable and redeemable principal parts (“STRPP”) namely 1 STRPP A of face value of Rs 125, 1 STRPP B of face value of Rs 125, 1 STRPP C of face value of Rs 125, 1 STRPP D of face value of Rs 125, 1 STRPP E of face value of Rs 125, 1 STRPP F of face value 125, 1 STRPP G of face value of Rs 125 and 1 STRPP H of face value of Rs 125) for an amount of ₹100 Crore (Rupees One Hundred Crore) (“Base Issue Size”) with a green shoe option of up to ₹ 100 crore (Rupees One Hundred Crore) (“Green Shoe Option”) aggregating up to Rs 200 crores (“Total Issue Size”) under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
Eligible investors	Please see the section titled “Issue Procedure – Applicable Process” on page 99 of the Offer Document.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The Green Bonds/ NCDs are proposed to be listed on BSE Limited and National Stock Exchange of India Limited. The NCDs shall be listed within 3 (three) Working Days from the Issue Closing Date.
Rating of the Instrument	The Bonds proposed to be issued by the Nashik Municipal Corporation have been rated by CRISIL and India Ratings. CRISIL has assigned a rating of ‘Provisional CRISIL AA+/Stable’ vide its letter dated January 14, 2026, revalidated vide its letter dated February 17, 2026 and has issued a rating rationale dated January 13, 2026, India Ratings has assigned a rating of ‘Provisional IND AA+/Stable’ vide its letter January 14, 2026, in respect of the Bonds revalidated vide its letter dated February 16, 2026 and has issued a rating rationale dated January 14, 2026.
Base Issue Size	Rs 100.00 Crore
Option to retain over subscription	Up to Rs 100.00 Crore
Total Issue Size	Up to Rs 200.00 Crore (including Green Shoe Option)
Minimum Subscription	75% of the Base Issue Size i.e., 75 crores
Objects of the issue	The Net proceeds of the Green bonds will be utilized for funding the capital expenditure to be incurred towards Augmentation of Mukane Water Supply Scheme - Water Treatment Plant (WTP), Construction of Gravity Main from Vilholi to Gandhinagar, Sadhugram & Nilgiri Baug WTP for Sinhastha Kumbh (“Project”).
Details of the utilization of the proceeds	The Net Proceeds of the Issue shall be utilized for the Projects. The details of the Projects along with the details/ status of any prior requisite approvals required, if any for such Projects have been detailed in the section titled “ <i>Objects of the Issue</i> ” in Offer Document.
Coupon rate	Please see section titled “Issue Structure –Specific Terms for NCDs” on page 72
Taxable/Tax free	Taxable
Step Up/Step Down	N.A.
Coupon payment frequency	On a Half-Yearly basis
Coupon payment dates	Please see section titled “Issue Structure –Specific Terms for NCDs” on page 72
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count Basis	Actual/ Actual
Interest on Application Money	N.A.
Tenor	The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows: STRPP A of an NCD – 3 years from Deemed Date of Allotment;

	<p>STRPP B of an NCD – 4 years from Deemed Date of Allotment;</p> <p>STRPP C of an NCD – 5 years from Deemed Date of Allotment;</p> <p>STRPP D of an NCD – 6 years from Deemed Date of Allotment;</p> <p>STRPP E of an NCD – 7 years from Deemed Date of Allotment;</p> <p>STRPP F of an NCD – 8 years from Deemed Date of Allotment;</p> <p>STRPP G of an NCD – 9 years from Deemed Date of Allotment;</p> <p>STRPP H of an NCD – 10 years from Deemed Date of Allotment</p>																																								
	<table border="1"> <thead> <tr> <th>Sub-Series</th> <th>Tenor (in years)</th> <th>As %age of issue size</th> <th>Amount (in Crore)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>3</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>B</td> <td>4</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>C</td> <td>5</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>D</td> <td>6</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>E</td> <td>7</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>F</td> <td>8</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>G</td> <td>9</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>H</td> <td>10</td> <td>12.50%</td> <td>25</td> </tr> <tr> <td>Total</td> <td></td> <td>100%</td> <td>200</td> </tr> </tbody> </table>	Sub-Series	Tenor (in years)	As %age of issue size	Amount (in Crore)	A	3	12.50%	25	B	4	12.50%	25	C	5	12.50%	25	D	6	12.50%	25	E	7	12.50%	25	F	8	12.50%	25	G	9	12.50%	25	H	10	12.50%	25	Total		100%	200
Sub-Series	Tenor (in years)	As %age of issue size	Amount (in Crore)																																						
A	3	12.50%	25																																						
B	4	12.50%	25																																						
C	5	12.50%	25																																						
D	6	12.50%	25																																						
E	7	12.50%	25																																						
F	8	12.50%	25																																						
G	9	12.50%	25																																						
H	10	12.50%	25																																						
Total		100%	200																																						
Redemption Date/ Maturity Date	<p>The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows:</p> <ul style="list-style-type: none"> • STRPP A - at the end of the 3rd anniversary of the Deemed Date of Allotment for STRPP A; • STRPP B – at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP B; • STRPP C – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP C; • STRPP D – at the end of the 6th anniversary of the Deemed Date of Allotment for STRPP D; • STRPP E – at the end of the 7th anniversary of the Deemed Date of Allotment for STRPP E; • STRPP F – at the end of the 8th anniversary of the Deemed Date of Allotment for STRPP F; • STRPP G – at the end of the 9th anniversary of the Deemed Date of Allotment for STRPP G; • STRPP H – at the end of the 10th anniversary of the Deemed Date of Allotment for STRPP H; 																																								
Redemption Amount	<p>Principal repayment to happen annually, from the expiry of 3(Third) year from the Deemed Date of Allotment, in 8 (Eight) annual installments of:</p> <p>STRPP A – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 3rd anniversary of the Deemed Date of Allotment;</p> <p>STRPP B – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 4th anniversary of the Deemed Date of Allotment;</p> <p>STRPP C – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 5th anniversary of the Deemed Date of Allotment;</p> <p>STRPP D – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 6th anniversary of the Deemed Date of Allotment;</p> <p>STRPP E – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 7th anniversary of the Deemed Date of Allotment;</p>																																								

	<p>STRPP F – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 8th anniversary of the Deemed Date of Allotment;</p> <p>STRPP G – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 9th anniversary of the Deemed Date of Allotment;</p> <p>STRPP H – aggregate principal amount of ₹ 25 crore (rupees Twenty Five Crore) to be repaid at the end of the 10th anniversary of the Deemed Date of Allotment;</p> <p>Each STRPP will be redeemed at face value on the respective Redemption Dates. Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued Coupon and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.</p>
Redemption Premium / Discount	Not applicable
Issue Price	Face Value of ₹ 1,000/- per NCD consisting of 8 (Eight) STRPPs having different ISINs (i.e. 1 STRPP A & 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F, 1 STRPP G, 1 STRPP H) with face value of each STRPP being ₹ 125/- (Rupees One Hundred Twenty Five) each.
Discount at which security is issued and the effective yield as a result of such discount	Not applicable
Put Option Date	Not applicable
Call Option Date	Not applicable
Put Option Price	Not applicable
Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Face Value	<p>Each NCD shall have a face value aggregating to ₹ 1,000/- (Rupees One Thousand only).</p> <p>Each NCD would comprise of 8 (Eight) STRPPs having different ISINs (i.e. 1 STRPP A & 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F, 1 STRPP G, 1 STRPP H) with face value of each STRPP being ₹ 125/- (Rupees One Hundred Twenty Five) each.</p>
Minimum Application Size and in multiples thereof	₹ 10,000/- (i.e. 10 NCDs comprising of 10 STRPP A , 10 STRPP B, 10 STRPP C, 10 STRPP D, 10 STRPP E, 10 STRPP F, 10 STRPP G and 10 STRPP H) and in multiple of 1(One) NCD (comprising of 1 STRPP A , 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F, 1 STRPP G and 1 STRPP H) thereafter.
Trading Lot	1 (One) STRPP of ₹ 125/- (Rupees One Hundred Twenty Five only)
Issue Timing	Wednesday, February 25, 2026 to Monday, March 02, 2026
Issuance mode of the Instrument	Dematerialised form only
Trading mode of the Instrument	STRPPs will be traded in dematerialised form only
Settlement mode of the Instrument	Please refer to the chapter titled “Terms of the Issue – Payment on Redemption” on page 87 of this Offer Document
Depository	NSDL and CDSL
Business/ Working Day Convention	<p>In accordance with the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021, Business day/Working day shall mean all days on which commercial banks in the Nashik are open for business.</p> <p>In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchanges and with respect to the record date, working day shall mean all trading days of the Stock Exchanges for Bonds, excluding Saturdays, Sundays and bank holidays in Mumbai, as specified.</p> <p>If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated October 15, 2025 bearing reference SEBI/HO/DDHS/PoD/P/CIR/2025/0000000137, as amended from time to time.</p> <p>If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on</p>

	<p>the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Offer Document.</p> <p>If the redemption/maturity date of the STRPP falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided in the Offer Document.</p> <p>If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly.</p> <p>For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided in the Offer Document</p> <p>Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 1961 (if applicable) or any statutory modification or re-enactment thereof for the time being in force.</p>
<p>Record Date</p>	<p>The record date for payment of coupon/interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law.</p> <p>In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate preceding trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchange, will be deemed as the record date.</p> <p>In case of Redemption Date/ Maturity Date of any STRPP, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date/Redemption Date.</p>
<p>Cash Collateral (Upfront Fixed Deposit-2/ Sinking Fund Fixed Deposit)</p>	<p>The Issuer shall, 1 (One) day prior to the Pay-in Date, create upfront Fixed Deposit in terms of the Transaction Documents for an amount equivalent to 10% (Ten percent) of the total bond issue size (“Upfront FD-2”)</p> <p>The Upfront FD-2 shall be utilized in accordance with the Principal Repayment (Sinking Fund) mechanism defined in the structured payment mechanism below and at the end of 86th months from the deemed date of allotment, the said fixed deposit amount shall be transferred to the Sinking Fund Account.</p> <p>The Issuer hereby agrees and undertakes that it shall, at all times maintain the Sinking Fund Fixed Deposit and the same shall always be lien marked to the debenture trustee in terms of the Transaction Documents until the amount gets transferred to the Sinking Fund Account at the end of 86th months from the deemed date of allotment.</p>
<p>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).</p>	<p>The Debentures are Unsecured in nature.</p> <p>The value of assets being offered may be less than one hundred per cent of the amounts payable towards the principal amount of the NCDs together with all the interest/coupon due and payable on the NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof.</p> <p>However, under the Structured Payment Mechanism stated in the Term Sheet, the Debenture Trustee on behalf of the Debenture holders shall have a charge over the following:</p> <ul style="list-style-type: none"> (a) First pari passu charge by way of hypothecation over present and future receivables pertaining to entire own revenues/cash flows of the Corporation; (b) First pari passu charge over the Escrow Account and the account(s) where the entire own revenues/cash flows are collected and/ or pooled by Nashik Municipal Corporation (collection account(s)), in each case to the extent of the own revenues/cash flows gets collected and/ or pooled in each of such accounts;

	<p>‘Own Revenues/Cash flows’ here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, assigned revenues & compensations or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include Tax Revenue, Fees, User Charges and Fines, Income from Investments, Interest Earned, Other Income, Rental Income from Municipal Properties, Sale & Hire Charges and such other Incomes.</p> <p>(c) First and exclusive charge over the Interest Payment Account- II (including the DSRA Amount), Upfront FD-2, Sinking Fund Account-II being opened for the issue, the funds lying in each such account and any investment(s) made from these account(s);</p> <p>(d) Exclusive charge over the investments made in terms of paragraph 10 and paragraph 11 under the head of term ‘Structured Payment Mechanism’ below (“Permitted Investment(s)”).</p> <p>The security interest/security documents stipulated above shall be collectively referred to as the “Security”.</p> <p>The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security.</p> <p>Security Creation Timelines</p> <p>(a) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s).</p> <p>(b) In the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents.</p>
<p>Escrow Account</p>	<p>NMC had issued bonds aggregating to Rs 200 Crore in November 2025 (“7.80%NMC CLEAN GODAVARI BONDS 2030 SERIES - I”). For the said bonds issue, NMC had created first pari passu charge on the own revenues/cash flows are collected and/ or pooled by Nashik Municipal Corporation (collection account(s)) and created escrow mechanism on the said revenues/cash flows in line with the structured payment mechanism stipulated for the bonds issue. NMC is maintaining a no-lien escrow account i.e. “NMC ESCROW ACCOUNT” with Bank of Maharashtra with Account No. 60556228255 for the said purpose and the funds lying in account(s) in which own revenues/cash flows are collected and/ or pooled by Nashik Municipal Corporation (collection account(s)) by the NMC are being transferred to the Escrow Account for the debt servicing on daily basis.</p> <p>Now, for the present Issue, NMC is creating a first pari passu charge and escrow mechanism in favor of the NCD Holders on the own revenues/cash flows of NMC along with the existing bond holders as mentioned above and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first pari passu charge (along with the existing bond holders) over the Escrow Account and the Collection Account(s) of the Issuer. The funds lying in this escrow account would be available proportionately towards the debt service requirements for the present Issue along with the earlier Issue (“7.80%NMC CLEAN GODAVARI BONDS 2030 SERIES - I”)</p> <p>Proportion of charge, on the Escrow Account and the Collection Account(s) of the Issuer, between the bond holders of the existing bond issue and the present Issue – 200:200 (determined on the basis of principal amount outstanding in each issue) (at the time of issue which may vary in future depending upon the outstanding liabilities of the existing and the present issue).</p>
<p>Required DSRA Amount</p>	<p>For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account- II shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 2 (Two) succeeding coupon payments (i.e. one year interest obligation) required to be paid by the Issuer in respect of the Debentures (“Required DSRA Amount”). The amounts lying in, or credited into, the Interest Payment Account- II from time to time towards maintenance of the Required DSRA Amount, shall be hereinafter referred to as the “DSRA Amount”. In the event of any utilization from the DSRA</p>

	<p>Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below.</p> <p>Further, as the interest liability would progressively come down after the peak, the Issuer would be permitted to take out the excess DSRA progressively under intimation to the Debenture Trustee, subject to: (i) no unresolved breach of any covenant or event of default, (ii) no shortfall in any of the Interest Payment Account-II (including the Required DSRA Amount) or Upfront FD-2 or the Sinking Fund Account-II.</p>
<p>Structured Mechanism</p> <p>Payment</p>	<p>1. The Issuer has opened a no-lien Escrow Account for servicing the coupon and principal payment to the bond holders of the existing bond issue and the present Issue of Green Bonds. The funds lying in this Escrow Account would be available proportionately towards the debt service requirements for the present Issue with the earlier issue.</p> <p>Further, the Issuer shall open the following accounts for servicing the Coupon and principal amount of the Debentures for the exclusive benefit of the Debenture Holders:</p> <p>a) Interest Payment Account-II b) Sinking Fund Account-II</p> <p>2. The Issuer has set up the separate no-lien Escrow Account and the funds lying in account(s) in which the Issuer's own revenues/cash flows gets collected and/ or pooled by the Issuer are being transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first pari passu charge over the Escrow Account and the account(s) where own revenues/cash flows gets collected and/ or pooled by the Issuer.</p> <p>'Own Revenues/Cash flows' here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, assigned revenues & compensations or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include Tax Revenue, Fees, User Charges and Fines, Income from Investments, Interest Earned, Other Income, Rental Income from Municipal Properties, Sale & Hire Charges and such other Incomes.</p> <p>The Interest Payment Account-II is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) will also be maintained as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019, bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019.</p> <p>3. The Sinking Fund Account-II is an account from which the principal redemptions of the STRPPs/NCDs will be made.</p> <p>4. The funds lying in the Escrow Account shall be used in the following priority:</p> <p>(a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Upfront FD-2 (in case of utilization of the Upfront FD-2 amount), Interest payment account-II and the sinking fund account-II as per the interest payment and sinking fund mechanism defined below;</p> <p>(b) Thereafter, the funds should be utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last date of any monthly period) shall be the amount to be transferred to the Interest Payment Account-II and Sinking Fund Account- II on the Transfer Date;</p> <p>(c) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account- II and Sinking Fund Account- II;</p> <p>(d) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) in accordance with a one-time written instruction</p>

providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account- II (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account-II, or Upfront FD-2 amount, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

In case of any shortfall in the Escrow Account to the tune of Minimum Balance, the Issuer shall make good the shortfall from the funds from other account(s) to Escrow Account as per the terms of the transaction documents.

On a monthly basis, on each Transfer Date, the Minimum Balance maintained as indicated above shall be transferred to the Interest Payment Account-II and Sinking Fund Account-II. The Issuer, with the prior written consent of the Debenture Trustee can transfer the Minimum Balance maintained in Escrow Account to the Interest Payment Account-II and the Sinking Fund Account-II on any day prior to the Transfer Date.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in Interest Payment Account-II (including the required DSRA amount), Upfront FD-2 (in case of utilization of the amount deposited in the Upfront FD-2) and Sinking Fund Account-II, the obligation of the Issuer to fund the Interest Payment Account-II and Sinking Fund Account-II to the extent of the Minimum Balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

5. The following amounts will be required to be transferred to the Interest Payment Account-II and the Sinking Fund Account-II from the Escrow Account as mentioned above each year (Each year here means each period of 12 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '12 month block') on first priority basis along with Series-I.

a. **Interest payment Account (IPA-II)** – Half-yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA-II every month for 5 months. Accordingly, 20% of the half yearly coupon payment (along with any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution) shall be transferred to IPA-II each month as follows:-

- (i) 1st half year - from 1st to 5th Month
- (ii) 2nd half year - from 6th to 10th Month

b. **Sinking Fund Account (SFA-II)** – Total issue size of the Debentures (Rs 200 Crore) shall be divided into 8 parts and each part (₹25 Crore) shall be transferred to SFA-II in each of the 1st to 8th year.

1st to 7th year

Further, this one part (₹25 Crore) to be transferred to SFA-II in each of the first Seven years shall be sub-divided into 10 sub-parts and each sub-part (₹ 2.5 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA-II each month for first 10 months. Accordingly, 12.5% of total issue size shall be transferred each year for the first 7 years out of which 1.25% of the total issue size each month for first 10 months of each year;

8th year

Out of the remaining Rs 25 Crore (12.5% of the total issue size) to be transferred in the 8th year;

- i) Rs 5 Crore shall be sub-divided into 2 sub-parts and each sub-part (Rs. 2.5 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA-II each month for first 2 months.
- ii) Rs 20 Crore shall be transferred to the Sinking Fund Account-II in lumpsum from Upfront Fixed Deposit-2 at the end of 86th months from deemed date of allotment.

Once the sinking fund account-II gets completely built up equivalent to the 100% of the total issue size i.e. Rs 200 Crore at the end of 86th month from the deemed date of allotment, there shall be no further transfers to the Sinking Fund Account-II from the Escrow Account.

- c. Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer.
6. The funds lying in the above-mentioned account(s) shall be utilised in the following manner:
- (a) The funds lying in the Interest Payment Account-II (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account-II (apart from the DSRA Amount) is not sufficient for this purpose, the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account-II for making the Coupon payment to the Debenture Holders.
 - (b) The DSRA Amount lying in the Interest Payment Account-II, can be used to meet (i) any shortfall in the Interest Payment Account-II for the Coupon payment to be made on any Coupon Payment Date; and thereafter (ii) can be used to meet any shortfall at the time of redemption of the STRPP (upto the excess DSRA amount) on the respective Redemption Date. However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account-II except the utilization of excess DSRA Amount at the time of Redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account-II except at the time of actual payment of Coupon on the Debentures.
 - (c) Any surplus amounts available in the Interest Payment Account-II after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account-II to the extent required for redemption of the STRPPs on the Redemption Dates.
 - (d) The funds lying in the Sinking Fund Account-II can be used to redeem the Debentures.
 - (e) The Upfront FD-2 can be used (i) to meet any shortfall in the Sinking Fund Account prior to the end of each 12 month block and (ii) to transfer the entire amount in lumpsum to Sinking Fund Account at the end of 86th months from deemed date of allotment.
 - (f) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s) shall not, without the approval of the Debenture Trustees, be utilised for any purpose other than as mentioned in paragraph (a) to (e) above.
 - (g) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).
7. The Debenture Trustee, on behalf of the Debenture Holders shall have first paripassu charge over the Escrow Account and the Collection Account(s) wherein own revenues/cash flows are being collected/pooled by the Issuer, and exclusive charge on the Interest Payment Account-II (including the DSRA Amount), Sinking Fund Account-II, upfront FD-2 and any permitted investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s).
8. The amount deposited in the Interest Payment Account-II (including the DSRA Amount), Sinking Fund Account-II and Upfront FD-2 shall be used solely for meeting the dues to the Debenture Holders. Any surplus in the above account(s) after the Debentures have been redeemed in full and all the dues to the Debenture Holders have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee. No amount can be withdrawn from these account(s) without prior approval of Debenture Trustee.

PERMITTED INVESTMENT

9. The Upfront FD - 2 and the funds lying credited in the Escrow Account (to the extent of the minimum balance), Interest Payment Account-II (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the

fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Maharashtra Municipal Corporation Act, 1949, to the extent applicable.

10. The funds lying to the credit of Sinking Fund Account-II can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and also Maharashtra Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.
11. Any actual interest income earned and received on the Permitted Investment(s) shall be utilisable by the Issuer, in accordance with the terms set out in the Transaction Documents, only:
(a) with the prior approval of the Debenture Trustee; and (b) if there is no shortfall in any of the Interest Payment Account-II (including the Required DSRA Amount) or the Sinking Fund Account-II or Upfront FD-2 amount.
12. The Escrow Account, Interest Payment Account-II (including the Required DSRA Amount) Sinking Fund Account-II and Upfront FD-2 shall be maintained with a scheduled commercial bank rated at least AA+ by two rating agencies throughout the tenor of the Debentures (“Bank”). In case, at any point of time, the rating of senior debt of the Bank falls below AA+ by any rating agency the Issuer shall, with the written consent of Debenture Trustee, move the funds to any other bank satisfying the rating criteria.
13. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer for such period as may be specified by the Debenture Trustee but not greater than 12 (Twelve) months in any case till such time as the Debentures are redeemed. The Issuer shall share copies of all such reports with the Rating Agencies. The Issuer and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Interest Payment Mechanism

The Debenture Trustee shall check the amount lying to the credit of Interest Payment Account -II (which is over and above the Required DSRA Amount) at 25 (Twenty Five) days prior to the Coupon Payment Date (T-25 days).

In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account-II (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate the Issuer of the shortfall and the Issuer shall make good the short fall in the Interest Payment Account -II prior to the date falling 10 (Ten) days prior to the Coupon Payment Date (T-10 days).

Further, the amounts lying or credited in the escrow account shall flow into the interest payment account -II for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded.

In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account -II (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 9 (Nine) days prior to the Coupon Payment Date (T-9 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the DSRA Amount to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date on or prior to the date falling 8 (Eight) days prior to the Interest Payment Date (T-8 days). The Coupon shall be paid by the Issuer on the Coupon Payment Date (T).

In case the DSRA Amount (or part thereof) is utilized to fund the shortfall in the amount required to make payment of the Coupon in respect of any Coupon Payment Date, immediately after the Debenture Trustee has instructed the Bank to utilise the DSRA Amount as above and in any event prior to 7 (Seven) days prior to the relevant Coupon Payment Date (T-7), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall within next 15 (Fifteen) days (T+8).

Further, immediately after the DSRA utilization, the amounts lying or credited in the escrow account shall flow into the interest payment account for DSRA replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required DSRA amount is replenished.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in interest payment account (including the required DSRA amount), the obligation of the Issuer to fund the interest payment account -II and sinking fund account-II to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicing. If any over dues on account of past servicing from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice.

If any of the milestone days mentioned in the T-Structure above (except the coupon payment dates) happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action.

Principal Repayment (Sinking Fund) Mechanism

The Debenture Trustee shall check the balance in the Sinking Fund Account-II prior to the end of each 12 month block and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:-

The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account-II at 45 (Forty Five) days prior to the end of each 12 month block (T). In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 12 month block (T-15 days).

Further, in case of shortfall on T-45 days, the amounts lying or credited in the escrow account shall flow into the sinking fund account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded.

In case of shortfall still persists in in the Sinking Fund Account-II at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the Upfront FD -2 to the extent of the shortfall in the Sinking Fund Account-II on or prior to the date falling 13 (Thirteen) days prior to the end of each 12 month block (T-13 days).

In case the Upfront FD-2 (or part thereof) is utilized to fund the shortfall in the amounting sinking fund account prior to the end of each 12 month block, immediately after the Debenture Trustee has instructed the Bank to utilise the Upfront FD-2 as above and in any event prior to 12 (Twelve) days prior to the end of each 12 month block (T-12), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall replenish the Upfront FD-2 within next 12 (Twelve) days (T). Further, immediately after the utilization of Upfront FD-2, the amounts lying or credited in the escrow account shall be utilized for replenishment of Upfront FD-2 and shall not be transferred by the Issuer to the general fund account(s) till the time Upfront FD -2 is fully replenished.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in sinking fund account and Upfront FD-2, the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

The redemption shall be made by the Issuer on the relevant Redemption Dates.

If the redemption/maturity date of the STRPPs falls on a non-business day, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day.

	<p>If any of the milestone days mentioned in the T-Structure above happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action.</p> <p>The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account -II (including in the Required DSRA Amount), Upfront FD-2 and Sinking Fund Account -II.</p>
<p>Financial Covenants</p>	<ol style="list-style-type: none"> 1. The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 1.25 times of the Annual Payments Amount. For the purpose of this term sheet, the term ‘Annual Payments Amount’ shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present Green Bond Issue (Series II), Bond issue (Series I) and any further borrowings); and (b) the portion of principal amount of the Debentures which are required to be deposited by the Issuer into the Sinking Fund Account-II in such financial year (in relation to the present Green Bond issue (Series II), Bond issue (Series I) and any further borrowings), (c) Principal Repayment amount (where sinking fund is not created) in relation to any further borrowings, in terms hereof. 2. The Issuer shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year: <p>DSCR: Debt Service Coverage Ratio (“DSCR”) for the NMC shall not be less than 1.25 times as the below:</p> <p style="text-align: center;">DSCR = operating surplus / total debt service</p> <ol style="list-style-type: none"> i. Operating surplus calculated as the below: <p style="text-align: center;">Operating Surplus = Total Income – Adjusted Expenditure</p> <p>Total income =Total income of the corporation as per the audited Income and Expenditure statement.</p> <p>Adjusted Expenditure = Total expenditure as per the audited Income and Expenditure statement –Depreciation – Finance charges - Other non-cash expenditures.</p> ii. Total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking fund or installment of principal repayment (where sinking fund is not created) 3. So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property (except for Series I and Series II bond holders) without the express prior written consent of the debenture trustee subject to the Applicable Law. <p>For the purpose of this term sheet, the term ‘Eligibility Conditions’ shall mean the following conditions: (a) the Annual Payments Ratio is maintained by the Issuer; (b) The debt service coverage ratio of 1.25 times is maintained (c) there is no shortfall in the contribution to the Escrow Account, the interest payment account-I (created for the previous bond issuance, including towards maintenance of the DSRA amount) & Interest Payment Account -II (including towards maintenance of the Required DSRA Amount), sinking fund account-I(created for the previous bond issuance), Sinking Fund Account-II, the upfront FD-1 (created for the previous bond issuance) and/or Upfront FD-2 which has not been made good by the Issuer in terms of the Transaction Documents; (d) no Event of Default has occurred.</p> 4. Other financial covenants as defined in the Transaction Documents
<p>Affirmative, Informative and Negative Covenants</p>	<p>As disclosed under Annexure IX to this Offer Document and more specifically set out in the Debenture Trust Deed.</p>
<p>Transaction Documents</p>	<p>The documents executed in relation to or which are relevant to the Issue including the Draft Offer Document, Offer Document, the Debenture Trustee Agreement, Registrar Agreement, Issue Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Escrow Agreement, Public</p>

	Issue Account and Sponsor Bank Agreement, Consortium Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI ILMDS Regulations in this regard:</p> <ol style="list-style-type: none"> 1. Rating letters for provisional rating from two credit rating agencies (“Rating Agency(ies)”) not being more than one month old from the Issue Opening Date; 2. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s); 3. In-principle approval from the Stock Exchanges for listing of the Debentures. 4. Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations, there are no conditions precedents to the Issue.
Conditions Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the regulations; 2. Listing of the Debentures within 3 (three) days from the Issue Closing Date; 3. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable; 4. Other than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations, there are no conditions subsequent to the Issue.
Events of default	<p>The following shall constitute an Event of Default under the Transaction Documents:</p> <ol style="list-style-type: none"> 1. Any payments due in respect of the Green Bonds have not been paid on the relevant Due Date; 2. The Issuer commits a breach of any representation or warranty provided by the Issuer in terms of the Transaction Documents or fails duly to perform any other obligation arising from the Debentures and such breach or failure continues for more than 30 (Thirty) days after the Issuer has received a notice thereof from the Debenture Trustee; 3. The Issuer commits a breach of Financial Covenants as provided in this Offer Document and the Debenture Trust Deed; 4. Any change in the constitution of the Issuer which results in change in status of the Issuer; 5. Failure of the Issuer to replenish the Required DSRA Amount or Upfront FD and to fund the Sinking Fund Mismatch as per the timelines set out under the Transaction Documents; 6. The credit rating assigned to the Debentures by credit rating agencies falls below the rating assigned by them at the time of the Issuance of the debentures; 7. Failure of the Issuer to list the Debentures on BSE/NSE within a period of 3 (three) working days from the Issue Closing date; 8. Failure of the Issuer to deposit the amounts into Escrow Account and Payment Accounts in terms of the Transaction Documents; 9. Failure of the Issuer to create and/or perfect the Security in the manner and within the time period prescribed therefor; 10. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect; 11. If the Issuer repudiates the Debenture Trust Deed or any of the other Transaction Documents, to which it is a party; 12. If any regulatory or statutory approval, permit, license or other certificate required by the Issuer under Applicable Law, is withdrawn or not granted or not renewed; 13. Any step is taken by Government Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer; 14. Execution of distress being enforced or levied by against whole or substantial part of the assets of the Issuer and any order relating thereto is not discharged or stayed within a period of 30 (thirty) days from the date of enforcement or levy; 15. If the Issuer fails to make payment of any Financial Indebtedness when due or otherwise commits any breach of the provisions of any agreement entered into in respect of any Financial Indebtedness availed of by it (in respect of which breach either no cure period is available or where a cure period is available fails to cure such breach within the available cure period);

	<p>16. The Issuer has admitted in writing that the Issuer is unable to pay its debts as they fall due and/ or the Issuer stops, suspends or threatens to stop payment of all or any of its Financial Indebtedness or proposes or makes an arrangement for the deferral, re-scheduling or other readjustment of all or any of its Financial Indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such Financial Indebtedness or a moratorium is agreed or declared in respect of or affecting all or any parts of the Financial Indebtedness of the Issuer;</p> <p>17. In the event that any legal proceedings or governmental proceedings are initiated against the Issuer or claims are made against the Issuer, which, in the opinion of the Debenture Trustee, may impair the Issuer's ability to perform its obligations undertaken in terms of the Transaction Documents;</p> <p>18. Any information given by the Issuer is misleading or incorrect in any respect;</p> <p>19. The occurrence of any event which constitutes a Material Adverse Change;</p> <p>20. If in the opinion of the Debenture Trustee, the Security is in jeopardy;</p> <p>21. If the Issuer voluntarily creates or attempts to create any encumbrance on the Hypothecated Property or any part thereof, other than as expressly permitted under the transaction documents;</p> <p>22. If the Security (or any part thereof) becomes unenforceable, illegal or invalid or any restriction, imposition, attachment or any similar event has been levied on the Hypothecated Property; and</p> <p>23. If the Issuer ceases with/without the consent of the Debenture Holder(s), or threatens to cease to carry on its operations or gives notice of its intention to do so.</p> <p>24. Other events as may be set out in the Debenture Trust Deed.</p>
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in circular no. October 15, 2025 bearing reference SEBI/HO/DDHS/PoD/P/CIR/2025/0000000137 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As provided under the head "Events of Default" above and will be set out in the Debenture Trust Deed to be executed in accordance with applicable law
Default Interest	<p>(a) All monies due in respect of the Debentures shall, in case the same be not paid on the respective due dates, carry further interest at the rate of 2% (Two Percent) per annum, which shall be paid over and above the Coupon Rate for the period during which such default continues;</p> <p>(b) In case of delay in execution of the Debenture Trust Deed and security documents, the Issuer will refund the subscription with the agreed rate of interest or will pay penal interest of at least 2% p.a. (Two percent per annum), which shall be paid over and above the Coupon Rate for the period during which such default continues;</p> <p>(c) In case of delay in listing of the Debentures beyond 3 (three) Working days from the Issue Closing Date, the Issuer shall pay penal interest of at least 2% p.a. (two percent per annum) which shall be paid over and above the Coupon Rate for the period of delay in listing.</p> <p>(d) Other provisions as set out in the Transaction Documents.</p>
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Public Issue Account and Sponsor Bank Agreement) shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Nashik, Maharashtra. The Public Issue Account and Sponsor Bank Agreement shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Mumbai, Maharashtra.

SECTION XVI: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to herein below (not being contracts entered into in the ordinary course of the business carried out by the Issuer) which are or may be deemed to be material, have been entered into by the Issuer. Copies of these contracts together with the copies of the documents may be inspected at the Head Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the Issue Closing Date.

Material Contracts

- a) Copy of Tripartite Agreement dated October 28, 2025 between CDSL, the Issuer and the Registrar to the Issue;
- b) Copy of Tripartite Agreement dated October 28, 2025 between NSDL, the Issuer and the Registrar to the Issue;