SUMMARY OF TERM SHEET

Security Name	9.20 % PMC Bonds 2036
Issuer	Patna Municipal Corporation ("PMC"/ "Corporation"/ "Issuer")
Type of Instrument	Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures ("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	Private Placement by Patna Municipal Corporation of upto 28570 (twenty eight thousand five hundred seventy) rated, listed, unsecured, taxable, redeemable, non-convertible municipal bonds of face value of Rs 70,000 each (Rupees Seventy Thousand Only) ("Bonds"/ "Debentures"/ "NCDs") comprising of 7 (Seven) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of Rs 10,000, 1 STRPP B of face value of Rs 10,000, 1 STRPP C of face value of Rs 10,000, 1 STRPP D of face value of Rs 10,000, 1 STRPP E of face value of Rs 10,000, 1 STRPP F of face value of Rs 10,000 & 1 STRPP G of face value of Rs 10,000 for cash, for the base issue size of ₹100.03 crore (Rupees Hundred Crore Three Lakhs Only) ("Base Issue Size") and with green shoe option of up to ₹99.96 crore (Rupees Ninety Nine Crore and Ninety Six Lakhs only) aggregating up to ₹199.99 crore (Rupees One hundred Ninety Nine Crore and Ninety Nine lakh only) ("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	All QIBs, and any non-QIB Investors specifically mapped by the Issuer on the NSE– 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	The NCDs are proposed to be listed on National Stock Exchange of India Limited ("NSE"). The NCDs shall be listed within 3 (three) Working Days from the Issue Closing Date. In case of delay in listing beyond 3 trading days from the Issue Closing date, the Issuer shall pay to the Debenture Holders's penal interest @ 1% per annum over the Coupon Rate for the period of delay i.e., from the date of allotment to the date of listing.
Rating of the Instrument	India Ratings and Research Private Limited has vide its letter dated August 12,2026 assigned a rating of Provisional IND AA/Stable, revalidated vide letter dated October 22, 2026 and has issued a rating rationale dated August 12, 2026. Acuite Ratings & Research Limited has vide its letter dated September 01, 2026 assigned a rating of Provisional ACUITE AA(Stable), revalidated vide letter dated October 22, 2026 and has issued a rating rationale dated September 01, 2026.
Base Issue Size	Rs 100.03 Crore
Option to retain over subscription	Up to Rs 99.96 Crore
Total Issue Size	Upto Rs. 199.99 Crores (including Green shoe option)

<table>
<tr><td>Objects of the Issue</td><td>The proceeds of the bonds will be utilized for funding the capital expenditure to be incurred towards the following;
<table>
<tr><th>Project No.</th><th>Name of Project</th><th>Utilization from Issue Proceeds (₹ in Cr)</th></tr>
<tr><td>Project I</td><td>Construction of B+G+4 Vending Zone Near fish market tempo stand kankarbagh in ward no-34 PMC, Patna</td><td>13.50</td></tr>
<tr><td>Project II</td><td>Construction of B+G+4 Hotel Near Shekhpura More in Ward No.-04 under PMC</td><td>18.90</td></tr>
<tr><td>Project III</td><td>Construction of B+G+4 Vending Zone Near Sati Chauraha in Guru Govind Singh Link Road in ward no-62 under Patna City Division, PMC Patna</td><td>7.60</td></tr>
<tr><td>Project IV</td><td>Construction of B+G+2 Marriage Hall Near Premchandra Golamber in ward no-43 under PMC</td><td>21.00</td></tr>
<tr><td>Project V</td><td>Construction of B+G+4 Commercial Complex Near Rajapul in ward no-24 under PMC</td><td>12.60</td></tr>
<tr><td>Project VI</td><td>Construction of B+G+4 Vending Zone & Community Hall Near Mina Bazar in ward no-57 under Azimabad Division, PMC Patna</td><td>9.60</td></tr>
<tr><td>Project VII</td><td>Construction of B+G+4 Vending Zone Near Anta Ghat in ward no-27 under PMC</td><td>17.00</td></tr>
<tr><td>Project VIII</td><td>Construction of G+4 Beur More Vending Zone in ward -11.</td><td>24.00</td></tr>
<tr><td>Project IX</td><td>Construction of B+G+4 Vending Zone Near Bahadurpur in ward no-43 under PMC</td><td>15.00</td></tr>
<tr><td>Project X</td><td>Construction of B+G+4 Vending Zone Near Nit More in ward no-49 under PMC</td><td>33.00</td></tr>
<tr><td>Project XI</td><td>Construction of GF Vending Zone Near Danka Emli in ward no-54 under Azimabad Division PMC Patna (Block-A+B+C+D).</td><td>6.00</td></tr>
<tr><td>Project XII</td><td>Construction of GF Vending Zone Near Gayghat in ward no-53 under Azimabad Division, PMC Patna</td><td>1.60</td></tr>
<tr><td>Project XIII</td><td>Construction of GF Vending Zone Near Machali Bazar in ward no-01 under Patliputra Division Patna</td><td>1.44</td></tr>
<tr><td>Project XIV</td><td>Development Of Parking & Vending Shop from Boring Road Chaurha to Rajapoor pool.</td><td>8.75</td></tr>
<tr><td>Project XV</td><td>Construction of B+G+4 Vending Zone and Marriage Hall at Musallahpur Hat in ward no -50 under Bankipur Division</td><td>10.00</td></tr>
<tr><td></td><td>Total</td><td>199.99</td></tr>
</table></td></tr>
<tr><td>Details of the utilization of the proceeds</td><td>The 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 “Objects of the Issue” of the PM.</td></tr>
<tr><td>Coupon Rate</td><td>9.20 % p.a.</td></tr>
<tr><td>Taxable/Tax free</td><td>Taxable</td></tr>
<tr><td>Step Up/Step Down Coupon Rate</td><td>N.A.</td></tr>
<tr><td>Coupon Payment Frequency</td><td>On a Quarterly basis</td></tr>
<tr><td>Coupon Payment Dates</td><td>The dates on which interest/coupon on the NCDs shall fall due for payment as indicated in the Annexure – V “Illustration of Bond Cashflow” of the Placement Memorandum.</td></tr>
<tr><td>Coupon Type</td><td>Fixed</td></tr>
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<table>
<tr><td>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)</td><td>N.A.</td></tr>
<tr><td>Day Count Basis</td><td>Actual / Actual</td></tr>
<tr><td>Interest on Application Money</td><td>The Pay-in Date shall be the Deemed Date of Allotment, hence interest on application money shall not be applicable.</td></tr>
<tr><td>Tenor</td><td>Total Tenure of 4 years to 10 years comprising of :-
<table>
<tr><th>STRRP</th><th>Tenor (in years from deemed date of allotment)</th><th>As %age of issue</th><th>Amount (in Crore)</th></tr>
<tr><td>A</td><td>4</td><td>14.2857%</td><td>28.57</td></tr>
<tr><td>B</td><td>5</td><td>14.2857 %</td><td>28.57</td></tr>
<tr><td>C</td><td>6</td><td>14.2857%</td><td>28.57</td></tr>
<tr><td>D</td><td>7</td><td>14.2857%</td><td>28.57</td></tr>
<tr><td>E</td><td>8</td><td>14.2857%</td><td>28.57</td></tr>
<tr><td>F</td><td>9</td><td>14.2857%</td><td>28.57</td></tr>
<tr><td>G</td><td>10</td><td>14.2857%</td><td>28.57</td></tr>
<tr><td>Total</td><td></td><td>100%</td><td>199.99</td></tr>
</table></td></tr>
<tr><td>Redemption Date/ Maturity Date</td><td>The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows:

➢ STRPP A - at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A;
➢ STRPP B – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B;
➢ STRPP C – at the end of the 6th anniversary of the Deemed Date of Allotment for STRPP C;
➢ STRPP D – at the end of the 7th anniversary of the Deemed Date of Allotment for STRPP D;
➢ STRPP E – at the end of the 8th anniversary of the Deemed Date of Allotment for STRPP E;
➢ STRPP F – at the end of the 9th anniversary of the Deemed Date of Allotment for STRPP F;
➢ STRPP G – at the end of the 10th anniversary of the Deemed Date of Allotment for STRPP G;</td></tr>
<tr><td>Redemption Amount</td><td>Principal repayment to happen annually, from the expiry of 4 (Four) years from the Deemed Date of Allotment, in 7 (seven) annual instalments of:

➢ STRPP A - Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 4th anniversary of the Deemed Date of Allotment.
➢ STRPP B – Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 5th anniversary of the Deemed Date of Allotment.
➢ STRPP C – Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 6th anniversary of the Deemed Date of Allotment.
➢ STRPP D – Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 7th anniversary of the Deemed Date of Allotment.
➢ STRPP E – Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 8th anniversary of the Deemed Date of Allotment.
➢ STRPP F – Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 9th anniversary of the</td></tr>
</table>

	Deemed Date of Allotment. ➢ STRPP G – Aggregate principal amount of Rs. 28.57 crores (Rupees Twenty Eight Crore and Fifty Seven Lakhs) to be repaid at the end of the 10th anniversary of the Deemed Date of Allotment. 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.
Redemption Premium /Discount	Not Applicable
Issue Price	Face value of Rs. 70,000 (Rupees Seventy Thousand only) per NCD comprising of 7 (Seven) STRPPs (i.e. 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F, and 1 STRPP G) with face value of each STRPP being Rs. 10,000 (Rupees Ten Thousand).
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification time	Not Applicable
Face Value	Each NCD shall have a face value aggregating to Rs. 70,000 (Rupees Seventy Thousand only). Each NCD would comprise of 7 (Seven) STRPPs (i.e. 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F, and 1 STRPP G) with face value of Rs. 10,000 (Rupees Ten Thousand) per STRPP .
Minimum Application and in multiples of Debt Securities thereafter	15 (Fifteen) NCDs of face value of Rs. 70,000 each aggregating to Rs. 10,50,000/- (i.e. 15 NCDs comprising of 15 STRPP A, 15 STRPP B, 15 STRPP C, 15 STRPP D, 15 STRPP E, 15 STRPP F and 15 STRPP G) and in multiple of 1 (One) NCD of face value of Rs 70,000 (comprising of 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F and 1 STRPP G) thereafter.
Trading Lot	1 (one) STRPP of face value of ₹ 10,000 (Rupees Ten Thousand).
Issue Timing	1. Issue Opening Date: October 30, 2026 2. Issue Closing Date: October 30, 2026 3. Pay-in Date: November 03, 2026 4. Deemed Date of Allotment: November 03, 2026
Issuance Mode of Instrument	Dematerialised form only
Trading Mode of Instrument	STRPPs will be traded in dematerialised form only
Settlement Mode of Instrument	Through the clearing corporation of Stock exchange
Depository	NSDL and CDSL
Working Day Convention/ Effect of Holidays	Business day/Working day shall mean all days on which commercial banks in the Patna are 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 Patna are 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, as specified by SEBI. With respect to the record date, working day shall mean all trading days of the Stock Exchange for Bonds, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. 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. If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Placement Memorandum. 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 will be provided under Annexure – V "Illustration of Bond Cash Flow" of the Placement Memorandum. 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. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - V" Illustration of Bond Cash Flow" of the Placement Memorandum. Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 2025 (if applicable) or any statutory modification or re-enactment thereof for the time being in force.
Record Date	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. 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. 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.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security) description, type of security,	The Debentures are Unsecured in nature. 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. However, under the Structured Payment Mechanism stated in the Term Sheet, the

type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	Debenture Trustee on behalf of the Debenture holders shall have a charge over the following: (a) exclusive first ranking floating charge by way of hypothecation over present and future receivables of Tax Revenue, Rental Income from municipal Properties, Fees and User Charges , Sale and Hire Charges, Income from investment, Interest earned and other Income; (b) First and exclusive charge by way of hypothecation over the Escrow Account and the account(s) where the Tax Revenue, Rental Income from municipal Properties, Fees and User Charges , Sale and Hire Charges, Income from investment, Interest earned and other Income is collected and/ or pooled by the Corporation in each of such accounts; (c) First and exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account being opened for the Issue, the funds lying in each such account and any investment(s) made from these account(s); (d) First and exclusive charge by way of hypothecation over the investments made in terms of paragraph 10 and paragraph 11 under the head of term 'Structured Payment Mechanism' below and the investments made by utilising the AMRUT Incentive lying in the Escrow Account as per the Permitted Investment(s). ("Permitted Investment(s)") The security interest/security documents stipulated above shall be collectively referred to as the "Security". Security Creation Timelines (a) Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s) in accordance with applicable laws. (b) In the event the above stipulated charge 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.
Required DSRA Amount	For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 4 (four) 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 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 Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below. 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 (including the Required DSRA Amount) or the Sinking Fund Account.
Structured Payment Mechanism	1. 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: a. Escrow Account b. Interest Payment Account c. Sinking Fund Account 2. The Issuer shall set up a separate no-lien Escrow Account and the funds lying in account(s) in which the Tax Revenue, Rental Income from municipal Properties, Fees and User Charges, Sale and Hire Charges, Income from investment, interest earned and other Income is collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first and exclusive charge over the Escrow Account and the account(s) where the Tax Revenue, Rental Income from municipal Properties, Fees and User Charges, Sale and Hire Charges, Income from investment, Interest earned and other Income are collected and/ or pooled by the Issuer.

3. The Interest Payment Account 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.

4. The Sinking Fund Account is an account from which the principal redemptions of the STRPPs/NCDs will be made.

5. The funds lying in the Escrow Account shall be used in the following priority:

(a) The funds should be first utilized to meet out any previous shortfall in Required DSRA Amount(in case of utilization of the DSRA amount), Interest Payment Account or Sinking Fund Account as per the interest payment and sinking fund mechanism defined below;
(b) Thereafter, the funds should then 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 and Sinking Fund Account on the Transfer Date;
(c) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;

The surplus funds, if any, after accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) in accordance with the directions of the Issuer from time to time, after a one-time written instruction 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 (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account, 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.

On a monthly basis, on each Transfer Date, the Minimum Balance maintained as indicated above shall be transferred to the Interest Payment Account and Sinking Fund Account. 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 and the Sinking Fund Account on any day prior to the Transfer Date.

6. 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) and Sinking Fund Account, 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 following amounts will be required to be transferred to the Interest Payment Account and the Sinking Fund Account 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:

A. Interest payment Account (IPA) – Quarterly interest amount shall be divided into two equal parts and each part shall be transferred to IPA every month for 2 months. Accordingly, 50% of the Quarterly 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 each month in first 8 months of each 12 month block in the following manner:-

(i) For Interest payable in 1st Quarter - in 1st & 2nd Month
(ii) For Interest payable in 2nd Quarter- in 3rd & 4th Month
(iii) For Interest payable in 3rd Quarter- in 5th & 6th Month

(iv) For Interest payable in 4th Quarter- in 7th & 8th Month

B. Sinking Fund Account (SFA) – Total issue size of the Debentures (Rs 199.99 Crore) shall be divided into 10 parts and each part (Rs. 19.999 Crore) shall be transferred to SFA in each of the 1st to 10th year.

Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs. 1.9999 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 10% of total issue size shall be transferred each year for 10 years out of which 1% of issue size shall be transferred each month for first 10 months of each year.

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.

7. 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 (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 (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 for making the Coupon payment to the Debenture Holders.

(b) The DSRA Amount lying in the Interest Payment Account, can be used to meet (i) any shortfall in the Interest Payment Account 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 final redemption of the STRPP (upto the excess DSRA amount) on the respective Redemption Date and at the end of the tenure of the Debentures ("Final Redemption"). However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except the utilization of excess DSRA amount at the time of Final Redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account except at the time of actual payment of Coupon on the Debentures.

(c) Any surplus amounts available in the Interest Payment Account 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 to the extent required for redemption of the STRPPs on the Redemption Dates.

(d) The funds lying in the Sinking Fund Account can be used to redeem the Debentures.

(e) 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 (d) above.

(f) 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).

8. The Debenture Trustee, on behalf of the Debenture Holders shall have an exclusive first ranking charge over the Escrow Account and the account(s) where the Tax Revenue, Rental Income from municipal Properties, Fees and User Charges, Sale and Hire Charges, Income from investment, interest earned and other Income is being

collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account.

9. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have an exclusive first charge on the Escrow Account, Interest Payment Account (including the DSRA Amount), and Sinking Fund Account and any Permitted Investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). The amount deposited in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account 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 the approval of Debenture Trustee.

PERMITTED INVESTMENT

10. The funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Programme) 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 Bihar Municipal Act, 2007, to the extent applicable.

11. The funds lying to the credit of Sinking Fund Account can be deposited in such other instruments which may be permitted both in terms of the SEBI Circulars and also Bihar Municipal Act, 2007. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.

12. Any actual interest income earned and received on the Permitted Investment(s) may be utilised 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 (including the Required DSRA Amount) or the Sinking Fund Account.

13. The Escrow Account, Interest Payment Account (including the Required DSRA Amount) and Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ (Fixed Deposit Programme) 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+ (Fixed Deposit Programme) 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.

14. 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 (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 (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 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 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 (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 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.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicings. If any overdues on account of past servicings 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.
In 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 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 at 45 (Forty Five) days prior to the end of each 12 month block. 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 at 14 (Fourteen) days prior to the end of each 12-month block (T-14 days), the Debenture Trustee shall issue a final notice to the issuer. On the issuance of such notice, the issuer shall remit the funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T). It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in sinking fund account, 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. In 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. The redemption shall be made by the Issuer on the relevant Redemption Dates. If the redemption/maturity date of the STRPP 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. The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount), Sinking Fund Account.
Government Incentive	PMC is expected to receive incentive from Government of India ("AMRUT Incentive"). The AMRUT Incentive, as and when received by the Issuer, shall be deposited in the Escrow Account. Within 5 (Five) days of receipt of the AMRUT Incentive in the Escrow Account, the Issuer shall utilise such amounts to create fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above; provided however that, the Issuer shall not utilise the AMRUT Incentive for any purpose other than for creation of such fixed deposits. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The amounts from such fixed deposits shall be utilized proportionately for coupon payments over the entire tenor of bonds. A lien shall be created in favour of Debenture Trustee over such fixed deposits throughout the tenor of the NCDs. Interest amounts earned on such fixed deposits shall be utilisable by the Issuer, in accordance with the terms set out in the Transaction Documents.
Financial Covenants	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 2 (Two) times of the Annual Payments Amount. For the purpose of this term sheet, the term 'Annual Payments' shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present bond issue 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 in such financial year (in relation to the present bond issue and any further borrowings), in terms hereof. "Debt Service Coverage Ratio"("DSCR") shall mean shall mean the ratio of operating surplus to total debt servicing, which shall not be less than 1.25 times calculated as on 31st March for each year financial year (starting from 31st March 2027 till the time bonds are outstanding) as below: DSCR = operating surplus / total debt service (a) Operating surplus calculated as the below: Operating Surplus = Total Income – Adjusted Expenditure

	Total income = Total income of the corporation as per the audited Income and Expenditure statement. Adjusted Expenditure = Total expenditure as per the audited Income and Expenditure statement – Depreciation – Finance charges –Provisions and Write offs – other non-cash expenditures. (b) Total debt service = interest payment of loans and bonds + transfers made to the sinking fund account towards principal repayment / redemption + principal repayment / redemption (Excluding those made out of the sinking fund account) 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 it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of the debenture trustee. 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 minimum DSCR of 1.25 times is maintained by the Issuer (c) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and the Sinking Fund Account which has not been made good by the Issuer in terms of the Transaction Documents; (d) no Event of Default has occurred. 3. Other financial covenants as defined in the Transaction Documents
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the Master Circular for Debenture Trustee bearing no. HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 dated September 28, 2026 as amended as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Affirmative, Informative and Negative Covenants	As indicated in Annexure VIII and more specifically set out in Debenture Trust Deed
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum/ the Placement Memorandum along with all annexures, the Issue Agreement, the Issue Proceeds Agreement, the Debenture Trustee Agreement, the Registrar Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Escrow Agreement, the Tripartite Agreements with NSDL and CDSL 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	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI Guidelines in this regard: 1. Rating letters for provisional rating from credit rating agency(ies) ("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. Letter from NSE conveying its in-principle approval for listing of the Debentures; 4. State Government Approval/Order 5. Creation of DSRA
Condition Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents: 1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the NSE EBP operational guidelines; 2. Listing of the Debentures within 3 (Three) working 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 conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.

Events of Default	The following shall constitute an Event of Default under the Transaction Documents: 1. Any payments due in respect of the Debentures have not been paid on the relevant Due Date; 2. The Issuer breaches 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 above; 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 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 NSE within a period of 3 (Three) working days from the Issue Closing date; 8. Failure of the Issuer to deposit the amounts into 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); 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, rescheduling or other re-adjustment 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; 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; 18. Any information given by the Issuer is misleading or incorrect in any respect; 19. The occurrence of any event which constitutes a Material Adverse Change; 20. If in the opinion of the Debenture Trustee, the Security is in jeopardy; 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;

	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 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. 24. Other events as may be set out in the Debenture Trust Deed.
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the Master Circular for Debenture Trustee bearing no. HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 dated September 28, 2026 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Default Interest	(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; (b) In case of delay in execution of the Debenture Trust Deed and security documents, PMC 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; (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 1% p.a. (One percent per annum) which shall be paid over and above the Coupon Rate for the period of delay (i.e. from the date of allotment to the date of listing). (d) Other provisions as set out in the Transaction Documents.
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.
Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform yield allotment
Settlement Cycle	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+2 day, where T is the Issue Closing Date.
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 and SEBI Master Circular for Debenture Trustees.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Issue Proceeds 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 Patna. The Issue Proceeds 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.