

**Summary Term Sheet**

<b>Security Name</b>	8.50% TCMC Bonds 2036
<b>Issuer</b>	Tiruchirappalli City Municipal Corporation (“TCMC” / “The Corporation”)
<b>Type of Instrument</b>	Secured, non-convertible, listed rated, redeemable, taxable, municipal bonds in the nature of debentures (hereinafter referred to as “Bonds”/ “Municipal Bonds” / “Debentures”)
<b>Seniority</b>	Senior (to clarify, the claims of the Bond Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
<b>Mode of Issue</b>	Private Placement of municipal bonds under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
<b>Eligible Investors</b>	All QIBs and any non-QIB Investors specifically mapped by the Issuer on the NSE– EBP (Electronic Book Provider) 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.
<b>Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)</b>	The Bonds are proposed to be listed on NSE. The Bonds shall be listed within 3 (three) trading 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 Holder’s penal interest of @ 1% per annum over and above the coupon rate for the period of delay from the date of allotment to the date of listing.
<b>Rating of the Instrument</b>	India Ratings and Research Private Limited has assigned a rating of ‘Provisional IND AA/Stable’ dated December 16, 2025 as revalidated vide rating letter dated January 20, 2026 and issued rating rationale dated December 16, 2025 and CARE Ratings Limited has assigned a rating of “Provisional CARE AA-/Stable” dated January 23, 2026 and issued rating rationale dated January 23, 2026.
<b>Issue Size</b>	Rs.100 Crores
<b>Base Issue Size</b>	Rs.100 Crores
<b>Option to retain over subscription</b>	Not Applicable
<b>Anchor Portion</b>	Not Applicable
<b>Objects of the issue</b>	The proceeds of the bonds will be utilized for incurring capital expenditure in respect of Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur, by the Issuer.
<b>Details of the utilization of the proceeds</b>	The proceeds of the Issue shall be utilized for the Project. The details of the Projects along with the details/ status of any prior requisite approvals required, if any for such Project have been detailed in the Section titled ‘Objects of the Issue’ on page no. 56.  The proceeds of the Issue will be utilized for bonafide purposes in the normal course of business of the Issuer. However, the Issuer shall not use the Issue proceeds towards investment in capital markets and real estate or any other purpose ineligible for bank finance in terms of the extant regulations of the Reserve Bank of India.
<b>Coupon rate</b>	8.50% per annum
<b>Taxable/Tax free</b>	Taxable
<b>Step up / Step Down coupon rate</b>	Not Applicable

<b>Coupon payment frequency</b>	Semi-Annual
<b>Coupon payment dates</b>	The dates on which interest/coupon on the NCDs shall fall due for payment (Refer to Annexure-V- Illustration of Bond Cash Flow)
<b>Coupon Type</b>	Fixed
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)</b>	Not Applicable
<b>Day Count Basis</b>	Actual/ Actual
<b>Interest on Application Money</b>	The Pay-in Date shall be the Deemed Date of Allotment; hence interest on application money shall not be applicable.
<b>Tenor</b>	10 years
<b>Redemption Type</b>	Staggered Redemption Semi-Annually after a moratorium of 5 years and 10% redemption every half-year from the end of 5 Years & 6 months till the redemption of Bonds i.e. at end of 10th Year.
<b>Redemption Date/ Maturity Date</b>	February 06, 2036 First redemption will be at the end of 5 year & 6 months (10% of the Issue Size) from the deemed date of allotment and equal redemption of 10% of the Issue Size every half year thereafter till the redemption.
<b>Redemption Amount</b>	10% of the Principal Bond value, payable every year, starting from the end of 5 year 6 months. 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.
<b>Redemption Premium / Discount</b>	Not applicable
<b>Issue Price</b>	Rs. 1,00,000 (Rupees One Lakh only) per Bond
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	Not applicable
<b>Put Option Date</b>	Not applicable
<b>Call Option Date</b>	Not applicable
<b>Put Option Price</b>	Not applicable
<b>Call Option Price</b>	Not applicable
<b>Put Notification Time</b>	Not applicable
<b>Call Notification Time</b>	Not applicable
<b>Face Value</b>	Rs. 1,00,000 (Rupees One Lakh only) per Bond (At Par)
<b>Minimum Application size</b>	Minimum 10 Bonds of face value Rs. One Lakh each and in multiples of 1 Bond of face value Rs. One Lakh each thereafter
<b>Issue Timing</b>	
1.Issue Opening Date	February 05, 2026
2.Issue Closing Date	February 05, 2026
3.Pay-in Date	February 06, 2026
4.Deemed Date of Allotment	February 06, 2026
<b>Issuance mode of the Instrument</b>	Dematerialised form only
<b>Trading mode of the Instrument</b>	Bonds will be traded in dematerialised form only
<b>Settlement mode of the Instrument</b>	Through the Clearing Corporation of NSE i.e. NSE Clearing Limited (NSECL)
<b>Depository</b>	NSDL and CDSL
<b>Business/ Working Day Convention</b>	'Working Day' means all days on which commercial banks in Tiruchirappalli are open for business. 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

	<p>SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137, as amended from time to time.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non- Working Day.</p> <p>If the Redemption Date or Maturity Date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds until but excluding the date of such payment.</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><b>Record Date</b></p>	<p>The record date for payment of coupon/interest in connection with the Bonds 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 part of Redemption 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 subsequent 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 part of the Principal Repayment, the trading in the Bonds shall remain suspended between the Record Date and the Maturity Date/Redemption Date.</p>
<p><b>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).</b></p>	<p>The principal amount of the Debentures to be issued with all the Coupon due on the Debentures, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of:</p> <p>(a) exclusive first ranking floating charge over present and future receivables of Tax Income (Tax Income means the property tax, water charges and Vacant Site Tax (VST) charges) on the Account(s) where the Property tax, water charges and VST charges is being collected (Collection Account) with minimum security cover of 1.2 (One point Two) times of the total amount borrowed along with the Coupon thereon and other costs, charges, all fees,</p>

	<p>remuneration of Debenture Trustee and expenses payable in respect thereof (“<b>Minimum Security Cover</b>”);</p> <p>(b) First and exclusive charge over the Escrow Account and the account(s) where the property tax, water charges and VST charges is being collected and/ or pooled by Tiruchirappalli City Municipal Corporation for an amount equivalent to at least 1.5 (One point Five) times the borrowed amount in each year to the extent of the property tax, water charges and VST charges - is being collected (Collection Account(s)) or pooled in each of such accounts;</p> <p>(c) First and exclusive charge 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);</p> <p>(d) First and exclusive charge over the investments made in terms of under the head of term ‘Permitted Investments’ below.</p> <p>(e) First &amp; Exclusive charge over the Project Sustainability Grant Fund (PSGF Amount) term deposit created for this bond issue.</p> <p>The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security. Security Creation Timelines</p> <p>(a) The Security shall be created prior to making the listing application for the Bonds with the Stock Exchange(s).</p> <p>(b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, the Bonds shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the Bonds, 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>The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover.</p>
<p><b>Project Sustainability Grant Fund Amount (PSGF Amount)</b></p>	<p>Project Sustainability Grant Fund, a Grant Fund of Government of Tamil Nadu and managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) (hereinafter referred as “PSGF”) shall create a term deposit in the name of “Project Sustainability Grant Fund” equivalent of <b>Rs. 10.40 Crores</b> (“PSGF Amount”) as Credit Enhancement Facility under World Bank assisted Tamil Nadu Climate Resilient Urban Development Program and funds available in PSGF under Credit Enhancement Facility. The proceeds of the bond issue should be used for the Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur Project of the Issuer.</p>

	<p>The Debenture Trustee (on behalf of bond holders) shall have First &amp; Exclusive charge over the Project Sustainability Grant Fund (PSGF Amount) term deposit created for this bond issue. The said term deposit amount shall be created in the name of PSGF by PSGF with the Trustee Banker / Escrow Banker of the Bond Issue once the date of the issue of bond is finalized but, in any case, no later than one day before the pay-in/allotment of bonds. The said term deposit shall be kept as cash collateral in the form of security for bondholders for servicing of the bonds during the entire tenor of the bonds &amp; lien marked with the Bond / Debenture Trustee. The Escrow Banker (on the instructions of the Bond / Debenture Trustee) will utilize the PSGF Amount (i) in the case of insufficient funds in the Issuer's Escrow Account / Interest Payment Account / Sinking Fund Account as per timelines indicated under the Structured Payment Mechanism in the Term Sheet and (ii) In case of occurrence of payment default or event of default, the PSGF Amount shall be utilized for meeting all the outstanding interest and principal obligations to the bond holders. In the case of utilization of PSGF Amount, the PSGF Amount utilized shall be recouped by the Issuer within a period of 90 days from the date of utilization. This arrangement will continue till the bond is paid in full to the Bond holders.</p> <p>The PSGF term deposit will be an interest-bearing deposit and PSGF will have charge over the interest income.</p>
<p><b>Structured Payment Mechanism</b></p>	<ol style="list-style-type: none"> <li>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: <ol style="list-style-type: none"> <li>a) Escrow Account</li> <li>b) Interest Payment Account</li> <li>c) Sinking Fund Account</li> </ol> </li> <li>2. The Issuer shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the Tax Income (Tax Income means property tax, water charges and Vacant Site Tax (VST) charges) 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 Tax Income (Tax Income means Property tax, water charges and Vacant Site Tax (VST) charges) gets collected and/ or pooled by the Issuer.</li> <li>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. DSRA amount shall be an amount equivalent to the Interest servicing obligation for 3 semi-annual servicing would need to be maintained throughout the tenor of the bonds by the Issuer as DSRA in the Interest Payment Account. This amount so calculated would need to be deposited at least one day prior to the date of pay-in. The DSRA would be in</li> </ol>

the form of cash or cash equivalent (investment in Permitted Instruments and would remain escrowed in favour of the Debenture Trustee) throughout the tenure of the Bonds. In the event of any utilisation 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 with prior approval of 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.

4. The Sinking Fund Account is an account from which the principal redemptions of the Bonds 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 fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and the sinking fund account as per the interest payment and sinking fund mechanism defined below;
  - b) Thereafter, the funds should be first 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 Business Day 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 would be the sum of:
    - i. 20% of next semi-annual interest payment (which would be transferred to IPA once the Minimum Balance for that month is achieved) and
    - ii. 1% of the issued amount (which would be transferred to SFA once the Minimum Balance for that month is achieved)

However, on the last day of the month, if there is a shortfall in Minimum Balance then the entire amount available in Escrow Account would be transferred firstly to IPA and then balance available to SFA.

- a) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;
- b) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) of the Issuer 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 as per the priority

mentioned above 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 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.

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) PSGF Account 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.

6. 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 on half-yearly basis (Each half year here means each period of 6 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '6 month block') on first priority basis:
  - a. Interest payment Account (IPA) – Half-yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA 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 each month as follows:-
    - (i) 1st half year - from 1st to 5th Month
    - (ii) 2nd half year - from 7th to 11th Month
  - b. Sinking Fund Account (SFA) – Issue Size of the Debentures (Rs 100.00 Crore) shall be divided into 20 parts and each part (Rs. 5.00 Crore) shall be transferred to SFA in each of the half years starting from 1st year to 10th year.

Further, this one part (Rs 5.00 Crore) to be transferred to SFA in each of the half years shall be sub-divided into 5 sub-parts and each sub-part (Rs. 1.00 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 5 months of each half-year i.e. 1st to 5th month of first half year and 7th to 11th month of second half year and so on. Accordingly, 5% of Issue Size shall be transferred each half-year for 20 half years during 10 years in accordance with the above.

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, Project Sustainability Grant Fund (PSFG) amount shall be utilised first and still any shortfall persist, then 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 date (up to the excess DSRA amount). However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except 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 Bonds on the respective Redemption Dates.
- d) The funds lying in the Sinking Fund Account shall be used only 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).
- g) The Debenture Trustee, on behalf of the Debenture Holders shall have a first ranking charge over the Escrow Account and the account(s) where the Tax Income (tax income shall mean property tax, water charges and Vacant Site Tax (VST) charges) that are being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), Sinking Fund Account.

**Permitted Investments**

- 8. The funds lying credited in the Escrow Account (to the extent of the Minimum Balance), Interest Payment Account (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 favour 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 The Tamil Nadu Urban Local Bodies Act, 1998 and rules made thereunder to the extent applicable.

9. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and The Tamil Nadu Urban Local Bodies Act, 1998 and rules made thereunder to the extent applicable. The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof.
10. Any actual interest income earned and received on the Permitted Investment(s) shall be utilizable 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.
11. The Escrow Account, Interest Payment Account (including the Required DSRA Amount), Sinking Fund Account 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.
12. 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 15 (Fifteen) days prior to the Coupon Payment Date (T- 15 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 14 (Fourteen) days prior to the Coupon Payment Date (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the PSGF 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 10 (ten) days prior to the Interest Payment Date (T-10 days).

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

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.

Further, In the event of any utilization from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish the same within a period of 90 days from the date of utilization. This arrangement shall continue till the bonds are paid in full to the Bond holders.

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 servicing. If any over dues on account of past servicing's 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 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 6 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 30 (Thirty) days prior to the end of each 6 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 6 month block (T-15 days).

Further, in case of shortfall on T-30 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 the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 6 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Escrow Bank to utilise the PSGF Amount to the extent of the shortfall in the Sinking Fund Account on or prior to the date falling 10 (ten) days prior to the end of each 6 Month Block (T-10 days).

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

In case of shortfall still persists in the Sinking Fund Account at 9 (Nine) days prior to the end of each 6 month block (T-9 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 6 Month Block (T).

Also, DSRA Amount can be used to meet any shortfall at the time of final redemption date (up to the excess DSRA amount).

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) can be used to make good

	<p>any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the Bonds on the respective Redemption Dates.</p> <p>Further, in the event of any utilization from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish the same within a period of 90 days from the date of utilization. This arrangement shall continue till the bonds are paid in full to the Bond holders. 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.</p> <p>The redemption shall be made by the Issuer on the relevant Redemption Dates.</p> <p>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.</p>
<p><b>Financial Covenants</b></p>	<p>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. (c) Principal Repayment amount (in relation to the further borrowings where sinking fund is not created), in terms hereof.</p> <p>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 and mortgaged property without the express prior written consent of the debenture trustee.</p> <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) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and/or the Sinking Fund Account which has not been made good by the Issuer in terms of the Transaction Documents; (c) no Event of Default has occurred.</p> <p>2. Other financial covenants as defined in the Transaction Documents</p>

<b>Transaction Documents</b>	<p>The Documents executed in relation to, or which are relevant to the Issue including:</p> <ol style="list-style-type: none"> <li>1. Preliminary Placement Memorandum,</li> <li>2. the Placement Memorandum,</li> <li>3. the Issue Agreement,</li> <li>4. the Registrar &amp; Transfer Agent Agreement,</li> <li>5. the Issue Proceeds Agreement,</li> <li>6. the Debenture Trustee Agreement &amp; the Debenture Trust Deed,</li> <li>7. the Escrow Agreement,</li> <li>8. the Deed of Hypothecation</li> <li>9. Tripartite Agreements with NSDL &amp; CDSL and</li> <li>10. any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</li> </ol>
<b>Conditions Precedent to Disbursement</b>	<p>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:</p> <ol style="list-style-type: none"> <li>1. State Government Approval/Order.</li> <li>2. Council / BIC resolution for the Issue</li> <li>3. Creation of DSRA</li> <li>4. Rating letters from credit rating agency (“Rating Agency”) not being more than one month old from the Issue Opening Date;</li> <li>5. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s);</li> <li>6. Letter from NSE conveying its in-principal approval for listing of the Debentures;</li> <li>7. Other conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.</li> </ol>
<b>Conditions Subsequent to Disbursement</b>	<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"> <li>1. Execution of Debenture Trustee Deed</li> <li>2. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the NSE-EBP operational guidelines;</li> <li>3. Listing of the Debentures within 3 (Three) trading days from the Issue Closing Date;</li> <li>4. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable;</li> <li>5. Other conditions subsequent as set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.</li> </ol>
<b>Events of Default</b>	<p>As is more particularly set out in the Debenture Trust Deed including the followings:</p> <ol style="list-style-type: none"> <li>1. Default in payment of interest and/or principal redemption.</li> <li>2. Delay in Listing during the tenure of bonds and more particularly defined in Debenture Trust Deed</li> </ol>
<b>Creation of Recovery Expense Fund</b>	<p>The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI as per Chapter IV SEBI Master Circular for Debenture Trustees bearing reference number SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025, as amended from time to time. The Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.</p>

<b>Provisions related to Cross Default Clause</b>	As per the Debenture Trust Deed to be executed in accordance with applicable law.
<b>Default Interest</b>	<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) trading 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).</p> <p>(d) Other provisions as set out in the Transaction Documents.</p>
<b>Manner of Bidding</b>	Closed Bidding
<b>Manner of Allotment</b>	Uniform Yield Allotment
<b>Settlement Cycle</b>	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date
<b>Role and Responsibilities of Debenture Trustee</b>	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed.
<b>Governing Law and Jurisdiction</b>	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 Tiruchirappalli. 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 Tiruchirappalli.