

TERM SHEET

**THIS TERM SHEET CONSISTS OF 44 PAGES.
PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES
YOU ARE ENCOURAGED TO READ GREATER DETAILS AVAILABLE IN
THE OFFER DOCUMENT DATED SEPTEMBER 18, 2025
<https://www.akgroup.co.in/Listing/Index?id=96cf2869-d722-485f-a35d-1bceca99e19d>**

Please ensure that you read the Offer Document dated September 18, 2025 (“Offer Document”) and the general instructions contained in this Term Sheet before applying in the Issue. Unless otherwise specified, all capitalised terms used in this form shall have the meaning ascribed to such terms in the Offer Document. The investors are advised to retain a copy of this Term Sheet for their future reference.

You may obtain a physical copy of the Application form from our Head Office, the Lead Manager, Consortium Member, Registrar to the Issue, the Designated Branches of Self Certified Syndicate Banks. You may also download the Offer Document from the websites of SEBI, Stock Exchanges, Lead Manager and the Corporation i.e. www.sebi.gov.in, www.nseindia.com, www.bseindia.com, www.akgroup.co.in and www.suratmunicipal.gov.in, respectively.



SURAT MUNICIPAL CORPORATION

A municipal corporation constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Bombay Provincial Municipal Corporations Act, 1949 (then applicable act in Gujarat) on October 1, 1966 vide Notification No. KP/773/SMC/1066/5620/P dated September 9, 1966.

Head Office	Contact Person cum Compliance Officer:	Email and Telephone	Website
Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat – 395 003, Gujarat	Swati Pareshkumar Desai, Deputy Municipal Commissioner	Tel:+91-261-2423750/51/52/53/54/55/56 (Ext. No. 243) Email: smcbond@suratmunicipal.org	www.suratmunicipal.gov.in

PUBLIC ISSUE BY THE SURAT MUNICIPAL CORPORATION (“CORPORATION” / “SMC” / “ISSUER”) OF UP TO 20,00,000 RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS (IN THE NATURE OF DEBENTURES) OF FACE VALUE OF ₹1,000/- EACH (“GREEN BONDS” / “NCDs” / “DEBENTURES”), (COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS (“STRPPs”) NAMELY, 1 STRPP A OF FACE VALUE OF ₹500 AND 1 STRPP B OF FACE VALUE OF ₹500), FOR AN AMOUNT OF ₹100 CRORES (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVER- SUBSCRIPTION UP TO ₹100 CRORES (“GREEN SHOE OPTION”) AGGREGATING UP TO ₹200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) (“ISSUE”). THE ISSUE IS BEING MADE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, SEBI MASTER CIRCULAR AND OTHER RELEVANT CIRCULARS AND GUIDELINES. THE TWO STRPPS WILL BE OF DIFFERENT MATURITY AND SHALL BE REDEEMABLE AT PAR; FOR FURTHER DETAILS, PLEASE SEE THE SECTION TITLED “ISSUE SPECIFIC INFORMATION” ON PAGE 130 OF THE OFFER DOCUMENT. THE ISSUE IS NOT UNDERWRITTEN.

BRIEF DESCRIPTION OF THE ISSUE

Security Name	8.00% SMC STRPP A 2029 8.00% SMC STRPP B 2030
Type of Instrument:	Rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds in the nature of debentures (hereinafter referred to as “Green Bonds”/ “Debentures”/ “NCDs”)
Nature of Instrument: (Secured/ Unsecured)	Secured
Base Issue Size	₹ 100 crores
Option to retain oversubscription	Upto ₹ 100 crores

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BRIEF DESCRIPTION OF THE ISSUE

Face Value	Each NCD shall have a face value aggregating to ₹ 1,000/- (Rupees One Thousand only). Each NCD would comprise of 2 (Two) STRPPs having different ISINs (i.e. 1 STRPP A & 1 STRPP B) with face value of each STRPP being ₹ 500/- (Rupees Five Hundred) each.
Details of Coupon/ Dividend (fixed or floating or other structure/rate/frequency)	Fixed
Redemption date; Tenor	The redemption dates/ maturity dates for each of the STRPPs are as follows: <ul style="list-style-type: none"> • 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;
Rating of the instrument	‘Provisional IND AA+/Stable’ by India Ratings & Research Private Limited and ‘Provisional CRISIL AA+/Stable’ by CRISIL Ratings Limited
Name of Merchant Banker	A.K. Capital Services Limited
Name of the Debenture Trustee	SBICAP Trustee Company Limited*
Name of the Credit Rating Agencies	India Ratings & Research Private Limited and CRISIL Ratings Limited
Issue opening date	Monday, October 6, 2025
Issue closing date**	Thursday, October 9, 2025
Name of the stock Exchange(s) where it will be listed	National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”)

*SBICAP Trustee Company Limited under SEBI ILMDS Regulations has by its letter dated May 7, 2025 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Offer Document and the Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date, subject to a minimum of three Working Days from the date of opening of the Issue, in accordance with the SEBI ILMDS Regulations or extended date as may be decided by the Bond Issue Committee, subject to relevant approvals and in accordance with applicable laws. In the event of an early closure or extension of the Issue, our Corporation shall ensure that notice of the same is provided to the prospective investors through an advertisement in a national daily newspaper with wide circulation and a regional daily with wide circulation where the head office of the Corporation is located in which the pre-issue advertisement for opening of the Issue is given, on or before such initial date of closure, in accordance with SEBI ILMDS Regulations. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled “Issue Specific Information” on page 130 of the offer document

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries as the case maybe, at the centres mentioned in Application Form through the ASBA mode (b) directly by the Designated Branches of the SCSBs or (c) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.

GENERAL RISKS

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risks attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer, the Offer Document and the issue including the risks involved in it. Specific attention of investors is invited to the statement of risk factors contained in the section titled “Risk Factors” on page 16 of the Offer Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Green Bonds or investor’s decision to purchase such Green Bonds. The Issue of Green Bonds has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of the Offer Document.

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ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Offer Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the Offer Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make the Offer Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING

Name of Credit Rating Agency(ies)	Rating(s) obtained	Date(s) of the press release of the Credit Rating Agency
India Ratings & Research Private Limited & CRISIL Ratings Limited	'Provisional IND AA+/Stable' & 'Provisional CRISIL AA+/Stable'	India Ratings & Research Private Limited: January 21, 2025 CRISIL Ratings Limited: September 4, 2025

LISTING

The Green Bonds offered through the Offer Document are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE", collectively with NSE the "Stock Exchanges"). The Issuer has received in-principle approvals for listing of the Green Bonds to be allotted pursuant to the Issue from NSE and BSE through their letters both dated May 27, 2025, bearing no. NSE/LIST/D/2025/0156 and DCS/HB/PI-BOND/03/25-26, respectively. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited.

STANDING COMMITTEE

The Standing Committee is constituted under the section 20(7)(I) of the Gujarat Provincial Municipal Corporation Act, 1949. The Standing Committee is constituted by the General Board and the Members of the said committee that have been selected by the members of General Board in its first Board Meeting. The Standing Committee consists of 12 members (councillors). As per the GPMC Act, the term of the members of the Standing Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the constitution of the Standing Committee is as follows:

S. No	Name and Designation	Date of Appointment / Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1.	Rajan Bakulchandra Patel, Chairman	September 12, 2023	-	-
2.	Dinanath Sampatrao Mahajan, Member	September 12, 2023	-	-
3.	Dimple Chetanbhai Kapadia, Member	September 12, 2023	-	-
4.	Sumanben Narendra Gadiya, Member	September 12, 2023	-	-
5.	Nareshbhai Harjibhai Dhameliya, Member	September 12, 2023	-	-
6.	Gitaben Tejabhai Rabari, Member	September 12, 2023	-	-
7.	Ghanshyambhai Govindbhai Savani, Member	September 12, 2023	-	-
8.	Bharti Satish Waghela (Muscatwala), Member	September 12, 2023	-	-
9.	Niralaben Harkeshsingh Rajput, Member	September 12, 2023	-	-
10.	Alka Anil Patil, Member	September 12, 2023	-	-
11.	Jitendrabhai Nathubhai Solanki, Member	September 12, 2023	-	-
12.	Bhavishaben Bhavinbhai Patel, Member	September 12, 2023	-	-

[^] Date on which the respective individual became a member of the committee

BOND ISSUE COMMITTEE

The Standing Committee of the Issuer vide its resolution dated January 18, 2024 and the General Board of the Issuer vide its resolution dated February 20, 2024 have authorized the Municipal Commissioner to take any decisions in relation to the Issue. Pursuant to these approvals, the Municipal Commissioner vide her letter dated June 10, 2024

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had constituted the Bond Issue Committee. The Bond Issue Committee is authorized to take all necessary actions and decisions related to the issuance of Green Bonds, including appointing intermediaries, approving terms, structuring mechanisms, executing documents, and ensuring compliance with regulatory requirements. It is also empowered to manage all operational, financial, and legal aspects of the issue, from project selection to allotment and listing.

Presently, the Bond Issue Committee, confirmed by the Municipal Commissioner vide her letter dated September 18, 2025, consists of the following members:

Sr. No.	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	DIN
1	Shalini Agarwal	Municipal Commissioner	June 10, 2024	-	08172014
2	Swati Pareshkumar Desai	Deputy Municipal Commissioner	June 10, 2024	-	09562103
3	Gurav Dinesh Ramesh, IAS [#]	Deputy Municipal Commissioner (Health & Hospital)	April 16, 2025	-	-
4	NileshHasmukhbhai Patel	Deputy Municipal Commissioner	June 10, 2024	-	-
5	Jatinkumar Desai*	Additional City Engineer (Civil) & I/c City Engineer*	June 10, 2024	-	08955264
6	Dharmesh Bhagwagar	Additional City Engineer (Civil)	June 10, 2024	-	10334896
7	Bipinchandra Modi	I/c Chief Accountant	August 31, 2025	June 10, 2024	10558267
8	Prafullkumar Champaklall Lakdawala	I/c Chief Accountant	September 1, 2025	-	-

[^] Date on which the respective individual became or ceased to be a member of the committee.

*Jatinkumar Desai holds charge as I/c City engineer for a period of 6 months or till the post is filled up, as per the office order dated March 29, 2025.

[#] Gurav Dinesh Ramesh, IAS has been appointed in place of Ashishkumar Kanaiyalal Naik, pursuant to his voluntary retirement.

For further details of the Committees of the Issuer, please refer page no. 32 of the Offer Document.

ABOUT THE ISSUER

A. About the Issuer

Surat Municipal Corporation (SMC) is the municipal body of the Surat city. Presently, Shri Daxesh Kishorbhai Mavani is the Mayor and Smt. Shalini Agarwal, IAS, is the Municipal Commissioner of the Issuer. SMC is one of the corporations in the State of Gujarat and is covered under the AMRUT Scheme and the Smart City projects of the Government of India.

The Corporation carries out all the obligatory functions and discretionary functions entrusted by the GPMC Act with the following mission:

'To make Surat a dynamic, vibrant, beautiful, self-reliant and sustainable city with all basic amenities, to provide a better quality of life.'

(a) Constitution of the Issuer

Surat Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under section 5 of the Bombay Provincial Municipal Corporation Act, 1949. SMC came into existence with effect from October 1, 1966, by way of notification number KP/773/SMC/1066/5620/P made by the Government of Gujarat dated September 9, 1966.

The Issuer, being a corporation established under the Act, which is a state act, is a public sector company for the

purposes of the Income Tax Act, 1961, which defines the term ‘public sector company’ under Section 2(36A) to mean any corporation established by or under any central, state or provincial act or a government company as defined in the Section 617 of the Companies Act, 1956 (currently defined under Section 2(45) of Companies act, 2013).

(b) About Surat

Surat is situated in the western region of India within the state of Gujarat. The population of Surat as per Census 2011 is 6,081,322*. Surat has had a remarkable pace of growth primarily attributed to significant immigration from diverse regions of Gujarat and other states across India. Surat is one of the cleanest cities of India**. Surat is an important industrial hub and commercial centre of the country. Surat is also known to be a key diamond manufacturing centre, home to numerous diamond manufacturing units, including advanced and large-scale diamond cutting factories. The Surat SEZ is also emerging as a jewellery production hub. Surat is known by several other names*** such as “The Silk City”, “The Diamond City” and “The Green City”.

* Source: <https://censusindia.gov.in/census.website/>

** Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1995159>

*** Source: <https://surat.nic.in/about-surat/>

(c) Composition of the Issuer

In accordance with Section 4 of the GPMC Act, the municipal authorities charged with carrying out the provisions of the Act for each city are:

- a) a Corporation;
- b) a Standing Committee; and
- c) a Municipal Commissioner.

In accordance with the Act, the Corporation consists of councillors chosen by direct election and shall continue for five years. The term of the councillors shall be co-extensive with the duration of the Corporation. The Corporation shall at its first meeting elect a Mayor and a Deputy Mayor from amongst the councillors. The term of both the Mayor and Deputy Mayor shall be two and a half years. The Corporation can appoint a special committee out of its own body to carry out specific works assigned to it. The Municipal Commissioner is to be appointed by the State Government and shall hold office at the first instance for such period not exceeding three years and his appointment may be renewed from time to time for a period not exceeding three years at a time.

(d) Elected representatives in SMC

Surat Municipal Corporation is divided into nine Zones (West Zone, Central Zone, North Zone, East Zone A, East Zone B, South Zone A, South Zone B, South-West Zone and South-East Zone). The political wing is an elected body of Municipal Councillors headed by a Mayor. Surat Municipal Corporation is divided into 30 wards, with each ward being represented by four councillors. Thus, the total number of municipal councillors is 120.

Under the GPMC Act, the powers are vested with three distinct statutory authorities of the elected wing, viz. the General Board, the Standing Committee and other committees. The Corporation has functional committees for various obligatory and discretionary functions. Each committee is headed by a chairman elected from amongst its councillors. For more information on the committees under Surat Municipal Corporation, please refer to section titled “*General Information*” on page 31 of the offer document.

(e) Administrative Cadre in SMC

The administrative wing of the SMC works under the command of the Commissioner who heads a team of officials comprising the Deputy Municipal Commissioners, Assistant Municipal Commissioners, and other officials, including Medical Officer of Health, City Engineer, etc. and other officials who administer their respective domains. The administrative wing is responsible for strategic and operational planning and management of the Corporation.

(f) Roles and Responsibilities of the Issuer

Brief summary of the business/ Activities of the Issuer

Section 63 of the GPMC Act defines the scope and extent of obligatory responsibilities of the Issuer. The Issuer is mainly responsible for providing civic services to the Surat city.

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1. erection of substantial boundary marks of such description and in such position as shall be approved by the State Government defining the limits or any alteration in the limits of the city;
2. the watering, scavenging and cleansing of all public streets and places in the city and the removal of all sweeping therefrom;
3. the collection, removal, treatment and disposal of sewage, offensive matter and rubbish and, if so required by the State Government, the preparation of compost manure from such sewage, offensive matter and rubbish and solid waste management;
4. the construction, maintenance and cleansing of drains and drainage works, and of public latrines, water-closets, urinals and similar conveniences;
5. the entertainment of a fire-brigade equipped with suitable appliances for the extinction of fires and the protection of life and property against fire;
6. the construction or acquisition and maintenance of public hospitals and dispensaries including hospitals for the isolation and treatment of persons suffering or suspected to be infected with a contagious or infectious disease and carrying out other measures necessary for public medical relief;
7. the lighting of public streets, municipal markets and public buildings vested in the Corporation;
8. the maintenance of a municipal office and of all public monuments and open spaces and other property vesting in the Corporation;
9. the naming or numbering of streets and of public places vesting in the Corporation and the numbering of premises;
10. the regulation and abatement of offensive and dangerous trades or practices;
11. the maintenance, change and regulation of places for the disposal of the dead and the provision of new places for the said purpose and disposing of unclaimed dead bodies;
12. the construction or acquisition and maintenance of public markets and slaughter houses and tinneries and the regulation of all markets and slaughter houses and tinneries;
13. the construction or acquisition and maintenance of cattle-pounds and prevention of cruelty to animal;
14. public vaccination in accordance with the provisions of the Bombay District Vaccination Act, 1892;
15. maintaining, aiding and suitably accommodating schools for primary education;
16. the reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;
17. the registration of births and deaths;
18. the construction, maintenance, alteration and improvement of public streets, bridges, sub-ways, culverts, causeways and the like;
19. the removal of obstructions and projections in or upon streets, bridges and other public places;
20. the management and maintenance of all municipal water works and the construction or acquisition of new works necessary for a sufficient supply of water for public and private purposes;
21. preventing and checking the spread of dangerous diseases;
22. the securing or removal of dangerous buildings and places;
23. the construction and maintenance of residential quarters for the municipal conservancy staff;
 - 23A. The preparation of plans for economic development and social justice;
 - 23B. The performance of functions and the implementation of schemes that may be entrusted by the State Government.
24. fulfilment of any obligation imposed by or under this Act or any other law for the time being in force; and
25. Subject to adequate provision being made for the matters specified above, the provision of relief to destitute persons in the City in times of famine and scarcity and the establishment and maintenance of relief works in such times.

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RISK FACTORS

Below mentioned risks are the top 10 risk factors, including 3 pertaining to the Issuer and the NCDs

1. We intend to utilize the Net Proceeds for funding our capital expenditure requirements for setting up the Projects. Our proposed Projects are subject to the risk of unanticipated delays in implementation and cost overruns. Any such unanticipated delays in implementation and cost overruns of the Project may have an adverse impact on our operations, reputation and cash flows.
2. Our funding requirements and proposed deployment of the Net Proceeds are based on internal estimates and estimates provided by the Project Consultants, derived from quotations and bids received during the tendering process, pursuant to which work orders have been issued. These estimates have not been independently appraised by any third-party expert, bank, or financial institution.
3. Our Corporation and Subsidiary are involved in certain proceedings, any adverse developments related to which could materially and adversely affect our operations, reputation and cash flows.
4. Any inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required for installation and operation of the Project may have a material adverse effect on our ability to complete the Project on a timely basis or at all. Any failure to successfully complete the Project on a timely basis may have an adverse impact on our reputation, operations and cash flows.
5. Leakage of tax collections may affect volume of collections and accumulation of funds for future development, and on the Issuer's future execution capabilities and revenue collections.
6. We are eligible for incentive from Government of India, Ministry of Housing and Urban Affairs under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising funds from Green Bonds. We cannot assure that we will be able to successfully raise the Green Bonds and any failure to raise funds through issuance of Green Bonds in a timely manner may impact our ability to receive incentive from Ministry of Housing and Urban Affairs, Government of India.
7. We are dependent on grants and support in the form of budgetary allocation from Central and State Government for our operations. Any failure to obtain grants or any reduction in funding in the form of grants or budgetary allocation from the government may adversely impact our operations, financial condition and future performance.
8. Changes in interest rate may affect the price of our Green Bonds. Any increase in rate of interest are likely to have a negative effect on the price of our Green Bonds.
9. Any downgrading in credit rating of our Green Bonds may adversely affect the value of Green Bonds and thus our ability to raise further debts.
10. There may be less information available about the municipal corporations listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.

Please read the risk factors carefully. For further risks relating to the Issue and Green Bonds see section titled "Risk Factors" on page 16 of the Offer Document.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS

There are outstanding legal proceedings against us, and our Subsidiary. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our or our Subsidiary's favour. Brief details of material outstanding litigation that have been initiated by and against us, members of the Bond Issue Committee and our Subsidiary are set forth below:

(₹ in crores)

Particulars	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Other Material litigations	Aggregate amount involved*
Issuer						
By the Issuer	4	-	-	-	1	56.97
Against the Issuer	4	7	-	-	12	436.87
BIC Members						
By the BIC Members	-	-	-	-	-	-

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Particulars	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Other Material litigations	Aggregate amount involved*
Against the BIC Members	-	-	-	-	-	-
Subsidiary						
By the Subsidiary	-	-	-	-	-	-
Against the Subsidiary	-	1	-	-	-	13.83

*To the extent quantifiable.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in applicable law or rulings against us by appellate courts or tribunals, we may need to make provisions in our audited financial statements that could increase our expenses and current liabilities. Any adverse decision in any of these proceedings may have an adverse effect on our operations, cash flows and financial condition.

B. Brief details of top 5 material outstanding litigations against the Corporation and amount involved

S. No.	Particulars	Litigation filed by	Current status	Amount involved
1.	A civil proceeding has been filed by Gammon India Limited (“ Plaintiff ”) against the Corporation before the Commercial Court, bearing no. Comm CS/65/2019 challenging its blacklisting for five years through an official notice, alleging the action was without jurisdiction and unlawful. The Plaintiff seeks a judgment declaring the blacklisting invalid and claims compensation. The potential financial liability in relation to the matter is ₹ 155.00 crores.	Gammon India Limited	The matter is presently pending	₹ 155.00 crores
2.	Cube Construction Engg. Ltd. (“ Petitioner ”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/69/2017 before the Commercial Court at Vadodara, with respect to disputes between the Plaintiff and the Corporation in relation to the construction and development of new bus stations/terminals at Central Bus station, Marakpura, Vadodara. The potential financial liability in relation to the matters is ₹ 52.65 crores (approx. figure).	Cube Construction Engg. Ltd.	The matter is presently pending	₹ 52.65 crores (approx. figure)
3.	Cube Construction Engg. Ltd. (“ Plaintiff ”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/63/2019 before Surat District Civil Court, with respect to disputes between the Plaintiff and the Corporation in relation to construction and development along the BRT corridor on Surat-Navasari Road and from Dumas Resport Club to Kharwarnagar junction. The potential financial liability in relation to the matters is ₹ 52.65 crores (approx. figure).	Cube Construction Engg. Ltd.	The matter is presently pending	₹ 52.65 crores (approx. figure)
4.	A civil proceeding has been filed by SAP Project (“ Plaintiff ”) against the Corporation before the Commercial Court, bearing no. Comm CS/55/2019. The dispute pertains to payments being due from the Corporation to the Plaintiff pursuant to completion of 2 (two) work orders – construction of a health club and a swimming pool. The potential financial liability in relation to the matter is ₹ 19.28 crores.	SAP Project	The matter is presently pending	₹ 19.28 crores

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S. No.	Particulars	Litigation filed by	Current status	Amount involved
5.	R & B Infra Project Private Limited. (“ Plaintiff ”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/180/2023, before Surat District Civil Court, with respect to disputes between the Plaintiff and the Corporation in relation to fabrication and erection of 6 (six) bus stations along the BRTS corridor from Udhana Darwaja to BRC temple. The potential financial liability in relation to the matters is ₹ 10.96 crores (approx. figure).	R & B Infra Project Private	The matter is presently pending	₹ 10.96 crores (approx. figure)

C. Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the three years immediately preceding the year of the issue document against the Issuer or the Bond Issue Committee, if any - NIL

D. Brief details of outstanding criminal proceedings against the members of the Bond Issue Committee: NIL

MATERIAL DEVELOPMENTS

Material Developments since Date of the Last Audited Balance Sheet

As per the certificate of the Auditor dated September 18, 2025, the Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer.

DECLARATION

I, Shri Daxesh Kishorbhai Mavani, Mayor of Surat Municipal Corporation (the “Issuer”) hereby declare and confirm that:

1. The Offer Document contains true, fair and adequate information to enable investors to make a well-informed decision regarding their investment in the Issue.
2. The Offer Document contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, issued vide notification no. SEBI/LAD-NRO/GN/2015-16/006 dated July 15, 2015, as amended, SEBI Master Circular and other applicable SEBI circulars.
3. The Offer Document is in conformity with the documents, materials and papers which are material to the Issue.
4. The Offer Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Offer Document does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Offer Document or in any other material issued by or at the instance of the Issuer shall be accepted by the Issuer, and that anyone placing reliance on any other source of information would be doing so at his own risk.

s/d

For Surat Municipal Corporation

Name: Shri Daxesh Kishorbhai Mavani

Designation: Mayor

Place: Surat

Date: September 18, 2025

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DECLARATION

I, Smt. Shalini Agarwal, IAS, Municipal Commissioner of Surat Municipal Corporation (the “**Issuer**”) hereby declare and confirm that:

1. The Offer Document contains true, fair and adequate information to enable investors to make a well-informed decision regarding their investment in the Issue.
2. The Offer Document contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, issued vide notification no. SEBI/LAD-NRO/GN/2015-16/006 dated July 15, 2015, as amended, SEBI Master Circular and other applicable SEBI circulars.
3. The Offer Document is in conformity with the documents, materials and papers which are material to the Issue.
4. The Offer Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Offer Document does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Offer Document or in any other material issued by or at the instance of the Issuer shall be accepted by the Issuer, and that anyone placing reliance on any other source of information would be doing so at his own risk.

s/d

For Surat Municipal Corporation

Name: Smt. Shalini Agarwal, IAS

Designation: Municipal Commissioner

Place: Surat

Date: September 18, 2025

TERM SHEET

FINANCIAL HIGHLIGHTS

FINANCIAL PARAMETERS

(₹ in crores, except ratios)

Key Financial Figures	2024-25	2023-24	2022-23
(A) Revenue Income ¹	4,829.51	4,470.41	3,603.11
(B) Revenue expenditure (Excl. Interest) ²	3,940.75	3,585.03	3,154.56
(C) Operating revenue Surplus	888.76	885.38	448.55
(D) Interest expense ³	-	17.38	17.36
(E) Principal repayment (outside sinking Fund)	-	-	-
(F) Contribution to Sinking fund ⁴	12.10	43.00	40.00
(G) Revenue Surplus ⁵	888.76	868.00	431.19
(H) Capital Income	2,283.00	3,560.54	1,737.03
(I) Capital Expense ⁶	3,389.35	3,199.16	2,517.12
(J) Capital Surplus	(1,160.35)	361.38	(780.09)
(K) Overall Surplus(G+J)	(217.59)	1,229.38	(348.90)
(L) Deposits and Advances ⁷	1,525.57	1493.48	1246.62
(M) Initial Cash/Bank balance	1,580.27	576.04	603.41
(N) Change in Cash/Bank balance	454.63	1,004.23	(27.37)
(O) Final Cash / Bank Balance	2,034.89	1,580.27	576.04
(P) Loan repayment from sinking fund	-	200.00	-
(Q) Initial Sinking fund Balance	17.98	179.88	137.32
(R) Change in sinking fund	12.10	(161.89)	42.55
(S) Final sinking fund balance ⁸	30.08 ⁸	17.98	179.88
(T) Total Debt	1,015.23	480.10	200.00
(U) Total Expenditure ⁹	7,330.10	6,801.57	5,689.04
(V) Total Revenue ⁹	7,112.51	8,030.96	5,340.14
(W) Ratio of Total Expenditure/ Total Revenue	1.03	0.85	1.07
(X) Cash Surplus / Total Revenue ¹⁰	(0.03)	0.15	(0.07)
(Y) Ratio of Debt Service / Total Revenue ¹¹	0.002	0.008	0.01

¹Revenue Income includes Prior period Income.

²Revenue Expenditure includes Prior period Expense and excludes depreciation. Further interest expense as per point (D) in above table has been excluded

³Only interest expense on loans and NCDs has been considered. Other bank charges and rebate allowed on property tax not considered.

⁴Overall contribution made to Sinking Fund during the year for bond redemption and Interest free loan from State Government under Special Assistance Scheme for Capital Investment

⁵ Revenue surplus is calculated by deducting interest expense under point (D) from operating revenue surplus under point (C) and therefore depreciation is not deducted while calculating the same

⁶Capital Expenditure includes purchase of Long term Investment.

⁷Loans, Advances and Deposits given by the Corporation

⁸ The final sinking fund balance consists of two components: Amount allocated for the Special Assistance Loan (₹3.00 crores & ₹15.10 crores in FY 2023-24 and FY 2024-25 respectively) and Amount designated as a common sinking fund (₹14.98 crores and ₹14.98 crores in FY 2023-24 and FY 2024-25 respectively). Approval for the transfer of sinking fund balance of ₹14.98 crores is currently pending with State Government.

⁹Total Expenditure and Total Revenue is inclusive of prior period items. Further total expenditure is inclusive of interest expense but exclusive of depreciation.

¹⁰Overall surplus under point (K) is considered as cash Surplus

¹¹Total debt service has been calculated by adding interest expense (Point D), principal repayment (outside sinking fund) (Point E) and contribution to sinking fund (Point F).

For further details refer to the section “Financial Information” on page 192 of the Offer Document.

TERM SHEET

OBJECTS OF THE ISSUE

Issue Proceeds: Our Corporation has filed the Offer Document for a public issue of rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds for an amount of ₹100.00 crores (“**Base Issue Size**”) with an option to retain oversubscription of up to ₹100.00 crores (“**Green Shoe Option**”) aggregating to an amount up to ₹ 200.00 crores (“**Issue**”). The Issue is being made pursuant to the provisions of the SEBI ILMDS Regulations, the SEBI Master Circular, and other applicable circulars issued by SEBI from time to time.

The Corporation has obtained approvals for the Issue of bonds from the Standing Committee vide its resolutions no. 143/2024 dated January 18, 2024 and no.1125/2024 dated July 18, 2024 which was approved by its General Board vide its resolutions no. 50/2024 dated February 20, 2024 and no.202/2024 dated July 31, 2024 and the Urban Development and Urban Housing Department, Government of Gujarat vide its Order bearing no. UDUHD/1238/02/2025 dated March 04, 2025 for issuing green municipal bonds. The Corporation confirms that it is permitted to undertake the Project(s) for which the funds are being raised through the Issue under its constitutional documents.

The details of the proceeds of the Issue are summarized below:

(₹ in crores)

Particulars	Estimated amount
Issue Proceeds	200.00
Less: Issue related expenses*	1.93
Net proceeds**	198.07

* The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

** Assuming the Issue is fully subscribed and the Corporation retains oversubscription as per the Offer Document.

The following table details the objects of the Issue and the amount proposed to be financed from Issue Proceeds:

Our Corporation proposes to utilize the Net Proceeds raised through the Issue, towards funding capital expenditure of the Project(s) as provided below:

(₹ in crores)

S. No	Name of the Project	Sanctioned project cost	Amount to be funded from internal resources/ grants	Amount to be raised through proposed green bonds	Percentage of Project Cost proposed to be financed from Net Proceeds
1	Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha (“ Project I ”)	55.56	25.56	30.00	15.15%
2	Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi (“ Project II ”)	56.10	12.28	43.82	22.12%
3	Development of depot for electric bus operations at Kosad (“ Project III ”)	8.48	4.29	4.19	2.12%
4	Construction of Centralized Dry and Wet Waste processing plant at UMBER (“ Project IV ”)	407.67	333.25	74.42	37.57%
5	Augmentation and upgradation of Water Treatment Plant at Variav and Rander (“ Project V ”)	250.07	220.76	29.31	14.80%
6	Construction of Intake Well and transmission line at Variav (“ Project VI ”)	87.09	70.76	16.33	8.24%
Total		864.97	666.90	198.07	100%

For further details refer to the section “*Objects of the Issue*” on page 72 of the Offer Document.

TERM SHEET

ISSUE PROCEDURE

CONTACT DETAILS

Name	Address	Tel:	E-mail:	Investor Grievance Email:	Website	Contact Person	Registration No
Lead Manager							
A. K. Capital Services Limited	603, 6 th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra	022 6754 6500	smcmunibonds@akgroup.co.in	investor.grievance@akgroup.co.in	www.akgroup.co.in	Vaibhav Jain / Chaitali Chopdekar	INM000010411
CONSORTIUM MEMBER							
A. K. Stockmart Private Limited	601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India	+91 22 6754 6500	compliance.akspl@akgroup.co.in	investorgrievance@akgroup.co.in	www.akstockmart.com	Kshitiz Gupta / Ranjit Dutta	INZ000240830
REGISTRAR TO THE ISSUE							
KFin Technologies Limited	Selenium Tower-B, Plot 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally,	+91-40-67162222 /18003094001	NA	einward.ris@kfintech.com	www.kfintech.com	M. Murali Krishna	INR000000221
DEBENTURE TRUSTEE							
SBICAP Trustee Company Limited	04 th Floor, Mistry Bhavan, 122 Dinshaw Vachha Road, Churchgate, Mumbai-400020, Maharashtra, India	022 4302 5566	corporate@sbicaptrustee.com / dt@sbicaptrustee.com	investor.cell@sbicaptrustee.com	www.sbicaptrustee.com	Ardhendu Mukhopadhyay	IND000000536
CREDIT RATING AGENCIES							
CRISIL Ratings Limited	Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400072	+91 22 6137 3000 (B)	crisilratingdesk@crisil.com	NA	www.crisilratings.com	Aditya Jhaver	INCRA0011999
India Ratings & Research Private Limited	Wockhardt Towers, 4th Floor West Wing, Bandra Kurla Complex, Bandra (E) Mumbai-400 051	022 4000 1700	infgrp@indiaratings.co.in	NA	www.indiaratings.co.in	Suyash Gangwal	IN/ CRA/002/1999
PUBLIC ISSUE ACCOUNT, SPONSOR BANK AND REFUND ACCOUNT BANK							
Kotak Mahindra Bank Limited	Intellion Square, 501, 5 th Floor, A wing Infinity IT Park, Gen A.K Vaidya Marg, Malad- East, Mumbai 400097, Maharashtra, India	022-69410636	cmsipo@kotak.com	N.A.	www.kotak.com	Siddhesh Shirodkar	INB100000927

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

TERM SHEET

LIST OF SELF CERTIFIED SYNDICATE BANKS (SCSBs) UNDER THE ASBA PROCESS

Sr. No.	Name of the Bank	Controlling Branch & Address	Contact Person	Telephone Number	Fax Number	Email
1.	Axis Bank Ltd.	Centralised Collections and Payment Hub (CCPH) 5th Floor, Gigaplex, Building No. 1, Plot No.I.T.5, MIDC, Airoli Knowledge Park, Airoli, Navi Mumbai – 400708	Mangesh M Phalke	022 - 71315878	-	mangesh.phalke@axisbank.co
2.	Bandhan Bank	DN 32 , Salt Lake City Sector V Kolkata , 700091	Amit Khanra	033-66090909, Ext 3078	-	asba.business@bandhanbank.com
3.	Bank of Baroda	MUMBAI MAIN OFFICE , BANK OF BARODA BUILDING , 10/12 MUMBAI SAMACHAR MARG , MUMBAI - 400023	SURAJ GOND	022-40468314 , 40468316	-	asba.fortap@bankofbaroda.com
4.	Bank of India	STOCK EXCHANGE BRANCH, P J TOWERS, BSE BUILDING, GROUND FLOOR, DALAL STREET,FORT MUMBAI-23”	SANKET SUDKE	9158688142	-	stockexchange.mumbaisouth@bankofindia.co.in
5.	BANK OF MAHARASHTRA	Bank of Maharashtra, Janmangal Building, Demat Cell, Ground Floor,45/47, Mumbai Samachar Marg, Fort 400023	Minal Mhatre	022-22626748	-	demat_mum@mahabank.co.in
6.	BARCLAYS BANK PLC	801/808 Ceejay House,Shivsagar Estate .Dr. Annie Besant Road,Worli Mumbai -400 018.	PARUL PARMAR	022- 67196567	-	parul.parmar@barclays.com
7..	BnP Paribas	BNP Paribas House, Maker Maxity, Bandra Kurla Complex, Bandra E, Mumbai-51	Shanil George	9702777573	-	shanil.george@asia.bnpparibas.com
8.	Canara Bank	NationalStock Exchange Branch, 11th Floor, 115, Atlanta Building Nariman Point Mumbai -400001	Ranganath Avala	022-22028235	-	cb2422@canarabank.com
9.	CENTRAL BANK OF INDIA	Ground floor, Central Bank of India, Central Bank Building, Fort, Mumbai 400001	ABHISHEK SINHA	7506369903	-	agmmum4082@centralbank.co.in
10.	Citibank, N.A.	Kalapuram Building, Muncipal market, CG Road, Ahmedabad – 380009	Priyank Patel	079- 40015812	-	priyank.patel@citi.com
11.	City Union Bank Ltd	DP Division - City Union Bank Ltd Business Development Centre (BDC), MCM Towers, 4th Floor	Malathi Chandrasekar / Prabhu.N	9380351761/ 7397373522 / 044-22501913	-	cubdp@cityunionbank.in, malathi.chandrasekar@cityunionbank.in
12.	DBS Bank Ltd	DBS Bank India Limited, Express Towers, Ground Floor, Nariman Point, Mumbai 400021	Sumesh Shetty	“91 22 66388888 91 22 49384545”	-	sumeshshetty@db.com nitinbhujbalrao@db.com deepakpillai@db.com sunilpoojari@db.com gunapalshetty@db.com richatiwari@db.com
13	DEUTSCHE BANK AG	110 sidharah s v road khar west 400052	GAURI CHAUDHARI	022-66009417	-	gauri.chaudhari@db.com
14.	Dhanlaxmi Bank Ltd	Department of Demat Services, 3rd Floor ,DLB Bhavan , Punnamm , Thrissur - 680 002, Kerala.	Ms .Lakshmi	04876627012/04876627074. Mob: 9746301024	-	lakshmi.v@dhanbank.co.in
15.	The Federal Bank	Retail Business Department 7th Floor Federal Towers Ernakulam 682031	Jophit Paul	0484-2201721	-	Jophit@federalbank.co.in
16.	GP Parsik Sahakari Bank Ltd	Gp Parsik Sahakari Bank Ltd - Asba Compliance Department - Head Office, Sahakarmurti Gopinath Shivram Patil Bhavan, Parsik Nagar, Kalwa, Thane. 400605. Maharashtra.	Mr.Mukund D.Kharpude (ASBA Compliance Officer)	022-25456639 022-25456500	-	mdkharpude701@gpparsikbank.net netpjsasba@gpparsikbank.net
17.	HDFC BANK LIMITED	HDFC Bank Limited,BTI OPS O-3 Level,Lodha I Think Techno Campus, Next to Kanjurmarg Railway Station,Kanjurmarg (East),Mumbai 400042	Siddharth Jadhav/ Prasanna Uchil/ Neerav Desai	022-30752928 / 022-30752914 / 022-30752929	-	siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com, neerav.desai@hdfcbank.com,
18.	HSBC	HSBC Technology and Services - operational services , India NESCO, Building No – 3, Level 10,Western Express Highway, Goregaon (East), Mumbai - 400063	Mrs. Priti Sikaria Mrs. Nisha A Shetty Mr. Venkatesh A Kairamkonda Mr. Santosh N Bawkar	61224878 / 45054878 61223253 / 45053253 61223257 / 45053257 61223216 / 45053216	-	imm.pcm.coll.ipo@hsbc.co.in priti.sikaria@hsbc.co.in nisha.a.shetty@hsbc.co.in venkatesh.a.kairamkonda@hsbc.co.in santoshbawkar@hsbc.co.in
19.	ICICI Bank Limited	ICICI Bank Limited, CMD,1st Floor,122 Mistry Bhawan,Dinshaw Vachha Road,Churchgate,Mumbai-400020	Mr Saurabh Kumar	22-66818911	-	kmr.saurabh@icicibank.com
20.	IDBI Bank Ltd.	IDBI Bank Limited Central Processing Unit, Annex Building,3rd Floor, Plot No 39/40/41, Sector 11, CBD Belapur, Navi Mumbai Pin :400614	Shri Sanjay Panwar / Shri Amit Mehta	022- 66700501 / 022-66700528	-	asbaops@idbi.co.in
21.	Indian Overseas Bank	Mezzanine Floor, Cathedral Branch, 762 Anna Salai, Chennai 600 002	Mr. K.R. Asokan	044 - 28513616	-	deposit@jobnet.co.in
22.	IndusInd Bank Kimited	IndusInd Bank Ltd. 5th floor, PNA House, Street no. 17, Plot no. 57, MIDC, Andheri (East), Mumbai 400093.	Kaushik Chatterjee	9920209335 022-61069318 022-61069316 022-61069320	-	chatterjee.kaushik@indusind.com nsecgl@indusind.com
23.	Janata Sahakari Bank Ltd.	Depository Cell.- Bharat Bhavan, 1360,Shukrawar Peth, Behind Saraswati Mandir Prashala, Bajirao Road, Pune - 411002	Mr.Sachin Dhawale	9503058993	-	sachin.dhawale@janatabankpune.com depository@janatabankpune.com jsbnsdl@dataone.in
24.	Karnataka Bank Limited	HO Complex Branch, Mangalore-02	Branch Manager	0824-2228266	-	asba@ktkbank.com
25.	THE KARUR VYSA BANK LTD	DEMAT CELL, No 1, Padmavathiyar Road Off Peters Road, 4th Floor, Gopalapuram, Chennai, Tamil Nadu, 600086	R RANJANI	044-28359243, 28359244, 28359246, 28359248 Mobile - 8489701666	-	kvbdp@kvbmail.com,ranjanir@kvbmail.com
26.	Kotak Mahindra Bank Ltd	Kotak Infinity, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg,Malad (E) Mumbai 400097	Prashant Sawant	91-22-66056588	-	prashant.sawant@kotak.com

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27.	The Lakshmi Vilas Bank Ltd	104, Bharath House, BS Marg, Fort Mumbai 400001	C.B. Gayathri	022-22672247/22672255	-	asba_nodal@lvbank.in
28.	The Mehsana Urban Co-Op. Bank Ltd.	Head Office, Urban Bank Road, Highway, Mehsana - 384002	Branch Manager	+91-2762-251908	+91-2762-240762	asba@mucbank.com
29.	Nutan Nagarik Sahakari Bank Ltd.	Opp Samratheshwar Mahadev, Nr. Law Garden, Ellisbridge	Mr. Nirav Shah	079-26425591, 26564715	-	asba@nutanbank.com
30.	PUNJAB NATIONAL BANK	Plot No C-9, G-Block, Pragati Tower, Mezzanine Floor, Bandra Kurla Complex, Bandra E, Mumbai 400 051	Mr. Arjun Moolchandani (Branch Head) / Mr. Rakesh Bhimrao Jagtap	9558908550/8291147822	-	bo7538@pnb.co.in; asba@pnb.co.in; rbjagtap@pnb.co.in
31.	RAJKOT NAGARIK SAHAKARI BANK LTD.	RAJKOT NAGARIK SAHAKARI BANK LTD. DEMAT DEPARTMENT, NAGARIK BHAVAN No.1, PARA BAZAR, DHEBAR ROAD, RAJKOT-360001. GUJARAT.	DWARKESH ZINZUVADIYA	(0281) 2236913/14/15/16	-	asba@rnsbindia.com
32.	RBL BANK LIMITED	Techniplex – I, 9th Floor, Off Veer Savarkar Flyover, Goregaon (West), Mumbai – 400062	Shashikant Sanil	022-49141187, 022-49141391, 022-49141164	-	asba_ops@rblbank.com
33.	Saraswat Co-operative Bank Limited	110-111 & 129-131, Vyapar Bhavan 1st floor, 49, P.D mello Road, Carnac Bunder, Masjid. Mumbai 400 009.	Namrata Patkar	9833853792	-	namrata.patkar@saraswatbank.com user.demat@saraswatbank.com ulhas.raikar@saraswatbank.com
34.	THE SOUTH INDIAN BANK LTD.	RETAIL BANKING DEPARTMENT, ASBA CELL, 2ND FLOOR, SHANU TOWER, NO. IV/461 A, NORTH KALAMASSERY, ERNAKULAM-683104, KERALA, INDIA	RADHAMADHAV S PRABHU	+91 9159866022	-	asba@sib.co.in
35.	Standard Chartered Bank	3rd floor, Crescenzo, Cash Management Unit, G Block, Opp MCA club, Bandr Kurla complex, Bandra East, Mumbai -400051	Ajay Rajpal/Nitin Chorge	61158407/61157271 9833833639 9769950126	-	Ajay.Rajpal@sc.com Nitin.Chorge@sc.com
36.	STATE BANK OF INDIA	Capital Market Branch - Third Floor Mumbai Main Branch Mumbai Samachar Marg, Fort, Mumbai 400 023	Indrakant Chuarasia Cm & Coo Grace Elen Thomson Assistant Manager	022-22719113/114/102	-	nib.11777@sbi.co.in: sbi.11777@sbi.co.in
37.	STATE BANK OF INDIA	Capital Market Branch, Third Floor Mumbai Main Branch Mumbai Samachar Marg, Fort, Mumbai 400 023	Indrakant Chuarasia Cm & Coo Grace Elen Thomson Assistant Manager	022-22719113/114/102	-	nib.11777@sbi.co.in: sbi.11777@sbi.co.in
38.	SVC CO-OPERATIVE BANK LTD	Thane Regional Office Address, 6th Floor, Dosti Pinnacle, Road no 22, Wagle Estate, Thane 400606	Mr.Mukesh Singh	9820851482	-	singhmt@svcbank.com
39.	SYNDICATE BANK	SYNDICATE BANK, CAPITAL MARKET SERVICE BRANCH - FIRST FLOOR SYNDICATE BANK BUILDING, 26A SIR P M ROAD, FORT, MUMBAI 400001	MS. VALSALA C	9322798091	-	cmssc@syndicatebank.co.in
40.	TAMILNAD MERCANTILE BANK LTD	DPS Cell, 3rd Floor, D No.269/2-4, Avvai Shanmugam Salai, Royapettah, Chennai - 600014	Mr.P.Jegatheeswaran	044-28130552, 044-28131574, 09842442678	-	dps@tmbank.in
41.	THE AHMEDABAD MERCANTILE COOP BANK LTD	Head office :- "Amco House", Nr. Stadium Circle, Navrangpura, Ahmedabad-09	Nimesh Parikh	079-26426582-84-88	-	asba@amco-bank.com
42.	TJSB Sahakari Bank Ltd	Anant Laxmi Chambers Shivajinagar, Off Gokhale Road, Naupada Branch, Thane - 400602.	Ms Prajakta Joglekar	Tel : 2540 3354, 2540 3359	-	tjsb.003@tjsb.co.in
43.	Union Bank of India	66/80, MUMBAI SAMACHAR MARG, FOR, MUMBAI-400023	JAYA GADEKAR	022-22629404, 411 / 9930835216	-	asba@unionbankofindia.com
44.	YES Bank Limited	YES BANK Ltd-18th Floor, Empire Tower Reliable Tech Park Cloud City Campus Plot no. 31, Thane-Belapur Road Airoli, Navi Mumbai – 400708	Sachin Shinde/ Jagdish More/Priyesh Dhondtarkar/ Milind Mulye	022-68547260 Mob-9819995609 / 7506246614/ 9821571249/ 9967966878	-	dlbtiservices@yesbank.in / Sachin.Shinde@YESBANK.IN / Priyesh.Dhondtarkar@YESBANK.IN/ Jagdish.More@YESBANK.IN/ milind.mulye2@yesbank.in

ASBA Applicants may approach any of the above banks for submitting their application in the issue. For the complete list of SCSBs and their Designated Branches please refer to the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). A list of SCSBs is also displayed on the website of NSE at www.nseindia.com and BSE at www.bseindia.com.



(Please scan this QR code to view the Offer Document)

TERM SHEET

SUMMARY OF TERM SHEET

Security Name	8.00% SMC STRPP A 2029 8.00% SMC STRPP B 2030
Issuer	Surat Municipal Corporation (“SMC”)
Type of Instrument	Rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds in the nature of debentures (hereinafter referred to as “Green 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 Surat Municipal Corporation of Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Green Municipal Bonds (in the nature of debentures) of face value of ₹ 1,000/- each, (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPPs”) namely 1 STRPP A of face value of ₹ 500/- and 1 STRPP B of face value of ₹ 500/-, for an amount aggregating up to ₹ 200 crores (“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 “ <i>Issue Procedure – Applicable Process</i> ” on page 154 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 Surat 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 9, 2024, as revalidated vide letter dated September 12, 2025 and has issued a rating rationale dated September 4, 2025. India Ratings has assigned a rating of ‘Provisional IND AA+/Stable’ January 22, 2024, as revalidated vide letter September 15, 2025, in respect of the Bonds and has issued a rating rationale dated January 21, 2025.
Base Issue Size	₹ 100 crores
Option to retain over subscription	Upto ₹ 100 crores
Total Issue Size	Upto Rs 200 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 Issue of Green Bonds will be utilized for the following: <ol style="list-style-type: none"> 1. Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha (“Project I”) 2. Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi (“Project II”) 3. Development of depot for electric bus operations at Kosad (“Project III”) 4. Construction of Centralized Dry and Wet Waste processing plant at Umber (“Project IV”) 5. Augmentation and upgradation of Water Treatment Plant at Variav and Rander (“Project V”) 6. Construction of Intake Well and transmission line at Variav (“Project VI”)
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	STRPP A - 8.00% p.a. STRPP B - 8.00% p.a.

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Taxable/Tax free	Taxable
Step up/step down coupon rate	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 130 of the Offer Document
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	STRPP A of an NCD – 4 years from Deemed Date of Allotment; STRPP B of an NCD – 5 years from Deemed Date of Allotment;
Redemption Date/ Maturity Date	The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows: <ul style="list-style-type: none"> · 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;
Redemption Amount	Principal repayment to happen on the expiry of 4 (Four) years from the Deemed Date of Allotment for STRPP A and on the expiry of 5 (Five) years from the Deemed Date of Allotment for STRPP B as follows : STRPP A – aggregate principal amount of ₹ 100 crores (rupees hundred crores) to be repaid at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A; STRPP B – aggregate principal amount of ₹ 100 crores (rupees hundred crores) to be repaid at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B; 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 ₹ 1,000/- per NCD consisting of 2 (Two) STRPPs (i.e. 1 STRPP A and 1 STRPP B) with face value of each STRPP being ₹ 500/- (Rupees five hundred only)
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	Each NCD shall have a face value aggregating to ₹ 1,000/- (Rupees One Thousand only). Each NCD would comprise of 2 (Two) STRPPs having different ISINs (i.e. 1 STRPP A & 1 STRPP B) with face value of each STRPP being ₹ 500/- (Rupees Five Hundred) each.

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Minimum Application size	₹ 10,000/- (i.e. 10 NCDs comprising of 10 STRPP A and 10 STRPP B) and in multiple of 1(One) NCD (comprising of 1STRPP A and 1 STRPP B) thereafter.
Trading Lot	1 (One) STRPP of ₹ 500/- (Rupees Five Hundred)
Issue Timing*	Monday, October 6, 2025 to Thursday, October 9, 2025
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 “ <i>Terms of the Issue – Payment on Redemption</i> ” on page 146 of the Offer Document
Depository	NSDL and CDSL
Business/ Working Day Convention	<p>Business day/Working day shall mean all days on which commercial banks in the Surat are open for business.</p> <p>Except, with reference to Issue Period, working day shall mean all days, excluding Saturdays, Sundays and bank holiday in Mumbai. 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 by SEBI.</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 May 22, 2024 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54, 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 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 under Annexure – VII “Illustration of Bond Cash Flow” of 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 under Annexure - VII “Illustration of Bond Cash Flow” of 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>
Record Date	<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 immediately 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 STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date/Redemption Date.</p>

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<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 principal amount of the Debentures/NCDs (Green Bonds) to be issued together with all the Interest/Coupon due on the Debentures/NCDs, 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 charge by way of hypothecation over present and future receivables pertaining to entire Own Revenues/ cash flows with minimum security cover of 1(one) time of the outstanding Secured Obligations (“Minimum Security Cover”);</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, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc.), entire Non Tax Revenues and other income.</p> <p>(b) Exclusive first charge by way of hypothecation over the Escrow Account and the account(s) where the Own Revenues gets collected and/ or pooled by Surat Municipal Corporation in each case to the extent of the Own Revenues gets collected and/ or pooled in each of such accounts;</p> <p>(c) Exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount), Sinking Fund Account opened for the Issue and funds lying in each such account and any investment(s) made from these account(s);</p> <p>(d) Exclusive charge by way of hypothecation over the investments made in terms of paragraph 11 and paragraph 12 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>Secured Obligations refers to all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Bond Holders in respect of the Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds under the Transaction Documents.</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 Exchanges.</p> <p>(b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created before listing of the NCDs and/or perfected within the timelines prescribed under Applicable Law, 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.</p> <p>The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover.</p>
<p>Required DSRA Amount</p>	<p>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 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 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 utilisation from the DSRA 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 (including the Required DSRA Amount) or the Sinking Fund Account.</p>

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Structured Mechanism	Payment
	<p>1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the NCDs for the exclusive benefit of the NCD Holders: (“Payment Accounts”)</p> <ol style="list-style-type: none"> a. Escrow Account b. Interest Payment Account c. Sinking Fund Account <p>2. SMC is creating a first charge and escrow mechanism in favour of the NCD Holders on own revenues/cash flows of SMC and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected and/or pooled by the Issuer. The funds from the account(s) where the Own Revenues/cash flows of the Corporation are collected and/or pooled by the Issuer will get transferred to Escrow account on a daily basis to accumulate the Minimum Balance. Further, the fund lying in this escrow account would be available towards the debt service requirements for the Issue on first priority basis.</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, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc), Non Tax Revenues, and other income.</p> <p>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.</p> <p>4. The Sinking Fund Account is an account from which the principal redemptions of the STRPPs/ NCDs will be made.</p> <p>5. The funds lying in the Escrow Account shall be used in the following priority:</p> <ol style="list-style-type: none"> (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 sinking fund account as per the interest payment and sinking fund mechanism defined below; (b) Therefore, 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 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; (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 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.

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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. 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) – 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 yearly - in 1st to 5th Month
- (ii) 2nd half yearly – in 6th to 10th Month

b. Sinking Fund Account (SFA) – Total issue size of the Debentures (Rs 200 crore) shall be divided into 5 parts and each part (₹ 40 crore) shall be transferred to SFA in each of the 1st to 5th year.

Further, this one part to be transferred to SFA in each of the Five years shall be sub-divided into 10 sub-parts and each sub-part (₹ 4 crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 10 months. Accordingly, 20% of total issue size shall be transferred each year for the 5 years out of which 2% each month for first 10 months of each year.

a. 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 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 except at the time of 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.

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- (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 NCD Holders shall have first ranking charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are being collected/pooled by the Issuer. The NCD Holders shall have first charge on the funds lying in account (s) where the own revenues/cash flows are being collected/pooled by the Issuer, the Escrow Account and any Permitted Investment(s) made from these account(s).
9. The Debenture Trustee, on behalf of the NCD Holders shall have exclusive charge over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account. The Debenture Holders shall have exclusive charge on the funds lying in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account and any Permitted Investment(s) made from these account(s).
10. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have an exclusive first charge on the 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.
11. 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+ 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 account shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.
12. 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 also Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.
13. 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 (including the Required DSRA Amount) or the Sinking Fund Account

14. 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+ 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.

15. 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 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).

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 trigger the payment mechanism and 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).

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.

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.

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

The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount) and Sinking Fund Account.

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<p>Financial Covenants</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 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 Bonds 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 Green Bonds issue, and any further borrowings), in terms hereof.</p> <p>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: DSCR: Debt Service Coverage Ratio (“DSCR”) for the SMC shall not be less than 1.25 times as the below: DSCR = operating surplus / total debt service</p> <p>i. 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</p> <p>ii. Total debt service = interest payment of loans and bonds + transfers made to the sinking fund account towards principal repayment/redemption + principal repayment/ redemption (where sinking fund is not created)+ transfer of debt service reserve account.</p> <p>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 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 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 (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; (d) no Event of Default has occurred.</p> <p>4. Other financial covenants as defined in the Transaction Documents.</p>
<p>Affirmative, Informative and Negative Covenants</p>	<p>As indicated in Annexure VIII of the Offer Document and more specifically set out in 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 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).</p>

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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 6 (Six) 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 than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILDMS 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 Debentures 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 the 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 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 6 (Six) 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;

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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, 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;
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. In the event that the Security Cover falls below the Minimum Security Cover and the Issuer fails to provide additional assets to ensure maintenance of such security cover requirements within the timelines and in the manner stipulated under the Transaction Documents;
23. 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
24. If the Issuer ceases with/without the consent of the Debenture Holder(s), or threatens to cease to carry on its business or gives notice of its intention to do so.
25. 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 circular no. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.

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Provisions related to Cross Default Clause	As stated under Event of Defaults above and as per the Debenture Trust Deed to be executed in accordance with applicable law
Default Interest	<p>a. In case of default/delay in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate shall be payable by the Issuer for the defaulting period;</p> <p>b. In case of delay in execution of Debenture Trust Deed and security documents, the Issuer will pay an interest of at least @ 2% p.a. over the Coupon Rate or such other rate as specified by the Board till the execution of the Debenture Trust Deed;</p> <p>c. In case of delay in listing of the Debentures beyond 6 (Six) 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 NCDs 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 Surat, Gujarat. 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.

**The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date, subject to a minimum of three Working Days from the date of opening of the Issue, in accordance with the SEBI ILMDS Regulations or extended date as may be decided by the Bond Issue Committee, subject to relevant approvals and in accordance with applicable laws. In the event of an early closure or extension of the Issue, our Corporation shall ensure that notice of the same is provided to the prospective investors through an advertisement in a national daily newspaper with wide circulation and a regional daily with wide circulation where the head office of the Corporation is located in which the pre-issue advertisement for opening of the Issue is given, on or before such initial date of closure, in accordance with SEBI ILMDS Regulations. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Specific Information" on page 130 of the Offer Document.*

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

I. Who are not eligible to apply for the NCDs?

The following categories of persons, and entities, shall not be eligible to participate in this Issue and any Application from such persons and entities are liable to be rejected:

- i. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- ii. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- iii. Persons resident outside India and other foreign entities;
- iv. Foreign Institutional Investors;
- v. Foreign Portfolio Investors;
- vi. Non-Resident Indians;
- vii. Foreign Venture Capital Funds;
- viii. Qualified Foreign Investors;
- ix. Overseas Corporate Bodies**; and
- x. Persons ineligible to contract under applicable statutory/regulatory requirements.
- xi. Other foreign entities; and
- xii. Any other category of Applicants not provided for under “*Issue Procedure - Who can apply?*” on page 156 of the Offer Document.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872.*

** *The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in this Issue.*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Based on the information provided by the Depositories, the Issuer shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

Please see “*Issue Procedure - Rejection of Applications*” on page 181 of the Offer Document.

For further details refer to the section “*Issue Procedure*” on page 154 of the Offer Document.

II General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Offer Document and the Application Form. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;

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- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. Not more than five applications can be made from one single ASBA account;
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. Applicants must note that each NCDs shall comprise two STRPPs, i.e., STRPP A, and STRPP B, bearing individual ISINs;
- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- It shall be mandatory for Applicants to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule of the Constitution of India needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the stock exchanges (i.e., NSE and BSE) on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Locations, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Issuer or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified Location for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)

- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (“TRS”). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Members of Syndicate, Trading Member of the Stock Exchanges, Public Issue Account Banks nor Designated branches of SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. The Issuer would allot the NCDs, as specified in the Offer Document for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant option of NCDs.

B. Applicant’s Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant’s name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither the Issuer, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, the Issuer in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used.

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants’ sole risk and neither the Issuer, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Offer Document, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are**

liable to be rejected.

C. Unified Payments Interface (UPI)

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Issuer will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

D. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. The exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

E. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

F. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in the Offer Document and in multiples of thereafter as specified in the Offer Document. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 10 lakhs shall be grouped in the Non-Institutional, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchanges, have been completed. Provided that UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to 5:00 pm IST on the Bid/Offer Closing Date ("Cut-Off Time") and all

pending UPI Mandate Requests at the Cut-Off

Time shall lapse. Further, modification/ cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Offer Document and applicable law, rules, regulations, guidelines and approvals.
2. Read all the instructions carefully and complete the Application Form in the prescribed form.
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.
4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.
6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.
7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.
8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.
9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.
11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.
12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.
13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.

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14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/ Designated Branch of the SCSB.
15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.
16. Ensure that you have been given an TRS and an acknowledgement as proof of having accepted the Application Form from the Designated Branch or the concerned Designated Intermediary or Trading Members of the stock exchange(s) , as the case may be, for the submission of the Application Form.
17. Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes
18. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
20. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as ‘XYZ Hindu Undivided Family applying through PQR’, where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.
21. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date.
22. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
23. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same..
24. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
25. All Applicants should choose the relevant option in the column “Category of Investor” in the Application Form.
26. Choose and mark the option of NCDs in the Application Form that you wish to apply for.
27. Check if you are eligible to Apply under ASBA.
28. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹5,00,000 (or as stipulated by SEBI).
29. Read all the instructions carefully and complete the bid- cum-application form, as the case may be, in the prescribed

form.

30. Guardians applying for minor applicants need to mention the PAN of the minor.
31. Ensure that the application form bears the stamp of the relevant designated intermediary(ies) to whom it is submitted.
32. In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum Application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or the Issuer.
5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.
15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA).
16. Do not make an Application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.
19. Do not submit more than five Application Forms per ASBA Account.
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.
21. Do not submit an Application Form using UPI ID, if the Application is for an amount more than UPI Application Limit and if the Application is for an amount more than ₹ 5,00,000.
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.

Please also see “*Issue Procedure – Operational Instructions and Guidelines*” on page 161 of the Offer Document.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in>).

Rejection of Applications:

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Bond Issue Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- (a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;
- (c) Applications not being signed by the sole/joint Applicant(s);
- (d) Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- (e) Applications submitted without blocking of the entire Application Amount. However, the Issuer may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as per the Offer Document;
- (f) Applications not made through the ASBA facility
- (g) Investor Category in the Application Form not being ticked;
- (h) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, the Issuer may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (i) Applications where a registered address in India is not provided for the non-Individual Applicants;
- (j) In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
- (k) Application Amounts blocked not tallying with the number of NCDs applied for;
- (l) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (m) PAN not mentioned in the Application Form., except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (n) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;
- (o) GIR number furnished instead of PAN;
- (p) Applications by OCBs;
- (q) Applications for an amount below the minimum Application size;
- (r) Submission of more than five ASBA Forms per ASBA Account;
- (s) Applications by persons who are not eligible to acquire NCDs of the Issuer in terms of applicable laws, rules, regulations, guidelines and approvals;
- (t) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;
- (u) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;
- (v) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (w) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;
- (x) Date of birth for first/sole Applicant for persons applying for allotment not mentioned in the Application Form;
- (y) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;

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- (z) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (aa) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;
- (bb) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;
- (cc) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN not available in the Depository database;
- (dd) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (ee) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (ff) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (gg) Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- (hh) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (ii) Applications by any person outside India;
- (jj) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (kk) The UPI Mandate Request is not approved by the Retail Individual Investor within prescribed timelines;
- (ll) Applications not uploaded on the online platform of the Stock Exchanges;
- (mm) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- (nn) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Offer Document and as per the instructions in the Application Form and the Offer Document;
- (oo) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (pp) Applications providing an inoperative demat account number;
- (qq) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;
- (rr) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);
- (ss) Investor category not ticked;
- (tt) Forms not uploaded on the electronic software of the Stock Exchanges;
- (uu) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- (vv) where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (ww) Where Demat details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (xx) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and
- (yy) An Application under the UPI Mechanism for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, the Issuer shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

For further details refer to the section “*Rejection of Applications*” on page 181 of the Offer Document.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

The Registrar to the Issuer will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the Basis of Allotment. Grouping of the Applications received will be then done in the following manner:

1. Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms “**Institutional Portion**”, “**Non-Institutional Portion**” and “**Retail Individual Investors Portion**” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, the Issuer shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case the Issuer opts to retain any oversubscription in the Issue up to an amount specified under the Offer Document. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case the Issuer opts to retain any oversubscription in Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed in the Offer Document.

Allocation Ratio:

Particulars	Category I	Category II	Category III
% of the Issue size	60.00%	25.00%	15.00%
Base Issue Size in amount (₹ in crore)	60.00	25.00	15.00
Total Issue Size in amount (₹ in crore)	120.00	50.00	30.00

(a) Allotments in the first instance:

- (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 60% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (ii) Applicants belonging to the Non-Institutional Portion (Category II) will be allocated NCDs up to 25% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (iii) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 15% of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

As per the SEBI Master Circular, the allotment in this Issue is required to be made on date priority basis i.e., on first-come first-serve basis, based on the date of upload of each application into the electronic book of the Stock Exchanges, in each Portion subject to Allocation Ratio. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

2. Under Subscription

- (a) If there is any under subscription in any Portion(s), priority in Allotments to other Portion(s) will be first to the Retail Individual Investors Portion, and balance, if any, shall be first made to applicants of Non-Institutional Portion followed by the Institutional Portion on a first come first serve basis. If there is under subscription in the overall Issue Size, all valid Applications received till the end of last day of the Issue Closure shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (b) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where applications uploaded into the platform of the Stock Exchanges exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.
- (c) Minimum Allotments of 10 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.

Allotments in case of oversubscription

In case of an oversubscription of the overall Issue, for the purpose of allotment oversubscription will considered Portion wise and allotments to the maximum extent, as possible, will be made on date priority basis i.e. on first-come first-serve basis, based on the date of upload of each application into the electronic book of the Stock Exchanges, in each Portion subject to Allocation Ratio, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and thereafter proportionate allotment of NCDs to the applicants from the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion) up to the last day of the Issue Period. The date of oversubscription will be determined as per the bucket size based on the Allocation Ratio stated in the Offer Document not taking into account any spill overs due to undersubscription in other categories. For sake of clarity, date of over subscription for any Portion will be determined based on valid applications received in such Portion.

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- a. In case of an oversubscription in all Portions resulting in an oversubscription in the Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).
- b. In case there is oversubscription in Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
 - i. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.
 - ii. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application into the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given day wise Applications received in the Retail Individual Investors Portion followed by Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchanges during the Issue period.
 - iii. For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Issue Period.

In case of an oversubscription of the overall Issue and where any Portion(s) gets oversubscribed on the first day of the Issue, all valid applications in such Portion(s) uploaded on the electronic platform of the Stock Exchanges

till the end of the last day of the Issue Period, shall get proportional allotment.

Proportionate Allotments:

For each portion, from the date of oversubscription and thereafter:

- (1) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
- (2) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
- (3) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, the Issuer will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

Unblocking of funds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

In case of ASBA Applications submitted to the SCSBs, in terms of the RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected. In case of Applicants submitted to the Lead Manager, Consortium Member and Trading Members of the Stock Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per Depository records or treat such ASBA Application as rejected. Based on the information provided by the Depositories, the Issuer shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

For further details refer to the section "*Basis of Allotment for NCDs*" on page 183 of the Offer Document.

INVESTOR WITHDRAWALS**Investor Withdrawals and Pre-closure**

Withdrawal of Applications during the Issue Period: Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account, directly.

Withdrawal of Applications after the Issue Period:

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Pre-closure: Our Corporation, in consultation with the Lead Manager reserve the right to close the Issue at any time prior to the Issue Closing Date (subject to Issue being kept open for the minimum statutory period of three working days), subject to receipt of minimum subscription or as may be specified in the Offer Document. Our Corporation shall

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allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described in the Offer Document and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Corporation shall ensure that public notice of such early closure is published on or before such early date of closure as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Revision of Applications

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by the Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date (till 1:00 p.m.) to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, “*Issue Procedure - Operational Instructions and Guidelines - Modification and cancellation of orders*” on page 161 of the Offer Document.

TERMS OF THE ISSUE

1. Minimum Subscription

In terms of the SEBI ILMDS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Corporation does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within prescribed time period under applicable law or such time as may be specified by SEBI provided wherein in case of any delay by the Issuer in making the aforesaid refund, the Corporation will become liable to refund the Application Amount along with interest at the rate of 10 (ten) percent per annum for the delayed period.

To the extent possible, where the required information for making such refunds is available with our Corporation, refunds will be made to the account prescribed. However, where our Corporation does not have the necessary information for making such refunds, our Corporation will follow the guidelines prescribed by SEBI in the SEBI Master Circular.

2. Right to Recall or Redeem prior to Maturity

Not Applicable

3. Security

The principal amount of the Debentures/NCDs (Green Bonds) to be issued together with all the Interest/Coupon due on the Debentures/NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of:

- (a) Exclusive first charge by way of hypothecation over present and future receivables pertaining to entire Own Revenues/ cash flows with minimum security cover of 1(one) time of the outstanding Secured Obligations (“Minimum Security Cover”);

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, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc.), entire Non Tax Revenues and other income.

- (b) Exclusive first charge by way of hypothecation over the Escrow Account and the account(s) where the Own Revenues gets collected and/ or pooled by Surat Municipal Corporation in each case to the extent of the Own Revenues gets

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collected and/ or pooled in each of such accounts;

- (c) Exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount), Sinking Fund Account opened for the Issue and funds lying in each such account and any investment(s) made from these account(s);
- (d) Exclusive charge by way of hypothecation over the investments made in terms of paragraph 11 and paragraph 12 under the head of term 'Structured Payment Mechanism' ("Permitted Investment(s)").

The security interest/security documents stipulated above shall be collectively referred to as the "Security"

Secured Obligations refers to all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Bond Holders in respect of the Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds under the Transaction Documents.

The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security.

Security Creation Timelines

- (a) Our Corporation intends to enter into an indenture/deed with the Debenture Trustee, ("Debenture Trust Deed") terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Corporation proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created.
- (b) Our Corporation further confirms that the funds shall not be utilized until the Debenture Trust Deed is executed, as required under Regulation 20(4) of the SEBI ILMDS Regulations. Under the terms of the Debenture Trust Deed, our Corporation will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date (Redemption Amounts for respective STRPPs) and also that it will pay the interest due on NCDs at the rate specified in the Offer Document and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Corporation shall intimate the Debenture Trustee before withdrawing any portion of the security and replacing with another asset of the same or a higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.
- (c) The Corporation undertakes that the necessary documents for the creation of the security, where applicable, would be executed within the time frame prescribed as per applicable law and in accordance with applicable law.
- (d) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchanges.
- (e) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created before listing of the NCDs and/or perfected within the timelines prescribed under Applicable Law, 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.

The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover as stipulated herein. For further details refer to the section "*Terms of the Issue*" on page 133 of the Offer Document.

BIDDING CENTRE DETAILS

A.K. STOCKMART PRIVATE LIMITED

601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400 098. Contact Person: Parag Zaveri Ph.: 9820509583.

List of Self Certified Syndicate Bank under the ASBA process is available on the SEBI website at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>