

Serial No.:	Private & Confidential – For Private Circulation only
Addressed to:	Date: March 13, 2025

This Preliminary Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus. This Preliminary Placement Memorandum is prepared in conformity with Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and as amended from time to time.

Note: This Preliminary Placement Memorandum is strictly for a private placement issue. Nothing in this Preliminary Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Preliminary Placement Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus. This Preliminary Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through communication by the Issuer and only such recipient(s) are eligible to apply for the Green Bonds. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

PRELIMINARY PLACEMENT MEMORANDUM



PIMPRI CHINCHWAD MUNICIPAL CORPORATION

A municipal corporation constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on October 11, 1982, under the Bombay Provincial Municipal Corporations Act, 1949 the then applicable act in Maharashtra vide notification dated October 05, 1982 bearing reference no. PCC. 1082/210(i)/UD-20

Head Office: Mumbai-Pune Road, Pimpri-Chinchwad, Maharashtra, 411018

Contact Person cum Compliance Officer: Arun Kashinath Supe, Deputy Chief Accounts and Finance Officer

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PRELIMINARY PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE GREEN BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 2,00,000 (RUPEES TWO LAKH ONLY) EACH, (“GREEN BONDS” / “BONDS”/“NCDS” / “DEBENTURES”), (COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS (“STRPPs”) NAMELY 1 STRPP A OF FACE VALUE OF ₹ 1,00,000 AND 1 STRPP B OF FACE VALUE OF ₹ 1,00,000) , FOR THE BASE ISSUE SIZE OF ₹100 CRORE (RUPEES HUNDRED CRORE) (“BASE ISSUE SIZE”) WITH A GREEN SHOE OPTION OF UP TO ₹ 100 CRORE (RUPEES ONE HUNDRED CRORE)(“GREEN SHOE OPTION”), AGGREGATING UP TO ₹200 CRORES (RUPEES TWO HUNDRED CRORE) (“ISSUE SIZE”) UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME BY PIMPRI CHINCHWAD MUNICIPAL CORPORATION (THE “ISSUER” OR “CORPORATION” OR “PCMC”).

BACKGROUND

This Preliminary Placement Memorandum is related to the Green Bonds to be issued by Pimpri Chinchwad Municipal Corporation on private placement basis and contains relevant information and disclosures required for the purpose of issuance of the Green Bonds in terms of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.

GENERAL RISK

Investment in green bonds involves a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the Preliminary Placement Memorandum including risk factors carefully before taking an investment decision in relation to this Issue. The investors must rely on their own examination of the Issuer, the placement memorandum to be issued and the Issue including the risks involved, for taking an investment decision. Specific attention of investors is invited to the section titled “Risk Factors” on page no. 20. 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 the Green Bonds. The Issue of Green Bonds has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Preliminary Placement Memorandum.

The Issuer confirms that, as of the date hereof, this Preliminary Placement Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and sale of the Green Bonds and is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading in any material respect.

LISTING

The Green Bonds are proposed to be listed on the BSE Limited (“BSE”) and BSE shall be the Designated Stock Exchange for the Issue. The Issuer has received an in-principle approval vide their letter no. [•] dated [•].

CREDIT RATING

The Green Bonds proposed to be issued by the Pimpri Chinchwad Municipal Corporation have been rated by CARE Ratings Limited (“CARE Ratings”) and CRISIL Ratings Limited (“CRISIL”) (collectively the “Rating Agencies”). CARE Ratings has vide its letter dated August 07, 2024, assigned a rating of CARE AA+, Stable (pronounced as Double A Plus; Outlook: Stable), revalidated by its letter dated March 05, 2025, and has issued a rating rationale dated August 09, 2024. Further, CRISIL has vide its letter dated July 04, 2024, assigned a rating of Provisional CRISIL AA+/Stable (pronounced as Provisional CRISIL double A plus rating with Stable outlook), revalidated by its letter dated March 03, 2025, and has issued a rating rationale dated December 26, 2024. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Green Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. For credit rating of Green Bonds and detailed rationale of the ratings, please refer to Annexure II on page A-6. There are no other ratings, including unaccepted ratings, other than as specified in this Preliminary Placement Memorandum.

MERCHANT BANKER	DEBENTURE TRUSTEE	REGISTRAR
A. K. CAPITAL SERVICES LIMITED 603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz-4 (East), Mumbai- 400 098 Tel: 022-67546500 Email: pimprichinchwad@akgroup.co.in, varun.kaushik@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Varun Kaushik Compliance Officer: Tejas Davda Email (Compliance Officer): tejas.davda@akgroup.co.in SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881	SBICAP TRUSTEE COMPANY LIMITED 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai- 400020 Tel: +91 22 4302 5566; Email: corporate@sbicaptrustee.com Investor Grievance Email: investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Mr. Rajiv Ranjan Compliance Officer: Mr. Rajiv Ranjan Email (Compliance Officer): rajiv.ranjan@sbicaptrustee.com SEBI Registration No.: IND000000536 CIN: U65991MH2005PLC158386	KFIN TECHNOLOGIES LIMITED Selenium, Tower B, Plot No - 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, TG 500032 IN Tel: +91-40-67162222/7961 1000 Email: srinivassudheer.venkatapuram@kfintech.com Investor Grievance email: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: Mr. Srinivas Sudheer Venkatapuram SEBI Registration No.: INR000000221 CIN: L72400TG2017PLC117649

ISSUE SCHEDULE

ISSUE/BID OPEN DATE	ISSUE/BID CLOSE DATE ON	PAY-IN DATE/DEEMED DATE OF ALLOTMENT
[•]	[•]	[•]

For details pertaining to the Terms of the Issue and Minimum Application Size, please refer to the Section XIV titled “Term Sheet” beginning on page no. 128 of this Preliminary Placement Memorandum.

The Issuer reserves its sole and absolute right to modify (pre-pone/postpone) the above Issue schedule, including the deemed date of allotment, without giving any reasons or prior notice in accordance with the BSE EBP Guidelines.

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SECTION-I: DISCLAIMERS

1. **GENERAL DISCLAIMER AND DISCLAIMER OF PIMPRI CHINCHWAD MUNICIPAL CORPORATION (“PCMC” OR “CORPORATION” OR “ISSUER”):**

THIS PRELIMINARY PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF A PROSPECTUS AND IS PREPARED 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 FROM TIME TO TIME (**SEBI MUNICIPAL DEBT REGULATIONS**). THIS PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO PUBLIC IN GENERAL TO SUBSCRIBE TO OR OTHERWISE ACQUIRE THE GREEN BONDS TO BE ISSUED BY PIMPRI CHINCHWAD MUNICIPAL CORPORATION. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED BY SEBI. THIS ISSUE OF GREEN BONDS IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. THIS PRELIMINARY PLACEMENT MEMORANDUM IS FOR THE EXCLUSIVE USE OF THE ADDRESSEES TO WHOM IT HAS BEEN ADDRESSED AND IT SHOULD NOT BE CIRCULATED OR DISTRIBUTED TO THIRD PARTY(IES). APART FROM THIS PRELIMINARY PLACEMENT MEMORANDUM, NO OTHER OFFER DOCUMENT HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE GREEN BONDS.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS NOT INTENDED TO FORM THE BASIS OF EVALUATION FOR THE PROSPECTIVE SUBSCRIBERS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE GREEN BONDS ISSUED BY THE ISSUER. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PREPARED TO GIVE GENERAL INFORMATION REGARDING PIMPRI CHINCHWAD MUNICIPAL CORPORATION TO PARTIES PROPOSING TO INVEST IN THIS ISSUE OF GREEN BONDS AND IT DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY SUCH PARTY MAY REQUIRE. PIMPRI CHINCHWAD MUNICIPAL CORPORATION BELIEVES THAT THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM IS TRUE AND CORRECT AS OF THE DATE HEREOF.

ALL POTENTIAL INVESTORS ARE REQUIRED TO COMPLY WITH THE RELEVANT REGULATIONS/ GUIDELINES APPLICABLE TO THEM FOR INVESTING IN THIS ISSUE. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED BY THE RECIPIENT OR MADE PUBLIC OR ITS CONTENTS BE DISCLOSED TO A THIRD PERSON. NO INVITATION IS BEING MADE TO ANY PERSON OTHER THAN THE INVESTOR TO WHOM THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN SENT BY THE ISSUER MAY BE REJECTED WITHOUT ASSIGNING ANY REASON.

YOU SHALL NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THE PRELIMINARY PLACEMENT MEMORANDUM TO ANY OTHER PERSON; OR (2) REPRODUCE THE PRELIMINARY PLACEMENT MEMORANDUM, IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OR COPYING OF THE PRELIMINARY PLACEMENT MEMORANDUM IN WHOLE OR IN PART OR ANY PUBLIC ANNOUNCEMENT OR ANY ANNOUNCEMENT TO THIRD PARTIES REGARDING THE CONTENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF APPLICABLE LAWS OF INDIA AND/OR OTHER JURISDICTIONS. THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE ISSUER FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE PRELIMINARY PLACEMENT MEMORANDUM TO REFLECT SUBSEQUENT EVENTS AFTER THE ALLOTMENT AND THUS IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. HOWEVER, THE ISSUER SHALL INTIMATE THE INVESTORS ABOUT MATERIAL CHANGES, IF ANY, IN THE INFORMATION IN THIS PRELIMINARY PLACEMENT MEMORANDUM,

FROM THE DATE OF PPM TILL LISTING DATE. NEITHER THE DELIVERY OF THE PRELIMINARY PLACEMENT MEMORANDUM NOR THE ISSUE OF ANY GREEN BONDS MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE THEREOF.

THIS ISSUE IS A DOMESTIC ISSUE RESTRICTED TO INDIA AND NO STEPS HAVE BEEN TAKEN OR WILL BE TAKEN TO FACILITATE THE ISSUE IN ANY JURISDICTIONS OTHER THAN INDIA. HENCE, THE PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE GREEN BONDS OR THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE PRELIMINARY PLACEMENT MEMORANDUM IS NOT INTENDED FOR DISTRIBUTION TO, OR USE BY, ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE DISTRIBUTION OR USE OF SUCH INFORMATION WOULD BE CONTRARY TO LAW OR REGULATION. PERSONS INTO WHOSE POSSESSION THE PRELIMINARY PLACEMENT MEMORANDUM COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. THE PRELIMINARY PLACEMENT MEMORANDUM IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE ISSUE ON THE STRICT UNDERSTANDING THAT IT IS CONFIDENTIAL AND MAY NOT BE TRANSMITTED TO OTHERS, WHETHER IN ELECTRONIC FORM OR OTHERWISE.

PROSPECTIVE SUBSCRIBERS MUST MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN GREEN BONDS. IT IS THE RESPONSIBILITY OF THE PROSPECTIVE SUBSCRIBERS TO HAVE OBTAINED ALL CONSENTS, APPROVALS OR AUTHORIZATIONS REQUIRED BY THEM TO APPLY FOR AND PURCHASE THE GREEN BONDS. NOTHING IN THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD BE CONSTRUED AS ADVICE OR RECOMMENDATION BY THE ISSUER OR BY THE MERCHANT BANKER/ARRANGER TO THE ISSUE TO SUBSCRIBERS TO THE GREEN BONDS. THE PROSPECTIVE SUBSCRIBERS ALSO ACKNOWLEDGE THAT THE MERCHANT BANKER/ARRANGER TO THE ISSUE DO NOT OWE THE SUBSCRIBERS ANY DUTY OF CARE IN RESPECT OF THIS PRIVATE PLACEMENT OFFER TO SUBSCRIBE FOR THE GREEN BONDS. PROSPECTIVE SUBSCRIBERS SHOULD ALSO CONSULT THEIR OWN ADVISORS ON THE IMPLICATIONS OF APPLICATION, ALLOTMENT, SALE, HOLDING, OWNERSHIP AND REDEMPTION OF THESE GREEN BONDS AND MATTERS INCIDENTAL THERETO.

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE PRIVATE PLACEMENT OF THE GREEN BONDS ISSUE PRIOR TO THE ISSUE CLOSING DATE(S) IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND REGULATORY ENVIRONMENT OR ANY OTHER FORCE MAJEURE CONDITION INCLUDING ANY CHANGE IN APPLICABLE LAW. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION MONEY, IF ANY AS PER APPLICABLE LAWS. NO INTEREST WILL BE PAYABLE ON APPLICATION MONEY.

IT IS THE RESPONSIBILITY OF THE ALLOTTEES OF THESE GREEN BONDS TO ALSO ENSURE THAT IF THEY/ IT CHOOSE/S TO TRANSFER THESE GREEN BONDS, IT SHALL BE IN STRICT ACCORDANCE WITH THIS PRELIMINARY PLACEMENT MEMORANDUM AND OTHER APPLICABLE LAWS AND ENSURE THAT THE SAME DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC.

WE BELIEVE OUR INTERNAL ESTIMATES FOR THE PROJECT COST AND SCHEDULE OF IMPLEMENTATION TO BE REASONABLE FOR ALL THE PROJECTS AND THAT WE HAVE RELIED UPON THE REPORTS AND CERTIFICATES OF TECHNICAL CONSULTANTS INCLUDING FOR COST AND SCHEDULE OF IMPLEMENTATION IN ACCORDANCE WITH THE SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015,

THE ISSUER, THE MERCHANT BANKER WILL ENSURE THAT INVESTORS ARE INFORMED OF MATERIAL DEVELOPMENTS BETWEEN THE DATE OF FILING THE PRELIMINARY PLACEMENT MEMORANDUM WITH SEBI AND THE ALLOTMENT. THE ISSUER HEREBY DECLARES THAT IT HAS EXERCISED DUE DILIGENCE TO ENSURE COMPLETE COMPLIANCE WITH PRESCRIBED DISCLOSURE NORMS IN THE PRELIMINARY PLACEMENT MEMORANDUM.

2. DISCLAIMER CLAUSE

ONLY THOSE PERSONS TO WHOM THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. APPLICATION FORMS SHOULD BE DULY COMPLETED IN ALL RESPECTS AND APPLICATIONS NOT COMPLETED IN THE SAID MANNER ARE LIABLE TO BE REJECTED. THE LIST OF DOCUMENTS PROVIDED BELOW IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS/ AUTHORISATIONS/ INFORMATION WHICH ARE LIKELY TO BE REQUIRED BY THE ISSUER. THE ISSUER MAY REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS REQUIRED TO ACCEPT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY ELIGIBLE INVESTORS ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE ISSUER REQUIRED TO CHECK OR CONFIRM THE SAME.

3. DISCLAIMER CLAUSE OF THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR THE STATEMENTS MADE OTHERWISE THAN IN THIS PRELIMINARY PLACEMENT MEMORANDUM OR ANY OTHER MATERIAL ISSUED EXCEPT BY THE GREEN BOND ISSUE COMMITTEE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

4. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA (“SEBI”):

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY SEBI AND THAT THIS ISSUE IS NOT RECOMMENDED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PRELIMINARY PLACEMENT MEMORANDUM.

5. DISCLAIMER CLAUSE OF GOVERNMENT OF MAHARASHTRA

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY THE GOVERNMENT OF MAHARASHTRA. THE GOVERNMENT OF MAHARASHTRA DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PRELIMINARY PLACEMENT MEMORANDUM.

6. DISCLAIMER OF THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN FILED WITH BSE IN ACCORDANCE WITH 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 FROM TIME TO TIME.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PRELIMINARY PLACEMENT MEMORANDUM TO THE STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN CLEARED OR APPROVED BY BSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER.

THIS DOCUMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

7. DISCLAIMER OF THE CREDIT RATING AGENCIES:

DISCLAIMER OF CARE RATINGS LIMITED

THE RATINGS ISSUED BY CARE RATINGS ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE, OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. THESE RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE WITHIN THE MEANING OF ANY LAW OR REGULATION. THE RATING AGENCY DOES NOT CONSTITUTE AN AUDIT ON THE RATED ENTITY. CARE RATINGS HAS BASED ITS RATINGS/OUTLOOK BASED ON INFORMATION OBTAINED FROM RELIABLE AND CREDIBLE SOURCES. CARE RATINGS DOES NOT, HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY, OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION.

DISCLAIMER OF CRISIL RATINGS LIMITED

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING SERVICES WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. PIMPRI CHINCHWAD MUNICIPAL CORPORATION WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON- COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800-267-1301.

8. DISCLAIMER OF THE DEBENTURE TRUSTEE:

INVESTORS SHOULD CAREFULLY READ AND NOTE THE CONTENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE MERIT OF THE INVESTMENT IN GREEN BONDS AND THE ISSUER. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE GREEN BONDS AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYZE SUCH INVESTMENT AND SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCE. PROSPECTIVE INVESTORS ARE REQUIRED TO MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN SUCH INSTRUMENTS. THE TRUSTEE WOULD ACT AS PER THE PREVALENT SEBI GUIDELINES.

9. DISCLAIMER OF THE MERCHANT BANKER/ARRANGER:

THE ISSUER HAS AUTHORISED THE MERCHANT BANKER/ ARRANGER TO DISTRIBUTE THIS PRELIMINARY PLACEMENT MEMORANDUM IN CONNECTION WITH THE PLACEMENT OF THE GREEN BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS PRELIMINARY PLACEMENT MEMORANDUM CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH OFFER OR PLACEMENT WOULD BE IN VIOLATION OF ANY LAW, RULE OR REGULATION. EACH PERSON RECEIVING THIS PRELIMINARY PLACEMENT MEMORANDUM ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE PRELIMINARY PLACEMENT MEMORANDUM AND THE RISK FACTORS STATED IN SECTION IV RISK FACTORS ON PAGE NO. 20 OF THIS PRELIMINARY PLACEMENT MEMORANDUM AND RELY ON ITS OWN EXAMINATION OF THE ISSUER AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE GREEN BONDS. THE MERCHANT BANKER/ ARRANGER: (A) ARE NOT ACTING AS TRUSTEE OR FIDUCIARY FOR THE POTENTIAL INVESTOR; AND (B) ARE UNDER NO OBLIGATION TO CONDUCT ANY "KNOW YOUR CUSTOMER" OR OTHER PROCEDURES IN RELATION TO ANY PERSON ON BEHALF OF ANY POTENTIAL INVESTOR. NEITHER THE MERCHANT BANKER/ ARRANGER NOR ITS RESPECTIVE AFFILIATES OR THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES SHALL BE RESPONSIBLE FOR DETERMINING WHETHER ANY INFORMATION PROVIDED OR MADE AVAILABLE TO ANY FINANCE PARTY CONSTITUTES NON-PUBLIC INFORMATION OR CONFIDENTIAL INFORMATION, THE USE OF WHICH MAY BE REGULATED OR RESTRICTED UNDER APPLICABLE LAWS OR REGULATIONS.

THE MERCHANT BANKER/ARRANGER IS NOT ACTING AND HAS NOT BEEN ENGAGED TO ACT AS AN UNDERWRITER WITH RESPECT TO THE GREEN BONDS. THE MERCHANT BANKER/ ARRANGER IS AUTHORISED TO DELIVER COPIES OF THIS PRELIMINARY PLACEMENT MEMORANDUM ON BEHALF OF THE ISSUER TO POTENTIAL INVESTORS WHICH ARE CONSIDERING PARTICIPATION IN THE ISSUE.

THE ISSUER HAS PREPARED THIS PRELIMINARY PLACEMENT MEMORANDUM AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PROVIDED BY THE ISSUER OR IS FROM PUBLICLY AVAILABLE INFORMATION, THE USE OF WHICH ISN'T REGULATED OR PROHIBITED BY APPLICABLE LAW OR REGULATION RELATING TO INSIDER DEALING OR OTHERWISE AND THE MERCHANT BANKER/ARRANGER DURING THE COURSE OF DILIGENCE HAS PLACED RELIANCE ON ACURACY AND COMPLETENESS OF INFORMATION PROVIDED BY EXPERTS, AUDITORS, TECHNICAL CONSULTANTS AND OTHER RELIAIBLE SOURCES.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS PRELIMINARY PLACEMENT MEMORANDUM. HOWEVER, THE POTENTIAL INVESTORS

ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRELIMINARY PLACEMENT MEMORANDUM AS INVESTMENT, LEGAL, ACCOUNTING, REGULATORY OR TAX ADVICE, AND THE POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN ADVISORS AS TO ALL LEGAL, ACCOUNTING, REGULATORY, TAX, FINANCIAL AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE GREEN BONDS. THIS PRELIMINARY PLACEMENT MEMORANDUM IS NOT INTENDED TO BE (AND SHOULD NOT BE USED AS) THE BASIS OF ANY CREDIT ANALYSIS OR OTHER EVALUATION AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE MERCHANT BANKER/ARRANGER THAT ANY RECIPIENT PARTICIPATES IN THE ISSUE OR ADVICE OF ANY SORT. IT IS UNDERSTOOD THAT EACH RECIPIENT OF THIS PRELIMINARY PLACEMENT MEMORANDUM WILL PERFORM ITS OWN INDEPENDENT INVESTIGATION AND CREDIT ANALYSIS OF THE PROPOSED FINANCING AND THE BUSINESS, OPERATIONS, FINANCIAL CONDITION, PROSPECTS, CREDITWORTHINESS, STATUS AND AFFAIRS OF THE ISSUER, BASED ON SUCH INFORMATION AND INDEPENDENT INVESTIGATION AS IT DEEMS RELEVANT OR APPROPRIATE AND WITHOUT RELIANCE ON THE MERCHANT BANKER/ARRANGER OR ON THIS PRELIMINARY PLACEMENT MEMORANDUM.

THE MERCHANT BANKER/ARRANGER IS ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE GREEN BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM. THE RECEIPT OF THE PRELIMINARY PLACEMENT MEMORANDUM BY ANY RECIPIENT IS NOT TO BE CONSTITUTED AS THE GIVING OF INVESTMENT ADVICE BY THE MERCHANT BANKER/ARRANGER TO THAT RECIPIENT, NOR TO CONSTITUTE SUCH A RECIPIENT A CUSTOMER OF THE MERCHANT BANKER/ARRANGER. THE MERCHANT BANKER/ARRANGER IS NOT RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTION AFFORDED TO THE CUSTOMERS OF THE MERCHANT BANKER/ARRANGER NOR FOR PROVIDING ADVICE IN RELATION TO THE GREEN BONDS.

EACH RECIPIENT OF THE PRELIMINARY PLACEMENT MEMORANDUM ACKNOWLEDGES THAT EACH RECIPIENT HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM THE ISSUER AND TO REVIEW AND HAS RECEIVED FROM THE ISSUER ALL ADDITIONAL INFORMATION CONSIDERED BY THE RECIPIENT TO BE NECESSARY TO VERIFY THE ACCURACY AND THE MERCHANT BANKER/ARRANGER SHALL NOT BE RESPONSIBLE FOR ANY INFORMATION RECEIVED BY THE RECIPIENT OF THE PRELIMINARY PLACEMENT MEMORANDUM OTHER THAN THE INFORMATION SET OUT HEREIN.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS FOR GENERAL INFORMATION PURPOSE ONLY, WITHOUT REGARD TO SPECIFIC OBJECTIVES, SUITABILITY, FINANCIAL SITUATIONS AND NEEDS OF ANY PARTICULAR PERSON. THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD NOT BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, PURCHASE OR SUBSCRIBE TO ANY SECURITIES MENTIONED HEREIN.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS CONFIDENTIAL AND IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE GREEN BONDS ON THE UNDERSTANDING THAT IT IS CONFIDENTIAL. RECIPIENTS ARE NOT ENTITLED TO USE ANY OF THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM FOR ANY PURPOSE OTHER THAN IN ASSISTING TO DECIDE WHETHER OR NOT TO PARTICIPATE IN THE GREEN BONDS. THIS DOCUMENT AND INFORMATION CONTAINED HEREIN OR ANY PART OF IT DOES NOT CONSTITUTE OR PURPORT TO CONSTITUTE INVESTMENT ADVICE IN PUBLICLY ACCESSIBLE MEDIA AND SHOULD NOT BE PRINTED, REPRODUCED, TRANSMITTED, SOLD, DISTRIBUTED OR PUBLISHED BY THE RECIPIENT WITHOUT THE PRIOR WRITTEN APPROVAL FROM THE MERCHANT BANKER/ARRANGER AND THE ISSUER. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED AND WILL OR MAY NOT BE APPROVED BY ANY STATUTORY OR REGULATORY AUTHORITIES IN INDIA.

PLEASE NOTE THAT:

(A) A. K. CAPITAL SERVICES LIMITED HAS BEEN APPOINTED AS MERCHANT BANKER/

ARRANGER TO THE ISSUE VIDE ENGAGEMENT LETTER (WORK ORDER) DATED FEBRUARY 09, 2024, AND;

- (B) THE ISSUE AGREEMENT DATED MARCH 13, 2025 THE MERCHANT BANKER/ ARRANGER AND/ OR ITS AFFILIATES MAY INVEST, PURCHASE AND HOLD THE SECURITIES OF THE ISSUER AND/ OR OTHER ENTITIES RELATED TO THE ISSUER FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNTS OF THEIR CUSTOMERS AND MAY EXERCISE VOTING RIGHTS OVER SUCH SECURITIES AS AVAILABLE UNDER THE RESPECTIVE TRANSACTION DOCUMENTS;

10. DISCLAIMER CLAUSE OF THE TRANSACTION ADVISOR

A. K. CAPITAL SERVICES LIMITED HAS BEEN APPOINTED AS THE TRANSACTION ADVISOR IN RESPECT OF THE ISSUE. THE ROLE OF THE TRANSACTION ADVISOR IS LIMITED TO ASSISTING THE ISSUER IN PREPARING THE CAPITAL INVESTMENT PLAN, ADVISING THE ISSUER IN RELATION TO MARKET SCENARIOS, COORDINATION WITH EXTERNAL AGENCIES, LIAISONING WITH CREDIT RATING AGENCIES ETC., IN RESPECT OF THE GREEN BONDS IT IS THE RESPONSIBILITY OF THE ISSUER TO OBTAIN ALL NECESSARY APPROVALS FOR THE ISSUANCE OF THE GREEN BONDS. THE INVESTORS SHOULD READ THE PRELIMINARY PLACEMENT MEMORANDUM AND TAKE THEIR OWN INFORMED DECISION FOR INVESTMENT IN THE GREEN BONDS AND IN NO WAY IS THE TRANSACTION ADVISOR OR ANY OF ITS DIRECTORS, EMPLOYEES AND OFFICERS RESPONSIBLE FOR ANY INVESTMENT DECISION BY PROSPECTIVE INVESTORS.

11. DISCLAIMER IN RESPECT OF JURISDICTION

ISSUE OF THESE GREEN BONDS HAVE BEEN/ WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER PARAGRAPH J(a) (ELIGIBLE INVESTORS) OF SECTION IX: ISSUE SPECIFIC INFORMATION ON PAGE NO. 78 OF THIS PRELIMINARY PLACEMENT MEMORANDUM, WHO HAVE BEEN/ SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THE PRELIMINARY PLACEMENT MEMORANDUM IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO GREEN BONDS OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. ANY DISPUTES ARISING OUT OF THE GREEN BONDS AND THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUE PROCEEDS AGREEMENT) SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS AT PUNE. THE ISSUE PROCEEDS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF INDIA AND THE PARTIES SUBMIT TO THE EXCLUSIVE JURISDICTION OF COURTS AND TRIBUNALS IN MUMBAI. THE PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO THE GREEN BONDS HEREIN, IN ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION.

12. DISCLAIMER OF THE INDEPENDENT THIRD PARTY REVIEWER

OUR ASSURANCE STATEMENT IS DESIGNED TO MEET THE AGREED REQUIREMENTS OF THE PCMC. OUR ASSURANCE STATEMENT SHOULD NOT THEREFORE BE REGARDED AS SUITABLE TO BE USED OR RELIED ON BY ANY PARTY WISHING TO ACQUIRE RIGHTS AGAINST US OTHER THAN THE PCMC FOR ANY PURPOSE OR IN ANY CONTEXT. TO THE FULLEST EXTENT PERMITTED BY LAW, WE ACCEPT NO RESPONSIBILITY AND DENY ANY LIABILITY TO ANY SUCH PARTY, OTHER THAN THE PCMC, FOR OUR WORK, FOR THE ASSURANCE STATEMENT WE WILL ISSUE, AND FOR THE CONCLUSIONS WE REACH UNDER THE ASSURANCE STATEMENT. ALL INFORMATION CONTAINED IN THE REPORT HAS BEEN OBTAINED BY KPMG FROM THE CORPORATION AND SOURCES BELIEVED BY KPMG TO BE ACCURATE AND RELIABLE. ALL INFORMATION CONTAINED THEREIN MUST BE CONSTRUED SOLELY AS STATEMENTS OF OPINION AND NOT ANY RECOMMENDATION FOR INVESTMENT. SUCH PARTY WILL NOT BRING ANY ACTIONS, PROCEEDINGS OR CLAIMS AGAINST KPMG WHERE THE ACTION, PROCEEDING OR CLAIM IN ANY WAY RELATES TO OR CONCERNS OR IS CONNECTED WITH THE INFORMATION CONTAINED IN THE ASSURANCE STATEMENT.

FORCE MAJEURE

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE ISSUE AT ANY TIME PRIOR TO THE ISSUE CLOSING DATE IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND/ OR REGULATORY ENVIRONMENT OR OTHERWISE. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION MONEY, IF ANY, COLLECTED IN RESPECT OF THE ISSUE.

ISSUE OF GREEN BONDS IN DEMATERIALISED FORM

THE GREEN BONDS WILL BE ISSUED IN DEMATERIALISED FORM. THE ISSUER HAS MADE ARRANGEMENTS WITH THE DEPOSITORIES FOR THE ISSUE OF THE GREEN BONDS IN DEMATERIALISED FORM. THE INVESTOR HAS AN OPTION TO HOLD THE GREEN BONDS IN DEMATERIALISED FORM AS PER THE PROVISIONS OF THE DEPOSITORIES ACT. THE ISSUER SHALL TAKE NECESSARY STEPS TO CREDIT THE GREEN BONDS ALLOTTED TO THE BENEFICIARY ACCOUNT MAINTAINED BY THE INVESTOR WITH ITS DEPOSITORY PARTICIPANT. THE ISSUER WILL MAKE THE ALLOTMENT TO INVESTORS ON THE DEEMED DATE OF ALLOTMENT AFTER VERIFICATION OF THE APPLICATION FORM AND THE ACCOMPANYING DOCUMENTS.

SECTION-II: FORWARD LOOKING STATEMENTS

Certain statements in this Preliminary Placement Memorandum that are not statements of historical facts constitute “forward looking statements”. Readers can generally identify forward-looking statements by the usage of terminology like “aim”, “anticipate”, “intend”, “believe”, “continue”, “estimate”, “expect”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would” or other words or phrases of similar import. Similarly, statements regarding the Issuer’s expected financial condition and results of operations, business, strategies, plans and prospects are also forward looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward -looking statements and any other projections contained in this Preliminary Placement Memorandum (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements, expressed or implied, by such forward looking statements or other projections.

The forward-looking statements contained in this Preliminary Placement Memorandum are based on the beliefs of the Bond Issue Committee of the Issuer, as well as the assumptions made by and information available to Bond Issue Committee as at the date of this Preliminary Placement Memorandum. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward-looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward-looking statements. All subsequent, written and oral, forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward-looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward-looking statements. All subsequent, written and oral, forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

SECTION-III: DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Preliminary Placement Memorandum and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

Unless the context otherwise indicates, all references in this Preliminary Placement Memorandum to “we” or “us” or “our” are to our Corporation i.e., Pimpri Chinchwad Municipal Corporation. Unless stated otherwise, all references to page numbers in this Preliminary Placement Memorandum are to the page numbers of this Preliminary Placement Memorandum.

The words and expressions used in this Preliminary Placement Memorandum but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI (Issue And Listing Of Municipal Debt Securities) Regulations, 2015, Maharashtra Municipal Corporations Act, 1949, The Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations notified thereunder.

General Terms

TERM	DESCRIPTION
“PCMC” or “Pimpri Chinchwad Municipal Corporation” or “Issuer” or “Corporation”	Pimpri Chinchwad Municipal Corporation, constituted under Article 243Q (1) (c) of the Constitution of India, 1949 and established on October 11, 1982, under the Bombay Provincial Municipal Corporations Act, 1949 (the then applicable act in Maharashtra vide notification dated October 05, 1982, bearing reference PCC 1082/210(i)/UD-20).
“we”, “us”, “our”	Unless the context otherwise requires, the Corporation or PCMC.

Issuer related Terms

TERM	DESCRIPTION
AMRUT	Atal Mission for Rejuvenation and Urban Transformation.
AMRUT 2.0	Atal Mission for Rejuvenation and Urban Transformation 2.0 launched by the Hon’ble Prime Minister of India on October 01, 2021, with the aim of making cities ‘Aatma Nirbhar’ and ‘Water Secure’.
AMRUT Incentive	The incentive amount of ₹ 13,00,00,000 (Rupees Thirteen Crores) for every ₹ 100,00,00,000 (Rupees One Hundred Crores) of bonds issued by urban local bodies restricted to ₹ 26,00,00,000 (Rupees Twenty Six Crores) per urban local body, to be received by urban local bodies from the MoHUA, Government of India, pursuant to the notification dated May 31, 2024 issued by the MoHUA, Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB. Pursuant to the aforesaid notification, urban local bodies, which have already claimed incentive during AMRUT or AMRUT 2.0 periods, by issuing municipal bonds will be eligible for incentive second time if they issue green bonds. Incentive will be ₹ 10,00,00,000 (Rupees Ten Crores) for every ₹ 100,00,00,000 (Rupees One Hundred Crores) of green bonds issued by urban local bodies, subject to a maximum of ₹ 20,00,00,000 (Rupees Twenty Crores) per urban local body.
Additional Commissioner	Additional Municipal Commissioner, Pimpri Chinchwad Municipal Corporation, appointed in terms of the MMC Act.
Applicable Law	It shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Auditors	M/s Rakesh R. Agarwal & Associates, Chartered Accountants (being the current Auditors of the Issuer).

TERM	DESCRIPTION
Bond Issue Committee/ Committee	Bond Issue Committee formed by approval of the Administrator vide Standing Committee resolution numbering 3693, dated July 09, 2024 and General Body resolution numbering 629 dated July 16, 2024.
BPMC Act	Bombay Provincial Municipal Corporations Act, 1949
Credit Rating Agencies	CARE Ratings and CRISIL, shall together be referred to as the Credit Rating Agencies for the purpose of this Issue
CARE Ratings	CARE Ratings Limited
CRISIL	CRISIL Ratings Limited
Committee Member	Member of the Bond Issue Committee of the Corporation as mentioned in this Preliminary Placement Memorandum.
Administrator	The Administrator of the Pimpri Chinchwad Municipal Corporation appointed as per order of Department of Urban Development, Government of Maharashtra numbering MCO- 2020/Case/P. No. 71 (Part-2)/UD-14 dated March 03, 2022 in accordance with the provisions of Section 452 A of the MMC Act.
Deputy Commissioner	Deputy Municipal Commissioner, Pimpri Chinchwad Municipal Corporation, appointed in terms of the MMC Act.
GoM	Government of Maharashtra/State Government
GoI	Government of India/ Central Government.
Head Office	Head Office of PCMC at Mumbai-Pune Road, Pimpri-Chinchwad, Maharashtra, 411018
HRMS	Human Resources Management System.
Independent Certifier for Green Bonds	ITDP Private Limited
Independent Third Party Reviewer	KPMG Assurance and Consulting Services LLP
MMC Act / Act	Maharashtra Municipal Corporations Act, 1949, as amended from time to time which replaced the Bombay Provincial Municipal Corporation Act, 1949 vide Section 4 of The Bombay Provincial Municipal Corporations (Amendment) and the City of Nagpur Corporation (Repeal) Act, 2011 (Maharashtra Act No. XXIII of 2012). The MMC Act was first published in the Bombay Government Gazette, Part IV on December 29, 1949.
MoHUA	Ministry of Housing and Urban Affairs.
MoUD	Ministry of Urban Development
Municipal Commissioner/ Commissioner	Municipal Commissioner, Pimpri Chinchwad Municipal Corporation, appointed in terms of the MMC Act.
Municipal Commissioner cum Administrator / Commissioner and Administrator	The Municipal Commissioner of PCMC was appointed as Administrator in accordance with the provisions of Section 452 A of the MMC Act which empowers the Administrator to execute all the powers and the functions of the Corporation under the Act. In pursuance to the Government Order No. A.S. Letter No. AEO-1122/5/2022/10 dated August 16, 2022, Shri Shekhar Singh, has been appointed as Commissioner of the Corporation & is presently holding charge as Commissioner and Administrator of PCMC with effect from August 18, 2022.
NMT	Non-motorized transport

Issue Related Terms

TERMS	DESCRIPTION
Allotment/Allot/Allotted	The issuance and allotment of the Green Bonds to the successful Applicants in the Issue.
Allottee	A successful Applicant to whom the Green Bonds are allotted pursuant to the Issue, either in full or in part.
Applicant/Investor	A person who makes an offer to subscribe to the Green Bonds pursuant to the terms of the Placement Memorandum and the Application Form.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Green Bonds and which will be considered as the application for allotment of Green Bonds in the Issue.
Audited Financial Statements	Refer to audited balance sheet, the income and expenditure statement and the cash flow statement of the Issuer for the Financial Years ending March 31, 2022, March 31, 2023 and March 31, 2024 audited by M/s Rakesh R. Agarwal & Associates, Chartered Accountants, being the current Auditors of the Issuer.
AY	Assessment Year
Banker to the Issue	Bank of Baroda, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its registered office at Baroda Corporate Centre, C-26, G-Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400051 and one of its Branch at PCMC Premises Branch, Pune being the bank where the Issue Proceeds Account is to be opened for receipt of proceeds from the Issue.
Beneficial Owner(s)	Bond Holder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996).
Bid Closing Date/ Issue Closing Date	As is set out in the Issue Schedule above.
Bid Opening Date/ Issue Opening Date	As is set out in the Issue Schedule above.
Bond Holder(s) / Debenture Holder(s)	Any person or entity holding the Green Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories.
BSE	BSE Limited
BSE EBP Guidelines	“Operational Guidelines for participation on BSE BOND platform” issued by BSE vide their notice 20230417-35 dated April 17, 2023, as amended/modified from time to time.
BSE EBP Platform/ EBP Platform	Electronic book provider platform provided by BSE for bidding by Eligible Investors.
Calendar Year	Each period of twelve (12) months commencing on January 1 and ending on December 31.
CDSL	Central Depository Services (India) Limited.
Collection Accounts	The account(s) maintained by the Issuer wherein the Property Tax or any other tax/specified revenue/cash flows are collected by the Issuer, the details whereof are/ will be set out in the Escrow Agreement and the Debenture Trust Deed.
Continuous disclosures and compliances by listed entities'	Continuous disclosures and compliances by listed entities in accordance with circular dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134/2019 and as amended from time to time.
Coupon/ Interest Payment Date	As specified under the section “Term Sheet” on page 128.
Debenture Trust Deed	Deed to be executed by and between the Debenture Trustee and the Issuer in respect of the Green Bonds within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the Bond Holders.
Debenture Trustee/ Bond Trustee/ DT	Trustee for the Bond Holders, in this case being SBICAP Trustee Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and validly existing under the Companies Act, 2013 and having its registered office at 4th Floor, Mistry Bhavan, 122, Dinshaw Wachha Road, Churchgate, Mumbai, Maharashtra 400020, India.

TERMS	DESCRIPTION
Debenture Trustee Agreement	Agreement dated March 13, 2025 executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as the debenture trustee in connection with the issuance of the Green Bonds.
Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Debt Securities	Non-convertible debt securities which create or acknowledge indebtedness and include debentures, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not but excludes security bonds issued by the Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments.
Deemed Date of Allotment	The date of allotment of the Green Bonds with effect from which all benefits under the Green Bonds including interest on the Green Bonds shall be available to the Bond holder(s). The actual allotment of Green Bonds (i.e., approval from the General Body or a Committee thereof) may take place on a date other than the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A Depository Participant as defined under the Depositories Act.
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in present case, being NSDL & CDSL.
DP	Depository Participant.
DRR	Debenture Redemption Reserve.
DSRA	Debenture Service Reserve Account
DSRA Amount	The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount.
DSRA Amount Shortfall	The amounts utilised from the Interest Payment Account (being the whole or a portion of the Required DSRA Amount) to fund the shortfall in the Interest Payment Account for the discharge of the Coupon payable on any Coupon Payment Date.
Due Date	Any date or dates on which the Debenture Holder(s) are entitled to any payments in relation to the Green Bonds, which shall include, without limitation, the Coupon Payment Date(s) and the Maturity Date.
Escrow Account	A no-lien escrow account opened by the Issuer with Bank of Baroda named "PCMC ESCROW ACCOUNT" with Account No. 31060200000351. for the deposit of, inter alia, Property Tax or any other tax/ specified revenue/cash flow deposited in the Collection Accounts for onward transfer to the Interest Payment Account and the Sinking Fund Account and for servicing of the Green Bonds, as per the requirements of (a) the SEBI circular in relation to 'Continuous disclosures and compliances by the listed entities under SEBI (Issue and listing of the Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended/modified and supplemented from time to time, which account is operated in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Escrow Agreement	The agreement to be entered into by and between Pimpri Chinchwad Municipal Corporation, SBICAP Trustee Company Limited (in its capacity as the Debenture Trustee) and Bank of Baroda (in its capacity as the Escrow Bank) with respect to the Escrow Account, the Interest Payment Account and the Sinking Fund Account.
Escrow Bank	Bank of Baroda, being the bank where the Escrow Account is opened, and the Interest Payment Account and the Sinking Fund Account will be opened.
Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year.
GIR	General Index Registration Number.
GIS	Geographic Information System
GST	Goods and Service Tax
Issue / Offer / Private	Private Placement of up to 10,000 Secured, Rated, Listed, Taxable,

TERMS	DESCRIPTION
Placement	Redeemable, Non-Convertible Green Bonds in the nature of debentures of face value of ₹ 2,00,000 (Rupees Two Lakh Only) each (“Green Bonds”/ “Bonds”/ “NCDs”/ “Debentures”), (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPPs”) namely 1 STRPP A of face value of ₹ 1,00,000 and 1 STRPP B of face value of ₹ 1,00,000, for base issue size of ₹100 crore (Rupees One Hundred Crore) with a green shoe option of up to ₹ 100 crore (Rupees One Hundred Crore), aggregating up to ₹ 200 crores (Rupees Two Hundred Crore) (“Issue Size”) under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time by Pimpri Chinchwad Municipal Corporation proposed to be listed on BSE Limited.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
I.T. Act	The Income-tax Act, 1961, as amended from time to time.
Interest Payment Account/IPA	The bank account to be opened by the Issuer with the Escrow Bank which shall be (i) the account from which the interest payments on the Green Bonds will be serviced and (ii) the account in which the Required DSRA Amount 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, as amended/modified and supplemented from time to time, and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Issue Agreement	Agreement dated March 13, 2025 entered between the Issuer and the Merchant Banker to the Issue in relation to the Issue.
Issue Proceeds Account	The bank account to be opened by the Issuer with the Banker to the Issue for proceeds received from the Issue, in the manner and upon the terms and conditions provided for in the Issue Proceeds Agreement.
Issue Proceeds Agreement	The Agreement to be entered into amongst the Issuer, the Banker to the Issue, Registrar and the Merchant Banker in relation to the operation of the Issue Proceeds Account.
IT	Information Technology
Majority Debenture Holders	The Debenture Holders holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Green Bonds for the time being outstanding. It is however clarified that, if a resolution is required to be passed in relation to a matter concerning a particular STRPP, the term “Majority Debenture Holders” shall mean the Debenture/Bond Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of that STRPP for the time being outstanding.
Merchant Banker/ Arranger to the Issue	A. K. Capital Services Limited
Minimum Balance	In any period expiring on the Transfer Date, it shall mean the amount required to be transferred to the Interest Payment Account and Sinking Fund Account at the end of each month on the terms as particularly set out in the Debenture Trust Deed and Escrow Agreement.
Municipal Bonds/Green Municipal Bond/ Debentures/ Green Bonds/Bonds/ NCDs	Up to 10,000 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Green Bonds in the nature of debentures of Face Value Of ₹ 2,00,000 (Rupees Two Lakh Only) each, (Comprising Of 2 (Two) Separately Transferable And Redeemable Principal Parts (“STRPPs”) Namely 1 STRPP A Of Face Value Of ₹ 1,00,000 And 1 STRPP B Of Face Value Of ₹ 1,00,000)
NSDL	National Securities Depository Limited
Objects of the Issue	The objects for which the proceeds of the Issue shall be used by the Issuer, i.e., incurring capital expenditure in respect of the Projects more particularly described in Section VII: “Objects of the Issue” on page no. 54 of this Preliminary Placement Memorandum.

TERMS	DESCRIPTION
PAN	Permanent Account Number
Pay-In Date	The date on which the Bond Holders have remitted the subscription monies for the Green Bonds, as per the terms of this Preliminary Placement Memorandum.
Permitted Investments	Shall mean: (a) with respect to the funds lying in the Escrow Account (to the extent of the Minimum Balance) and the Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank having a dual rating of AA+ or above; (b) with respect to the funds lying in the Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and also Maharashtra Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.
Placement Memorandum/ PM/ Disclosure Document	The placement memorandum to be filed with SEBI and BSE through which this proposed Issue will be made.
PMAY	Pradhan Mantri Awas Yojana
PPP	Public Private Partnership
Preliminary Placement Memorandum/PPM	This Preliminary Placement Memorandum dated March 13, 2025 filed with SEBI and BSE.
Projects/ Eligible Green Projects/ Eligible Green Projects for Green Bonds	Projects proposed to be funded by the Issue Proceeds namely: (i) Development of street network under the Harit Setu project in Nigdi Pradhikaran (hereafter referred to as the “ Harit Setu Project ” or “ Project I ”); and (ii) Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk in PCMC area (hereafter referred to as the “ Telco Road Project ” or “ Project II ”) which is certified as Eligible Green Projects for Green Bonds by the Independent Certifier for Green Bonds vide certificate dated March 06, 2025, confirming that the Projects qualify under following categories of Regulation clause 2(1)(q) of SEBI NCS Regulations: Category (ii) clean transportation including mass/public transportation and Category (viii) pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy efficient or emission efficient waste to energy) and sectors mentioned under the India Cooling Action Plan launched by the Ministry of Environment, Forest and Climate Change. Accordingly, the Bond Issue Committee of <i>vide</i> its Resolution dated March 13, 2025, approved the issue of the Green Bonds as the proceeds of the Issue are being utilised towards Eligible Green Projects.
Project Consultants	Pavetech Consultants India in relation to the Harit Setu Project (“ Project Consultant for Project I ”) and MAPS Global Civiltech Pvt. Ltd in relation to the Telco Road Project (“ Project Consultant for Project II ”). Project Consultant for Project I and Project Consultant for Project II collectively referred to as Project Consultants.
Property Tax	Property tax means tax as defined under Section 2(49) of the MMC Act.
Record Date	The record date for payment of interest in connection with the Green Bonds or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which 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 Issue Committee from time to time in accordance with the applicable law. In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issue Committee to the Stock Exchange, will be deemed as the record date. In case of Maturity Date of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.
Recovery Expense Fund	An amount which will be deployed by the Corporation with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum deposit of ₹25,00,000 at the time of making the application for listing of

TERMS	DESCRIPTION
	Bonds.
Registrar	Registrar to the Issue, in this case being, KFin Technologies Limited, a company incorporated under the Companies Act, 2013 having registered office at Selenium, Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingapally, Hyderabad, Rangareddi, Telangana-500 032.
Required DSRA Amount	An amount equal to 2 (Two) succeeding Coupon Payments (i.e. one year interest obligation) for bonds which is required to be paid by the Issuer in respect of the Green Bonds to be maintained throughout the tenure of the Green Bonds in the Interest Payment Account which also complies with the requirements of the debt service reserve amount to be maintained as per 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 as amended from time to time.
Rs./INR/₹	Indian National Rupee
RTGS	Real Time Gross Settlement
Secured Obligations	All obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Bond Holders in respect of the Green Bonds and shall include, without limitation, the obligation to redeem the Green 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 Green Bonds under the Transaction Documents.
Security	Shall mean security for the Green Bonds being issued as set out in the Term Sheet
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act of 2002.
SCORES	SEBI Complaints Redress System
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD1/P/CIR/2024/46 dated May 16, 2024 as may be amended from time to time.
SEBI EBP Guidelines/ SEBI Electronic Book Mechanism Guidelines	The guidelines issued by SEBI and pertaining to the EBP Platform set out in Chapter VI by SEBI in its Master Circular dated May 22, 2024 (bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54) titled "Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, as may be amended, clarified or updated from time to time
SEBI Master Circular	SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 (bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54)
SEBI Municipal Debt Regulations/ SEBI ILMDS Regulations	Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India
SEBI Master Circular for Debenture Trustees	SEBI Master Circular for Debenture Trustees bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 as may be amended, clarified or updated from time to time.
Sinking Fund Account/SFA	The bank account to be opened by the Issuer with the Escrow Bank and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Escrow Agreement
Stock Exchange	The stock exchange where the Green Bonds are proposed to be listed i.e. BSE Limited

TERMS	DESCRIPTION
STRPP A	STRPP of face value of ₹ 1,00,000, having a tenor of 4 years from the Deemed Date of Allotment.
STRPP B	STRPP of face value of ₹ 1,00,000, having a tenor of 5 years from the Deemed Date of Allotment.
Structured Payment Mechanism	As defined in the section titled “ <i>Term Sheet</i> ” on page no. 128.
TDS	Tax Deducted at Source
Tenor	Tenor shall mean the tenor of each of the STRPPS of the NCDs i.e.: STRPP A: 4 years from the Deemed Date of Allotment. STRPP B: 5 years from the Deemed Date of Allotment.
Tripartite Agreements	Tripartite agreement amongst the Corporation, Registrar to the Issue, and CDSL dated March 02, 2023 and Tripartite agreement between the Corporation, Registrar to the Issue, and NSDL dated March 03, 2023.
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum/ the Placement Memorandum, along with all annexures, the Debenture Trustee Agreement, Issue Agreement, the Escrow Agreement, the Issue Proceeds Agreement, Debenture Trust Deed, Deed of Hypothecation, the Tripartite Agreements with NSDL and CDSL and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders)
ULB	Urban Local Body
‘Working Day’/‘Business Day’	Business day/Working day shall mean all days on which commercial banks in Pimpri Chinchwad are open for business. In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchange and with respect to the record date, working day shall mean all trading days of the Stock Exchange for Bonds, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated May 22, 2024 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54, as amended from time to time. If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Placement Memorandum. If the redemption/maturity date of the Bonds 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 the Bonds shall also be paid on the previous working day as per the cash flows provided under Annexure – V “Illustration of Bond Cash Flow” of the Placement Memorandum. If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - V” Illustration of Bond Cash Flow” of the Placement Memorandum.

SECTION-IV: RISK FACTORS

An investment in Green Bonds involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with the Issuer's business or any decision to purchase, own or dispose of the Green Bonds. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Preliminary Placement Memorandum before making any investment decision relating to the Green Bonds. Additional risks and uncertainties, which are currently unknown or now deemed immaterial, if materialize, may in the future have a material adverse effect on our operations, management or cash flows. The market prices of the Green Bonds may decline due to such risks and the prospective investors may lose all or part of their investment.

The prospective Investors should consult their own tax, financial and legal advisors about the risks associated with investment and suitability of investment in such bonds. Investment in these Green Bonds includes a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment in debentures. For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and this Preliminary Placement Memorandum including the risks mentioned below. The Green Bonds have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of this Preliminary Placement Memorandum.

This Preliminary Placement Memorandum contains statements, which may be forward-looking, that involve risk and uncertainties. The Issuer's actual results could differ materially from those anticipated as a result of several factors, including the considerations described below and elsewhere in this Preliminary Placement Memorandum.

Unless otherwise indicated, the financial information included herein is based on the Issuer's audited financial statements as included in paragraph I (Abridged Balance Sheet, Income and Expenditure and Cash Flow Statement for the last three years with major heads) of Section X: Financial Information on page no. 100 of this Preliminary Placement Memorandum.

Investors are advised to read the following risk factors carefully before making an investment in the Green Bonds offered in this Issue. The order of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential investors must rely on their examination of the Issuer and this Issue, including the risks and uncertainties involved.

If any of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occur, the Issuer's business, financial conditions, implementation of projects could suffer and, therefore, the value of the Issuer's Green Bonds could decline and/ or the Issuer's ability to meet its obligations in respect of the Green Bonds could be affected. Potential investors should perform their own independent investigation of the financial condition and affairs of the Issuer, and their own appraisal of the creditworthiness of the Issuer.

Please note that unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below, and the financial information used in this section is derived from and should be read in conjunction with Financial Information as included in this Preliminary Placement Memorandum.

INTERNAL RISK FACTORS

Project Risk and Internal Risks

- 1. The Issuer intends to utilize the Issue proceeds for the development of the Projects. The 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 Projects may have an adverse impact on our operations, reputation and cash flows.**

The Issuer intends to utilize the Issue proceeds for (a) Development of street network under the Harit Setu Project in Nigdi Pradhikaran (hereafter referred to as the "**Harit Setu Project**" or "**Project I**") and (b) Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk in PCMC area (hereafter referred to as the "**Telco Road Project**" or "**Project II**") (collectively, the Project I and Project II are referred to as "**Projects**").

The Projects are proposed to be financed through Issue proceeds of this Issue and internal accruals of the

Corporation. The Projects are not proposed to be funded through any grants received/to be received by the Corporation from the government. In case of any shortfall of funds, the Issuer will have to arrange for alternative sources which may impact the Projects, timelines and the cost. There can be no assurance, despite best efforts, that the Issuer will be able to complete the Projects within estimated time and cost without any cost overruns. The costs of the Projects may escalate or vary based on external factors which may not be in Issuer's control. Further, despite best efforts of the Issuer circumstances may arise that are beyond Issuer's control due to which the Issuer may not be able to generate sufficient revenue for timely implementation of the Projects.

The Projects are also susceptible to the policies of the State.

Though, it would be the endeavour of PCMC to complete the Projects on time within the prescribed cost, due to unforeseen circumstances that are beyond the Issuer's control the Projects may not be completed in a timely manner, or at all, or the budgeted costs for the Projects may be insufficient to meet the proposed capital expenditure requirements. If a funding gap due to cost overruns develops, it could pose a contingent budgetary risk for PCMC, or require additional borrowing for the Projects. There is also a possibility that the implementation of the Projects might get delayed due to various factors including workforce issues, non-availability of approvals/ no objection certificates, delays because of third party contractors etc.

Further, in case of Project II, work order is yet to be awarded, the cost of the work order to be issued for the Project II may be higher than the original approved cost. The Issuer recognizes that timely selection of bidders for the implementation of Projects is critical and undertakes that it shall ensure completion of the tendering process and award of work order for Project II within three months of the closure of the Issuer and shall take all necessary steps for timely execution of the Projects. However, unforeseen circumstances or complexities during the evaluation process of the potential bidders could lead to delays. Such delays may arise due to factors beyond Issuer's control, including but not limited to legal considerations or unexpected changes in the requirements of the Project II. Consequently, any delay in the selection of bidders may result in a delay in implementation of Project II. Additionally, in the event of any delay in finalizing the relevant contractors for the Project II, any delay in receipt of various approvals required at different stages, in relation to the Project II in a timely manner, occurrence of any force majeure events etc., the proposed schedule of implementation and deployment of the Issue proceeds may be extended or may vary accordingly.

The Issuer has obtained certificates from Project Consultants dated March 13, 2025 regarding the proposed Projects details, costs, schedule of implementation, benchmarks of the project etc. Though the cash inflows from the Projects are not earmarked for servicing the obligations of the Issuer in respect of the Green Bonds, non-implementation of the Projects as per the schedule of implementation will affect the Issuer's performance and asset generation capacity thereby impacting the business, cash flows and financial conditions of the Issuer.

2. **Any inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required for completion and operation of the Projects may have a material adverse effect on our ability to complete the projects on a timely basis or at all. Any failure to successfully complete the Projects on a timely basis may have an adverse impact on our reputation, operations and cash flow.**

Presently, there are no approvals pending to be obtained by the Issuer as per the certificates received from Project Consultants dated March 13, 2025. In future in case there may be a requirement of approvals/NOCs for the Projects, the Issuer shall take all reasonable steps to obtain the said approvals/NOCs.

However, despite best efforts the Issuer may be unable to obtain such approvals/consents (if so required) or renew such approvals within the stipulated time due to future events, unforeseen circumstances or reasons beyond the control of the Issuer. It may delay the completion of the Projects in accordance with the Schedule of Implementation which may in turn adversely impact our reputation, operations and cash flows. However, all payments to the Green Bond Holders are backed by a Structured Payment Mechanism. For further details, please refer to Structured Payment Mechanism on page 31 (*Term Sheet*) and Annexure - I on page A-1.

3. **The Issuer is involved in large number of litigations & adverse decisions in the same may impact our working and operational efficiency.**

The Issuer is a party to various legal proceedings, including *suo moto* proceedings by the National Green Tribunal and has received notices from certain statutory authorities. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities, and if determined against the Issuer, could have impact on the business, implementation of projects, income and the financial condition of the Issuer. A summary of pending proceedings involving Issuer are as follows:

- Matters related to Direct and Indirect Taxes against the Issuer**

	Nature	Number of Cases	Amount Involved (In Rs.)
Direct Tax			
1)	Income Tax - E-proceedings	2	Nil
2)	Income Tax – Demand	1	3,09,260
Indirect Tax			
3)	TDS*	17	5,81,59,960
Property Tax			
4)	Cases have been filed against the Issuer by the residents/ entities residing/ operating in Pimpri Chinchwad Municipal Corporation jurisdiction accusing Issuer of charging huge amount of property tax.	134	2,93,25,35,580
Octroi			
5)	Cases have been filed against the Issuer by aggrieved parties for the demand of Octroi raised by the Issuer under Section 398 of the MMC Act, 1949.	47	57,52,00,000
Service Tax			
6)	Service Tax**	0	0
Professional Tax			
7)	Professional Tax***	2	3,29,38,494

*Apart from above there may be claims in relation TDS amount related to Salary paid to Employees.

** Appeal to CESTAT order in favour of Issuer with NIL Demand

***Issuer has preferred Appeal (Commissioner Appeal, Profession Tax) against the Order.

- Criminal Litigations involving the Issuer or members of the Bond Issue Committee**

The total number of cases involving the Issuer or the members of the Bond Issue Committee have been disclosed in the section titled “Section-XI-Legal and Other Information” on page 114. Since the nature of the case is criminal, there is no amount involved.

- Actions by Regulatory and Statutory Authorities**

The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the “Section-XI- Legal and Other Information” on Page No. 114.

- **Other Civil Litigation**

The details of all the individual civil litigations above the materiality threshold have been disclosed in the “*Section-XI- Legal and Other Information*” on Page No. 114.

There are certain Civil Matters and Environmental Law Cases disclosed under the Section “*Section-XI-Legal and Other Information*” beginning on page no. 114 of this Preliminary Placement Memorandum in relation to which no claim amount is quantifiable.

No assurances can be given as to whether these legal proceedings will be decided in the Issuer’s favour or have no adverse outcome, nor can any assurance be given that no further liability/ loss will arise out of such legal proceedings. The details of outstanding material litigations involving the Issuer which are based on the Materiality Policy of the Issuer are set out in “*Pending Litigations and Material Developments*” of “*Section XI Legal and Other Information*” on page no. 114 of this Preliminary Placement Memorandum.

4. Leakage of tax collections may affect volume of collections and inflows which may have an adverse impact on the accumulation of funds for future development, and on the Issuer’s future execution capabilities and revenue collections.

The tax collections are primarily dependent on the integrity of tax collection systems and any leakage in the same due to fraud or technical faults affects the Issuer’s collections and inflows and may have an adverse impact on accumulation of funds for future development, resulting in reduction of the Issuer’s future execution capabilities.

If the tax collection is not properly monitored, such tax leakages may reduce the Issuer’s revenue. Although the Issuer has systems in place to minimise leakages due to fraud and pilferage, yet any significant failure by the Issuer to control leakage in the collection systems, though not quantifiable monetarily, could have a material adverse effect on the Issuer’s operations and prospects. Further, any leakage in the collections resulting in avoidance of payment of taxes, may also adversely affect the Issuer’s operations. Further, there may be situations where the tax collection is disrupted or halted due to public agitation which may result in lesser revenue collection by the Issuer. Any such disruption or stoppage of tax collection will adversely affect the Issuer’s revenue collections.

5. Our existing non-convertible debentures issued on private placement basis are listed on BSE and we are subject to continuous post listing compliances with applicable rules and regulations. Instances of delays and non-compliances may attract penal actions by stock exchange or SEBI.

Our existing non-convertible debentures are listed on the BSE. We are required to comply with various applicable rules and regulations, including the SEBI ILMDS Regulations and SEBI circulars issued on continuous disclosures and compliances by listed entities in terms of our listed non-convertible debentures. There have been instances of delays and non-compliances in relation to continuous disclosures and filings in terms of our listed non-convertible debentures including delay in filing of financial results, delay in intimations to the Stock Exchange. While there have been no penalties imposed/penal actions initiated by the Stock Exchange against us in relation to such non-compliances, we cannot assure that there will be no penalties imposed/penal actions initiated by the stock exchange in future.

Further, the Green Bonds are also proposed to be listed on BSE. We are required to comply with various applicable rules and regulations pertaining to monitoring and reporting on green debt securities as provided under Chapter IX of the SEBI Master Circular. Any non-compliances in future, despite best efforts, may subject us to certain penal actions, including penal actions by regulatory authorities and applicable laws, which may have an adverse effect on our operations, reputation and financial condition

6. The elections of the local bodies of the Corporation have not taken place as on date and there is no Mayor or Deputy Mayor of the Corporation at present and the operations of the Corporation are being managed by the Administrator, which may adversely affect the reputation and effective functioning of the Corporation.

Pursuant to the Order of the Department of Urban Development, Government of Maharashtra bearing

reference number MCO- 2020/Case/P. No. 71 (Part-2)/UD-14 dated March 03, 2022, the term of the Pimpri-Chinchwad Municipal Corporation has come to an end on March 13, 2022 and the charge of the post of Administrator has been entrusted to the Municipal Commissioner of the Corporation. In pursuance of the Government Order No. A.S. Letter No. AEO-1122/5/2022/10 dated August 16, 2022, Shri. Shekhar Singh, has been appointed as Commissioner of the Corporation and is presently holding charge as Administrator of PCMC with effect from August 18, 2022.

Under the provisions of Section 452A of the MMC Act, the Administrator is empowered to carry out the various functions of the Corporation, till such time as a new Corporation is formed through elections. Presently, there are no officials elected in the post of Mayor or Deputy Mayor of the Corporation, and the General Body and Standing Committee are not constituted as required under the provisions of the MMC Act. Further, as there are no elected councilors, who represent the interests of the citizens residing in the wards in which they are elected, the reputation and effective functioning of the Corporation may be adversely affected.

7. Our statutory auditors have highlighted few observations/ remarks/ discrepancies in their audit reports relating to our audited financial statements.

Our statutory auditors have highlighted few observations / comments / discrepancies / inconsistencies or notes in the audit reports dated in the audit reports dated June 07, 2024 for F.Y. 2023-24, dated June 30, 2023 for FY 2022-23 and dated March 06, 2023 for FY 2021-22.

Brief Summary of the observations/remarks/discrepancies is as below

As per the Auditor's Report dated June 07, 2024 for F.Y. 2023-24:

- a. Several account heads have been restated by the Auditor without considering the adjustments required for the previous year as per their audit.
- b. Detailed list of deposits received from contractors is not available to confirm the balances.
- c. Balance of Loan from World Bank is based on loan repayment schedule given by aid Accounts & Audit division of Department of Economy Affairs of Ministry of Finance of GoI.
- d. Details of the provisions, capital work-in-progress, closing inventories are based on information received from concerned department as details are not available for audit.
- e. Accounting for income recognition, provisions and closing dues towards Rent Receivables is not properly followed.
- f. Retirement benefits accruing to the employees of the Corporation during Fiscal 2024 are provided on cash basis.
- g. Revenue from grants and establishment expenses are recognized and considered on cash basis.
- h. The Corporation does not have confirmation/ detailed breakup regarding deposits received, creditors' balances, and other current liabilities.
- i. Assets created from grants received from the Government are not separately disclosed, and details of the physical verification of fixed assets are not available, accordingly Auditors are not in a position to confirm any impairment of cash-generated assets.
- j. Bank Reconciliation is pending. Differences in the bank closing balance between the book of accounts and bank statements have also been observed.
- k. The Corporation has not disclosed the information as per the Accounting standards of Local bodies pertaining to Related Party Disclosures; Impairment on Non- Cash Generating Assets; Property, Plant and Equipment; Revenue from Non- Exchange Transaction (Taxes and Transfers), Inventories and Employee Benefits.
- l. Except for one case, any other information on pending legal claims has not been provided to the Auditor.

As per the Auditor's Report dated June 30, 2023 for F.Y. 2022-23:

- a. Several account heads have been restated by our Auditor without considering the adjustments required for the previous year as per their audit.
- b. Detailed list of deposits received from contractors is not available to confirm the balances.
- c. Balance of Loan from World Bank is based on loan repayment schedule given by aid Accounts & Audit division of Department of Economy Affairs of Ministry of Finance of GoI.

- d. Details of the provisions, capital work-in-progress, closing inventories are based on information received from concerned department as details are not available for audit
- e. Accounting for income recognition, provisions and closing dues towards Rent Receivables is not properly followed.
- f. Retirement benefits accruing to the employees of the Corporation during the year are provided on cash basis.
- g. Revenue from grants and establishment expenses are recognized and considered on cash basis.
- h. The Corporation does not have confirmation regarding deposits received, creditors' balances, and other current liabilities.
- i. Assets created from grants received from the Government are not separately disclosed, and details of the physical verification of fixed assets are not available, accordingly Auditors are not in a position to confirm any impairment of cash-generated assets.
- j. Bank Reconciliation is pending. Differences in the bank closing balance between the book of accounts and bank statements have also been observed.
- k. The Corporation has not disclosed the information as per the Accounting standards of Local bodies pertaining to Related Party Disclosures; Impairment on Non- Cash Generating Assets; Property, Plant and Equipment; Revenue from Non- Exchange Transaction (Taxes and Transfers), Inventories and Employee Benefits.
- l. Information on pending legal claims was not provided to the Auditor; therefore, they are unable to confirm on contingent liabilities.

As per the Auditor's Report dated March 06, 2023 for F.Y. 2021-22:

- a. Several account heads have been restated by our Auditor without considering the adjustments required for the previous year as per their audit.
- b. Detailed list of deposits received from contractors is not available to confirm the balances.
- c. Balance of Loan from World Bank is based on loan repayment schedule given by aid Accounts & Audit division of Department of Economy Affairs of Ministry of Finance of GoI.
- d. Details of the provisions, capital work-in-progress, closing inventories are based on information received from concerned department as details are not available for audit
- e. Accounting for income recognition, provisions and closing dues towards Rent Receivables is not properly followed.
- f. Retirement benefits accruing to the employees of the Corporation during the year are provided on cash basis.
- g. Revenue from grants and establishment expenses are recognized and considered on cash basis.
- h. The Corporation does not have confirmation regarding deposits received, creditors' balances, and other current liabilities.
- i. Assets created from grants received from the Government are not separately disclosed, and details of the physical verification of fixed assets are not available, accordingly Auditors are not in a position to confirm any impairment of cash-generated assets.
- j. Bank Reconciliation is pending. Differences in the bank closing balance between the book of accounts and bank statements have also been observed
- k. The Corporation has not disclosed the information as per the Accounting standards of Local bodies pertaining to Related Party Disclosures; Impairment on Non- Cash Generating Assets; Property, Plant and Equipment; Revenue from Non- Exchange Transaction (Taxes and Transfers), Inventories and Employee Benefits.
- l. Information on pending legal claims was not provided to the Auditor; therefore, they are unable to confirm on contingent liabilities.

8. All our Projects for which funds are being raised have not been appraised by any bank or government or regulatory body or financial institution and are not insured for any losses. The non-implementation of the Projects as per the schedule of implementation will affect the Issuer's performance and asset generation capacity and thereby impacting the operations, cashflow and financial conditions of the Issuer.

All our Projects for which funds are proposed to be financed through the Green Bonds and internal accruals of PCMC have not been appraised by any bank or government or regulatory body or financial institution. The cost of the Projects are based on the details, estimates and assumptions approved by the Bond Issue Committee and certified by the respective Project Consultants for the Projects vide their

certificates dated March 13, 2025. Our budgeted costs for the Projects may be insufficient to meet our proposed capital expenditure requirements. Although PCMC would endeavor to complete the all the Projects on time and within the prescribed cost, a funding gap could develop due to cost overruns, which may pose a contingent budgetary risk for PCMC. Further, while insurance coverage are expected to be taken for the Projects to cover the risk of accident and loss to work, in case of any loss caused to the Projects due to fire, earthquake, flood or any other natural calamities etc. that may not be covered under the insurance policy might lead to cost and time overruns. Despite best efforts of the Issuer to complete the Projects as per the estimated timelines, the non-implementation of the Projects as per the schedule of implementation due to unforeseen circumstances beyond the Issuer's control, will affect the Issuer's operations, cash flows and financial conditions of the Issuer. The schedule of implementation has been provided under the section titled "*Objects of the Issue*" on page no. 54.

9. **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 Bonds. We cannot assure that we will be able to successfully raise the Bonds and any failure to raise funds through issuance of Bonds in a timely manner may impact our ability to receive incentive from Ministry of Housing and Urban Affairs, Government of India.**

The Corporation will be eligible to receive incentive as per D.O. No. K-14012/01/2022-AMRUT-IIB dated May 31, 2024 from Ministry of Housing and Urban Affairs Government of India under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising of funds through the proposed Bonds.

AMRUT 2.0 was launched with the objective of making cities 'Aatma Nirbhar' and water secure. Under the said notification for AMRUT 2.0, the first 20 urban local bodies on 'first come, first serve' basis during the mission period to issue municipal bonds by urban local bodies for raising bonds for the first time shall be eligible for incentive of ₹ 13 crores for every ₹ 100 crores of bonds, subject to a maximum of ₹ 26 crores per urban local body. Pursuant to the aforesaid notification, urban local bodies, which have already claimed incentive during AMRUT or AMRUT 2.0 periods, by issuing municipal bonds will be eligible for incentive second time if they issue green bonds. Incentive will be ₹ 10,00,00,000 (Rupees Ten Crores) for every ₹ 100,00,00,000 (Rupees One Hundred Crores) of green bonds issued by urban local bodies, subject to a maximum of ₹ 20,00,00,000 (Rupees Twenty Crores) per urban local body.

Any failure by us to complete the Issue in a timely manner due to future events, unforeseen circumstances or reasons beyond the control of the Issuer may impact our ability to claim incentives under AMRUT 2.0 from Government of India, Ministry of Housing and Urban Affairs.

10. **Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our operations and reputation.**

Our financing agreements impose restrictions including a requirement to obtain prior consent under one of the financing agreements for creation of security interest over our assets and raising further indebtedness. For the purpose of the Issue, we have obtained the necessary consent from our lenders, as required under the relevant facility documentations for undertaking the Issue including consequent actions, such as creation of security for the Issue, etc. Further, any breach under our financing agreements even after reasonable efforts due to any unforeseen future circumstances that are outside our control could result in acceleration of our loan repayments or trigger a cross - default under our other financing agreements. In some of our financing agreements, the lender may, at its discretion, terminate or cancel the facility with immediate effect if we default under any other material agreements with any other financing institution, adversely affecting our operations and financial condition. For further details, see Section titled "*Financial Information*" beginning on page no. 100 of this Preliminary Placement Memorandum.

11. **We are dependent on grants and support in the form of budgetary allocation from Central and State Government for Central and State Government projects. Failure to obtain grants or any reduction in funding in the form of grants or budgetary allocation from the government may adversely impact such projects.**

The projects undertaken by the Issuer are very capital intensive and any reduction in budgetary allocation of capital, funding or non-receipt of grants from the GoI and GoM may materially affect such projects' operations and Issuer's performance and asset generation capacity. Since grants are one of the main

sources of revenue for the Issuer for such projects, any irregularity in release of grants may affect the project implementation schedules and financial condition of the Issuer. After the introduction of GST, the amount of grant received by us from GoM has been increased to compensate for the loss of revenue. Any delay in receipt of the grant may have an impact on our liquidity position. For details of grants received from the State Government please refer to “*Section VI: About the Issuer and Capital Structure of the Issuer*” on page no. 43 of this Preliminary Placement Memorandum.

Further, the growth plans of the Issuer are mainly determined by the amount of grants and support in the form of budgetary allocations and any adverse developments in the policy of the government in the manner in which it seeks to address the development of the infrastructure needs of India will have a material and adverse effect on the Issuer’s operations. Moreover, if the funding from grants decreases or if there is any adverse change in the pattern of allocation of the tax collected by GoI or if there is a downturn in the macroeconomic environment in India or in the sectors which are directly dependent on the infrastructure projects that the Issuer undertakes/ proposes to undertake, the Issuer’s operations and future performance for Central and State Government projects could be materially and adversely affected and may also have an adverse impact on the projects undertaken by the Issuer.

The proposed Projects are being funded by the internal accruals of the Issuer and proceeds from this Issue and are not dependent on any capital grants. For further details please refer to “*Capital Structure Relating to Projects which Funds are proposed to be mobilized*” under “*Section VI: About the Issuer and Capital Structure of the Issuer*” on page no. 43 of this Preliminary Placement Memorandum.

12. We also receive GST compensation as a share of our revenue receipts. There may be delay in receipt of GST compensation from the Government of Maharashtra.

A substantial share of revenue receipt comprises GST compensation receipt from the Government of Maharashtra. GST compensation was approximately 40.86% of the revenue receipt during the FY 2023-2024. We receive the share of GST compensation as per the budgetary allocations for ULBs by the Government of Maharashtra. While the compensation is being received in a timely manner, the susceptibility of revenue to delay in receipt/regulatory changes exist. Accordingly, any delay in receipt of GST compensation from the Government of Maharashtra may have an impact on our liquidity position.

13. Considering the nature of the Issuer and non-applicability of SARFAESI, recovery proceeding, if any, initiated in case of any default might take longer which may have a negative impact on the ability of the investor to recover the Investors' dues.

The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 does not apply to the Issuer.. A minimum-security cover of 1 time will be maintained during the tenor of the Debentures. In any event of default, the Debentures Trustee shall take all steps to ensure redemption of Debentures and enforcement of Security or any other legal recourse available to the Bond Holders as per the terms of the Transaction Documents and in accordance with the Applicable Law. Given the nature of the Issuer and type of security being offered in the Issue, in case of any default by the Issuer the process to be followed for recovery of Investor’s monies might be time consuming.

Credit Risk

14. The credit rating assigned to Bonds may be downgraded. Any downgrading in credit rating of the Issuer and/or the Bonds may adversely impact our creditworthiness and, thus, our ability to raise further debts

CARE Ratings has *vide* its letter dated August 07, 2024, assigned a rating of CARE AA+; Stable, revalidated *vide* its letter dated March 05, 2025 and has issued a rating rationale dated August 09, 2024, CRISIL has *vide* its letter dated July 04, 2024 assigned a rating of Provisional CRISIL AA+/Stable, revalidated *vide* its letter dated March 03, 2025 and has issued a rating rationale dated December 26, 2024. The above-mentioned credit ratings may not reflect the potential impact of any future uncertainties related to structure, market and/or other factors that may affect the value of the Bonds.

However, if there is a deterioration in our financial performance or position, accumulation of debt or if there are any statutory or regulatory restrictions detrimentally affecting our ability to collect revenues or manage expenditures due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, our credit rating and credit rating assigned to the Green Bonds may be downgraded. Any downgrading in our credit rating or credit rating of instruments will result in an enhanced risk to the Bond Holders.

Further, in terms of the rating rationale issued by CARE Ratings on August 09, 2024 and CRISIL on December 26, 2024 and the outlook has been kept as 'Stable', considering the structured payment mechanism for servicing of bond servicing, stable revenue generation from tax revenues, assigned revenues and compensations and revenues grants, contribution and subsidies, steady progress in ongoing capital expenditure plans and generation of adequate net surplus.

The Issuer cannot guarantee that the credit rating(s) of the Issuer or the Green Bonds will not be downgraded by the Rating Agencies in future. Thus, the credit rating(s) is not a recommendation to buy, sell or hold the Green Bonds and investors should take their own decisions.

The ratings provided by the Rating Agencies may be suspended, withdrawn or revised at any time including without limitation on financial deterioration of the Issuer. Any revision or downgrading in the above credit rating may lower the value of the Green Bonds and may also affect the Issuer's ability to raise further debt. In such cases where the value of the Green Bonds decreases, potential investors may incur losses on sale of their investment in the secondary market. Please refer to Annexure II on page A-6 for rating letters, revalidation letters and rationales for the above rating.

Financial Risk including Liquidity Risk

15. Low Collection ratios of Issuer that may impact the financial condition of the Issuer.

The overall collection ratios of Property Tax which is one of the main sources of own revenue for the Issuer are low at 45.09%* in Financial Year 2023-2024, 37.44%* in Financial Year 2022-2023 and 30.37%* in Financial Year 2021-2022. The total collection of Property Tax is ₹ 929.90 crores in FY 2023-2024, ₹ 814.93 crores in FY 2022-2023 and ₹ 606.06 crores in FY 2021-2022. Though the current collections have increased during last three years, the overall collection ratios have remained low. While the Issuer has implemented various reforms, measures and established systems to improve the collection of Property Tax, due to unforeseen circumstances beyond the control of the Issuer, there can be no assurance that the total collection may not decrease in future which will have an impact on the financial condition of the Issuer. The portion of property tax due but not collected is shown as receivables in our financial statements. While the Issuer takes certain measures, from time to time, to collect such arrears, despite best efforts there can be no guarantee for timely collection of such arrears.

Any shortage in collections in any period may result in a mismatch in revenue and expenditure of the Issuer and the funds may be inadequate for transfer to the Escrow Account. Such shortfall will impact the Issuer's financial condition and the Issuer's ability to meet its obligations in respect of the Green Bonds.

**For further details please refer to the details of Property Tax collection (Details of Property Tax Collection) of Section X: Financial Information on page 100.*

16. PCMC may not be able to pay interest accrued on the Green Bonds and/ or the principal amount in timely manner as outstanding from time to time.

While the Issuer will take all reasonable steps to pay the accrued interest and / or the principal amount in timely manner, the Bond Holders may not be able to recover, on a timely basis, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Green Bonds.

PCMC's ability to timely pay interest accrued on the Green Bonds and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including inter-alia timely completion of the Projects, on-time recovery of Property tax collections and the general economic conditions prevailing in India and in the global financial markets. Though Issuer has created a structured payment mechanism through which the Property Tax Income or any other specified revenue/cashflow deposited in the account(s) where Property Tax Income shall be collected for debt

servicing in favor of the Debenture Trustee for the Bond Holders to ensure sufficient funds for repayment of principal and interest accrued thereon, the realizable value of the Green Bonds may be lower than the outstanding principal and/ or interest accrued thereon and consequently, the potential investor may not be able to recover on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Green Bonds.

Business Risk

17. The Issuer is dependent on information technology and any breach on information technology may affect the Issuer's activities

The Issuer's operations are dependent on information technology. The Issuer has undertaken various reforms towards digitisation of payment of tax and other services. A failure, inadequacy or security breach in the information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect the Issuer's activities, timely collection of taxes and the Issuer's financial condition.

The Issuer's ability to maintain and upgrade its information technology systems and infrastructure on a timely and cost-effective basis, including the ability to process a large number of transactions on a daily basis may have an impact on the Issuer's business. The Issuer's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Issuer has engaged various private sectors entities for enabling the digitalization. If any of these entities is unable to meet the desired objectives these services may fail to operate adequately or become disabled as a result of events that may be beyond the Issuer's control, including a disruption of electrical or communications services. Further, the computer systems, software and networks may be vulnerable to unauthorised access, computer viruses or other attacks that may compromise data integrity and security and result in information or identity theft, as a consequence of which the Issuer's operations and future performance could be materially and adversely affected.

18. Reliance on third-party intermediaries, contractors and service providers.

The Issuer while undertaking various projects relies on third-party intermediaries, contractors and service providers who may not perform their obligations satisfactorily or in compliance with Applicable Laws.

The Issuer enters into outsourcing arrangements/ contracts with contractors/ service providers for undertaking various contracts and with third party vendors for providing various services. Any failure by the contractors or service providers to provide a specified service, develop the Projects and maintain it or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements may result in financial loss, loss of reputation, delay in the Projects and have an adverse impact on the financial condition of the Issuer. While the Issuer ensures sufficient measures are undertaken and clauses are built in the agreements with the contractors / service providers/ third parties to prevent such risks, these measures may not be sufficient to deter such activities in all cases, which may adversely affect our operations and profitability.

19. Labour Related Risks

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of such stringent labour regulations, it is difficult for the Issuer to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business, financial condition and results of operations. Strikes or work stoppages or any mishaps/ accidents impacting the labour in future could have an adverse impact on the Issuer's operations. Recently, the Government of India has given its assent to enact (i) Code on Wages, 2019 (ii) Industrial Relations Code, 2020 (iii) Code on Occupational Safety, Health & Working Conditions Code, 2020 (iv) Code on Social Security, 2020 which has replaced some of the existing labour laws with the objective to simplify and modernize labour regulations. However, the rules under the abovementioned codes are yet to be notified by the Central Government and by the State Government.

The Issuer, from time to time, for certain activities, appoints independent contractors who in turn may engage on-site contract labour for performance of certain activities. The Issuer may be held responsible

for any payment of wages/ compensation for any accidents or losses relating to such contracted labourers in certain cases even though such labourers are not directly engaged by the Issuer. Such an event may have an adverse impact on the Issuer's financial position and operations.

While the Issuer endeavours that sufficient insurance policy to safeguard or protect the labourers is procured by the contractors, the Issuer may be held liable for any large uninsured losses or amounts. If the Issuer is held liable for any such claims, the Issuer's business, results of operations and financial condition may be materially and adversely affected

20. The Issuer has certain contingent liabilities, the materialisation of which may adversely affect the Issuer's financial condition.

The Issuer, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Issuer does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on the Issuer's financial position or results of operations, yet litigation is inherently unpredictable. Therefore, the Issuer could incur judgments or enter into settlements of claims that could adversely affect the Issuer's operating results or cash flows in a particular period. As on the date of this Preliminary Placement Memorandum, there are a number of ongoing civil and consumer claims against the Issuer. While for some cases, some deposits have already been done with the regulatory authorities however, there may be other cases wherein provision for contingent liabilities has not been recognized in the Issuer's financial statements. The outcomes of these cases are remote and the financial implications are not ascertainable. In the event, any of these contingent liabilities materialise, the Issuer's financial condition may be adversely affected.

We have the following contingent liability and commitments as of the date of the latest audited financial statements i.e. FY 2023-24 which could adversely affect our operations:

Financial Years	Project Name	Status	Amount of Claim
FY 2022	Nil	Nil	Nil
FY 2023	Nil	Nil	Nil
FY 2024	Pawana Pipe Line Project	Arbitration	Rs.500 Crore including Interest

21. The Issuer has instances of delayed payment/ non-payment of statutory dues, which may attract additional charges and affect the Issuer's financial condition.

Additionally, the Issuer has instances of delayed payment/ non-payment of statutory liabilities like Tax-Deducted at Source, Professional Tax, Income Tax etc. For details of non-payment of statutory dues of the Issuer, please refer to paragraph H "*Details of non-payment of statutory dues*" of *Section XI: Legal and Other Information* on page no. 123 of this Preliminary Placement Memorandum. Such instances may attract additional charges towards penalty, late payment fees, late filing fees, interest payments as per applicable provisions and may affect the Issuer's financial condition.

22. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees or third parties, which could harm our results of operations and financial position.

We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees or third parties, which could harm our results of operations and financial position. We may do cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, or due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

- 23. If we are unable to protect our trademarks, others may be able to use our trademarks and tradenames to compete more effectively. Also, we may breach third-party intellectual property rights.**



Our logo ‘’ is not registered with the Trademarks Registry.

We will not be able to avail legal protection under the trademark or prevent unauthorized use of such trademarks by third parties. Our efforts to protect our intellectual property or proprietary information and the measures we take to identify potential infringement of our intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. Any such misappropriation or duplication of our name, registered/ official addresses, corporate logos or other intellectual property or proprietary information may disrupt our business, distract management and employees, reduce revenues and increase expenses. In addition, we may also become subject to infringement claims. Even if claims against us are not meritorious, any legal, arbitral or administrative proceedings that we may be required to initiate or defend in this regard may be time-consuming, costly and harmful to our reputation, and there is no assurance that such proceedings will ultimately be determined in our favor. Furthermore, the application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of our brand in Indian markets. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition and results of operations.

We may be subject to claims by third-parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, trademarks or other such rights that are of a similar nature to the intellectual property these third-parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third-parties.

To the best of our knowledge, our use of the trademark has not infringed upon any existing intellectual property rights and such usage is not in conflict with, or in violation of any Applicable Law or any binding contractual or fiduciary obligation. However, any legal proceedings that result in a finding that we have breached third-parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third-parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

EXTERNAL RISK FACTORS

General Risk

- 24. Political Scenario prevailing in India might risk our business.**

Periodic elections and/ or rotation of the officers might pose a risk to the operations of the Issuer since a change in the government might shift the policy focus for the municipal corporation which will impact the ongoing activities of the Issuer. Such changes in policy focus might affect the relative priority of capital expenditures for the Project and other projects undertaken by the Issuer.

- 25. Any future changes in Government Policies may affect the collection of revenue of the Issuer and may also affect the management of the expenditure.**

The Issuer's operations are dependent on the policies of the government, central as well as state initiatives. Any future changes in government policies detrimental to the Issuer may affect the collection of revenue of the Issuer and may also affect the management of the expenditure of the Issuer. Any lack of support in terms of regulatory initiatives will adversely affect the Issuer's operations, as will any delayed response in policy alteration or other regulatory impediments, which will adversely affect the Issuer's operations. Additionally, policies of central and state government which mandate urban local bodies to focus on development in certain specific sectors or areas or future events, unforeseen circumstances or reasons beyond the control of the Issuer will affect the Issuer's projects and operations.

26. Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

The Issuer is subject to changes in Indian laws, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

27. The secondary market for the Green Bonds may be less liquid.

The Green Bonds may be less liquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Green Bonds, it might not offer substantial liquidity. Potential investors may have to hold the Bond until redemption to realise any value.

There can be no assurance that an active market for the Green Bonds will develop. If an active market for the Green Bonds fails to develop or be sustained, the liquidity and market prices of the Green Bonds may be adversely affected. The market price of the Green Bonds would depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country (ii) the market for listed debt securities, (iv) general economic conditions, and (v) our reputation, financial performance and results of operations.

The aforementioned factors may adversely affect the liquidity and market price of the Green Bonds, which may trade at a discount to the price at which you purchase the Green Bonds and/or be relatively illiquid.

28. External factors like natural calamities, pandemics, protest, riots, terrorism etc. may affect our operations and may delay the implementation of proposed Project.

Any occurrence of natural calamities like storm, flash floods, any instance of pandemics, protest, riots etc. could hamper the transportation facilities, impact mobility and functioning of the city and hence the implementation of proposed Project. Though we are scaling up our internal systems to take care of any such sudden events, in case they occur in future, these conditions may result in hampering the functioning of PCMC due to additional cost burden for retrieving the city back to normalcy.

29. Decentralization with respect to Municipal Corporations

PCMC has legislative and administrative control over its operating revenues, expenditures and capital plans, as permitted under the MMC Act. Nevertheless, changes in State and Central Government revenue sources and regulatory frameworks could have an effect on the credit profile of PCMC (positive and negative), should those changes result in devolution of power, of revenues or of spending mandates.

Additionally, being a government organization, PCMC is subject to regulations by Indian governmental authorities. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect PCMC.

30. The Issue may not be fully subscribed to by potential investors.

In case the Issue is not fully subscribed to by potential investors, the Issuer may be unable to meet the funding requirements of the Project from the proceeds of the Issue to the full extent. The Issuer may be required to raise additional funds to meet the shortfall in funding the Eligible Green Projects through other sources which may lead to a delay in the completion of the Projects. The funding gap may develop due to such shortfall in full subscription to the Issue, in which case the Issuer may utilize its internal accruals or obtain funding through other means for completion of the Projects.

31. 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.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United

States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about a municipal corporation listed on an Indian stock exchange compared with information that would be available if that the said municipal corporation was listed on a securities market in certain other countries. As a result, investors may have access to less information about the operations, results of operations, cashflows and financial conditions than you may find in the case of municipal corporations listed on a securities market of other more developed countries.

Risk in relation to the Green Bonds

- 32. The Issuer shall do all necessary actions for listing of the bond in timely manner, however there is no assurance that the Green Bonds issued pursuant to this Issue will be listed on BSE Limited in a timely manner, or at all.**

In accordance with Indian law and practice, permissions for listing and trading of the Green Bonds issued pursuant to the Issue will not be granted until after the Green Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the Green Bonds on BSE Limited for reasons unforeseen. In case of delay in listing of the Debentures beyond 3 (Three) days from the Issue Closing Date, the Issuer shall pay penal interest of at least 1% p.a. (One percent per annum) which shall be paid over and above the Coupon Rate for the period of delay (i.e. from the date of allotment to the date of listing) as specified in Chapter VII of the SEBI Master Circular.

While the Issuer shall ensure compliance with the provisions related to the timelines for listing of securities as specified in Chapter VII of SEBI Master Circular, in case the Issuer fails to obtain listing or trading permission from the Stock Exchange, our Corporation shall refund the entire monies received within seven days of the receipt of intimation from BSE rejecting the application for listing of Bonds, and if any such money is not repaid after the issuer becomes liable to repay it, the Issuer shall be liable to repay that money with interest at the rate of 15% (fifteen percent) per annum till such refund is made. Thus, there is no assurance that the Bonds issued pursuant to the Issue shall be listed on the Stock Exchange in a timely manner, or at all.

- 33. The debenture holders of existing non-convertible debentures issued earlier on a private placement basis have *pari passu* charge over the Security being provided.**

The debenture holders of existing non-convertible debentures issued earlier on a private placement basis have *pari passu* charge over the Collection Account and Escrow Account being provided as part of Security for this Issue. The Security for the Issue includes first *pari passu* charge over present and future receivables pertaining to Property tax or any other tax/specified revenue/cash flow towards the Minimum Security Cover in addition to *pari passu* charge over as the Collection Account and Escrow Account. In case of enforcement of security, debenture holders of existing non-convertible debentures issued earlier on a private placement basis will rank *pari passu* with the Bond Holders of the Green Bonds w.r.t. the Collection Account and Escrow Account and to that extent, may reduce the amounts recoverable by the NCD Holders.

Further, we may raise further borrowings and charge our existing assets subject to receipt of necessary consents from existing lenders, wherever applicable.

- 34. 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**

All securities where a fixed rate of interest is offered, such as the Green Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rate, i.e., when interest rates rise prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest which frequently accompany inflation and/ or a growing economy are likely to have a negative effect on the price of the Debentures.

The secondary market pricing of the Green Bonds is subject to factors affecting the general economic

condition in India and in the domestic and global financial markets. All securities where a fixed rate of interest is offered, such as in the present case, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rate rises prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity, credit rating and the increase or decrease in the level of prevailing interest rates. Thus, the investor may face volatility in the price of the bond issued due to above mentioned factors.

35. There may be nil or partial allotment to investors in case of oversubscription of the Issue.

In case the Issue is oversubscribed the allotments will be made to the applicants on yield-time priority/pro-rata basis in line with the SEBI EBP Guidelines and BSE EBP Guidelines and the investors may not receive allotment to the full extent of their application size or any allotment at all. Accordingly, the investors may get partial allotment case of oversubscription of the Issue, depending on their bids on the EBP Platform, in accordance with SEBI EBP Guidelines and BSE EBP Guidelines.

36. The investors may be subject to taxes arising on the sale of the Bonds.

Sale of the Bonds by any holder may give rise to tax liability. The returns received by the investors from the Bonds issued by the Issuer in the form of interest and the gains on the sale/transfer of the Debentures may be subject to tax liabilities under the Income Tax Act, 1961, as amended from time to time. For details of possible tax benefits available to the Issuer and holders of the Bonds under the applicable laws in India, are discussed in the section titled “*Tax Benefits*” on page no. 70.

37. The Green Bonds are subject to the risk of change in law.

The terms and conditions of the Green Bonds are based on Indian law in effect as of the date of issue of the relevant Green Bonds. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the relevant Green Bonds and any such change could materially and adversely impact the value of any Green Bonds affected by it.

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

- (i) **Name of the Issuer** : Pimpri Chinchwad Municipal Corporation
- (ii) **Head Office of the Issuer** : **Head Office :**
Pimpri Chinchwad Municipal Corporation,
Mumbai-Pune Road, Pimpri - 411018, Maharashtra
Phone: +91-020-6733 3333/ 020-2833 3333
Email id: bond.account@pcmcindia.gov.in;
Website: www.pcmcindia.gov.in

(iii) **Other Offices of the Issuer***

Zonal Offices

- a) **A Zone Office**
Bhel chowk, Nigdi Pradhikaran, Nigdi-411019
- b) **B Zone Office**
Near Lokmany Hospital, Opp to Chinchwad Railway Station, Chinchwad-411033
- c) **C Zone Office**
Near Hockey poly grass ground, Neharunagar, Pimpri-411039
- d) **D Zone Office**
Rahatni, Aundh-Ravet road, Rahatni-411017
- e) **E Zone Office**
Panjarpol, Nashik highway, Bhosari-411039
- f) **F Zone Office**
Lokmanya Tilak chowk, Nigdi-411044
- g) **G Zone Office**
Property Tax office, near Thergaon school, Thergaon
- h) **H Zone Office**
Womens ITI Building, Kasarwadi-411034

** The addresses for the zonal offices of the Issuer have been certified by the Chief Accounts and Finance Officer vide its letter dated March 13, 2025.*

B. Details of the registered and corporate office of the Issuer

Not applicable, as the Issuer is a municipal corporation.

C. Details of Mayor/Deputy Mayor

As term of the Municipal Corporation has come to an end on March 13, 2022, at present there is no Mayor and Deputy Mayor of the Corporation. However, an Administrator is appointed the details of which are as under:

Sr. No.	Particulars	Designation	Date of appointment
1.	Shri. Shekhar Singh (I.A.S.)	Commissioner and Administrator*	August 18, 2022

** In reference to the order of Department of Urban Development, Government of Maharashtra numbering MCO- 2020/Case/P. No. 71 (Part-2)/UD-14 dated March 03, 2022, the term of the municipal corporation of PCMC got over on March 13, 2022. Further elections of the local bodies of the Corporation have not taken place as on date and there is no Mayor or Deputy Mayor at present, and new Standing Committee is not yet formed. Therefore, the Commissioner of PCMC was appointed as Administrator in accordance with the provisions of Section 452 A of the MMC Act which empowers the Administrator to execute all the powers and the functions of the Corporation under the Act. In pursuance to the Government Order No. A.S. Letter No. AEO-1122/5/2022/10 dated August 16, 2022, Shri Shekhar Singh, has been appointed as Municipal Commissioner of the Corporation & is presently holding charge as Municipal Commissioner cum Administrator of PCMC with effect from August 18, 2022.*

D. Details of Commissioner/Deputy Commissioner

Sr. No.	Designation	Name of the Officer	Date of Appointment for the Designation*
1.	Commissioner	Shri. Shekhar Singh (I.A.S.)	August 18, 2022
2.	Municipal Secretary & Additional Commissioner 3 (Additional Charge)	Shri. Indalkar Chandrakant Popat	July 18, 2024
3.	Additional Commissioner	Shri. Pradip Baburao Jambhale Patil	September 23, 2022
4.	Additional Commissioner 2	Shri. Vijay Kumar Khorate	July 07, 2023

**Date of taking charge at the Designation*

The Issuer does not have any Deputy Commissioner.

E. Details of the members of the Committee approving the project/ various Standing Committees relating to Taxation / Finance /Accounts/ Audit/ Infrastructure.

In accordance with Section 6 of the MMC Act, the maximum term of the Corporation is 5 (Five) years from the date of its first meeting. Further as per Section 20 read with Section 6A of the Act the Standing Committee of the Corporation consists of 16 (sixteen) councilors whose term of the office is co-terminus with the duration of the Corporation.

In reference to the order of Department of Urban Development, Government of Maharashtra numbering MCO-2020/Case/P. No. 71 (Part-2)/UD-14 dated March 03, 2022, the term of the Corporation ended on March 13, 2022. As elections for constituting the Corporation have not taken place as on date and a Standing Committee, which is to be constituted as per the provisions of the MMC Act is not yet formed.

Accordingly, as per Section 452 A of the Maharashtra Municipal Corporation Act, 1949 provides for power of State Government to appoint Government officer or officers to exercise powers and perform functions and duties of Corporation and accordingly the Hon'ble Commissioner of the Corporation, pursuant to the government order dated order of Department of Urban Development, Government of

Maharashtra numbering Admin./18/206/2022, dated March 14, 2022, has been appointed as Administrator to exercise all the powers and to perform all the functions and duties of Corporation under the MMC Act.

Currently, for the purpose of various operations, necessary approvals are taken by a standing committee presided over by the Municipal Commissioner, in his capacity as the Administrator which is attended by senior officials of the Corporation. Please refer *“Risk Factor #5 – The elections of the local bodies of the Corporation have not taken place as on date and there is no Mayor or Deputy Mayor of the Corporation at present and the operations of the Corporation are being managed by the Administrator, which may adversely affect the reputation and effective functioning of the Corporation.”* on page 24.

Bond Issue Committee

Bond Issue Committee of the Issuer has been formed by approval of the Administrator vide Standing Committee resolution bearing number 3693, dated July 09, 2024 and General Body resolution bearing number 629 dated July 16, 2024.

As per the letter of the Commissioner dated February 28, 2025, the Bond Issue Committee currently consists of the following members:

Name and Designation	Date of Appointment/Resignation*	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Shri. Shekhar Singh (I.A.S.), Commissioner	July 16, 2024	-	-
Members			
Shri. Pravin Devichand Jain, Chief Accounts and Finance Officer	July 16, 2024	-	-
Shri. Vijay Kumar Khorate, Additional Commissioner (2)	July 16, 2024	-	-
Shri. Ombase Pramod Sudhakar, Joint City Engineer	July 16, 2024	-	-

* Date of Appointment is the date wherein the BIC members became part of the said committee

F. Name, designation, address and DIN of each member of the board of directors of the issuer if the issuer is a company.

Not Applicable, as the Issuer is a Municipal Corporation.

G. Name, address, telephone number and email address of the compliance officer of the Issuer/ Official In-charge of dealing with Investor Grievances related to Municipal Green Bonds

Shri. Arun Kashinath Supe

Designation: Deputy Chief Accounts and Finance Officer

Address: Mumbai-Pune Road, Pimpri-Chinchwad, Maharashtra, 411018.

Ph. No.: +91- 9822804143

Email: bond.account@pcmcindia.gov.in

Email (Investor Grievance): bond.account@pcmcindia.gov.in

The responsibility of Mr. Arun Kashinath Supe as Compliance Officer and in-charge of investor grievances shall be till he has his designation as Deputy Chief Accounts and Finance Officer in PCMC and in case of his transfer/retirement/recuse, PCMC shall immediately handover the responsibility of

Compliance Officer to any other official of the same cadre holding his post.

H. Details of the Chief Accounts and Finance Officer or equivalent of the Issuer:

Shri. Pravin Devichand Jain

Designation: Chief Accounts and Finance Officer

Address: Mumbai-Pune Road, Pimpri-Chinchwad, Maharashtra, 411018

Ph. No.: +91 99675 19333

Email: p.jain@pcmcindia.gov.in

I. Arranger

The Merchant Banker to the Issue is also the Arranger. The details are set out below:

A. K. Capital Services Limited

Address: Unit No. 603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz- (East), Mumbai- 400 098

Tel: 022-67546500

Fax: 022-66100594

Email: pimprichinchwad@akgroup.co.in; varun.kaushik@akgroup.co.in

Contact Person: Varun Kaushik

Website Address: www.akgroup.co.in

Compliance Officer: Tejas Davda

Tel (Compliance Officer): 022-67546546

E-mail: tejas.davda@akgroup.co.in

Investor Grievance e-mail: investor.grievance@akgroup.co.in

SEBI Registration No.: INM000010411

CIN: L74899MH1993PLC274881

A. Debenture Trustee of the Issue

B. SBICAP Trustee Company Limited

Address: 4th Floor, Mistry Bhavan, 122 Dinshaw Wachha Road, Churchgate, Mumbai 400 020

Tel: 022-4302-5566

Contact Person: Rajiv Ranjan

Compliance Officer: Rajiv Ranjan

Email (Compliance Officer): Rajiv.Ranjan@SBICAPTRUSTEE.COM

Tel (Compliance Officer): 022 43025503

E-mail: corporate@sbicaptrustee.com

Website: www.sbicaptrustee.com

Investor Grievance e-mail: investor.cell@sbicaptrustee.com

SEBI Registration No.: IND000000536

CIN: U65991MH2005PLC158386

C. Registrar to the Issue:

KFin Technologies Limited

Address: Selenium, Tower B, Plot No - 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi TG 500032 IN

Tel: +91-40-67162222/7961 1000

Fax No.: +91 40 2343 1551

Email: srinivassudheer.venkatapuram@kfintech.com

Website: www.kfintech.com

Contact Person: Mr. Srinivas Sudheer Venkatapuram

E-mail (Investor Grievance): einward.ris@kfintech.com

SEBI Registration No.: INR000000221

CIN: L72400TG2017PLC117649

D. Credit Rating Agencies for the Issue:

CRISIL Ratings Limited

Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076

Tel: 91-22-3342 3000 (B)

Fax: 91-22-3342 3050

E-mail: crisilratingdesk@crisil.com

Website: www.crisil.com

Contact Person: Aditya Jhaver

Compliance Officer: Srilaxmi Pai

Tel (Compliance Officer): 91-022-6137300

Email (Compliance Officer): srilaxmi.pai@crisil.com

SEBI Registration No.: INCRA0011999

CIN: U67100MH2019PLC326247

CARE Ratings Limited

Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highways, Sion (E), Mumbai 400022

Tel: + 91-22-67543456

Fax: + 91-22-67543457

Contact Person: Mr.Meenal Sikchi

Email: meenal.sikchi@careedge.in

Compliance Officer: Ms. Rashi Shingal

Tel (Compliance Officer): +91-22-67543456

Email (Compliance Officer): rashi.shingal@careedge.in

Website: www.careratings.com

SEBI Registration No: IN/CRA/004/1999

CIN: L67190MH1993PLC071691

E. Auditors of the Issuer:

M/s Rakesh R Agarwal & Associates

Chartered Accountants

Address: M-2, Sharda Chamber No.1, 31, Keshavnagar Road, Bhat Bazar, Mumbai-400009

Tel: +9323496448

E-mail: rakeshagarwal.associates@gmail.com

Website: NA

Firm Registration No.: 119168W

Membership Number: 100223

F. Names, addresses, telephone numbers, contact person, website addresses and e-mail addresses of the lead manager(s), registrars to the issue, bankers to the issue, brokers to the issue and syndicate member(s); along with URL of SEBI website listing out the details of self-certified syndicate banks, registrar to the issue and depository participants, etc., if applicable.

Lead Manager	Not Applicable as the Issue is on a private placement basis.
Merchant Banker	A. K. Capital Services Limited Address: Unit No. 603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz-(East), Mumbai- 400 098 Tel: 022-67546500 Fax: 022-66100594 Email: pimprichinchwad@akgroup.co.in; varun.kaushik@akgroup.co.in Contact Person: Varun Kaushik Website Address: www.akgroup.co.in Compliance Officer: Tejas Davda Tel (Compliance Officer): 022-67546546 E-mail: tejas.davda@akgroup.co.in SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881
Registrar to the Issue	KFin Technologies Limited Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad, Rangareddi TG 500032 IN Tel: +91-40-67162222/7961 1000 Fax No.: +91 40 2343 1551 Email: srinivassudheer.venkatapuram@kfintech.com Website: www.kfintech.com Contact Person: Mr. Srinivas Sudheer Venkatapuram E-mail (Investor Grievance): einward.ris@kfintech.com SEBI Registration No.: INR000000221

	CIN: L72400TG2017PLC117649
Banker to the Issue	Bank of Baroda Address: Bank of Baroda, PCMC Premises Branch, Pimpri, Pune-411018 Tel: 9157320272 E-mail: drcchi@bankofbaroda.co.in Email (Investor Grievance): investorservices@bankofbaroda.com Website: www.bankofbaroda.co.in Contact Person: Dr. Abhishek Parmar SEBI Registration No.: INBI00000030 CIN: U99999MH1911PLC007676
Escrow Bank	Bank of Baroda Address: Bank of Baroda, PCMC Premises Branch, Pimpri, Pune-411018 Tel: 9157320272 E-mail: drcchi@bankofbaroda.co.in Email (Investor Grievance): investorservices@bankofbaroda.com Website: www.bankofbaroda.co.in Contact Person: Dr. Abhishek Parmar SEBI Registration No.: INBI00000030 CIN: U99999MH1911PLC007676
Brokers to the Issue	Not applicable as the Issue is on a private placement basis.
Syndicate Members	Not applicable as the Issue is on a private placement basis.
URL of SEBI Website listing out details of recognised Intermediaries	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

G. Names, addresses, telephone numbers and e-mail addresses of the Company Secretary, legal advisor, underwriters and bankers to the issuer.

Company Secretary to the Issuer	Not Applicable
Legal Advisor to the Issuer	Khaitan & Co One World Centre, 13 th Floor, Tower 1, 841 Senapati Bapat Marg, Mumbai 400 013 Phone: +91 22 66365000 Email: -
Underwriter to the Issuer	Not Applicable as the Issue is on a private placement basis.
Bankers to the Issuer*	Not Applicable

**The Issuer is not direct borrower for any loan facilities from any bank, the details of Issuer's borrowings are provided in the Section titled "Financial Information" on page 100.*

H. Debenture Trustee to the Issue

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, PCMC has appointed SBICAP Trustee Company Limited to act as Debenture Trustee (“**Debenture Trustee**”) for and on behalf of the holder(s) of the Green Bonds. A copy of letter from SBICAP Trustee Company Limited conveying their consent to act as Debenture Trustee for the current issue of Green Bonds and in all communications sent pursuant to the Issue as **Annexure IV**.

PCMC hereby undertakes that the rights of the Bond Holders will be protected as per the governing Act, agreement/deed executed/to be executed between PCMC and the Debenture Trustee. The Debenture Trustee Agreement/Deed shall contain such clauses as may be prescribed under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and various other circulars. Further the Debenture Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Debenture Trustee or PCMC in relation to any rights or interests of the holder(s) of the Green Bonds; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI Municipal Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustee or PCMC for loss or damage caused by their act of negligence or commission or omission.

The Bond Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Green Bonds as the Debenture Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Green Bonds.

The Debenture Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Debenture Trustees by the holder(s) of the Green Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Debenture Trustees. The Debenture Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

I. Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor’s grievance within 21 days of its receipt or in such manner as may be specified by the Securities and Exchange Board of India. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to bond.account@pcmcindia.gov.in. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of in the demat account, non-receipt of refund(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer and Officer In-Charge of dealing with investor grievances in relation to the municipal bonds are given at point G of this Section on “*General Information*” at page no. 37 in this Preliminary Placement Memorandum. The Corporation has already got itself registered with the SCORES platform of SEBI (SCORES ID: COMP00892) for the convenience of the investors for filing of any complaint.

SECTION-VI: ABOUT THE ISSUER AND CAPITAL STRUCTURE OF THE ISSUER

A. About the Issuer

Pimpri Chinchwad Municipal Corporation (PCMC) is the municipal body of Pimpri Chinchwad city. Presently, Mr. Shekhar Singh (I.A.S.) is the Commissioner and Administrator of the Issuer. Pimpri Chinchwad is covered under AMRUT and Smart City Scheme of Government of India.

Pimpri Chinchwad Municipal Corporation is governed by MMC Act, 1949.

a. Constitution of the Issuer

Pimpri Chinchwad Municipal Corporation was constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on October 11, 1982 under the Bombay Provincial Municipal Corporations Act, 1949 then applicable act in Pimpri Chinchwad, Maharashtra vide notification dated October 05, 1982 bearing reference PCC 1082/210(i)/UD-20.

The Issuer, being a corporation established under the MMC 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 2(45) of the Companies Act, 2013.

b. About Pimpri-Chinchwad

PCMC is governed by the Maharashtra Municipal Corporations Act, 1949 (amended periodically). PCMC was established on October 11, 1982, to govern the newly industrialised towns of Chinchwad, Akurdi, Pimpri, and Bhosari. Pimpri-Chinchwad is Pune's satellite city about 15 kms from Pune, India and 150 kms from Mumbai.

Pimpri Chinchwad is an industrial city that is now emerging as an upcoming residential and commercial centre. Due to several large scale industries in the city, several highways and high speed freight corridors run through various parts of Pimpri Chinchwad. The Pimpri Chinchwad Municipal Corporation has a population of 17,22,692 of which 9,42,533 are males and 7,85,159 are females as per the report released by Census India, 2011.

c. Composition of the Issuer

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

- a) a Corporation;
- b) a Standing Committee;
- c) Ward Committees;
- d) a Mayor and
- e) a Municipal Commissioner

In accordance with the Act, the Corporation consists of councilors chosen by direct election and shall continue for five years. The term of the councilors 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 councilors. The term of both the Mayor and deputy Mayor shall be of two and half years. The Corporation can appoint a special committee out of its own body to carry out specific works assigned to it. As per Section 36 of the MMC Act, the Commissioner is to be appointed by the State Government and shall hold office for such period not exceeding three years at the first instance; however his appointment can be extended for three years' term at a

time.

Pursuant to the order of Department of Urban Development, Government of Maharashtra bearing reference number MCO- 2020/Case/P. No. 71 (Part-2)/UD-14 dated March 03, 2022, the term of the municipality of PCMC got over on March 13, 2022. After the completion of the tenure of municipality, no elections have taken place. Accordingly, there are no elected councilors or mayor. The General Body and Standing Committee does not have any elected members at present and the Commissioner and Administrator appointed under Section 452A of the MMC is executing all the powers and the functions of the Corporation under the MMC Act.

d. **Elected representatives in PCMC**

PCMC area is divided into eight zones for administrative purposes and further divided into administrative wards and election wards. The political wing is an elected body of Municipal Councilors headed by a Mayor. As per the MMC Act, elections are held once in five years and the Mayor's tenure is maximum of two and half years. Currently, the Commissioner has been appointed as the Administrator in accordance to Section 452A of the MMC Act to take all executive and administrative decisions on behalf of the Corporation.

Under the MMC Act, 1949 (erstwhile BPMC Act) the powers are vested with three distinct statutory authorities of the elected wing, viz. General Body, the Standing Committee and other committees.

e. **Administrative Cadre in PCMC**

The Administrative wing of PCMC works under the command of the Commissioner who heads a team of officials comprising of Additional Commissioners, Deputy Commissioners, Assistant Commissioners and other officials like city engineer, chief accounts and finance officer and ward officers who administer their respective domains.

The State Government may create one or more posts of Additional Commissioners in the Corporation and appoint suitable persons on such posts, who shall, subject to the control of the Commissioner, exercise all or any of the powers and perform all or any of the duties and functions of the Commissioner and shall be subject to the same liabilities, restrictions and terms and conditions of service, to which the Commissioner is subjected to as per the provisions of MMC Act.

f. **Roles and Responsibilities of the Issuer**

Brief Summary of the Business/ Activities of the Issuer

The Act defines the scope and extent of responsibilities of the Issuer. The Issuer is mainly responsible for providing civic services to the Pimpri Chinchwad city.

The Corporation undertakes several works as provided in the Act, as enumerated below. However, this list is not an exhaustive list:

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;
 - (1)(a) planning for social and economic development:
 - (1)(b) urban forestry, protection of the environment and promotion of ecological aspects:
2. Watering, scavenging and cleansing of all public streets and places in the city and the removal of all sweeping therefrom;

3. 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;
4. Construction, maintenance and cleansing of drains and drainage works, and of public latrines, water- closets, urinals and similar conveniences;
5. Entertainment of a fire-brigade equipped with suitable appliances for the extinction of fires and the protection of life and property against fire;
6. 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. Lighting of public streets, municipal markets and public buildings vested in the Corporation;
8. Maintenance of a municipal office and of all public monuments and open spaces and other property vesting in the Corporation;
9. Naming or numbering of streets and of public places vesting in the Corporation and the numbering of premises;
10. Regulation and abatement of offensive and dangerous trades or practices;
11. 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. Construction or acquisition, maintenance and regulation of public markets and slaughterhouses and the regulation of all markets and slaughterhouses;
13. Construction or acquisition and maintenance of cattle-pounds;
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. Reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;
17. Registration of births and deaths;
18. Construction, maintenance, alteration and improvement of public streets, bridges, subways, culverts, cause-ways and the like;
19. Removal of obstructions and projections in or upon streets, bridges and other public places;
20. 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; Preventing and checking the spread of dangerous diseases;
21. Securing or removal of dangerous buildings and places;
22. Construction and maintenance of residential quarters for the municipal conservancy staff;

23. Fulfilment of any obligation imposed by or under MMC Act or any other law for the time being in force; and
24. 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.

g. Achievements

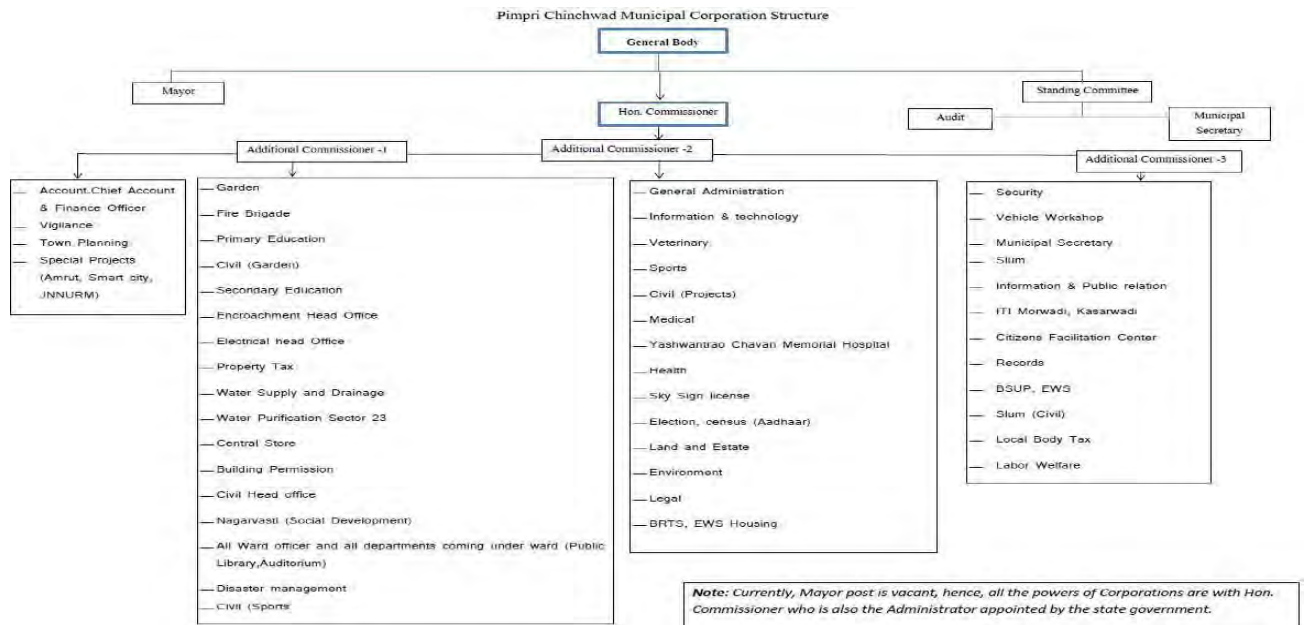
PCMC has been the recipient of various awards/appreciations some of which are enlisted below:

S. No.	Name of the Award / Appreciation	Purpose Achievement	Year	Name of Institution
1.	Platinum rating, IGBC Green Cities Rating System	Achieved the Green City Standards required for platinum rating	2024	Indian Green Building Council (IGBC)
2.	ESG assessments for cities in India, 2023	Rated as an achiever	2023	Center for Water and Sanitation, CEPT University and PwC India
3.	Certificate of Guinness World Records	For achieving the longest line of bicycles (static)	2023	Guinness World Records
4.	Award of Excellence, 16 th Urban Mobility India Conference and Expo	City with the best non-motorized transport system	2023	Ministry of Housing and Urban Affairs
5.	Open Data Week 2022	Certificate of award for top performance for Outstanding contribution towards promoting data driven governance	2022	Smart Cities Mission. MoHUA
6.	Rajiv Gandhi Prashaskiya Gatimanta Award	Best performance in e-governance, adoption of modern concepts in office management and people oriented organization	2022	Government of Maharashtra
7.	City E-governance Index	1st Rank amongst cities in Maharashtra	2022	Policy Research Organisation
8.	Swachh Survekshan 2022	Swaccha City award awarded to Best City in the Citizen Feedback in 10-40 lakh population category	2022	Ministry of Housing and Urban Affairs
9.	4 Stars in Climate Smart City Assessment Framework 2.0	Commendable performance in building climate resilience	2022	Ministry of Housing and Urban Affairs

B. Details of the capital structure of the Issuer, if applicable.

The Issuer is a municipal corporation and as per MMC Act there is no share capital in any municipal corporation.

C. Details of the management structure of the Issuer.



D. Shareholding pattern of the issuer along with top 10 shareholders of the issuer, if applicable.

The Issuer is a Municipal Corporation and does not have any share capital or shareholders.

E. Resolution authorizing the borrowing and list of authorized signatories.

Sr. No.	Approvals for the Issue
1.	Approval from Administrator vide Standing Committee Resolution No. 3693 dated July 09, 2024 in relation to issue of bonds and constitution of Bond Issue Committee.
2.	Approval of the Administrator vide General Body Resolution No. 629 dated July 16, 2024 in relation to issue of bonds and constitution of Bond Issue Committee.
3.	Bond Issue Committee Resolution dated November 20, 2024 approving the framework of Green Bonds
4.	Approval of the Government of Maharashtra dated February 13, 2025, in relation to issue of Green Bonds.
5.	Letter of the Municipal Commissioner dated February 28, 2025 confirming the members of the Bond Issue Committee.
6.	Bond Issue Committee Resolution dated March 13, 2025 approving the Objects of the Issue and the issuance of Green Bonds and Term Sheet including Security for the Issue.
7.	Bond Issue Committee Resolution dated March 13, 2025 approving the PPM.

F. Details of necessary Resolution(s) for the allotment of Municipal Debt Securities

The resolution for allotment of Green Bonds shall be passed after the bidding on EBP Platform of BSE.

G. Memorandum and Articles of Association in case the issuer is a body corporate incorporated under Companies Act, 2013

The Issuer is a municipal corporation constituted under BPMC Act (now MMC Act) and hence does not have any Memorandum and Articles of Association.

H. Details of any Reorganization or Reconstruction of management in the last 1 year of the Issuer.

Save and except routine transfer of officials of the Issuer, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (one) year.

I. Details of all the project undertaken or proposed in terms of cost and means of financing

The Issuer is presently engaged in undertaking the following projects:

i) Construction of General Hospital at Survey No. 646, Reservation number 1/189 Mouje Moshi, Pune for Pimpri Chinchwad Municipal Corporation

PCMC is constructing 700 bedded general hospital and 200 bedded specialized oncology hospital. The general hospital will complement the population growth in the PCMC area and will create another large medical facility apart from the existing YCM Hospital. The facilities will deliver world-class patient care, cutting edge research with future educational needs.

ii) Construction of New Main Administrative Building and allied work at Chinchwad of reservation number 181 D (P) for Pimpri Chinchwad Municipal Corporation

PCMC is constructing administrative building located in Pimpri Chinchwad, Maharashtra. This Project is targeting platinum rating under the IGBC (Indian Green Building Council) rating system and 5 star rating under GRIHA, showcasing its commitment to adopting a sustainable and green approach. This project is using AAC Blocks as a replacement to conventional brick masonry.

iii) Construction of 1190 Tenements for EWS Housing scheme in Pimpri Chinchwad Municipal Corporation area at S.no.105(P), 107(P), 108(P)To112(P), Dudulgaon Dist. Pune

The said project comes under Pradhan Mantri Awas Yojana - Housing for All (Urban) on Affordable Housing in Partnership basis. It aims to provide affordable housing for all and to increase availability of houses for EWS category at an affordable rate, PCMC has undertaken construction of EWS tenements in PCMC corporation area at Dudulgaon, District Pune.

iv) Construction of 568 units affordable housing for EWS category (AHP's) under PMAY at village Akurdi on Reservation for Houses for Dishouses (HDH) No. 283, S. No. 136/1, CTS No. 4911(p), (Pimpri Chinchwad Municipal Corporation, Dist. Pune)

The said project comes under Pradhan Mantri Awas Yojana - Housing for All (Urban) on Affordable Housing in Partnership basis. It aims to provide affordable housing for all and to increase availability of houses for EWS category at an affordable rate, PCMC has undertaken construction of EWS tenements in PCMC corporation area at Chinchwad, District Pune.

v) Construction of 370 units affordable housing for EWS category (AHP's) under PMAY at village Pimpri Waghire on Reservation for Houses For Dishouses (HDH) No.77, S.no./Gat No. 109 (pt), (Pimpri Chinchwad Municipal Corporation, Dist. Pune)

The said project comes under Pradhan Mantri Awas yojana-the housing for all (Urban) on Affordable Housing in Partnership basis. It aims to provide affordable housing for all and to increase availability of houses for EWS category at an affordable rate, PCMC has undertaken construction of EWS tenements in PCMC corporation area at Pimpri Waghire, District Pune.

A summary of capital cost and sources of funds for the projects undertaken are presented in the table below:

S. No.	Project Name	Estimated Cost of Over Run (Crores)			Project Cost share (Rs. in Crores)		Grant Received (Rs. in Crores)		
		Approved cost	Awarded (Tender Awarded Cost)	GoI	State	ULB (PCMC)	GoI	GoM	Total
1.	Construction of General Hospital at Survey No. 646, Reservation number 1/189 Mouje Moshi, Pune for Pimpri Chinchwad Municipal Corporation	340.67	356.78	41.02	-	316.78	41.02	-	41.02
2.	Construction of New Main Administrative Building and allied work at Chinchwad of reservation number 181 D (P) for Pimpri Chinchwad Municipal Corporation	312.20	286.83	-	-	286.83	-	-	-
3.	Construction of 1190 Tenements for EWS Housing scheme in Pimpri Chinchwad Municipal Corporation area at S.no.105(P), 107(P), 108(P)To112(P), Dudulgaon Dist. Pune.	188.18*	167.82	17.85	11.90	138.07**	7.14	4.76	11.90
4.	Construction of 568 units affordable housing for EWS category (AHP's) under PMAY at village Akurdi on Reservation for Houses for Dishouses (HDH) No. 283, S. No. 136/1, CTS No. 4911(p), (Pimpri Chinchwad Municipal Corporation, Dist. Pune)	69.65*	52.50	8.52	5.68	38.30**	3.41	2.27	5.68
5.	Construction of 370 units affordable housing for EWS category (AHP's) under PMAY at village Pimpri Waghire on Reservation for Houses For Dishouses (HDH) No.77, S.no./Gat No. 109 (pt), (Pimpri Chinchwad Municipal Corporation, Dist. Pune	47.26*	31.82	5.55	3.70	22.57**	2.22	1.48	3.7

Source: The cost, cost share and grants received for the projects have been derived from the resolutions of the Standing Committee, work orders/ agreements, office memorandums of Ministry of Housing & Urban Affairs, Government of India.

** Approved Project Cost includes Housing cost + Infrastructure cost + Land Cost + Contingency.*

***The beneficiary share is collected from beneficiary once the project lottery is completed and construction is under way. The cost of construction is initially borne by the ULB (PCMC) and later on it is taken from the beneficiaries in the form of beneficiary share.*

J. CAPITAL STRUCTURE RELATING TO PROJECTS FOR WHICH FUNDS ARE PROPOSED TO BE MOBILIZED:

The proceeds of the Issue are proposed to be utilized for the following Projects:

- **PROJECT I - Development of street network under the Harit Setu Project in Nigdi Pradhikaran**

A summary of capital cost and sources of funds for the Project are presented in the table below:

S. No.	Description [#]	Total Amount (₹ in Crores)*
1.	PCMC Contribution (including internal accruals of PCMC)	32.32
2.	External Borrowing (Green Bonds)	125.00
	Total Outflow	157.32

**Note: The cost of the Project I as approved by Municipal commissioner cum Administrator vide Standing Committee resolution dated September 19, 2024 & work order dated October 07, 2024. Cost of the Project I may vary during implementation. Any incremental cost shall be borne by PCMC*
[#] Means of finance cost for Project I is as approved by resolution of Bond Issue Committee dated March 13, 2025.

The total project cost is exclusive of applicable Labor Insurance cost.

- **PROJECT II - Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk in PCMC Area**

A summary of capital cost and sources of funds for the Project are presented in the table below:

S. No.	Description [#]	Total Amount (₹ in Crores)*
1.	PCMC Contribution (including internal accruals of PCMC)	32.93
2.	External Borrowing (Green Bonds)	75.00
	Total Outflow	107.93

**Notes: The cost for the Project II is as approved by the Municipal Commissioner cum Administrator vide letter dated April 20, 2023. & Tender issued dated June 14, 2024.*

The total project cost is exclusive of applicable Labor Insurance cost, work establishment charges & contingencies. The final project cost shall be derived on completion of the tender process and the award of work order. Also, the cost of the Project II may vary during implementation. Any incremental cost shall be borne by PCMC.

[#] Means of finance cost for Project II is as approved by resolution of Bond Issue Committee dated March 13, 2025

K. CAPITAL GRANT FOR THE PROPOSED PROJECT AND THE AMOUNT RECEIVED IN THIS REGARD:

There is no capital grant received for the proposed project.

L. DETAILS OF STATE FINANCE COMMISSION GRANT RECEIVED ON ANNUAL BASIS:

Particulars	Grant Received (₹ in Crores)
Financial Year 2021-2022	Nil
Financial Year 2022-2023	Nil
Financial Year 2023-2024	Nil

The revenue grants received and spent during the last three years by the Issuer is set out below:

Revenue Grants Received	Financial Year (₹ in Crores)		
	2021-2022	2022-23	2023-24
Revenue Grants, Contribution and Subsidies including GST Grant	1984.31	2,195.64	2,484.28
Total	1984.31	2,195.64	2,484.28

Revenue Grants Spent	Financial Year (₹ in Crores)		
	2021-2022	2022-23	2023-24
Revenue Grants, Contribution and Subsidies spent including GST Grant	832.38	677.01	770.89
Total	832.38	677.01	770.89

SECTION-VII: OBJECTS OF THE ISSUE

PROJECT I: Development of street network under the Harit Setu Project in Nigdi Pradhikaran (hereafter referred to as the “Harit Setu Project” or “Project I”)

- A. The proceeds of the proposed issue shall be clearly earmarked for a defined project or a set of projects along with the location of the project and plant and machinery, technology, process, etc.:

Pimpri Chinchwad Municipal Corporation is taking initiative to develop a pilot project to under the Harit Setu Project to develop pedestrian connectors/ alleys.

The ‘Harit’ is defined as Greenery and ‘Setu’ denotes a structure connecting urban destinations by sustainable travel modes, which leads to ‘Connecting Greens’. The GREENS* for Harit Setu are gardens and sports, residential areas, educational institutes & health care, entertainment zones, transport nodes, shopping areas.

*(*The GREENS for the Harit Setu are defined as gardens and sports, Residential area, Educational Institutions & Health care, Entertainment zones, Transport nodes, shopping areas.)*

The project aims in creating healthy, hygienic and humane neighbourhoods which promotes walking & cycling networks to work, educational institutions, cultural, business, recreational, leisure and entertainment activities etc. The walking and cycling network also aim to improve mode share of non-motorized transport (NMT) in the city by providing shortest connectivity to the users and reducing dependency on private motor vehicles.

Following are the objectives of the project:

- i. Enhance the environment quality and liveability of the city.
- ii. Ensure safe movement of people between urban destinations.
- iii. Improve mode share of NMT by providing shortest connectivity to the users and reducing private vehicles.
- iv. Improve accessibility to urban destinations through connected walkways/ cycle tracks etc.
- v. Increase in Public Realm leading to enhanced social time
- vi. Adding to the quality of life of the residents.
- vii. Bring in behavioural change in the citizens towards NMT.
- viii. Improve air quality and mitigate the climate change
- ix. Transforming the identity of PCMC to ‘Livable City’ in addition to being an Industrial City’.

The Harit Setu project will demonstrate the neighbourhood shortcut networks by connecting the GREENS in the form of pilot execution. The Nigadi Pradhikaran (Ward 15) having an area of approx 3.25 sq km in PCMC is selected as a pilot project for testing the Harit Setu network (“**Pilot Project**”). The Pilot Project will affect the total population of 55,900 as per 2011 census.

The street network under the Harit Setu Project has major roads of 45 meters Right of Way (“**RoW**”) to 18 meters RoW in Nigadi comprises of 10.13 km network. The minor neighbourhood street comprising RoW 15 m are 7.25 km. The Nigadi Pradhikaran is a planned area in the city having planned pedestrian Connectors/ alleys. These Connectors/ alleys are 2.815 kilo meters in total length and are distributed throughout the pilot area. The total street network taken up for execution is 20.2 kilo meters.

The sections of the street shall be executed keeping the neighbourhood into consideration and which helps streamline the traffic as well as providing a NMT zone. The existing dry and wet utility services shall be taken into consideration and redesigned for optimized use and reduced maintenance in future. The work components and material section are also made in a manner to adhere to the sustainability principles as much as possible. Re-use of the existing available material and innovative technology and materials is maximized in the project and existing available infrastructure shall be utilized at the best to address the cost aspect of the project as well.

The key objective of the project is to connect the GREENS in the neighbourhood with provision of universally accessible, safe and walkable footpaths, non-motorized and pedestrian facilities to encourage increased walking and cycling trips for all important activities within the neighbourhood. The Pilot Project shall serve as a demonstration with Peoples’ Participatory approach and the learning’s from the Pilot Project will be incorporated while preparation of master plan for the entire city. The Harit Setu will also focus on preparing

the street design guideline for PCMC.

The project will help in achieving the PCMC vision for the year 2030 - “to become the most inclusive and liveable city of India by 2030.”

Project I was approved by the Municipal Commissioner cum Administrator vide the Hon. Assembly/ Meetings pertaining to Department of Building Construction Project dated March 04, 2024 based on budgets prepared as per the state-level rate card for the year 2022-23 available with the Public works Department, Government of Maharashtra. Subsequently, Tender Document consisting of technical specification, terms and conditions, evaluation criteria and submission requirements was floated (“**Tender Document for Project I**”) and revised cost was approved by the Municipal commissioner cum Administrator vide Standing Committee resolution dated September 19, 2024 post which work order dated October 07, 2024 has been awarded for Project I. Bond Issue Committee has approved the Project I, cost breakup and sources of finance cost vide resolution dated March 13, 2025

The details of Project I is based on the tender document dated March 13, 2024 (“**Tender**”) prepared by Pavetech Consultants India, the project consultant for Project I (“**Project Consultant for Project I**”), resolution dated March 13, 2025 of the Bond Issue Committee and certificate dated March 13, 2025 from Project Consultant for Project I are listed below:

The following are the details of the Projects:

Location	Sector – 24, 25, 26, 27, 27A, 28 & ADC of Nigadi in A Ward of PCMC
Plant & Machinery Components	Plant: 1. Batch Type Hot-mix Plant with SCADA connectivity 2. Ready Mix Concrete (RMC) Plant Min 20 Cum/Hr capacity with SCADA Connectivity 3. Stone Crusher cum screening unit Machinery's: 1. Excavator, Excavator cum Loader 2. Paver Finisher with electronic sensors for automatic level control 3. Fixed Form paver 4. Vibratory Compacter 5. Tandem Vibratory roller (with Intelligent Compaction system) connected online to PCMC webserver Dumpers/ Tippers 6. Survey Equipment's (i) Total Station (ii) Auto Level 7. Walk Behind Roller
Process and Technology	1. Excavation and removal with reuse of existing paver blocks 2. Laying utilities like drainage line, water supply line and service utility line storm water drains, etc. 3. Improvement and re-instatement of the utility trenches 4. Installation of Electrical Street Light Pole 5. Development of Footpath 6. Electrical high terminal and low terminal line and feeder box shifting work 7. Providing Street Furniture such as Benches, Sit-outs, Pergola's, Bus-Stops Gym equipment, aesthetic works, Toilet Block, etc. 8. Development of road side Parking area and Junctions 9. Preventive maintenance works of main carriage way works with Bituminous overlay, micro surfacing work and pavement quality concrete (PQC). 10. Providing Cycle Track Paint, Thermoplastic Paint, School Zone Paint from safety improvement considerations etc. 11. Fixing of Sign Boards, Cat-Eye's, Median Markers from safety improvement considerations

- B. Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, or expansion, etc., the total project cost activity-wise or project wise as the case may be.**

The activity-wise project cost for Project I is given below:

(₹ in Crores)		
Sr. No.	Item Description	Total Cost
1	Civil Works	115.09
2	Sewerage Works	8.59
3	Water Supply Works	3.00
4	Electrical Works	32.90
	Total Estimated Cost without GST, Material testing & applicable royalty (A)	159.58
5	Tender received (B) = (@-17.01% of (A))	132.44
6	GST (C) = (@18% of (B))	23.84
7	Material Testing Cost (D)	0.69
8	Royalty (E)	0.35
	Total Project Cost (B)+(C)+(D)+(E) (including GST, Material testing & applicable royalty)*	157.32

**Note: The cost of the Project I as approved by Municipal Commissioner cum Administrator vide Standing Committee resolution dated September 19, 2024 & work order dated October 07, 2024, resolution dated March 13, 2025 of the Bond Issue Committee and certificate of Project Consultant for Project I dated March 13, 2025.*

The total project cost is exclusive of applicable Labor Insurance cost.

- C. Issuer is implementing the project in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented, shall be separately given**

Not Applicable, as the Project I will be executed in a single phase only.

- D. An investment plan for the project components as well as phases thereof as well as financing thereof as approved by the local authority or the agency as the case may be.**

A summary of capital cost and sources of funds for the proposed Project I is presented in the table below:

Approved project cost (₹ in Crore)	Means of the finance of the capital cost (₹ in crore) [#]	
	PCMC Contribution (Internal Accruals)	External Borrowing (proposed Bonds Issue)
157.32*	32.32	125

Notes:

**The cost of the Project I is as approved by Municipal Commissioner cum Administrator vide Standing Committee resolution dated September 19, 2024 & work order dated October 07, 2024. Cost of the Project I may vary during implementation. Any incremental cost shall be borne by PCMC*

[#] Means of finance cost for Project I is as approved by resolution of Bond Issue Committee dated March 13, 2025.

The Issuer's contribution for the Project I shall not be less than 20% (Twenty percent) of the cost of the Project I, which shall be contributed from its internal resources or grants that may be in cash or kind.

E. Schedule of implementation of Project I

The following is the proposed schedule of implementation for Project I:

Activity Description	Indicative Period	Physical Target (%)	Financial Target (%)
Material Approval, Excavation & Dismantling of Existing Paver Blocks,	T* + 6 Months	25%	25%

Activity Description	Indicative Period	Physical Target (%)	Financial Target (%)
Installation of Electrical Light Pole			
Utilities like Drainage line, water Supply Line and Service Utility line, Storm Water, etc., Development of Footpath and HT & LT works and Street Furniture, such as Benches, Sit-outs, Pergol's, Bus-Stops, Gym Equipment's, Decorative works, Toilet Block, etc. and Development of Parking and Junctions	T + 12 Months	60%	60%
Development of Carriage way works like Bituminous work & PQC,	T + 18 Months	85%	85%
Development of Carriage like Cycle Track Paint, Thermoplastic Paint, School Zone Paint, etc. and Fixing of Sign Boards, Cat-Eye's, Median Markers, etc.	T + 24 Months	100%	100%

Note: The above timelines are indicative and the physical target and financial target for activities commence after award of the work order for the Project I.

*T stands for the start date/work order date i.e. October 07, 2024.

F. Benchmarks for commencement and completion of the Projects including milestone dates for all components of the Projects:

The proposed project is one of its kind projects being undertaken by the Issuer. Accordingly, there are no benchmarks available with respect to its similar projects of the Issuer.

The indicative timeline for completion of milestones for all activities of proposed Project I is as mentioned below:

Activity	Duration (In Days)	Date of Start	Date of Completion
Material Approval	15	T*	T+30
Excavation & Dismantling of Existing Paver Blocks	160	T+20	T+180
Utilities like Drainage line, water Supply Line and Service Utility line, Storm Water, etc	200	T+30	T+230
Installation of Electrical Light Pole	45	T+50	T+95
Development of Footpath	150	T+60	T+210
HT & LT works and Street Furniture such as Benches, Sit-outs, Pergol's, Bus-Stops, Gym Equipment's, Decorative works, Toilet Block, etc.	60	T+300	T+360
Development of Parking and Junctions	100	T+200	T+300
Development of Carriage way works like Bituminous work & PQC, Cycle Track Paint, Thermoplastic Paint, School Zone Paint, etc	300	T+240	T+540

Activity	Duration (In Days)	Date of Start	Date of Completion
Fixing of Sign Boards, Cat-Eye's, Median Markers, etc.	30	T+670	T+730

*Note: *T is the date of the start of the project I i.e. October 07, 2024*

Current status of Project I: Tendering process has been completed & work order has been awarded for Project I. The work is under progress. The current completion status of Project I as per certificate dated March 13, 2025 from Project Consultant for Project I is as follows:

	Physical Target achieved (%)	Financial Target achieved (%)
Project Construction	15%	0%*

**Payable upon clearance and receipt of invoices*

G. Details and status of the regulatory approval (if required):

The Government of Maharashtra vide its Government Order Number: - PCC-2024/Case No.420/NaVi-22 dated February 13, 2025 approved issue of Green Bonds for purpose of funding the Project I.

Based on the certificate dated March 13, 2025 from Project Consultant for Project I, other than the approval mentioned herein, no other approvals are required to be obtained by the Corporation for implementation of the Project I.

H. Capital grant for the proposed Project and the amount received in this regard:

Not applicable as the cost of the Project I shall be borne by PCMC from its internal accruals and proceeds of these Green Bonds as approved vide resolution of Bond Issue Committee dated March 13, 2025. No capital grant in any form is or shall be received by PCMC for implementation of the Project I.

PROJECT II: Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk in PCMC area (hereafter referred to as the “Telco Road Project” or “Project II”)

A. The proceeds of the proposed issue shall be clearly earmarked for a defined project or a set of projects along with the location of the project and plant and machinery, technology, process, etc.:

Pimpri Chinchwad Municipal Corporation is taking initiative to implement the Urban Street design guidelines for street works in PCMC area. The PCMC has taken up pilot projects under various categories to demonstrate its vision towards Smart cities. Streets perform certain basic functions such as providing pedestrian facilities, cycle track for cyclist, routes for vehicles and public transport.

The Project II is starting at Gawali Matha and ends at Indrayani Nagar Chowk Junction. The road length of this project is 1.175 Km. and having Right of Way of 61 m width.

The scope under the Project II shall include the following:

- Redevelopment of the Corridor
- Place making, recreational area on roads to create places that are appealing, accessible, comfortable, and support social activity.
- Shifting of all the Utilities
- Junction Redesigning
- Footpath Retrofitting
- Illumination of the Corridor

Project II was approved by the Municipal Commissioner cum Administrator vide the Hon. Assembly/ Meetings pertaining to Department of Building Construction Project dated April 20, 2024 based on budgets prepared as per the state-level rate card for the year 2022-23 available with the Public works Department, Government of Maharashtra. Subsequently, Tender Document consisting of technical specification, terms and conditions, evaluation criteria and submission requirements was floated (“**Tender Document for Project II**”). Bond Issue Committee has approved the Project II, cost breakup and sources of finance cost vide resolution dated March 13, 2025.

The details of Project II is based on the tender document dated June 14, 2024 (“**Tender**”) prepared by MAPS Global Civiltech Pvt. Ltd, the project consultant for Project II (“**Project Consultant for Project II**”), resolution dated March 13, 2025 of the Bond Issue Committee and the certificate dated March 13, 2025 from Project Consultant for Project II are listed below:

Details of location, plant and machinery, technology, process etc. for the Project II are as stated below:

Location	The road starts from Gawali Matha and ends at Indrayani Nagar Chowk, in the PCMC area.
Plant & Machinery Components	Here is a list of machinery used in the construction of Project II: 1. Fully Automatic Hot Mix Plant (Batch Type) with 120 TPH minimum capacity. 2. Fully Automatic RMC batching plant Concrete Weigh Batching Plant with Pan type Mixing arrangements (capacity 30 cum/hr.). 3. Hot Mix Paver Finisher with Electronic Sensors for automatic level control capable of paving minimum 4.50 m. width & up to 250 mm lift of Granular / Bituminous materials. 4. Crane/hydra (up to 20 T Capacity) 5. Excavator– 200 with breakers, Buckets & other accessories. 6. Back Hoe Loader (JCB). 7. Excavator with Rock cutting attachment (1.25 cum bucket cap.) 8. Concrete Boom Placer 9. Portable Air Compressor Cap 300 cft/mt 10. Motor Grader 11. Stone Crusher Cum Screening unit (Cone Crusher) 12. W.M.M. Mixing Plant 13. Vibratory Soil Compactor, Tandem vibratory roller, Plate Compactor, Pneumatic Tyre roller. 14. Dumpers / Tippers / Trailer 15. Total Station 16. Captive Power Generation Facility up to 1000 KVA capacity 17. Concrete pumps – 30 cum/hr 18. Transit Mixer (6 cum capacity) 19. Water Tanker with Sprinkler The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of Project II.
Process and Technology	1. Footpath reconstruction / retrofitting with new L shape kerb (with gutter) and concrete paver block finish as per design, providing parking spaces as per design with concrete paver block finish, provision of separate pipe ducts with opening at junction to house current and future utilities. 2. Removal of the existing ramps, walls, compounds, fencing, encroachments on road/ footpath and complete retrofitting of the footpaths. 3. Provisions of new Storm water line and RCC chambers and heavy duty FRP frame and covers along with connectivity to individual properties. 4. Provision of new ramps to access property, reconstruction of compound walls (wherever required) reconstruction of access locations to property. 5. Provision of cobbled finish at junctions and other traffic calming elements like islands, raised pedestrian crossings etc. 6. Provision for bituminous overlay over the existing road surface with the proposed profile. 7. Provisions of RCC road crossing pipes from the RCC duct to individual property wherever required. 8. Provision of RCC pipes for utility crossing. 9. Construction of sit outs and sandstone benches of various shapes and sizes.

	10. Provision of Street furniture items like concrete bollards, Fibreglass Reinforced Plastic (FRP) dustbins.
	11. Provision of Street signages, informatory and cautionary signages, road markings, special-coloured shapes and letters for demarcating cycle track and other pedestrian facilities as per the design and drawings.
	12. Landscaping work with drip irrigation system.
	13. Operation and maintenance for period of 120 months.

- B. Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, or expansion, etc., the total project cost activity-wise or project wise as the case may be.**

The details of activity-wise project cost for the Project II are given below:

(₹ in Crores)

Sr. No.	Item Description	Total Cost
1.	Total of Civil Work	54.74
2.	Total of Water Supply Work	8.58
3.	Total of Drainage Work	1.98
4.	Total Electrical Work	24.90
	Total Estimated Cost (A) (without applicable GST, material testing & applicable royalty)	90.20
5.	GST (@18%) (B)	16.24
6.	Material Testing Charges (C)	0.45
7.	Royalty Charges (D)	1.04
Total Project Cost (A)+(B)+(C)+(D) (Including GST, Material testing & applicable royalty)*		107.93

**Note: The cost of the Project II as approved by Municipal Commissioner cum Administrator vide letter dated April 20, 2023, Tender document dated June 14, 2024, resolution dated March 13, 2025 of the Bond Issue Committee and certificate of Project Consultant for Project II dated March 13, 2025.*

The total project cost is exclusive of applicable Labor Insurance cost, work establishment charges & contingencies.

- C. Issuer is implementing the project in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented, shall be separately given**

Not Applicable, as the Project II will be executed in a single phase only.

- D. An investment plan for the project components as well as phases thereof as well as financing thereof as approved by the local authority or the agency as the case may be.**

A summary of capital cost and sources of funds for proposed Project II is presented in the table below:

Approved project cost (₹ in Crore)	Means of the finance of the capital cost (₹ in crore) [#]	
	PCMC Contribution (Internal Accruals)	External Borrowing (Proposed Bonds Issue)
107.93*	32.93	75

Notes:

**The cost for the Project II is as approved by the Municipal Commissioner cum Administrator vide letter dated April 20, 2023. The total project cost is exclusive of applicable Labor Insurance cost, work establishment charges & contingencies. The final project cost shall be derived on completion of the tender process and the award of work order. Also, the cost of the Project II may vary during implementation. Any incremental cost shall be borne by PCMC.*

[#] Means of finance cost for Project II is as approved by resolution of Bond Issue Committee dated March 13, 2025.

The Issuer's contribution for Project II shall not be less than 20% (Twenty percent) of the cost of the Project II, which shall be contributed from its internal resources or grants that may be in cash or kind.

E. Schedule of implementation of Project II

The following is the proposed schedule of implementation for Project II:

Activity Description	Indicative Period	Physical Target (%)	Financial Target (%)
Survey, Drawing Approval & Source Approval for material, Utility Work like Drainage lines, Water Supply Lines and Storm Water line etc.	T* + 12 Months	25%	25%
Development of other Urban Street elements as Footpath, Cycle Track, Parking and Junctions Improvement	T + 18 Months	50%	50%
Construction of CD works, Development of other Urban Street elements as Footpath, Cycle Track, Parking and Junctions Improvement,	T + 27 Months	75%	75%
Development of Main Carriageway works, Road Furniture Works like Thermoplastic, Sign Board, Cats eye, horticulture, Seating arrangement, Street lighting, Decorative works, Open Gym work & Other Misc. works, Handover.	T+ 36 Months	100%	100%

Note: The above timelines are indicative and the Physical Target and Financial Target for activity will commence after allotment of work order for implementation of Project II.

*T stands for the start date/work order date of Project II.

F. Benchmarks for commencement and completion of the Project including milestone dates for all components of the Project:

The proposed Project II is one of its kind projects being undertaken by the Issuer. Accordingly, there are no benchmarks available with respect to its similar projects of the Issuer.

The indicative schedule of timeline for completion of milestones for all activities of the proposed Project II is as mentioned below:

Activity Description	Duration (In Days)	Date of Start (Indicative)	Date of Completion (Indicative)
Survey, Drawing Approval & Source Approval for material	60	T*	T+60
Utility Work like Drainage lines, Water Supply Lines and Service Utility lines and Storm Water line etc.	450	T+30	T+480
Electrical Work including shifting of existing and new lines	600	T+100	T + 700
Construction of CD works	300	T+300	T+600
Development of other Urban Street elements as Footpath, Cycle Track, Parking and Junctions Improvement	500	T+400	T+900
Development of Main Carriageway works	200	T+700	T+900
Road Furniture Works like Thermoplastic, Sign Board, Cats eye, horticulture, Seating arrangement, Street lighting	150	T+850	T+1000
Decorative works, Open Gym work & Other	110	T+950	T+1060

Activity Description	Duration (In Days)	Date of Start (Indicative)	Date of Completion (Indicative)
Misc. works.			
Handover	30	T+1065	T+1095

*Note: *T is the estimated date of the start of the project.*

Current status of Project II

Tender dated June 14, 2024 has been floated for the implementation of Project II. The work order is yet to be awarded.

G. Details and status of the regulatory approval (if required):

The Government of Maharashtra vide its government order No. - PCC-2024/Case No.420/NaVi-22 dated February 13, 2025 approved issue of Green Bonds for purpose of funding the Project II.

Based on the certificate dated March 13, 2025 for Project consultant for Project II, other than the approval mentioned herein, there are no other approvals are required to be obtained by the Corporation for implementation of the Project II.

H. Capital grant for the proposed Project and the amount received in this regard:

Not applicable as the cost of Project II shall be borne by the PCMC from its internal accruals and proceeds of these Green Bonds as approved vide resolution of Bond Issue Committee dated March 13, 2025. No capital grant in any form is or shall be received by PCMC for implementation of Project II.

I. Disclosures pertaining to green debt securities in accordance with the SEBI Master Circular:

PCMC has developed a Framework for Green Bonds duly approved by the Bond Issue committee vide resolution dated November 20, 2024 to outline the governing framework for execution and managing the green bonds on an ongoing basis based on requirements of ICMA Green Bond Principles, 2021 and applicable guidelines for Green municipal bonds.

These principles and regulations recommend delineation of a clear process and disclosure by the issuer to enable the investors and banks and others to understand the characteristics of the green bond.

The Framework describes the process of using green bonds issued under a Green Bond Facility or a Green Tranche of a Bond Facility (collectively referred to as “**Green Bonds**”) to finance or refinance projects assets or activities with environmental benefits. The Framework will apply to any Green Bonds issued by PCMC and will be applied as long as any such instrument is outstanding.

The Issuer has appointed KPMG Assurance and Consulting Services LLP (“**KPMG**”) for providing services as Assurance Service Provider, to undertake an independent assurance on their “Framework for Green Bonds”. KPMG Assurance and Consulting Services LLP, as the Independent Third Party Reviewer, have conducted a review of the Green Financing Framework/Green Bond Framework developed by PCMC for projects to be funded through the proposed Issue and provided an assurance report dated 14th January 2025 for their proposed Issue. KPMG has issued an Independent Limited Assurance Statement dated January 14, 2025 assuring the “Framework for Green Bonds” in accordance with the requirements of the ICMA Green Bond Principles, 2021 and has issued a verification report dated January 2025 (“**KPMG Verification Report**” annexed as Annexure VIII) showing Assessment of Issuer’s Green Bond Framework against ICMA Green Bond Principles (GBP), 2021 that reflects their opinion on conformance of Issuer’s framework with the International Capital Markets Association (ICMA) Green Bond Principles, 2021. (“**Green Bond Framework**”).

The disclosures pertaining to the Green Bonds have been certified by ITDP Private Limited, Independent Certifier for Green Bonds vide its certificate dated March 06, 2025.

a. A statement on environmental sustainability objectives of the issue of green debt securities

As per the Green Bond Framework, PCMC is committed to enhancing the quality of life in Pimpri Chinchwad by envisioning a greener and more sustainable environment that directly benefits its residents. This vision encompasses a multifaceted approach aimed at addressing various environmental challenges while promoting the well-being of the community.

The vision of Pimpri Chinchwad as a Clean, Green, and Environment-Friendly City is underpinned by three key pillars:

1. Environmental Health:
2. Ecosystem Vitality:
3. Promotion of Non-Motorized Transport

By aligning its initiatives with these key pillars, PCMC is poised to realize its vision of a Clean, Green, and Environment-Friendly City, setting a benchmark for sustainable urban development and enhancing the well-being of its residents for generations to come.

As per the Green Bond Framework, a 'green project' classification is based on the following principles:

- a) Encourages energy efficiency in resource utilization.
- b) Reduces carbon emissions and greenhouse gases.
- c) Promotes climate resilience and/or adaptation.
- d) Values and improves natural ecosystems and biodiversity especially in accordance with SDG principles

PCMC will use the proceeds raised from Green Bonds to finance parts of the eligible green projects falling under 'Eligible Categories' defined in Green Bond Framework.

As per certificate dated March 06, 2025 from Independent Certifier for Green Bonds, Project I and Project II have the following environmental objectives:

Environmental Objectives of Project I:

1. Enhance the environment **quality and livability** of the city.
2. Ensure **safe movement** of people between Urban Destinations. – catering to the reduced road accidents.
3. Improve mode share of NMT by providing **shortest connectivity** to the users and reducing use private vehicles for shorter trips, saving the fuel consumption.
4. **Improve accessibility** to Urban Destinations through connected walkways/ cycle tracks, greenways, alleys / connectors etc.
5. Increase in **Public Realm** leading to enhanced social time, adding to the quality of life of the residents.
6. Improve **air quality** and mitigate the **climate change**.

Environmental Objectives of Project II:

1. **Livability** of the city.
2. Ensure **safe movement** of people between Urban Destinations. – catering to the reduced road accidents.
3. Improve mode share of NMT by providing **shortest connectivity** to the users and reducing use private vehicles for shorter trips, saving the fuel consumption.
4. **Improve accessibility** to Urban Destinations through connected walkways/ cycle tracks, greenways, alleys / connectors etc.
5. Increase in **Public Realm** leading to enhanced social time, adding to the quality of life of the residents.
6. Improve **air quality** and mitigate the **climate change**

Accordingly, as per certificate dated March 06, 2025 from Independent Certifier for Green Bonds, the Projects fall under the below 'Eligible Categories' defined in Green Bond Framework.

Green Project Category	Environmental Objective	Eligibility Criteria
Clean Transportation	Climate Change Mitigation	• Promote public transportation including its electrification and transport safety. • Development of Pedestrian and Cycle Infrastructure to promote Non-Motorized Transport (NMT). • Harit Setu, Junction Improvement • Cycle Track • Awareness and Promotion of NMT. • Subsidies to adopt clean fuels like electric vehicles including building charging infrastructure.

b. **Brief details of decision-making process followed/proposed for determining the eligibility of project(s) and/or asset(s), for which the proceeds are being raised through issuance of green debt securities, such as:**

- i. Process followed/ to be followed for determining how the project(s) and/or asset(s) fit within the eligible green projects categories as defined under Regulation 2 (1) (q) of NCS Regulations

As per the Green Finance Framework, the projects to be funded through the proposed Issue are Development of street network under the Harit Setu Project in Nigdi Pradhikaran and Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk.

These Projects would enable PCMC to provide clean transportation and reduce gas emissions. SEBI Green Debt Securities notification no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/023 dated February 06,2023 aligns the classification of green projects defined under SEBI NCS Regulations. Regulation 2 (1)(q).

Independent Certifier for Green Bonds has confirmed vide its certificate dated March 06, 2025 that the said Projects qualify under following categories of Regulation clause 2(1)(q) of SEBI NCS Regulations: Category (ii) clean transportation including mass/public transportation and Category (viii) pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy efficient or emission efficient waste to energy) and sectors mentioned under the India Cooling Action Plan launched by the Ministry of Environment, Forest and Climate Change. (“**Eligible Green Projects for Green Bonds**”)

As per the Green Bond Framework, the proceeds of the issue of Green Bonds will be utilised towards the eligible green projects which are expected to mainly contribute to the reduction of greenhouse gas emissions *vis a vis* reducing the carbon intensity of the economy. Further it is stated that the bond proceeds will be allocated towards financing the eligible green projects, which is in line with the list of broad categories as recognized by ICMA GBP, 2021 as well as SEBI’s regulations regarding green municipal debt securities.

Accordingly, the Bond Issue Committee while making note that the Projects for which the proceeds are been raised through issuance of Green Bonds is fit to be qualified as eligible green project as per categories suggested in relevant circular for issue of green debt securities, *vide* its resolution dated March 13, 2025 approved the issue of Green Bonds.

Given below is the Process for Project Evaluation and Selection as per the Green Bond Framework:

Initial evaluation of the project will be the responsibility of the concerned department in consultation with experts. Concerned department can refer following terms of reference to select

the project:

- Concerned department will select green projects that fall into one or more of the eligible project categories under this Framework on basis of the initial evaluation, which will then review and approve projects for Green Funding. The concerned department may take services of multiple stakeholders, such as project developers, consultants, and financial experts, to examine the robustness of the project and compliance of the projects with SEBI guidelines. A thorough due diligence process is conducted to verify the accuracy and reliability of the projects.
- In the event of postponement, or cancellation of an eligible green project, it shall be replaced with another eligible green project.
- An annual report on the allocation of proceeds to the eligible projects along with description of projects financed, status of implementation, and unallocated proceeds will be brought out under supervision of concerned department.
- Impact of projects in respect of reduction in carbon intensity and environmental benefits will also be assessed and reported separately by concerned department in consultation with the external experts (if required).

PCMC has formed a “**Bonds Issue Committee**” consisting of Municipal Commissioner as Chairperson & 3 members, as the Additional Commissioner (2), Joint City Engineer & Chief Accounts & Finance Officer.

The committee is tasked with the process of selecting projects to be financed by green municipal bond issuance. The committee evaluates projects considering the eligibility criteria of “green projects” as per SEBI guidelines, considering both environmental and social impacts.

Principles of selection of green projects

- Eligible green expenditures are mapped to the environmental objectives of ICMA Green Bond principles, SEBI’s criteria for eligible green projects, UN Sustainable Development Goals (SDGs) and shall be in accordance with the Framework in letter and in spirit.
 - These expenditures must also be in agreement with state’s environmental and social objectives.
- ii. The criteria making the project(s) and/ or asset(s) eligible for using the green debt securities proceeds; and

As per the Green Bond Framework, the proceeds of the issue of Green Bonds will be utilised towards the eligible green projects which are expected to mainly contribute to the reduction of greenhouse gas emissions vis a vis reducing the carbon intensity of the economy.

Independent Certifier for Green Bonds has confirmed *vide* its certificate dated March 06, 2025 that the said Projects qualify under following categories of Regulation clause 2(1)(q) of SEBI NCS Regulations: Category (ii) clean transportation including mass/public transportation and Category (viii) pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy efficient or emission efficient waste to energy) and sectors mentioned under the India Cooling Action Plan launched by the Ministry of Environment, Forest and Climate Change. (“**Eligible Green Projects for Green Bonds**”)

Accordingly, the Bond Issue Committee while making note that the Projects for which the proceeds are been raised through issuance of Green Bonds is fit to be qualified as eligible green project as per categories suggested in relevant circular for issue of green debt securities, *vide* its resolution dated March 13, 2025 approved the issue of Green Bonds.

- iii. Details of taxonomies, green standards or certifications both Indian and global, if any referenced and the alignment of projects with said taxonomies, related eligibility criteria, and exclusion criteria, if applicable.

PCMC has developed a Green Bond Framework to outline the governing framework for execution

and managing the green bonds on an ongoing basis based on requirements of ICMA Green Bond Principles, 2021 and applicable guidelines for Green municipal bonds. The Green Bond Framework is designed to comply with four components and key recommendations of the International Capital Market Association (ICMA) Green Bond Principles and keeping in view SEBI's regulations regarding green municipal debt securities.

As certified by Independent Certifier for Green Bonds, the proposed Eligible Green Projects for Green Bonds are in alignment of projects with said taxonomies of International Capital Market Association (ICMA) Green Bond Principles and SEBI's regulations regarding green municipal debt securities including the related eligibility criteria, and exclusion criteria, as applicable.

- iv. Details of the alignment of the objective of the issue with the India's Intended Nationally Determined Contributions in case of the proceeds raised through issuance of transition bonds.

Not Applicable, the proceeds are not being raised through issuance of transition bonds.

c. **Details of the system/procedures to be employed for tracking the deployment of the proceeds of the issue**

As per the Green Bond Framework, the following are the details of the system/procedures to be employed for tracking the deployment of the proceeds of the issue after the Issue proceeds are transferred to the Issue Proceeds Account by the clearing corporation in accordance with the SEBI Regulations:

- a) The proceeds will be deposited to the Main Fund Account of PCMC with the regular treasury policy, and then funds from the Main Fund will be made available for eligible green projects.
- b) For the purposes of ensuring that the proceeds' allocation and accounting is transparent, clear and beyond doubt, a separate account will be created and maintained by PCMC.
- c) Unallocated proceeds, if any, will be carried forward to successive years for investment in eligible green projects only.
- d) It will be endeavoured that all proceeds are allocated within a span of two years from the date of issuance.

PCMC commits to providing investors with transparent reporting on the allocation of proceeds of Green Bonds as well as on the environmental impact of projects funded by the proceeds. The Allocation Report will be updated annually until full allocation of proceeds of outstanding Green Bonds.

The annual bond compliance report is expected to consist of the following:

- Information about issuance
- List of allocated proceeds to eligible projects and type of expenditure
- Alignment of the eligible procedures with stated objectives
- Description of projects financed and their status of implementation,
- Total quantum of proceeds generated, allocated and remaining unallocated (if any)
- Assumptions made, if any
- Expected impact of the projects in quantitative indicators (to the extent possible indicating reduction in carbon intensity, other environmental benefits and, where possible, social co-benefits for the proposed Projects may be as below:

Potential Impact Reporting Metrics

Green Project Category	Examples of potential metrics
Clean Transportation	• Number of people who use new ecological public transport

Green Project Category	Examples of potential metrics
	• Number of km of new electric bus/road lines introduced/maintained. • Annual GHG emissions avoided in tons of CO2 emission. • Air Quality improvement (PPM) • Number of people with access to sustainable public transport systems

To provide timely and transparent information about the reporting of the allocation of funds from Green Bond issued under this framework, PCMC intends to engage a third-party external reviewer to provide an annual assessment on the alignment of the allocation with the framework's criteria. The external review will be conducted to:

- a. verify that utilization of proceeds is in accordance with stated objectives of use of proceeds as mentioned in the Framework
- b. assess the management of proceeds and of unallocated proceeds if any
- d. **Details of the project(s) and/or asset(s) or areas where the issuer, proposes to utilise the proceeds of the issue of green debt securities, including towards refinancing of existing green project(s) and/or asset(s), if any**

The Issuer proposes to utilise the proceeds of the issue of green debt securities towards following projects:

- a) Development of street network under the Harit Setu Project in Nigdi Pradhikaran-
- b) Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk in PCMC area.

Independent Certifier for Green Bonds has confirmed vide its certificate dated March 06, 2025 confirmed that the said Projects qualify as "Eligible Green Projects for Green Bonds".

- e. **Details of an indicative estimate of distribution of proceeds raised through issuance of green debt security between financing and refinancing of project(s) and/ or asset(s); if applicable.**

The proceeds of the Issue will be distributed for the financing of the Project having the following distribution:

Sr. No	Name of the Project	Estimated Project Approval Cost (₹ in crore)	Amount to be raised through proposed green bonds. (₹ in crore)
1	Harit Setu Project	157.32	125.00
2	Telco Road from Gawali Matha to Indrayani Nagar Chowk	107.93	75.00
	Total	265.25	200.00

- f. **Details of the intended types of temporary placement of the unallocated and unutilised net proceeds from the issue of green debt securities**

As per the Green Bond Framework, the unallocated proceeds, if any, will be carried forward to successive years for investment in eligible green projects only. These proceeds will be held in a fixed deposit with a scheduled bank or permitted investments defined under the information memorandum / placement memorandum until they are allocated for an eligible project.

- g. **Details related to the perceived social and environmental risks and proposed mitigation plan associated with the project(s) proposed to be financed/ refinanced through the proceeds from the issue of green debt securities**

As per certificate dated March 06, 2025 from Independent Certifier for Green Bonds, the Project I and Project II are aimed at providing social and economic benefits and there are not perceived risk for the Projects.

- h. **The issuer shall appoint an independent third-party reviewer/ certifier, for reviewing/certifying the processes including project evaluation and selection criteria, project categories eligible for financing by green debt securities, etc.**

KPMG Assurance and Consulting Services LLP, as the Independent Third Party Reviewer, have conducted a review of the Green Financing Framework/Green Bond Framework developed by PCMC for projects to be funded through the proposed Issue and provided an assurance report dated January 14, 2025 for their proposed Issue.

- i. **Undertaking by the Issue:**

The Issuer hereby undertakes the following:

1. It shall comply with the monitoring and continuous disclosure requirements suggested for the issue of green debt securities by SEBI from time to time.
2. Maintain a decision-making process which it uses to determine the continuing eligibility of the project(s) and/or asset(s). This includes, without limitation statement on the environmental objectives of the green debt securities and a process to determine whether the project(s) and/or asset(s) meet the eligibility requirements.
3. Ensure that all project(s) and/or asset(s) funded by the proceeds of green debt securities, meet the documented objectives of green debt securities;
4. Utilise the proceeds only for the stated purpose, as disclosed in the offer document; and

Ensure compliance with “Dos and don’ts relating to green debt securities to avoid occurrences of greenwashing” stated in Chapter IX-A of SEBI Master Circular.

EXPENSES OF THE ISSUE

Expenses of the Issue along with a break-up for each item of expense, including details of the fees payable to/for separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size):

Expenses Head	Amount (in ₹) (Excluding Taxes)*	Percentage of total issue expenses	Percentage of total issue size
Fees to Merchant Banker(s) (including commissions, if any)	1.00	0.00%	0.0000%
Brokerage, selling commission and upload fees	-	0.00%	0.0000%
Fees to the Registrar to the Issue	79,000.00	2.38%	0.0040%
Fees to the Legal Advisor to the Issue	13,50,000.00	40.61%	0.0675%
Advertising and marketing expenses (including road shows, investors meet and other events)	-	0.00%	0.0000%
Regulators including stock exchange	1,25,000.00	3.76%	0.0063%
Printing and distribution of issue stationery	20,000.00	0.60%	0.0010%

Expenses Head	Amount (in ₹) (Excluding Taxes)*	Percentage of total issue expenses	Percentage of total issue size
Others, if any (fees of Rating Agencies, Debenture Trustee, etc.)	17,50,000.00	52.65%	0.0875%
Total (exclusive of taxes)	33,24,001.00	100.00%	0.1662%

**Indicative amounts*

The Issuer has not and any person who is connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue. The expenses in relation to the Issue are not being paid out of the proceeds of the Issue. The expenses in relation to the Issue are being met through the internal accruals of the Issuer.

SECTION-VIII: TAX BENEFITS

To,
Pimpri Chinchwad Municipal Corporation
Mumbai-Pune Road, Pimpri-Chinchwad,
Maharashtra, 411018

Dear Sirs,

Re: Statement of tax benefits available to Pimpri Chinchwad Municipal Corporation (the “Issuer” or the “Corporation”) and its investors prepared in accordance with the requirements under Schedule I (6) of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 as amended (SEBI ILMDS Regulations) for the proposed issue of 10,000 (ten thousand) secured, rated, listed, taxable, redeemable, non-convertible green municipal bonds of a face value of ₹ 2,00,000 (Indian Rupees Two Lakh only) each (“Green Bonds”/“NCDs”/“Debentures”), (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPP”) namely 1 STRPP A of face value of Rs 1,00,000 and 1 STRPP B of face value of Rs 1,00,000), for an amount aggregating up to Rs 200 crores (“Total Issue Size”) on the private placement basis under SEBI ILMDS Regulations (“Issue”) (here after known as the “Issue”).

1. This certificate is issued in accordance with the terms of our engagement letter dated March 01, 2025.
2. We, the undersigned, are the auditors of the Issuer, refer to the proposed Issue by Pimpri Chinchwad Municipal Corporation (the “**Issuer**”) and enclose the statement of special tax benefits available to the Issuer and Investors under the Income Tax Act, 1961 as Annexure 1 hereto (the “**Statement**”) showing the special tax benefits on issue of Municipal Bond applicable to the Issuer and Investors as per the provisions of the Income Tax Act, 1961 (the “**Act**”) and Income Tax Rules, 1962 including amendments made by Finance Act, 2024 and Taxation Laws (Amendment) Act, 2021 as applicable for the financial year 2024-2025, for inclusion in the Preliminary Placement Memorandum/ Placement Memorandum dated March 13, 2025 which are proposed to be filed by the Issuer with the BSE Limited (“**Stock Exchange**”), the Securities and Exchange Board of India (SEBI) and any other regulatory authority in connection with the Issue. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Bond Holders to derive these tax benefits is dependent upon their fulfilling such conditions.
3. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Issuer. This statement is only intended to provide general information to the Investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each Bond Holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the Investors to invest money based on this statement. We do not express any opinion or provide any assurance as to whether:
 - the Issuer or the Investors will continue to obtain these benefits in similar manner in future;
 - the conditions prescribed for availing the benefits have been / would be met with; and
 - the revenue authorities/courts will concur with the views expressed herein.
4. We hereby give our consent to include the Statement in the Preliminary Placement Memorandum/ Placement Memorandum in connection with the Issue to be filed by the Issuer with the Stock Exchange(s), the Securities and Exchange Board of India and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.
5. **Limitations**

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its reasonable interpretation, which are subject

to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This Statement is addressed to you solely for the use of the Issuer in relation to the Issue and, except with our prior written consent, is not to be transmitted or disclosed to, or used or relied upon by any other person or used or relied upon by you for any other purpose, save that you may disclose this Statement to A.K Capital Services Limited (the “**Merchant Banker**”). We further consent to the above details being included for the records to be maintained by the Merchant Banker in connection with the Issue and in accordance with the provisions of applicable laws.

This statement may be relied upon by the Merchant Banker and the Legal Advisor to the Issue in respect of the Issue.

6. Capitalised terms used but not defined herein shall have the meaning assigned to such terms in the Preliminary Placement Memorandum/ Placement Memorandum.

Sincerely,

For **RAKESH R AGARWAL & ASSOCIATES**
CHARTERED ACCOUNTANTS

Authorised Signatory

Name: **RAKESH RAMKUMAR AGARWAL**

Designation: **FCA**

Membership No.: **100223**

UDIN: 25100223BMIHGK5985

Place: Pune

Date: March 13, 2025

CC:

Legal Counsel to the Issue

Khaitan & Co.

One World Centre,

10th & 13th Floor, Tower 1C,

841 Senapati Bapat Marg,

Mumbai - 400 013, India

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS

Under the existing provisions of law, the following special tax benefits, *inter alia*, will be available to the Issuer and Bond Holders. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto.

The information given below lists out the special tax benefits available to the Issuer and Bond Holder, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Green Bonds. The Bond Holders are advised to consider in its own case, the tax implications in respect of subscription to the Green Bonds after consulting its tax advisor as alternate views are possible. We are not liable to the Bond Holders in any manner for placing reliance upon the contents of this statement of special tax benefits.

We have also perused the relevant provisions of Income Tax Act, 1961, Central Goods and Service Tax Act (CGST), State Goods and Service Tax Act (SGST) and Integrated Goods and Service Tax Act (IGST) along with the notifications issued by the revenue authorities from time to time.

On the basis of such perusal/examination of the provisions and on the discussions held with the officials of Issuer, we are of the opinion that the following special tax benefits are available to the Issuer and the Bond Holders:

DIRECT TAXES

IMPLICATIONS UNDER THE INCOME TAX ACT, 1961 (“IT Act”)

We have perused various provisions of tax exemption / tax rebates specified under Chapter III and Chapter VI A of the IT Act. From the perusal of the said Chapters, our opinion is as under:

Benefits to the Issuer

The Income of the Issuer from specified sources are exempted under Section 10(20) of the IT Act. The provisions under Section 10(20) of the IT Act are as under:

“the income of a local authority which is chargeable under the head "Income from house property", "Capital gains" or "Income from other sources" or from a trade or business carried on by it which accrues or arises from the supply of a commodity or service (not being water or electricity) within its own jurisdictional area or from the supply of water or electricity within or outside its own jurisdictional area.

Explanation. —For the purposes of this clause, the expression "local authority" means—

- (i) *Panchayat as referred to in clause (d) of article 243 of the Constitution; or*
- (ii) *Municipality as referred to in clause (e) of article 243P of the Constitution; or*
- (iii) *Municipal Committee and District Board, legally entitled to, or entrusted by the Government with, the control or management of a Municipal or local fund; or*
- (iv) *Cantonment Board as defined in section 3 of the Cantonments Act, 1924 (2 of 1924);”*

As per the provisions of Section 10(20) of the IT Act read with the other relevant provisions of the IT Act and the Income Tax Rules, 1962 and as per the information and explanations given to us, any income arising to the Issuer on the issuance of the Green Bonds shall be assessed as “Income From Other Sources” which is exempted under Section 10(20) of the IT Act.

Apart from the above, there are no special tax benefits available under the IT Act.

Benefits to the Bond holders

The interest income earned on investment made in municipal bonds is not exempt under the provisions of Chapter III of the IT Act. Also, there are no special tax benefits available under any other provisions of the IT Act.

Also, the capital gains arising on transfer of municipal bond are not exempt under Chapter IV of IT Act.

Tax at source shall be deducted on interest as per the rate applicable under the IT Act.

Tax deduction at source concession to the Foreign Portfolio Investors (“FPIs”)

As per provisions of Section 194LD of the IT Act, it is proposed that foreign portfolio investors shall be eligible for concessional rate of tax deduction at source on the interest on bonds at 5%. Section 194LD of the IT Act reads as under:

1. *“Any person who is responsible for paying to a person being a Foreign Institutional Investor or a Qualified Foreign Investor, any income by way of interest referred to in sub-section (2), shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.*
2. *The income by way of interest referred to in sub-section (1) shall be the interest payable in respect of investment made by the payee in—*
 - (i) *a rupee-denominated bond of an Indian company; or*
 - (ii) *Government security;*

Provided that the rate of interest in respect of bond referred to in clause, (i) shall not exceed the rate as may be notified by the Central Government in this behalf.

Explained: –

- (a) *‘Foreign Institutional Investor’ is a registered institution that invests in a country other than its own.*
- (b) *‘Qualified Foreign Investor’ is a subcategory of FII who is a foreign individual, group or association restricted from those countries, which are the members of FATF.*
- (c) *‘Rupee-denominated bond’ is a bond issued by an Indian entity in a foreign market where the buying, selling and repayment are expressed in rupees.*
- (d) *‘Government security’ is a Government issued bond, which is of low risk.”*

A foreign institutional investor or a qualified foreign investor consider investing in securities to be gainful and thus, make investments claiming a security interest on the collateral. The interest payable by the Indian concern or entity to a foreign entity is deducted at 5% tax at source and disbursed in terms of rupees.

Deduction of Tax at Source on interest on Green Bonds

1. Interest on Green Bonds issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 (“IT Act”) or any other statutory modification or re-enactment thereof, as applicable. Bond Holders desirous of claiming non-deduction or lower deduction of tax at source under applicable laws, as the case may be, shall be required to submit the declaration/certificates as per format prescribed under applicable laws with the Issuer and the RTA at the below mentioned address on or prior to the relevant Record Date for payment of interest on the Green Bonds:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Pimpri Chinchwad Municipal Corporation	KFIN Technologies Limited
Correspondence Address	Mumbai-Pune Road, Pimpri-Chinchwad, Maharashtra, 411018	Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana 500 032
Contact Person	Arun Kashinath Supe	Mr. Srinivas Sudheer Venkatapuram
Designation	Compliance Officer and Deputy Chief Accounts and Finance Officer	VP-Corporate Registry
E-mail ID	bond.account@pcmcindia.gov.in	srinivassudheer.venkatapuram@kfintech.com
Tel. No.	9822804143	040-67161667, 040-67162222, 040-23001153
Fax No.	-	4023431551
Link for online submission	N.A.	https://ris.kfintech.com/form15/forms.aspx?q=0

2. In case of non-receipt of such prescribed declaration/ certificate from the Bond Holders claiming non-deduction or lower deduction of tax at source under applicable laws, on or prior to the relevant Record Date, the Issuer shall make TDS deductions in accordance with the prescribed rates prior to credit of interest on Green Bonds.
3. Income Tax is deductible at source at the rate of 10% on interest on Green Bonds held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest is to be paid to an Individual or hindu undivided family (“HUF”) (being the Bond Holder) is less than ₹ 5,000 and interest is to be paid by way of account payee cheque then the relevant Bond Holder may seek non deduction of tax at source on the interest on Green Bonds by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date.
4. In case of a Bond Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, as the case may be, the Bond Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Bond Holders (other than companies and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Bond Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.
5. Bond Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:
 - a) When the Assessing Officer issues a certificate on an application by a Bond Holder on satisfaction that the total income of the Bond Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with the Company before the Record Date for payment of interest;
 - b) When the resident Bond Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
 - c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-

deduction of tax at source in accordance with the provisions of section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;

- d) All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Bond Holders under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
 - e) For any Green Bonds held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on Green Bonds may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;
 - f) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
 - g) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);
 - h) Any other specific exemption available to any other category of investors under the IT Act.
6. In case(s) where the Bond Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the Green Bonds, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the Bond Holders would be required to directly take up with the tax authorities for refund, if any.

Documents required in cases of lower/ non-deduction of TDS due to exemption available

Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

- a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;
- b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

- c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption, unless specified otherwise hereinabove:

Sl. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act,	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2	Non-residents- (Other than FIIs/FPIs)	For Non-deduction or lower deduction of tax at source u/s 195 of the IT Act	A certificate under section 197 of the IT Act from the Indian Assessing Officer for nil / lower deduction of tax at source by making an application in the prescribed form (i.e. Form No.13.)
3	Life insurance Corporation of India	Clause vi of Proviso to Section 193	a. Copy of Registration certificate
4	a. General Insurance Corporation of India, b. companies formed under section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	b. Copy of Registration certificate Copy of shareholding pattern
5	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
6	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government

Sl. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
7	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions and Copy of Registration Certificate
8	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 10(25) and 10(25A)
9	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
10	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income Copy of Registration Certificate
11	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

INDIRECT TAXES

Benefits to the Issuer

The Issuer is exempted from provisions of goods and service tax only on municipal services. There are no special tax benefits on the issuance of municipal bonds.

Benefits to the Bond Holders

No special indirect tax benefits are available on issue of municipal bonds to the investors.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION-IX: ISSUE SPECIFIC INFORMATION

A. Issue/instrument specific regulations

The Bonds are proposed to be issued in accordance with SEBI Municipal Debt Regulations and relevant circulars of SEBI, as amended from time to time.

The MMC Act provides borrowing powers to PCMC. The proposed issue is being made pursuant to Section 109 of the MMC Act and is subject to the provisions of the MMC Act, the terms of this Preliminary Placement Memorandum and other terms and conditions as may be incorporated in the Transaction Documents. The Issuer has obtained approval for the Issue of bonds as mentioned under section titled “*About the Issuer and Capital Structure of the Issuer*” on page no. 43.

Section 109(1) provides that the Corporation with the previous sanction of the State Government, from time to time, may from time to time borrow or re-borrow and take up at interest by the issue of debentures or otherwise on the security of any immovable property vested in the Corporation on or proposed to be acquired by it under this Act or of all the taxes or of any tax which it is authorised to levy for the purposes of this Act or the Transport Undertaking, or of all or any of those securities any sum necessary for the purpose of:

- (a) defraying any costs, charges or expenses, incurred or to be incurred by it in the execution of this Act;
- (b) for discharging any loan contracted under this Act or any other loan or debt for the repayment of which the Corporation is liable;
- (c) generally for carrying out the purposes of this Act, including the advance of loans authorised thereunder

Further in accordance with Section 111, every loan raised by the Corporation under Section 109 shall be repaid by the following methods:

- (a) by payment from a sinking fund established in respect of the loan;
- (b) by equal payments of principal and interest;
- (c) by equal payments of principal;
- (d) in the case of a loan borrowed before the appointed day by annual drawings if such method was in operation for the repayment of such loan immediately before such day;
- (e) from any sum borrowed for the purpose under section 109 (1) (b); or
- (f) partly from a sinking fund established in respect of the loan and partly from money borrowed for the purpose under section 109(1)(b).

B. Rating and detailed Rating Rationale.

The Green Bonds proposed to be issued by the Pimpri Chinchwad Municipal Corporation have been rated by CARE Ratings Limited (“**CARE Ratings**”) and CRISIL Ratings Limited (“**CRISIL**”) (collectively the “**Rating Agencies**”). CARE Ratings has vide its letter dated August 07, 2024, assigned a rating of CARE AA+; Stable (pronounced as Double A Plus; Outlook: Stable), revalidated by its letter dated March 05, 2025, and has issued a rating rationale dated August 09, 2024. Further, CRISIL has vide its letter dated July 04, 2024, assigned a rating of Provisional CRISIL AA+/Stable (pronounced as Provisional CRISIL double A plus rating with Stable outlook), revalidated by its letter dated March 03, 2025 and has issued a rating rationale dated December 26, 2024

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Green Bonds. The ratings may be subject to

revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings.

For credit rating of Green Bonds and detailed rationale of the ratings, please refer to **Annexure II** on page A-6. There are no unaccepted ratings and any other ratings other than as specified in this Preliminary Placement Memorandum.

C. Other Confirmations

- The Issuer is eligible to raise funds under its constitution documents and in terms of the Maharashtra Municipal Corporations Act, 1949;
- The accounts of the Issuer are prepared in accordance with the National Municipal Accounts Manual;
- the Issuer has not defaulted in repayment of debt securities or loans obtained from banks or financial institutions, during the preceding 365 days;
- No order or direction of restraint, prohibition or debarment by Securities and Exchange Board of India, ("SEBI") is in force against the Issuer or members of the Bond Issue Committee from accessing the securities markets;
- The Issuer or members of the Bond Issue Committee are not named in the list of the willful defaulters;
- None of the members of the Bond Issue Committee have been declared as a fugitive economic offender(s).

D. Credit Enhancement Mechanisms, if any.

Please refer to **Annexure-I** for Structured Payment Mechanism.

E. Stock exchanges where the debt securities are proposed to be listed

The Bonds are proposed to be listed on BSE Limited. BSE Limited shall be the designated stock exchange. The in-principle approval of the BSE dated [●], 2025 has been obtained in this regard.

F. Additional interest to be paid, above the Coupon Rate, in case of default in payment of Interest and/or principal redemption on due dates

In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rates of the Bonds for the defaulting period.

G. Penal interest payable by the Corporation in case of delay in listing of Bonds from Deemed date of Allotment

The default interest rate of 1% per annum over the Coupon Rate will be payable by the Issuer for the period of delay between the Deemed Date of Allotment and the date of listing, in accordance with the provisions of Chapter VII of the SEBI Master Circular.

As per provisions of the SEBI Municipal Debt Regulations, in case the Issuer fails to obtain listing or trading permission from the Stock Exchange, it shall refund the entire monies received within seven days of receipt of intimation from the Stock Exchange and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer shall be liable to repay that money with interest at the rate of 15% (fifteen percent) per annum till such refund is made.

H. DRR/Sinking Fund

As per SEBI Municipal Debt Regulations and 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 and MMC Act, each as amended, modified and/or supplemented from time to time, the Issuer is required to create Sinking Fund for due repayment of principal. Accordingly, the Issuer shall create Sinking Fund as mentioned in the Structured Payment Mechanism for redemption of the Bonds. For further details of Structured Payment Mechanism, please refer to **Annexure-I** on page no. A-1 of this Preliminary Placement Memorandum.

I. Mechanism adopted in compliance with Regulation 13 of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

1. We would like to disclose to all the stakeholders including but not limited to potential investors that, PCMC has appointed A. K. Capital Services Limited as Merchant Bankers/ Arrangers to the Issue vide Engagement letters dated February 02, 2024 and Issue Agreement dated March 13, 2025;
2. We further would like to disclose that lead managers/ merchant bankers/ arrangers either directly or through its affiliates or its associates or its subsidiaries may invest in the proposed issue through EBP mechanism in transparent manner;
3. EBP mechanism is adopted to ensure fair, objective, and unbiased opportunity to all investors.

J. Deduction of Tax at Source on interest on NCDs

1. Interest on NCDs issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 ("IT Act") or any other statutory modification or re-enactment thereof, as applicable. NCD Holders desirous of claiming non-deduction or lower deduction of tax at source under applicable laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the below mentioned address at least 15 (Fifteen) calendar days prior to the relevant Record Date for payment of interest on the NCDs:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Pimpri Chinchwad Municipal Corporation	KFin Technologies Ltd.
Correspondence Address	Pimpri Chinchwad Municipal Corporation Mumbai-Pune Road, Pimpri - 411018, Maharashtra, INDIA	Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500032,
Contact Person	Mr. Arun Kashinath Supe	Mr. Srinivas Sudheer Venkatapuram Einward.ris@kfintech.com
Designation	Deputy Chief Accountant	VP – Corporate Registry
E-mail ID	bond.account@pcmcindia.gov.in	srinivassudheer.venkatapuram@kfintech.com
Tel. No.	98500 98167	040-67161667, 040- 67162222 , 040-23001153
Fax No.	-	4023431551
Link for online submission	N.A.	https://ris.kfintech.com/form15/forms.aspx?q=0

2. In case of non-receipt of such prescribed declaration/ certificate from the NCD Holders claiming non-deduction or lower deduction of tax at source under applicable laws, on or prior to the relevant Record Date, the Issuer shall make TDS deductions in accordance with the prescribed rates prior to credit of interest on NCDs.

3. Income Tax is deductible at source at the rate of 10% on interest on NCDs held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest is to be paid to an Individual or hindu undivided family (“HUF”) (being the NCD Holder) is less than ₹ 5,000 and interest is to be paid by way of account payee cheque then the relevant NCD Holder may seek non deduction of tax at source on the interest on NCDs by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date.
4. In case of NCD Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.
5. Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:
 - (a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with the Company before the Record Date for payment of interest;
 - (b) When the resident Debenture Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under Section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
 - (c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of Section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;
 - (d) All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
 - (e) For any NCDs held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on NCDs may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of

an Indian Company between June 01, 2013 and July 01, 2023 provided such rate does not exceed the rate as may be notified by the Government. Further, in case where Section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;

- (f) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
 - (g) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);
 - (h) Any other specific exemption available to any other category of investors under the IT Act.
6. In case(s) where the NCD Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the NCDs, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the NCD Holders would be required to directly take up with the tax authorities for refund, if any.

K. Issue Procedure

(a) Eligible Investors

The following categories of investors, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

1. All QIBs and / or;
2. any non-QIB Investors specifically mapped by the Issuer on BSE EBP Platform; and

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the BSE EBP Guidelines and SEBI EBP Guidelines) specifically mapped by the Issuer on the BSE EBP Platform are also eligible to bid/apply/invest for this Issue.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breach by any investor, nor shall the Issuer be required to check or confirm the same.

The Placement Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the Application Form to the Issuer in order to accept the offer of Debentures. No person other than the successful Eligible Investors to whom the Placement Memorandum has been issued by the Issuer may apply for the Issue through the Application Forms received by them. Any application from a person other than those specifically addressed will be invalid.

Hosting of the Preliminary Placement Memorandum / Placement Memorandum on the websites of the BSE and SEBI should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI ILMDS Regulations read with the BSE EBP Guidelines.

(b) **Application Process**

Only Eligible Investors as mentioned hereinabove may apply for the Debentures. The minimum number of Bonds that can be applied for and the multiples thereof shall be as set out in this Preliminary Placement Memorandum. No application can be made for a fraction of a Bond.

The Issue set up shall be done by the Issuer in accordance with the BSE EBP Guidelines and SEBI EBP Guidelines.

Eligible Investors are required to register on the EBP, the link for which is https://bond.bseindia.com/Investor_Registration.aspx. All the registered Eligible Investors are required to update the necessary bank account details and demat details before participating in the bidding process on the BSE EBP Platform.

In order to be able to bid under the BSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to the documentation related to ‘know your customer’) in accordance with the SEBI EBP Guidelines and BSE EBP Guidelines. Eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE. The details of the Issue shall be entered on the BSE EBP Platform by the Issuer at least 5 (five) Working Days prior to the Issue Opening Date, in accordance with the SEBI EBP Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the BSE EBP Platform, at least 1 (one) Working Day before the start of the Issue Opening Date.

The Issue will open on the ‘Issue Opening Date’ and close on the ‘Issue Closing Date’ as stated herein (“**Issue Period**”). The subscription to the Bonds shall be made by the Eligible Investors through the electronic book mechanism by placing bids on the BSE EBP Platform as prescribed by SEBI during the Issue Period. Bids need to be submitted by issue closing time or such extended time as decided by the Issuer on the BSE EBP Platform. Some of the key parameters in terms of the extant SEBI EBP Guidelines on issuance of debt securities on private placement basis through an electronic book mechanism are as follows:

Details of size of the Issue and green shoe portion, if any	Private Placement of upto 10,000 Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Green Bonds in the nature of debentures of Face Value of ₹ 2,00,000 (Rupees Two Lakh Only) each, (“Green Bonds” / “Bonds”/ “NCDs” / “Debentures”), (Comprising of 2 (Two) Separately Transferable And Redeemable Principal Parts (“STRPP”) Namely 1 STRPP A of Face Value Of ₹ 1,00,000 And 1 STRPP B of Face Value of ₹ 1,00,000) , for the base issue size of ₹100 Crore (Rupees Hundred Crore)(“Base Issue Size”) with a green shoe option of up to ₹ 100 Crore (Rupees Hundred Crore) (“Green Shoe Option”),aggregating up to ₹ 200 Crores (“Issue Size”).
Interest rate parameter	Fixed Coupon
Issue Opening Date	[●]
Issue Closing Date	[●]
Minimum Bid Lot/ Minimum Application Size	5 bonds of face value of ₹ 2,00,000 each (i.e. 5 NCD comprising of 5 STRPP A, & 5 STRPP B) aggregating to ₹ 10,00,000 and in multiples of 1 (One) NCD face value of ₹ 2,00,000 (comprising of 1 STRPP A & 1 STRPP B) thereafter.
Manner of bidding in the Issue	Closed bidding on the BSE EBP Platform in line with the BSE EBP Guidelines
Manner of allotment in the Issue	Uniform yield basis in line with the BSE EBP Guidelines
Manner of settlement in the Issue	Settlement of the Issue will be done through the clearing corporation of BSE being Indian Clearing Corporation Limited and the account details are given in the section

	on 'Allocation and Settlement' of this Preliminary Placement Memorandum.
Settlement Cycle	To be decided

(c) Bids by the Arrangers

Only the Arrangers mapped by the Issuer on the BSE EBP Platform shall be entitled to bid on behalf of Eligible Investors in the capacity of an arranger. Multiple bids by the Arrangers are permitted provided that each bid is on behalf of different Investors.

The Arrangers are allowed to bid on a proprietary, client and consolidated basis. At the time of bidding, the Arrangers are required to disclose the following details to the BSE EBP Platform:

Whether the bid is proprietary bid or is being entered on behalf of an Eligible Investor or is a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.

For consolidated bids, the Arrangers shall disclose breakup between proprietary bid and bid(s) made on behalf of Eligible Investors.

For bids entered on behalf of Eligible Investors, the Arrangers shall disclose the following:

- (i) Names of such Eligible Investors;
- (ii) Category of the Eligible Investors (i.e. QIB or non-QIB); and
- (iii) Quantum of bid of each Eligible Investor

Provided that the Arrangers shall not be allowed to bid on behalf of any Eligible Investor if the bid amount for a series of the Debentures exceeds 5% (five percent) of the base issue size of the Debentures or ₹ 100 Crore, whichever is lower (or such revised limits as may be specified in the SEBI EBP Guidelines from time to time).

(d) Modification or cancellation of the bids

Modification or cancellation of the bids shall be allowed i.e. bidder can cancel or modify the bids made in an issue, subject to the following:

- a. such cancellation/ modification in the bids can be made only during the bidding period;
- b. no cancellation of bids shall be permitted in the last 10 minutes of the bidding period; and
- c. in the last 10 minutes of the bidding period, only revision allowed would be for:
 - (i) downward revision of coupon/ spread or upward modification of price; and/ or
 - (ii) Upward revision in terms of the bid size.

BSE reserves the right to cancel any bids placed by the Bidder or any transaction, if found in contravention of applicable law, or when requested/directed by any competent legal authority(ies), or if found that occurrence of material events have bearing on the performance/ operations of the Issuer or an informed appraisal of the status/position of the Issuer by Bidder/its client.

After the end of the bidding window, the Issuer has the option to:

- Withdraw the Issue; or
- Accept the Issue

In case the Issuer does not accept or withdraws the issue before the specified deadline, then the issue will be withdrawn by the system as per the BSE EBP guidelines.

(e) Allocation and Settlement:

The allotment of valid applications received on the latest by the time of close of bidding window shall be done on ‘uniform yield allotment’ basis in the following manner:

- (i) all bids shall be arranged in accordance with “yield time priority” basis and the allotment shall be done at the cut-off rate determined in the bidding process. The allotment and settlement value shall be based on the face value.
- (ii) where two or more bids have the same yield coupon and time, then allotment shall be done on “pro-rata” basis.

Post completion of the bidding process and closure of the Issue, the Issuer will accept and upload the provisional allocation on the BSE-EBP Platform. Post receipt of investor details, the Issuer may freeze the allocation on the BSE EBP Platform.

Eligible Investors whose bids have been accepted by the Issuer (“**Successful Bidders**”) shall make pay-in of subscription monies in respect of the Bonds towards the allocation made to them, into the bank account of Indian Clearing Corporation Limited, on the Pay-In Date and before the pay-in cut-off time in accordance with the BSE and SEBI EBP Guidelines, the details of which will be displayed on BSE EBP Platform.

The fund pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated on the BSE EBP Platform. All transfers/RTGS must be made payable to the designated bank accounts of Indian Clearing Corporation Limited, details of which accounts are as set out below:

Beneficiary Name	Indian Clearing Corporation Limited
Clearing House Bank	[•]
IFSC	[•]
Bank account number	Will be available on BSE EBP Platform post bidding and will be shared on mail post allocation for making the payment

It may be noted that payment by any other means shall not be accepted. The Issuer assumes no responsibility for any delayed receipts / non-receipt of RTGS payments or any applications lost in mail or in transit or any failure of electronic fund transfer.

Any amount received from third party accounts or from accounts not specified in the EBP may lead to cancellation of bid and no allotment will be made against such payments and the funds shall be refunded. Further, pay-in received from any other bank account may consequently lead to debarment of the bidder from accessing the BSE EBP Platform for 30 (thirty) days or as may be provided under BSE EBP Guidelines.

Upon the transfer of funds into the aforesaid account of Indian Clearing Corporation Limited by the Successful Bidders, the Issuer shall confirm its decision to proceed with the allotment of the Bonds in favour of the Successful Bidders to the clearing corporation(s), Depository(ies), Registrar and the BSE EBP Platform. The Issuer shall initiate the requisite corporate action for allotment of Debentures and credit of allocated Debentures into the relevant demats account of the Successful Bidders through the Registrar. The Registrar shall provide corporate action file along with all requisite documents to the Depositories and intimate the BSE EBP of the aforesaid actions.

Upon the Depositories confirming the allotment of the Bonds and the credit of allocated Debentures into the demat account of the Successful Bidders to BSE EBP, the subscription monies in respect of the Bonds from the aforesaid account of the clearing corporation shall be released into the Issue Proceeds Account, as intimated by the Issuer to BSE EBP in accordance with applicable regulations/notifications and guidelines issued by SEBI from time to time. The details of the Issuer’s bank account are as provided herein below:

Beneficiary Name	[●]
Bank Account No.	[●]
IFSC Code	[●]
Bank Name	[●]
Branch Address	[●]

It must be noted that all pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties may be applicable as specified by the BSE EBP Guidelines and SEBI EBP Guidelines.

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, price quoted during bidding, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the SEBI Master Circular and SEBI & BSE EBP Guidelines. The BSE EBP Platform shall upload such data, as provided by the Issuer, on its website to make it available to the eligible participants.

All benefits relating to Debentures will be available to the Investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date of Debentures is changed (preponed/ postponed), the Deemed Date of Allotment of Debentures may also be changed (preponed/ postponed) by the Issuer.

(f) **Application Forms**

Applications for the Bonds must be made in the Application Form and must be completed in block letters in English by the Eligible Investors. Application Forms must be accompanied by payment details. The full amount of the Face Value/ Issue Price allotted has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below. Application Forms should be duly completed in all respects. The name of the Applicant's bank, type of account and account number must be duly filled by the Applicant. All Application Forms duly completed should be scanned clearly and emailed to the Issuer along with all the relevant documents on or before the Pay-In Date and forthwith followed by the original Application Form shall be submitted at the Head Office of the Issuer which is located at Pimpri Chinchwad Municipal Corporation Mumbai-Pune Road, Pimpri - 411018, Maharashtra, India but no later than 10 (ten) days from the Issue Closing Date. The Issuer will not be responsible in any manner for any delayed receipts / non-receipt of Application Forms for any reason whatsoever.

Documents to be provided by successful bidders:

Investors need to submit the certified true copies of the following documents, along-with the application form, as applicable:

- a) Articles and Memorandum of Association/ Constitution/ Bye-laws;
- b) Board Resolution authorizing the investment and containing operating instructions;
- c) Power of Attorney/ relevant resolution/authority to make application;
- d) Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- e) Copy of Permanent Account Number Card (“**PAN Card**”) issued by the Income Tax Department;

(g) **Withdrawal of Issue**

The Issuer may, at its discretion, withdraw the issue process on the conditions set out under the BSE EBP Guidelines; provided that the Issuer shall accept or withdraw the issue on the BSE EBP Platform in accordance with BSE EBP Guidelines as prevailing on the date of the bid. If the Issuer has withdrawn the Issue, and the cut-off yield of the Issue is higher than the estimated cut-off yield disclosed to the BSE EBP Platform, the estimated cut off yield shall be mandatorily disclosed by the BSE EBP Platform to the Eligible Investors. The expression ‘estimated cut off yield’ means yield so estimated by the

Issuer, prior to opening of issue on the BSE EBP Platform. The disclosure of estimated cut off yield by BSE EBP Platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.

(h) Continuous Listing Conditions

The Issuer shall comply with the conditions of listing specified in Schedule V of the SEBI Municipal Debt Regulations including continuous disclosure and other requirements as specified by SEBI from time to time.

The Issuer shall comply with the provisions of Chapter VI of the SEBI Municipal Debt Regulations including the provisions in relation to continuous listing conditions; accounting and audit; and trading and reporting of municipal debt securities.

(i) Trading and reporting of municipal debt securities

The information in respect of the Issue such as Issuer details, Bond details, Ratings, rating migration, coupon, buyback etc. shall be reported to a common database as may be required and specified by SEBI.

(j) Fictitious Application

Any person who makes, in fictitious name, any application to the Issuer for acquiring, or subscribing to, the Bonds, or otherwise induces the Issuer to allot, register any transfer of Bonds therein to him or any other person in a fictitious name, shall be punishable as per provisions of extant laws.

(i) Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DP's of NSDL/ CDSL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- C. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- F. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- G. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as at the end of the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption

amount and benefits will be paid to the beneficiaries, as identified.

(j) Depository Arrangements

The Issuer has appointed KFIN Technologies Limited as the Registrar to the present Bond Issue. The Issuer has entered into necessary depository arrangements with NSDL and CDSL for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Issuer has entered two tripartite agreements as under:

Tripartite Agreement between the Issuer, National Securities Depository Limited (“NSDL”) and the Registrar for dematerialization of the Bonds offered under the present Issue.

Tripartite Agreement between the Issuer, Central Depository Services (India) Limited and the Registrar for dematerialization of the Bonds offered under the present Issue.

The NCDs under this Issue will be allotted and transferred in dematerialized form only. As per the provisions of the Depositories Act, 1999. Investors have an option to hold the Bonds in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

(k) List of Beneficiaries

The Issuer shall request the Depository(ies) to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

(l) Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorised signatories of the investor and the tax exemption certificate/document of the investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with the memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed Application Form.

(m) Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- A. SEBI registration certificate;
- B. Resolution authorising investment and containing operating instructions;
- C. Specimen signature of authorised signatories.

(n) Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s).

(o) Mode of Payment

Applicants shall make remittance of application money by way of electronic transfer of funds through RTGS/electronic fund mechanism for credit by the pay-in time in the bank account of the of Indian Clearing Corporation Limited appearing on the EBP platform of BSE in accordance with the timelines set out in the BSE EBP Guidelines and the relevant rules and regulations specified by SEBI in this regard.

(p) Credit of Bonds

The allotment of Bonds will be in terms of the timelines stipulated under SEBI Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024. The Bonds will be credited in dematerialized form within 2 (two) Trading Days from the closure of the Issue.

(q) Refunds

As per the provisions of the SEBI Municipal Debt Regulations, in case the Issuer fails to obtain listing or trading permission from BSE where the Bonds are proposed to be listed, it shall refund the entire monies received within seven days of receipt of intimation from BSE rejecting the application for listing of Bonds, and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer shall be liable to repay that money with interest at the rate of 15% (fifteen percent) per annum till such refund is made.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the registrar shall upon receiving instructions in relation to the same from the Issuer repay the monies to the extent of such excess, if any.

(r) PAN Number

Every applicant should mention its Permanent Account Number (“PAN”) allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

(s) Alterations to the Issue

The Issuer reserves its sole and absolute right to modify the Issue Opening Date, Issue Closing Date, Pay-In Date and Deemed Date of Allotment in accordance with the regulatory provisions and EBP Guidelines. In the event of any change in the Issue Schedule including the Deemed Date of Allotment, the Issuer shall notify the Stock Exchange about such change. In such a case, recipients of this Disclosure Document shall be intimated the revised time schedule by the Issuer. In case the Issue Closing Date/ Pay-In Date is/ are changed, the Deemed Date of Allotment and the Redemption Schedule may also be changed by the Issuer in accordance with the tenure of the Debentures at its sole and absolute discretion in accordance with the regulatory provisions and SEBI EBP Guidelines and BSE EBP Guidelines.

(t) Applications complete in all respects must be submitted before the last date indicated in the issue time table.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant’s bank, type of account and account number must be filled in the Application Form. This is required for the applicant’s own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or where the same

has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. Application Forms without this information will be considered incomplete and are liable to be rejected.

All applicants are requested to tick the relevant column “Category of Investor” in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring “approved security” status for making investments.

For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Application Form.

(u) Issue of Bond Certificate(s)

The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

(v) Market Lot

The market lot for the purpose of bidding on the BSE EBP platform will be one green bond (“Market Lot”). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

(w) Trading and Reporting of Bonds

The marketable lot for the purpose of trading of Bonds shall be 1 (one) STRPP. Trading of STRPPs would be permitted in demat mode only in standard denomination of Rs.1 Lakh and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI. The Issuer shall comply with the provisions of Chapter VI of the SEBI Municipal Debt Regulations pertaining to trading and reporting of municipal debt securities.

(x) Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. Attention of the investors is drawn to para H (h) “*Eligible Investors*” of this Section on page no. 82 of this Preliminary Placement Memorandum. The NCDs under this Issue will be allotted and transferred in dematerialized form only. As per the provisions of the Depositories Act, 1999, investors have an option to can hold the Bonds only in dematerialized form in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or the transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as at the end of the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialized form. The seller should give delivery instructions containing details of the buyer’s DP account to his DP.

(y) Debentures held in Dematerialised Form

The NCDs under this Issue will be allotted and transferred in dematerialised form only. As per the provisions of the Depositories Act, 1999. Investors has an option to can hold the Bonds only in

dematerialized form in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. For the Debentures held in dematerialised form, no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/ ECS/ NEFT/ fund transfer/ RTGS to those Debenture Holder(s) whose names appear on the register of debenture holders maintained by the R&T Agent as at the end of the Record Date. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. If permitted, the Issuer may transfer payments required to be made in any relation by electronic fund transfer/ RTGS to the bank account of the Debenture Holder(s) for redemption payments.

(z) Sharing of Information

The Issuer may, use share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, its affiliates and other banks, financial institutions, credit bureaus, agencies, with statutory bodies, regulators, etc., as may be required, without prejudice to the interests of the Bond Holders and subject to Applicable Law.

(aa) Modification of Debentures

Any amendment to the terms and conditions of the Debentures or the Transaction Documents will require the consent of the Debenture Trustee and Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders in accordance with applicable SEBI regulations.

(bb) Right to accept or reject applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof, in accordance with the regulatory provisions and EBP Guidelines. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. No interest shall be payable on any application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Number of debt security applied for is less than the minimum application size;
- Bank account details not given;
- Details for issue of Debt Securities in electronic/ dematerialized form not given;
- PAN/GIR and IT Circle/Ward/District not given;
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
- In the event, if any Debt Securities applied for are not allotted in full, the excess application monies of such Debt Securities will be refunded, as may be permitted.

(cc) Trustee for the Debentures

The Issuer has appointed SBICAP Trustee Company Limited to act as the trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter into the debenture trust deed inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to timely payment of Coupon and repayment of principal and they will take necessary action, subject to and in accordance with the debenture trust deed, at the cost of the Issuer. The Issuer shall not utilize the proceeds of the Issue till the debenture trust deed is executed. The Debenture Trust Deed shall more specifically set

out rights and remedies of the Debenture Holders and the manner of enforcement thereof. The Debenture Trustee shall carry out its duties and perform its functions in terms of the SEBI Debt Listing Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trust Deed and the Preliminary Placement Memorandum/ Placement Memorandum, with due care, diligence and loyalty. The debenture trustee shall monitor the Escrow Account and shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall supervise the implementation of the obligations cast in terms of provisions of the SEBI Debt Listing Regulations.

(dd) Interest on Application Money

Not Applicable

(ee) Interest on the Bonds

The face value of the Bonds outstanding shall carry interest at the coupon rate from Deemed Date of Allotment and the coupon rate & frequency of payment (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned in the summary term sheet.

The interest payment shall be made through electronic mode to the Bond Holders whose names appear on the list of Beneficial Owners given by the Depositories to the Registrar as on the record date fixed by Issuer in the bank account which is linked to the demat of the Bondholder. However, in absence of complete bank details i.e., correct/updated bank account number, IFSC/RTGS code /NEFT code etc., Issuer shall be required to make payment through cheque/DDs on the due date. Interest or other benefits with respect to the Bonds would be paid to those Bond Holders whose names appear on the list of Beneficial Owners given by the Depositories to the Registrar as on the Record Date.

(ff) Computation of Interest

Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value amount of Bonds outstanding at the respective Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29 (leap year), interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

(gg) Record Date

The 'Record Date' for the Bonds shall be 15 days prior to each Coupon Payment Date and Redemption Date. In case of redemption of STRPPs, the trading in the STRPPs shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date and Redemption Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of amount so paid to the registered Bond Holders.

(hh) Put & Call Option

Neither the Bond Holder(s) shall have any right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the respective Redemption Date.

(ii) Redemption and Roll Over

The face value of the STRPPs shall be redeemed at par, on the respective Redemption Dates. The Bonds will not carry any obligation, for interest or otherwise, after the Redemption Date. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered Bond Holders whose name appear in the Register of Bond Holders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bond Holders.

In case any Redemption Date falls on a day which is not a Working Day, the payment due shall be made on the immediately preceding Working Day along with interest accrued on the Bonds until but

excluding the date of such payment.

(jj) Roll-Over of Green Bonds issued

If any, will be made only in accordance with the provisions of Section 21 of the SEBI Municipal Debt Regulations.

(kk) Buy-Back

The Issuer may provide an option to buy-back the Bonds from the Bondholders, in the manner as may be specified by SEBI from time to time, at a value which shall not be less than the face value of the Bonds.

(ll) Additional Covenants

Default in Payment: In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2% p.a. over the respective Coupon Rates of the Bonds for the defaulting period.

(mm) Settlement/ Payment on redemption

Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/redemption warrant(s)/demand draft(s)/credit through direct credit/ NECS/RTGS/NEFT mechanism in the name of the Bond Holders whose name appear on the List of Beneficial Owners given by Depository to the Issuer as on the Record Date.

The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the list of Beneficial Owners as provided by NSDL/CDSL as on Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bond Holders. On such payment being made, the Issuer shall inform NSDL/CDSL/Depository Participant and accordingly the account of the Bond Holders with NSDL/CDSL shall be adjusted.

The Issuer's liability to the Bond Holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption, except in case of delay or non-credit of funds into the accounts of the Beneficial Owners. Further the Issuer will not be liable to pay any interest or compensation from the Redemption Date. On the Issuer's crediting the amount to the Beneficial Owners in respect of the Bonds, the liability of the Issuer shall stand extinguished, except as specified above.

(nn) List of Beneficial Owners

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

(oo) Succession

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s), the Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, where it thinks fit, take into consideration any other documentary evidence for this purpose, in accordance with the Applicable Law.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

- i) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- ii) Proof that the NRI is an Indian National or is of Indian origin.
- iii) Such holding by the NRI will be on a non-repatriation basis.

(pp) Force Majeure

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment in accordance with the regulatory provisions and SEBI EBP Guidelines and BSE EBP Guidelines.

(qq) Acknowledgements

No separate receipts will be issued for the application money.

(rr) Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

(ss) Nomination Facility

Nomination facility will be provided to the Bond Holders if provided under applicable law and in a manner provided under the applicable law.

(tt) Right of Bond Holder(s)

Though the Corporation does not have any shareholders, it is clarified that at any point of time a bondholder is not a shareholder. The Bond Holders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The principal amount and interest on the Bonds will be paid to the registered Bond Holders only, and in case of Joint holders, to the one whose name stands first. Besides, the Bonds shall be subject to the terms of this Preliminary Placement Memorandum and other terms and conditions as may be incorporated in the Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

(uu) Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated, in accordance with applicable law and with the consent, in writing, of the Debenture Trustee and also the consent those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bond Holders.

(vv) Notices

All notices required to be given by the Issuer or by the Trustee to the Bond Holders shall be deemed to have been given if sent by registered post/speed or through email or other electronic media to the of Bond Holders or as allowed under the applicable law.

(ww) Joint-Holders

Notwithstanding anything in Section 45 of the Indian Contract Act, 1872, when any debenture issued under the Act is payable to two or more persons jointly and either or any of them dies, the debenture shall be payable to the survivor or survivors of those persons.

Notwithstanding anything in Section 45 of the Indian Contract Act, 1872, when two or more persons are

joint holders of any debenture issued under the Act, any one of those persons may give an effectual receipt for any interest or dividend payable in respect of such debenture unless notice to the contrary has been given to the Commissioner by other holders.

(xx) Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Pune, India. However, in relation to the Issue Proceeds Agreement the parties shall submit to the exclusive jurisdiction of Courts and Tribunals in Mumbai.

(yy) Procedure for deciding and adjusting payment dates.

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.

If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Placement Memorandum.

If the redemption/maturity date of the Bonds 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 the Bonds shall also be paid on the previous working day as per the cash flows provided under Annexure – V “Illustration of Bond Cash Flow” of Placement Memorandum

If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly.

For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - V” Illustration of Bond Cash Flow” of the Placement Memorandum.

L. Details of change in terms and conditions of municipal debt securities issued in past 5 years (i.e., Change in coupon, maturity, call/put option etc.)

There has been no change in the terms and conditions of municipal debt securities issued in the past five years.

M. Terms of payments and Procedure and time schedule for allotment and issue certificates/demat credit

The allocation to the applicants and/or rejections of the applications shall be made in compliance with the provisions prescribed by SEBI and BSE being electronic book provider (EBP) platform. However, in case of successful accepted applications the Deemed Date of Allotment would be the Pay-In Date itself.

N. Details of Escrow Payment Mechanism for the repayment of The Interest/Principal.

The Bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal. Please refer to Structured Payment Mechanism on page no. _ of this Preliminary Placement Memorandum.

The Arranger, its affiliates, and all the Online Bond Platform Providers (OBPP only for offering NCDs in the secondary markets), shall be permitted to use the Issuer’s name, logo, and relevant Issue details in advertisements, or promotional and marketing materials for the purpose of marketing and promoting the NCDs on their websites, mobile applications, or other digital platforms.

O. Disclosures in accordance with SEBI Master Circular for Debenture Trustees bearing ref no SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024

Terms and Conditions of Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for an acceptance fees amounting to ₹ 75,000 (plus the applicable taxes) and annual service charges of ₹ 75,000 (plus the applicable taxes) for the services as agreed in terms of the offer.

Terms of carrying out Due Diligence

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to.

- a. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.
- b. The Issuer shall provide all assistance to the Debenture Trustee to enable verification from any authority as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third-party security provider are registered / disclosed.
- c. Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.
- d. In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:
 - (i) The Issuer undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the SEBI ILMDS Regulations and the Debenture Trust Deed on a regular basis, including without limitation the documents, as may be applicable;
 - (ii) The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Bonds. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out-of-pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.

The Debenture Trustee shall obtain the following certificates from an empaneled agency as a part of due diligence:

- a. Security Cover Certificate
- b. Valuation of Security
- c. Any other document as may be required for concluding the due diligence

Pursuant to the Regulation 13 of the SEBI Debenture Trustee Regulations and other applicable rules and regulations: The Issuer undertakes to comply with all regulations, guidelines of other regulatory authorities in respect of allotment of debentures/bonds till redemption. The time limit within which the Security for debentures/bonds shall be created or the agreement shall be executed in accordance with provisions as prescribed by any regulatory authority as applicable.

2. The Debenture Trustee shall perform its duties and obligations with due care, diligence and in the best interest of the Debenture holders, and exercise its rights and discretions in accordance with the prior written instructions / directions from the Debenture Holders in accordance with the terms of the Debenture Trust Deed, and shall further conduct itself and comply with the provisions of all applicable law (including without limitation, the Debenture Trustee Regulations, SEBI ILMDS Regulations).
3. Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws/ Applicable Laws.
4. **Events of Default (including manner of voting/conditions of joining Inter Creditor Agreements)**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution, passed at a meeting of the Debenture Holders, (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction), give notice to our Issuer specifying that the Bonds and/or any particular options of Bonds, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

- a. In accordance with the Chapter X: Breach of Covenants, Default and Remedies of master circular for debenture trustees numbering SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 for post the occurrence of a “default”, the consent of the Debenture Holders for entering into an inter-creditor agreement (the “ICA”)/ shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the Bond Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.
- b. SEBI Master Circular for Debenture Trustees, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.
- c. It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned circular (SEBI/HO/DDHS-

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI ILMDS Regulations, the SEBI Debenture Trustee Master Circular and circulars issued by SEBI from time to time.

Other Information

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

SBICAP TRUSTEE COMPANY LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED MARCH 13, 2025 AS PER THE FORMAT SPECIFIED IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR WHICH READS AS FOLLOWS:

- (1) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.
- (2) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS:

WE CONFIRM THAT:

- a. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.
- b. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).
- c. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.
- d. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN PRELIMINARY PLACEMENT MEMORANDUM AND ALL DISCLOSURES MADE IN THE PRELIMINARY PLACEMENT MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.
- e. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), AND PRELIMINARY PLACEMENT MEMORANDUM.
- f. ALL DISCLOSURES MADE IN THE PRELIMINARY PLACEMENT MEMORANDUM WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
- g. ISSUER HAS GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED SHALL BE EXECUTED BEFORE FILING OF LISTING APPLICATION.

- h. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.

SECTION-X: FINANCIAL INFORMATION

EXAMINATION REPORT ON FINANCIAL INFORMATION

To,

Pimpri Chinchwad Municipal Corporation

Mumbai-Pune Road,
Pimpri-Chinchwad,
Maharashtra, 411018

Dear Sirs,

1. We have examined the Financial Information comprising the Abridged Balance Sheet, Income and Expenditure Accounts, and Cash Flow Statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “**Financial Information**”) of Pimpri Chinchwad Municipal Corporation (the “**Issuer**” or “**Corporation**”) as annexed to this report for the purpose of inclusion in the Preliminary Placement Memorandum and the Placement Memorandum to be filed by the Issuer with the Securities and Exchange Board of India (“**SEBI**”) and BSE Limited (“**Stock Exchange**”) for proposed issue of 10,000 (ten thousand) secured, rated, listed, taxable, redeemable, non-convertible green municipal bonds of a face value of ₹ 2,00,000/- (Indian Rupees Two Lakh only) each (“**Green Bonds/NCDs/Debentures**”), (comprising of 2 (two) separately transferable and redeemable principal parts (“**STRPP**”) namely 1 STRPP A of face value of Rs 1,00,000/- and 1 STRPP B of face value of Rs 1,00,000/-), for an amount aggregating up to Rs 200 crores (“**Total Issue Size**”) on private placement basis under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time (here after known as the “**Issue**”).

The Financial Information has been prepared by the management of the Issuer in terms of the requirements of the proposed Issue and has been prepared in accordance with:

- a) Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time (“**Regulations**”);
- b) The National Municipal Accounts Manual;
- c) The Maharashtra Municipal Corporation Act, 1949 (“**Act**”) and the rules framed thereunder;
- d) Accounting Standards for Local Bodies by the Institute of Chartered Accountants of India (“**ICAI**”),
- e) The guidance notes issued from time to time by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Notes**”).

The Financial Information have been sourced from the audited financial statements of the Issuer audited by us pursuant to the Auditor’s Reports issued by us dated June 07, 2024, June 30, 2023 and March 06, 2023 on the financial statements of the Issuer as on and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

Management Responsibility

2. The management of the Issuer is responsible for the preparation of the financial statements that gives a true and fair view of the financial position and financial performance of the Issuer. This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material mis-statements, whether due to fraud or error.

Auditor’s Responsibility

3. We have examined such Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 01, 2025 in connection with the proposed Issue of the Debentures by the Issuer;
 - b) The Guidance Notes. We are required to comply with the ethical requirements of the code of ethics issued by the ICAI;

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Financial Information; and
- d) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Notes in connection with the proposed Issue of Debentures.

Opinion

4. Based on our examination and according to the National Municipal Accounts Manual and the Regulations, we report that:

The Financial Information comprising the Abridged Balance Sheet, the Income and Expenditure Accounts, and Cash Flow Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “**Financial Information**”) is accurately extracted from the audited financial statements of the corporation for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

5. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. Our report is intended solely for use of the purpose set out in first paragraph and in connection with the proposed Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. We hereby provide our consent for sharing of our report with SEBI, the stock exchanges or any other statutory/ regulatory authority, as may be required and A.K. Capital Services Limited (being the Merchant Banker to the Issue).

For
RAKESH R AGARWAL & ASSOCIATES
Chartered Accountants
(Firm's Registration No. 119168W)

Authorised Signatory
Name: RAKESH RAMKUMAR AGARWAL
Designation: FCA
Membership No.: 100223
UDIN: 25100223BMIHGI2013
Place: Pune
Date: 13/03/2025

I. Following details as per the financial statements for past 3 years in tabular format:

A. ABRIDGED BALANCE SHEET

(₹ in crore)

Particulars	Financial Year		
	2023-24	2022-23	2021-22
LIABILITIES			
Municipal (General) Fund			
General Fund	13,618.45	12,618.65	12339.14
Earmarked Funds*	3,937.10	3,198.80	3150.29
Reserves	3,034.40	2,665.46	2219.89
Total	20,589.95	18,482.91	17709.32
Grants, Contributions for specific purposes			
Loans			
Secured Loans	196.17	200.28	195.89
Unsecured Loans	200.00	0.00	0.00
Total Loans	396.17	200.28	195.89
Current Liabilities and Provisions			
Deposits Received	289.46	267.13	249.03
Employers Liability	68.93	67.76	135.71
Taxes and transfers payable	30.97	37.54	40.41
Short Term Provisions	2.85	0	0
Total Current Liabilities and Provisions	392.21	372.43	425.15
TOTAL LIABILITIES	21,378.32	19,055.62	18330.35
ASSETS			
Fixed Assets			
Gross Block	19,268.97	17,583.56	15,451.21
Less: Accumulated Depreciation	7,580.66	6,509.99	5441.96
Net Block	11,688.31	11,073.57	10009.25
Capital Work-in-Progress	875.50	532.45	527.95
Total Fixed Assets	12,563.81	11,606.02	10537.20

(₹ in crore)

Particulars	Financial Year		
	2023-24	2022-23	2021-22
Investment	5,257.72	4,708.50	4641.38
Total Investments	5,257.72	4,708.50	4641.38
Current Assets, Loans and Advances			
Stock in Hand (Inventories)	13.15	14.60	29.89
Sundry Debtors (Receivables)	875.19	755.11	1239.38
Current Investments	0.00	0.00	0.00
Cash and Bank Balances	2,493.04	1,795.35	1703.56
Loans, advances and deposits	175.41	176.04	178.45
Total Current Assets, Loans & Advances	3,556.79	2,741.10	3151.28
Other Assets	0.00	0.00	0.49
TOTAL ASSETS	21,378.32	19,055.62	18330.35

**The increase in the Earmarked Funds is due increase in the contribution received from Government of India, Government of Maharashtra & PCMC own contribution towards project fund, increase in Group Provident Fund, Contributory Provident Fund, Salary & Depreciation Fund accounted under Earmarked Funds.*

B. INCOME & EXPENDITURE ACCOUNT

(₹ in crore)

Major Head of Accounts	Financial Year		
	2023-24	2022-23	2021-22
Tax Revenue ⁽¹⁾	1305.10	1,108.07	867.92
Assigned Revenues & Compensation	0.02	0.01	0.05
Rental Income from Municipal Properties	7.42	6.67	3.34
Fees, User Charges & Fines ⁽²⁾	1,081.98	772.15	951.51
Sale & Hire Charges	1.92	5.55	1.61
Revenue Grants, Contributions & Subsidies	2,484.28	2,195.64	1984.31

(₹ in crore)

Major Head of Accounts	Financial Year		
Particulars	2023-24	2022-23	2021-22
Income from Investments ⁽³⁾	486.71	117.83	98.03
Deposit Forfeited/ Non Refundable Deposits etc.	0.14	0.12	0.04
Other Income ⁽⁴⁾	49.74	38.76	194.59
A-Total – INCOME	5417.31	4,244.80	4101.40
Establishment Expenses	1,297.12	1,237.48	1248.15
Administrative Expenses	209.32	208.53	172.69
Repairs & Maintenance	259.42	205.93	253.57
Interest & Finance Expenses	18.20	20.85	12.43
Purchase for Operations and Programme Implementation	790.92	544.87	432.58
Revenue Grants, Contributions & subsidies ⁽⁵⁾	770.89	677.01	832.38
Provisions & Write off-Property Tax	0.00	0.00	101.89
Depreciation	1,070.67	1,068.03	948.60
Reserve Fund and Misc.	0.96	2.59	0.14
B-Total – EXPENDITURE	4,417.50	3,965.29	4002.43
(A-B)Gross surplus/ (deficit) of income over-expenditure before Prior Period Items ⁽⁶⁾	999.80	279.51	98.97
Add: Prior period Items (Net)	0.00	0.00	0.00
Gross surplus/ (deficit) of income over-expenditure after Prior Period Items	999.80	279.51	98.97
Less Transfer to Reserve Fund	-	-	-
Net balance being surplus/ deficit carried over to Municipal Fund	999.80	279.51	98.97

Notes: ⁽¹⁾During FY 2022-23 and FY 2023-24 Tax Revenue has increased due to increase in house count as compared to previous year resulted to increase in House Tax and Other Voluntary Taxes.

⁽²⁾The main component of the fee and user charges is the building permission fees. During FY 2020-21 due to Covid 19, there was low response from builders/citizens for Building Permission. In FY 2021-22, it increased significantly because of clearing of backlog demand of the previous year. Moreover, PCMC implemented UDPCR (Unified Development Control and Promotion Regulations) scheme in 2021-22, which resulted in increase in development charges and premium charges. During FY 2022-23 there was no such scheme operational due to which Fees and User Charges decrease marginally. From FY 2023-24, it is increasing in natural trends.

⁽³⁾It fell sharply due to low interest rates in FY2021-22 and partly due to premature withdrawal of some fixed deposits for meeting COVID-19 related expenses and other expenses. For FY 2022-23 the Interest Income increased due to increase in interest rates. Further during FY 2023-24, PCMC has accounted Interest Income of Earmarked Funds in Income and Expenditure account resultantly the share increase in the Interest Income.

⁽⁴⁾Income except covered above, is considered under the head of Other Income, and comprise of sub-heads of Other Income. Additionally, a new department namely Special Planning Authority was formed during FY 2021-22 and income received from this new department i.e., land transfer fees (Rs.165 crore approx.) was included in the other income which resulted in more than 6 times increase in the head of Other Income. During FY 2022-23 and FY 2023-24 figures related to Special Planning Authority was not considered under the Other Income Head which resulted in fall in Other Income.

⁽⁵⁾The Issuer has to pay 40% operational losses to Pune Mahanagar Parivahan Mahamandal Limited (PMPML). Due to COVID-19 and other reasons, the operational losses of PMPML during COVID-19 impacted years were much higher so we have to pay increased operational losses to PMPML hence resulted in higher expenses. Moreover, separate Covid fund was created for meeting COVID-19 related expenses which is also contributed in increasing the overall expenditure during FY 2021-22. During FY 2022-23 & FY 2023-24 as COVID related expenditure decreased the amount of Revenue Grants, Contributions & Subsidies (expenditure) also fell sharply.

⁽⁶⁾During FY 2021-22, due to increase in administrative expenses, development expenses and increase in unforeseen COVID-19 related expenses resulted in higher overall expenditure. Due to this, our overall surplus fell sharply. The Tax Revenue, Fees, User charges & fines, Revenue Grants, Contributions & Subsidies increased during FY 2023-24 which led to the increase in Gross Surplus amounts in FY 2023-24.

C. CASH FLOW STATEMENTS

(₹ in crore)

Particulars	Financial Year		
	2023-24	2022-23	2021-22
Cash flows from Operating Activities:			
Income/(deficit) as per income expenditure account	999.80	279.51	98.97
Add: Non-Cash expenses			
Depreciation	1,070.67	1068.03	948.60
Interest	18.20	20.84	12.43
Provision for Taxes Overdue and Income	0.00	0.00	101.89
Less: Non-Operative Income	-	-	-
Interest received	486.71	117.83	98.03
Cash Flow before Working Capital Changes	1601.96	1250.55	1063.86
Net Working Capital Changes	-98.23	449.76	505.24
Net cash flow from operating activities (A)	1503.73	1700.31	1569.01
Cash flows from Investing Activities			
(Purchase) of fixed assets	-2028.46	-2136.86	-1750.02

(₹ in crore)

Particulars	Financial Year		
	2023-24	2022-23	2021-22
Investments made (Net)/Matured (Net)	-549.22	-67.12	170.80
Net cash flow from investing activities (B)	-2577.68	-2203.98	-1579.22
Cash flows from Financing Activities			
Increase in Reserve, Funds and Other	1107.23	494.09	-54.81
Loan taken or change due to foreign exchange	195.89	4.38	-3.52
Interest Received	486.71	117.83	98.03
Interest paid	-18.20	-20.85	-12.43
Net cash flow from financing activities (C)	1771.63	595.45	27.27
Net Surplus/ (Deficit) (D=A+B+C)	697.69	543.46	17.15
Opening Cash and cash equivalents at beginning of the period (1 st April) (E)	1795.34	1703.56	1686.41
Closing Cash and cash equivalents at end of the period (31 st March) (F=D+E)	2493.04	1795.34	1703.55

D. LINK TO THE WEB PAGE FOR ACCESSING FINANCIALS OF THE MUNICIPAL BODY.

The financial information regarding the Corporation can be obtained from the following link:
https://www.pcmcindia.gov.in/financial_L2_E.php

E. COPY OF BUDGET DOCUMENTS FOR PREVIOUS THREE YEARS

The summary of budget of the Issuer for previous three years (FY 2021-2022, FY 2022-2023 and FY 2023- 2024) and the current financial year 2024-2025 are annexed herewith as Annexure VI.

For complete budget documents for previous three years previous three years (FY 2021-2022, FY 2022- 2023 and FY 2023- 2024) and the current financial year 2024-2025 please refer to the link below:

https://www.pcmcindia.gov.in/budget_L2_E.php

F. FINANCIAL PARAMETERS

(₹ in crores)

Key Financial Figures	Financial Year		
	2023-24	2022-23	2021-22
	Audited	Audited	Audited
Revenue Income	5,417.31	4,244.80	4101.40
Revenue expenditure (Excl. Interest)	4,399.30	3,944.44	3990.00
Operating revenue Surplus	1018.00	300.36	111.40
Interest expense with foreign exchange loss	18.20	20.85	12.43
Principal repayment (outside sinking Fund)	10.59	10.33	09.56

(₹ in crores)

Key Financial Figures	Financial Year		
	2023-24	2022-23	2021-22
	Audited	Audited	Audited
Contribution to Sinking fund	10.00	5.00	5.00
Cash Surplus (Revenue Surplus + Depreciation + Provisions)	2070.47	1,347.54	1149.46
Capital Income*	0.00	0.00	0.00
Capital Expense (Creation Fixed Assets from All Funds)*	2028.45	2136.85	1693.32
Capital Surplus	-2028.45	-2136.85	-1693.32
Overall Surplus*	2070.46	1,347.54	1149.46
Deposits and Advances (net) as Current Assets	175.41	176.04	178.46
Initial Cash/Bank balance	1,795.35	1703.56	1686.41
Change in Cash/Bank balance	697.69	91.79	17.15
Final Cash / Bank Balance	2493.04	1,795.35	1703.56
Loan repayment from sinking fund - World Bank Loan	15.99	15.91	15.02
Initial Sinking fund Balance –World Bank Loan	44.93	58.17	95.15
Change in sinking fund - World Bank Loan	49.86	-13.24	-36.98
Final sinking fund balance - World Bank Loan	-4.93	44.93	58.17
Initial Sinking fund Balance –Municipal Bond	0.00	0.00	0.00
Change in sinking fund - Municipal Bond	0.00	0.00	0.00
Final sinking fund balance - Municipal Bond	34.69	0.00	0.00
Total Debt (World Bank Loan + Municipal Bond)	396.17	200.28	195.89
Total Revenue Expenditure	4,417.50	3,965.29	4002.43
Total Revenue Income	5,417.31	4,244.80	4101.40
Ratio of Total Revenue Expenditure/Total Revenue Income	81.54%	93.42%	97.59%
Cash Surplus / Total Revenue Income	38.22%	31.75%	28.03%
Ratio of Debt Service / Total Revenue Income	0.60%	0.37%	0.37%

*Capital Receipt considered of Municipal Fund only (Capital Receipt of Earmarked funds not considered) but Capital Payments are considered of Municipal Funds as well as Earmarked Fund. Earmarked Fund has Capital Receipt such as Capital Grant or Contribution towards project from Central Government and State Government.

G. Details of top 5 revenue sources for the previous three years

The details of the top 5 revenue sources for Financial Year 2021-2022, Financial Year 2022-2023 and Financial Year 2023-2024, based on the Audited Financial Statements.

(₹ in crore)

Revenue Receipts Type	Financial Year		
	2023-24	2022-23	2021-22
Tax Revenue*	1,305.10	1,108.07	867.92

(₹ in crore)

Revenue Receipts Type	Financial Year		
	2023-24	2022-23	2021-22
Revenue Grants, Contributions & Subsidies (Including GST Grant)	2,484.28	2,195.64	1984.31
Fees & User Charges**	1,081.98	772.15	951.51
Income from Investments***	486.71	117.83	98.03
Other Income****	49.74	38.76	194.59

*During FY 2022-23 and FY 2023-24 Tax Revenue has increased due to increase house count as compared to previous year resulted to increase in House Tax and Other Voluntary Taxes. ** The main component of the fee and user charges is the building permission fees. During FY 2020-21 due to COVID 19, there was low response from builders/citizens for Building Permission. In FY 2021-22, it increased significantly because of clearing of backlog demand of the previous year. Moreover, PCMC implemented UDCPR (Unified Development Control and Promotion Regulations) scheme in 2021-22, which resulted in increase in development charges and premium charges. During FY 2022-23 there was no such scheme operational due to which Fees and User Charges decrease marginally. From FY 2023-24, it is increasing in natural trends.

***It fell sharply due to low interest rates in FY 2021-22 and partly due to premature withdrawal of some fixed deposits for meeting COVID-19 related expenses and other expenses. For FY 2022-23 the Interest Income increased due to increase in interest rates. Further during FY 2023-24, PCMC has accounted Interest Income of Earmarked Funds in Income and Expenditure account resultantly the share increase in the Interest Income.

****Income except covered above, is considered under the head of Other Income, and comprise of sub-heads of Other Income. Additionally, a new department namely Special Planning Authority was formed during FY 2021-22 and income received from this new department i.e., land transfer fees (Rs.165 crore approx.) was included in the other income which resulted in more than 6 times increase in the head of Other Income. During FY 2022-23 and FY 2023-24 figures related to Special Planning Authority was not considered under the Other Income Head which resulted in fall in Other Income.

Note: Also, few other clarifications are as follows:

- **Revenue Grants, Contributions & Subsidies (expenditure):** The Issuer has to pay 40% operational losses to Pune Mahanagar Parivahan Mahamandal Limited (PMPML). Due to COVID-19 and other reasons, the operational losses of PMPML during COVID-19 impacted years were much higher so we have to pay increased operational losses to PMPML hence resulted in higher expenses. Moreover, separate Covid fund was created for meeting COVID-19 related expenses which is also contributed in increasing the overall expenditure during FY 2021-22. During FY 2022-23 as Covid related expenditure decreased the amount of Revenue Grants, Contributions & Subsidies (expenditure) also fell sharply.
- **Gross Surplus:** During FY 2021-22, due to increase in administrative expenses, development expenses and increase in unforeseen COVID-19 related expenses resulted in higher overall expenditure. Due to this, our overall surplus fell sharply. Tax Revenue Increased and expenditure decreased during FY 2022-23 hence there was increase in Gross Surplus amounts in FY 2022-23.

H. Details of property tax collection

The details of the property tax collection for Financial Year 2021-2022, Financial Year 2022 – 2023 and Financial Year 2023-2024 based on the Audited Financial Statements.

(₹ in crore)

Particulars	Demand Raised			Collection			Overall Collection Ratio (%)*	Current Collection Ratio (%)
	Arrears	Current	Total	Arrears	Current	Total		
2023-2024	1362.50	699.70	2062.20	361.76	568.14	929.90	45.09	81.20
2022-2023	1519.62	657.07	2176.67	348.02	466.91	814.93	37.44	71.06
2021-2022	1392.01	603.77	1995.78	265.11	340.94	606.06	30.37	56.47

**During 2012-2013, PCMC had imposed penalty on illegal constructions. Subsequently, penalties on around 97,000 illegal properties were imposed and such penalties are included in the demand/arrears. Despite the imposition of the above-mentioned penalties, the property owners were neither paying the property taxes on time nor the penalty on illegal constructions. Hence, despite all efforts our overall collection percentage did not improve significantly.*

I. Status of reforms with respect to e-governance, cost recovery on water supply & Solid Waste Management (SWM), property tax, double entry accounting and others, as specified by Central Government and authorities concerned

i. Reforms on E-Governance

The Issuer has taken various steps towards better e-governance by adopting information technology which enables it to not only provide better and timely services to citizens but also enhance transparency and reduce the need for visits to municipal offices. The website of the Issuer is maintained and handled by the IT Department, gives information of Pimpri Chinchwad City and places to visit, corporation details, elected and administrative wings details, departments and its details of work and access to citizen centric service.

PCMC's e-governance initiative includes an online platform which provides different online services like property tax, water, fire, self-assessment, recruitment, complaints, right to information, etc., and also provides functionality for online payment.

Additionally, under e-governance, PCMC has also developed a mobile application like PCMC Smart Sarathi or simply SARATHI App. Details of major e-governance initiative are provided below:

- **SARATHI- Mobile Application**

SARATHI (System of Assisting Residents and Tourists through Helpline Information) is an e- governance application of PCMC. It is an initiative to create a sustainable two-way citizen engagement platform. PCMC Smart Sarathi is a step towards empowering every PCMC resident by connecting them with the corporation.

- **Citizen's Grievance Redressal**

PCMC has Grievance portal (grievance.pcmcindia.gov.in) where citizens can register their complaints online and can also check the current status. Citizens can also submit their Complaint by SMS or WhatsApp on Mobile No 9922501450.

ii. Cost Recovery on Water Supply

- PCMC has set up an online portal for collection of water tax.
- PCMC is also working on reducing the expenditure incurred in water supply services.
- PCMC is continuously working towards reduction in supply of non-revenue water.
- PCMC has organized Lok Adalat for collection of water user charges and property tax with rebates on penalties and surcharges that are imposed.

iii. Reforms on Property Tax Collection

- Geographic information system (GIS) has been introduced by the Corporation to map survey of properties through assigning of unique identification number to each property and developing property information system has resulted in further revision and coverage of properties leading to positive impacts on property tax.
- PCMC has set up an online portal for collection of property tax.
- Organization of Lok Adalat: It is one of the alternative dispute redressal mechanisms where disputes/cases pending in the court of law or at pre-litigation stage are settled/compromised amicably.

iv. Double Entry Accounting Reforms:

The following steps have been implemented towards double entry accounting system by way of improvements in the back-office system:

- PCMC implemented Double Entry Accounting System since 2005-06.
- PCMC has implemented Accrual Base Double Entry Accounting System and National Municipal Accounting Manual and drawn its Opening Balance Sheet as on date 2005-06 and thereafter PCMC is regularly maintaining its books of accounts under accrual based double entry accounting system.
- PCMC has engaged professional consultancy firm to assist in sustaining the Accrual Base Double Entry Accounting System and National Municipal Accounting Manual including asset accounting and inventory management system. The aim of this assignment is to provide handholding and professional assistance to sustain the new system of accounting. The assignment was also included on-the-job training to the staff involved in maintaining the books of accounts and preparation of financial statements.
- Recording, classifying and summarizing transactions on day-to-day basis to ensure timely preparation of financial information and reports for efficient analysis and decisions.

v. Solid Waste Management (SWM) reforms

- 100% segregated door to door collection: PCMC has established a segregated collection and transportation system through service sector participation.
- PCMC has an on-site composting facility for wet waste of bulk waste generators.
- PCMC has solid waste management dashboard system to track waste collection vehicles through tracking chips.

J. DETAILS OF ISSUER'S OUTSTANDING BORROWING**a. Details of borrowings of the Issuer, as on the latest quarter end:**

As on December 31, 2024, the Issuer had outstanding secured borrowings of Rs. 190.26 Crore and unsecured borrowings of Rs. 200 Crore.

b. Details of Secured Loan Facilities:

Sr. No.	Lender's Name	Type of Facility	Loan Amount Sanctioned (in \$)	Principal Amount Outstanding as on December 31, 2024 (₹ in Crores)**	Repayment Schedule	Date/Security
1.	International Bank for Reconstruction and Development*	Project Loan	USD 35,576,925	190.26	6 Monthly 15 th July and 15 th January ₹ 716,826.76	Sovereign Guarantee

* Component of Loan taken by GoI from IBRD for Sustainable Urban Transport Project transferred as part of Additional Central Assistance for Externally Aided Projects to the State Governments under the Reimbursement Procedure for projects on back to back basis.

**Principal Outstanding is as per Repayment Schedule. Outstanding Balance as on December 31, 2024 as converted INR where \$1= ₹ 85.62.

Reference

https://www.efaidnbmnnnibpcajpcglclefindmkaj/https://fedai.org.in/DocumentUploadFiles/RevaluationRates/Revaluation_Rates_31_12_2024.pdf.

c. Details of Unsecured Loan Facilities as on December 31, 2024:

NIL

d. Details of NCDs/Green Bonds as on December 31, 2024:

Except as stated in the table below, the Issuer has not issued debentures or bonds prior to this proposed Issue:

Debt Series	Tenor/period of maturity	Coupon	Amount issued (Rs in crores)	Date of allotment	Redemption date/schedule	Credit Rating	Secured/Unsecured	Security
8.15 % PCMC 2028 Series I Unsecured, Non-Convertible, Non-Cumulative, Listed, Rated, Redeemable, Taxable, Bonds in the nature of	5 years	8.15%	200.00	28 July 2023	Jul 28, 2028 (Bullet redemption)	CARE Ratings Limited: CARE AA+/Stable CRISIL Ratings: CRISIL AA+/Stable	Unsecured	NIL

Debenture/ Bond Series	Tenor/period of maturity	Coupon	Amount issued (Rs in crores)	Date of allotment	Redemption date/ schedule	Credit Rating	Secured/ Unsecured	Security
Debentures ("Bonds")								

e. List of Top 10 Debenture Holders as on December 31, 2024

Sr. No.	Name of the Debenture Holder	Face Value of Holding (₹ in crores)
1.	National Bank For Financing Infrastructure And Development	100
2.	Bank of Baroda	60
3.	CE Info Systems Limited .	5
4.	State Bank of India	35

f. Details of Commercial Paper as on December 31, 2024:

NIL

g. Details of Rest of the Borrowings as on December 31, 2024:

NIL

h. Details of any outstanding borrowings and debt securities issued for consideration other than cash, whether in whole or part, at a premium or discount, or in pursuance of an option:

NIL

K. Sufficient revenue generation and resources for timely servicing and redemption:

The Green Bonds issued under the Preliminary Placement Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism all funds deposited whether on account of Property Tax or any other specified revenue/cashflows deposited in the account(s) where property tax shall be collected (Collection Accounts(s) and any other specified revenue/cashflows shall be transferred to a separate no-lien Escrow Account for debt servicing. Please refer to detailed Structured Payment Mechanism under Summary of Term Sheet of Section XIV (Term Sheet) of the Preliminary Placement Memorandum.

In order to ensure timely servicing and redemption, the Issuer shall establish 2 (Two) accounts solely for the purpose of servicing the debt. The Interest Payment Account shall be established with a deposit such that at any point of time the Interest Payment Account holds an amount equivalent to annual interest payments for bonds. To ensure adequacy of funds for redemption of the Bonds, a Sinking Fund Account shall be opened where amounts shall be deposited for redemption of the principal amounts of the Debentures. There is sufficient revenue generation/collection from Property Tax or any other specified revenue/cashflows deposited in the account(s) where Property Tax shall be collected (Collection Accounts(s) for timely servicing and redemption. The total Revenue from Property Tax or any other specified revenue/cashflows deposited in the account(s) where Property Tax shall be collected (Collection Accounts(s) during the last 3 (Three) Financial Years is approximately Rs. 929.90 crores (FY 2023-24), Rs. 814.93 crores (FY 2022-2023) and Rs. 606.06 Crores (FY 2021-2022).

L. Issue Estimated Scenarios of Asset Liability Mis-matches:

The Issuer has sufficient revenue from Property Tax. With respect to the repayment of bonds and revenue generation, the Green Bonds are to be paid from the collection of Property Tax of the PCMC. The current collections are sufficient to ensure the redemption of the Debentures. The Structured Payment Mechanism as provided in this Preliminary Placement Memorandum shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further Property Tax is estimated to remain sufficient; therefore, we do not foresee any scenario of Asset Liability mismatch in future as well.

SECTION-XI: LEGAL AND OTHER INFORMATION

The Bond Issue Committee in its meeting held on March 13, 2025 has adopted a materiality policy for disclosure of litigation in relation to the Issuer according to which other litigation involving the Issuer which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the projects which are being funded by the proceeds of the Debentures, which litigation has been disclosed hereinbelow.

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Issuer and members of Bond Issue Committee in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; or (v) Material Litigation (as mentioned below), involving the Issuer and members of Bond Issue Committee.

For the purpose of (v) above, the Issuer has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI Municipal Regulations, as amended, for disclosure of all pending litigation involving the Issuer where,

- a) the potential financial liability/monetary claim by or against Municipal Corporation, in any such pending matter(s) is in excess of 0.5% of the Total Income as per the financial statements for FY 2023-24 i.e., ₹ 27 crores (Indian Rupees Twenty Seven Crores only).*
- b) any such litigation wherein the monetary liability is not quantifiable which is and/or which may have a material adverse effect from the perspective of the Municipal Corporation's operations, (i) the financial position, income and cash flows of Corporation; (ii) the Project(s) proposed to be funded out of the proceeds of the Issue; (iii) the Issue; or the investor's decision to invest/continue to invest in the Bonds; notices received from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that the Issuer or any of the any of the members of the Bonds Issue Committee of the Municipal Corporation is impleaded as defendants in litigation proceedings before any judicial forum*
- c)*

Further, the Issuer has a policy for identification of material outstanding dues to creditors ("Material Dues") for creditors where outstanding due to any one of them exceeds 0.5% of the Total Income as per the financial statements for FY 2023-24 i.e., ₹ 27 crores.

A. CONTINGENT LIABILITIES OF THE ISSUER

The details of the contingent liabilities as on the date of the last audited financial statements of the Issuer i.e. March 31, 2024 are as follows:

Financial Years	Project Name	Status	Amount of Claim
FY 2022	Nil	Nil	Nil
FY 2023	Nil	Nil	Nil
FY 2024	Pawana Pipe Line Project	Arbitration	Rs.500 Crore including Interest

LITIGATIONS INVOLVING THE ISSUER**B. LITIGATIONS AGAINST THE ISSUER****a. Environmental Law Cases:**

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
1.	Nagesh Vinayak Dhamale vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application Number. 110/2022	National Green Tribunal, Western Zone Bench, Pune	The application is filed by the applicant contending that one of the Respondents i.e., M/s. Aswani Constructions (“Builder”) is carrying out illegal construction without obtaining prior Environmental Clearance, Consent to Establish, and Operate thereby violating the Environmental laws. Further the Builder does not have any of the appropriate Sewage, Waste water management systems and pollution monitoring systems in place.	Not Applicable	Pending
2.	Adinath Bhujballi Kuchanur vs. Pimpri Chinchwad & Ors.	Original Application Number 10/2022	National Green Tribunal, Western Zone Bench, Pune	The applicant contends that the one of the Respondents i.e., M/s. R. Retail Ventures Private Limited (“Builder”) has undertaken illegal construction activities without obtaining the mandatory permissions, sanctions, approvals and orders including the Consent to Establish. PCMC and other government authorities have been enjoined as Respondents for their alleged negligence and failure to monitor and check the illegal construction activities undertaken by the Builder.	Not Applicable	Pending
3.	Harmony Co-op Housing Society & Ors. vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application 41/2020	National Green Tribunal, Western Zone Bench, Pune	The said application has been filed by numerous Cooperative societies against the proposed construction of electric and gas cremation ground alleging that the said construction is in violation of the provisions of EIA notification of 2006 and it will pose severe environment and health hazards to citizens residing	Not Applicable	Pending

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
				nearby.		
4.	Tanaji Balasheb Gambhire vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application 56/2020	National Green Tribunal, Western Zone Bench, Pune	The applicant has filed the application against the Respondents alleging construction of the illegal structures for the project which is located within blue flood line of Indrayani River, and that these structures pose severe health hazards and damage to the public thereby violating the environmental norms. The Applicant has prayed that these illegal structures be demolished.	Not Applicable	Pending
5.	Sarang Yadwadkar & Ors. vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application Number. 49/2019	National Green Tribunal, Western Zone Bench, Pune	The application is filed by the applicant highlighting the numerous instances of violation of environment laws by the Respondents. The applicant contends that the Respondents have constructed unauthorized and illegal structure and encroached the areas surrounding riverbed/flood plains/ green belts along riverbeds.	Not Applicable	Pending
6.	Tanaji Balasaheb Gambhire vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application No. 163/2016	National Green Tribunal, Western Zone Bench, Pune	The applicant has filed the Application against the Respondent alleging gross intentional violation of rules and regulations in various environmental laws and terms and conditions of environmental clearance by the respondents.	Not Applicable	Pending
7.	Tanaji Balasaheb Gambhire vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application No. 164/2016	National Green Tribunal, Western Zone Bench, Pune	The applicant has filed the Application against the Respondent alleging illegal construction activities and projects which are in blue line of the Mula River and have been set up without requisite Environmental Clearance. The applicant prays for stoppage of all the construction activities at the site.	Not Applicable	Pending
8.	Tanaji Balasaheb Gambhire and Ors. vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application Number.1 47/2016	National Green Tribunal, Western Zone Bench, Pune	The applicant has filed the application against alleged construction of the illegal structures, which the applicant alleges have been constructed by violating EIA notification of 2006	Not Applicable	Pending

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
				and prays for demolition of such structures.		
9.	Nitin Vilas Vatar vs. Pimpri Chinchwad Municipal Corporation & Ors.	Miscellaneous Application. 159/2014	National Green Tribunal, Western Zone Bench, Pune	The applicant has filed the application against the opening of the slaughterhouse, which the applicant alleges is illegal as the Respondent does not have all the required permissions and approvals in place	Not Applicable	Pending
10.	Prashant Raul vs. Pimpri Chinchwad Municipal Corporation & Ors.	Original Application Number. 105/2024	National Green Tribunal, Western Zone Bench, Pune	The application is filed by the applicant alleging industrial waste, comprising of rubber and plastic waste being dumped by industries in Pimpri Chinchwad, particularly in chikhali Kudalwadi. It was further alleged in the application that the industries in the area have also been burning the disposed waste, which emanates smoke in the area. The tribunal directed PCMC and other respondents to present a report on truthfulness of the contents of the application.	Not Applicable	Pending

There are 7 number of cases pending under Section 13 (3) of The Registration of Births, Deaths Act, 1969 against the Issuer filed by the residents under the local limits under the area of Pimpri Chinchwad Municipal Corporation seeking directions to the Issuer for registration and issuance of birth/ death certificates. Since the nature of the case is criminal, there is no amount involved and there will be no adverse impact on the financial condition/ operational efficiency of the Issuer even if these cases are decided against the Issuer, however the Issuer will be required to be comply with the directions as may be issued against it.

i. WILLFUL DEFAULTER

The Issuer is not a willful defaulter.

ii. WILFUL DEFAULTER STATUS OF BOND ISSUE COMMITTEE MEMBERS

None of the members of the Bond Issue Committee have been declared as willful defaulters.

iii. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

- **Environmental Law Cases**

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
1.	Suo Motu cognizance by National Green Tribunal, Western Zone Bench, Pune	Original Application Number. 26/2024	National Green Tribunal, Western Zone Bench, Pune	The National Green Tribunal took a <i>suo motu</i> cognizance of the original application basis the news item covering serious casualties being caused in a fire incident at the sparkle candle factory of M/S Shivraj Enterprises. Tribunal ordered constitution of a Joint Committee of PCMC, Maharashtra Pollution Control Board and District Collector to monitor the situation.	Not Applicable	Pending
2.	Suo Motu cognizance by National Green Tribunal, Western Zone Bench, Pune	Original Application Number. 91/2024	National Green Tribunal, Western Zone Bench, Pune	The National Green Tribunal took a <i>suo motu</i> cognizance of the original application basis the news item titled “ <i>Pawana River enters priority 1 category due to increase in pollution</i> ”.	Not Applicable	Pending
3.	Suo Motu cognizance by National Green Tribunal, Western Zone Bench, Pune	Original Application Number. 111/2024	National Green Tribunal, Western Zone Bench, Pune	The National Green Tribunal took a <i>suo motu</i> cognizance of the original application against the Issuer and other respondents in relation to the pollution in Indrayani River in Pune due to the untreated industrial and domestic waste being released in the said river.	Not Applicable	Pending

- **Notice under Central Goods and Services Act, 2017**

The Issuer has received a Notice dated January 19, 2023 bearing Reference Number. R III/SCRUTINY-2018- 19 where a discrepancy of an amount of ₹ 7,38,971 pertaining to Ineligible ITC availed in respect of invoices/ debit notes issued by the suppliers who have not filed their GSTR-3B returns for the relevant tax period under Section 16(2) of the CGST Act, 2017 has been observed by the Superintendent, Central Tax Range, Division- III. Further discrepancies of an amount of ₹ 681 of interest liability in terms of Section 50 of CGST Act, 2017 and an amount of ₹ 4,46,050 as Late fee in terms of Section 47 of the CGST Act, 2017 has been noticed.

- **Notice under Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975**

The Issuer has received two show cause notices both dated March 10, 2023, issued by the Profession Tax Officer directing the Issuer to submit certain documents including certified copy of

the attendance sheet/muster roll, Letter of Authority among others for the purpose of assessment of Profession Tax. Under one of the aforesaid notices bearing reference number PUN-PTO-C-006/Assessment/2018-19/2021-22/B-117 Pune, it is stated that a total liability of ₹ 1,87,78,223 will be levied on the Issuer if the required documents are not submitted by the Issuer. In both the cases, the documents are being submitted by the Issuer and the matters are pending for disposal.

iv. DISCIPLINARY ACTIONS INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGE(S) DURING THE PAST 5 (FIVE) FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

NIL

v. DIRECT AND INDIRECT TAX

S. No.	Nature	Number of Cases	Amount Involved (In Rs.)
Direct Tax			
1)	Income Tax - E-proceedings	2	Nil
2)	Income Tax – eDemand	1	3,09,260
Indirect Tax			
3)	TDS*	17	5,81,59,960
Property Tax			
4)	Cases have been filed against the Issuer by the residents/ entities residing/ operating in Pimpri Chinchwad Municipal Corporation jurisdiction accusing Issuer of charging huge amount of property tax.	134	2,93,25,35,580
Octroi			
5)	Cases have been filed against the Issuer by aggrieved parties for the demand of Octroi raised by the Issuer under Section 398 of the MMC Act, 1949.	47	57,52,00,000
Service Tax			
6)	Service Tax**	0	0
Professional Tax			
7)	Professional Tax***	2	3,29,38,494

*Apart from above there may be claims in relation TDS amount related to Salary paid to Employees.

** Appeal to CESTAT order in favour of Issuer with NIL Demand-

***Issuer has preferred Appeal (Commissioner Appeal, Profession Tax) against the Order.

vi. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER:

Civil Matters

Sl. No.	Name Parties of the	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
1.	M/s B.G. Shirke Construction Technology Private Limited and Vijay M. Mistry (Joint Venture) v. Pimpri Chinchwad Municipal Corporation	-	Arbitral Tribunal of Shri S .R. Tambe, Shri A.B. Yadav and Shri M.G. Dharap	The arbitration matter pertains to the disputes arising out of the contract for the work of Design and Construction of Flyover and ROB at Nashik Phata on Old Mumbai-Pune NH-4 including Bridge on River Pawana.	66,79,96,793	Pending
2.	J. Kumar Infra Projects Ltd. v/s Pimpri Chinchwad Municipal Corporation	Special Civil Suit No. 66/2018	Court of Civil Judge, Senior Judge Division, Pune	The said matter is filed by J. Kumar Infra projects Ltd against the Corporation for recovery of money. Our corporation vide Tender Notice invited tender for the work of construction of road BRTS from Nashik Phata flyover and entered into a contract with the Petitioner. The Petitioners allege that they were unable to continue working due to the repeated defaults of the defendants as explained in the plaint and have incurred losses due the actions of the Issuer.	41,35,35,831	Pending
4.	Sandeep Prakash Khunte vs. Commissioner , Pimpri Chinchwad Municipal Corporation & Ors.	Election Petition 40/17	Court of Civil Judge, Senior Division, Pune	The petitioner has filed an election petition against the Respondents alleging that the EVM used in the election in question are faulty and malpractice and irregularity has occurred in the elections.	Not Applicable	Pending
5.	Anu Vivek Gavali vs. Commissioner , Pimpri	Election Petition No. 11/ 2017	Court of Civil Judge, Senior Division, Pune	The petitioner has filed an election petition against the Respondents alleging that one of the Respondents has engaged in corrupt and illegal election practice	Not Applicable	Pending

Sl. No.	Name Parties of the	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
	Chinchwad Municipal Corporation & Ors.			including tampering of voting machines, obtaining of bogus caste certificates, etc. and therefore membership of the said person in the elected body of PCMC is bad in law and should be declared illegal, null and void.		
6.	NCC-SMC-INDU (JV) vs. Municipal Corporation for the City of Pimpri Chinchwad	Application under section 16 of the arbitration and conciliation act, 1996, 2024.	Sole Arbitrator, Shri Sandeep Kashinath Shinde (Former Judge, Bombay High Court)	Arbitration Application filed by the applicant in relation to the rejection of claims by the Issuer team for the bills raised by the claimant for the year 2012-13. The Issuer filed another application under Section 16 of the Arbitration and Conciliation Act challenging the maintainability of the arbitration proceedings initiated by the applicant in the absence of the valid enforceable arbitration clause and on account of non-commencement of the arbitration as the same is not yet involved.	496,00,00,000	Pending
7	Ganga Skies Complex Cooperative Housing Society Ltd vs. Pimpri Chinchwad Municipal Corporation & Ors.	Civil Appeal Number - 1258/2018	Supreme Court of India	The applicant had filed the application under Section 14 & 15 of National Green Tribunal Act, 2010 against the construction of illegal structures, which they allege is in violation of various environment laws. The applicant has as part of his prayer, requested the Tribunal to order the Respondents to demolish the illegal structures at the site in question and restore the area to its original position and compensation for damage to the public health, property and environment. The case was decided against the Respondent and the	Not Applicable	Pending

Sl. No.	Name Parties of the	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Rupees)	Present Status
				Respondent has filed a civil appeal in Supreme Court		

C. LITIGATIONS BY THE ISSUER

i. CRIMINAL LITIGATIONS

There are 73 number of cases filed by the Issuer against the residents of Pimpri Chinchwad for violation of provisions of the MMC Act with respect to non-payment of octroi, non-following of Building Bye-laws, non- payment of property tax, etc.

ii. TAXATION MATTERS

Nil

iii. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

Nil

D. LITIGATIONS INVOLVING MEMBERS OF THE BOND ISSUE COMMITTEE

LITIGATIONS AGAINST THE MEMBERS OF THE BOND ISSUE COMMITTEE:

There are no cases pending against the members of the Bond Issue Committee which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the Projects which are being funded by the proceeds of the Green Bonds.

LITIGATIONS BY THE MEMBERS OF THE BOND ISSUE COMMITTEE

There are no cases pending by the members of the Bond Issue Committee which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the Projects which are being funded by the proceeds of the Green Bonds.

E. OUTSTANDING DUES TO CREDITORS

Based on Materiality Policy of the Issuer, as on March 31, 2024, our Issuer does not have any material creditors. Further the Issuer does not categorize its creditors as SSI/MSME and the creditors also do not submit their SSI/MSME registrations and hence the dues to Material Creditors and SSI/MSME creditors are not disclosed in this Preliminary Placement Memorandum.

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link:

https://www.pcmcindia.gov.in/marathi/pdf/bond_2023.pdf

F. MATERIAL DEVELOPMENTS SINCE DATE OF THE LAST AUDITED BALANCE SHEET

The Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (one) year as per the certificate received from the Auditor dated March 13, 2025.

G. MATERIAL AGREEMENTS AND CONTRACTS:

Except for the agreements entered into by the Issuer in the normal course of business, the details of

the Material Agreements Contracts are as provided in the section titled “*Material Contracts and Documents*” on page 144 of this Preliminary Placement Memorandum

H. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER, RESULTING IN MATERIAL LIABILITIES, RESTRUCTURING EVENT, ETC.) AT THE TIME OF THE ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTORS’ DECISION TO INVEST/ CONTINUE TO INVEST IN THE MUNICIPAL DEBT SECURITIES.

The Issuer hereby confirms that, except for any information disclosed in this Preliminary Placement Memorandum, there has been no material event, development or change having implications on the financial condition or credit quality of the Issuer which may affect the issue of the Municipal Bonds or an investors’ decision to invest or continue to invest in the Municipal Bonds to be issued by the Issuer.

I. DETAILS OF NON-PAYMENT OF STATUTORY DUES

Except for litigation matters as disclosed under Direct and Indirect Tax in this Section on ‘*Legal and Other Information*’ there are no instances of Non-Payment of Statutory Dues.

J. DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENT ISSUED BY THE ISSUER, IN THE PAST 3 YEARS.

As confirmed by the Auditor vide its certificate dated March 13, 2025, there are no defaults or delay in payment of interest or principal by the Issuer in the past 3 years.

K. DISCIPLINARY ACTION, IF ANY, TAKEN BY SEBI OR ANY FINANCIAL SECTOR REGULATORY AUTHORITY AGAINST THE ISSUER, MERCHANT BANKER, DEBENTURE TRUSTEE ETC., DURING THE LAST 5(FIVE) YEARS

I. AGAINST THE ISSUER

Nil

II. AGAINST THE DEBENTURE TRUSTEE

NIL

III. AGAINST THE MERCHANT BANKER

NIL

IV. AGAINST THE CREDIT RATING AGENCIES

CARE RATINGS LIMITED

SEBI/Regulatory Authority	Details of pending disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
	Nil

CRISIL RATINGS LIMITED

SEBI/Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
	Nil

V. AGAINST THE REGISTRAR

NIL

SECTION-XII: GOVERNMENT APPROVALS

The Issuer is a municipal corporation incorporated under the MMC Act and has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for its operations under the MMC Act and except as mentioned below, no further approvals are required for carrying on our present operations. Set out below is a list of approvals/registrations obtained by the Issuer which are considered material and necessary for the purpose of its operations under the MMC Act. In view of these key approvals, the Issuer can undertake its operations and this Issue.

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Preliminary Placement Memorandum.

- A. Investment approvals, letter of intent or industrial license from GoI, RBI, etc., as applicable and declaration of the Central Government, Reserve Bank of India or any regulatory authority about the non-responsibility for financial soundness or correctness of the statements:

As the Issuer is a municipal corporation, no such investment approvals, letter of intent or industrial license from GoI, RBI, etc. are required to be obtained by the Issuer.

- B. All Government and other approvals which are material and necessary for carrying on the business and operations of the issuer and material subsidiaries:

There are no specific approvals which are material and necessary for carrying on the business of the Issuer.

The Issuer has required registrations as listed below:

Sl. No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number* ("PAN")	AAALM0464E	Income Tax Department, Government of India	October 11, 1982	One Time Registration
2.	GST Registration Certificate* ("GST")	27AAALM0464E1ZB	Government of India	Date of Liability: July 01, 2017 Date of Issue of Certificate: July 28, 2018	One Time Registration
3.	Tax deduction Account Number** ("TAN") **	PNEA05388F	Income Tax Department, Government of India	June 28, 2004	One Time Registration
4.	Legal Entity Identifier Number	335800WIGQZDK9D3VI20	Legal Entity Identifier India Limited	April 13, 2023	One Time Registration

** The said certificate is in the name of Municipal Pimpri Chinchwad Corporation.*

***The said certificate is in the name of Account Section Pimpri.*

Additionally, the Issuer has obtained requisite approvals for undertaking this Issue. For further details, please refer “*Government Approvals*” on page 125.

The Issuer does not have any subsidiary.

The details of the approvals obtained/ required to be obtained by the Issuer for undertaking the proposed Project are set out in paragraph G “Details and status of the regulatory approval (if required)” of Section *Objects of the Issue* “*Details and status of the regulatory approval*” on page no. 58 of this Preliminary Placement Memorandum.

SECTION-XIII: UNDERTAKINGS BY THE ISSUER

The Issuer hereby agrees and undertakes:

- a) that it shall submit the documents disclosed in the Preliminary Placement Memorandum to the Debenture Trustee in electronic form (soft copy);
- b) that the complaints received in respect of the Issue shall be attended to by the Issuer expeditiously and satisfactorily;
- c) that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within the period specified by the Board;
- d) that the Preliminary Placement Memorandum contains true, fair and adequate information to enable investor to make a well-informed decision regarding their investment in the proposed Issue and a declaration to this effect issued by the Municipal Commissioner and Administrator has been annexed in the Preliminary Placement Memorandum;
- e) that the Preliminary Placement Memorandum or term sheet or any advertisement issued by the Issuer in connection with the Issue shall not contain any false or misleading statement;
- f) all monies received out of the issue shall be transferred to a separate bank account; and
- g) That the Issuer has not issued any securities by way of public issues in the past
- h) It shall comply with the applicable law including Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015.

For **Pimpri Chinchwad Municipal Corporation**

Name: Shri Shekhar Singh

Designation: Municipal Commissioner

Place: Pimpri Chinchwad

Date: 13/03/2025

SECTION-XIV: TERM SHEET

SUMMARY OF OFFER

A. Primary business of the Issuer:

The Pimpri Chinchwad Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on October 11, 1982 under Section 5 of the Maharashtra Municipal Corporations Act, 1949 (“MMC Act”), erstwhile the Bombay Provincial Municipal Corporations Act, 1949 (“BPMC Act”) vide Notification dated October 05, 1982 bearing reference number 7902PCC 1082/210(i)/UD-20. In accordance with Section 5 of the MMC Act, the Corporation shall consist of such number of elected members as may be notified from time to time.

Size of the Issue:

Issue of secured, rated, listed, taxable, redeemable, non-convertible municipal green bonds of face value of ₹ 2,00,000 each, (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPP”) namely 1 STRPP A of face value of ₹ 1,00,000 and 1 STRPP B of face value of ₹ 1,00,000, for the base issue of ₹100 crore (Rupees Hundred Crore) with a green shoe option of up to ₹ 100 crore (Rupees Hundred Crore), aggregating up to ₹ 200 crores (Rupees Two Hundred Crore) (“Issue Size”) on private placement basis under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time

B. Object of the Issue:

The proceeds of the Issue are to be deployed in the below mentioned project and the total project cost is provided herein below:

(₹ in Crores)		
Sr. No.	Object	Total Cost
1.	Development of the Harit Setu Project	157.32
2.	Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk	107.93

C. Audit Qualifications along with the financial statements.

There are no audit qualifications for the audited financial statements for the last 3 Financial Years i.e., FY 2021-22, FY 2022-23 and FY 2023-24. For details of few *observations / comments / discrepancies highlighted by the Auditors in their audit reports*, please refer to Risk Factor 6 – “Our statutory auditors have highlighted few observations / remarks/ discrepancies in their audit reports relating to our audited financial statements” on Page 24.

D. Summary table of pending litigation

• Matters related to Direct and Indirect Taxes against the Issuer

	Nature	Number of Cases	Amount Involved (In Rs.)
Direct Tax			
1)	Income Tax - E-proceedings	2	Nil
2)	Income Tax – Demand	1	3,09,260
Indirect Tax			
3)	TDS*	17	5,81,59,960

	Nature	Number of Cases	Amount Involved (In Rs.)
Property Tax			
4)	Cases have been filed against the Issuer by the residents/ entities residing/ operating in Pimpri Chinchwad Municipal Corporation jurisdiction accusing Issuer of charging huge amount of property tax.	134	2,93,25,35,580
Octroi			
5)	Cases have been filed against the Issuer by aggrieved parties for the demand of Octroi raised by the Issuer under Section 398 of the MMC Act, 1949.	47	57,52,00,000
Service Tax			
6)	Service Tax**	0	0
Professional Tax			
7)	Professional Tax***	2	3,29,38,494

*Apart from above there may be claims in relation TDS amount related to Salary paid to Employees.

** Appeal to CESTAT order in favour of Issuer with NIL Demand

***Issuer has preferred Appeal (Commissioner Appeal, Profession Tax) against the Order.

- **Criminal Litigations involving the Issuer or members of the Bond Issue Committee**

The total number of cases involving the Issuer or the members of the Bond Issue Committee have been disclosed in the section titled “*Legal and Other Information*” on page no. 114. Since the nature of the case is criminal, there is no amount involved.

- **Actions by Regulatory and Statutory Authorities**

The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the “*Section-XI- Legal and Other Information*” on page 114.

- **Other Civil Litigation**

The details of all the individual civil litigations above the materiality threshold have been disclosed in the “*Section-XI Legal and Other Information*” on page 114.

For the details of litigation proceedings, please refer the Section titled “*Litigation and Other Information*” on page 114.

F. Risk Factors

For Risk Factor please refer to section titled “*Risk Factors*” beginning on page 20.

G. Summary of Contingent Liabilities

The details of the contingent liabilities as on the date of the last audited financial statements of the Issuer i.e. March 31, 2024 are as follows:

Financial Years	Project Name	Status	Amount of Claim
FY 2022	Nil	Nil	Nil
FY 2023	Nil	Nil	Nil
FY 2024	Pawana Pipe Line Project	Arbitration	Rs.500 Crore including Interest

H. Summary of Related Party Transactions

The Issuer is a municipal corporation and has no related party transactions.

I. Escrow payment mechanism for the repayment of the interest/principal.

Please refer to the row titled '*Structured Payment Mechanism*' under "*Summary of Term Sheet*" of Section XIV "*Term Sheet*" on page 128.

SECTION-XV: SUMMARY OF TERM SHEET

Security Name	___% PCMC BONDS STRPP A 2028 -----% PCMC BONDS STRPP B 2029
Issuer	Pimpri Chinchwad Municipal Corporation
Type of Instrument	Secured, Rated, Listed, Taxable, 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	Private Placement by Pimpri Chinchwad Municipal Corporation of 10,000 (ten thousands) Secured, Rated, Listed, Taxable, Redeemable, Non-Convertible Green Municipal Bonds of face value of Rs 2,00,000 each, (comprising of 2 (two) separately transferable and redeemable principal parts (“ STRPP ”) namely 1 STRPP A of face value of Rs 1,00,000 and 1 STRPP B of face value of Rs 1,00,000, for an amount aggregating up to Rs 200 crores (“ Total Issue Size ”) under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
Eligible investors	All QIBs and any non-QIB Investors specifically mapped by the Issuer on the BSE EBP Platform, are eligible to bid / invest / apply for this Issue. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The NCDs are proposed to be listed on BSE Limited (“ BSE ”). The NCDs shall be listed within 3 (three) Working Days from the Issue Closing Date. In case of delay in listing beyond 3 trading days from the issue closing date, the Issuer shall pay to the Debenture holder’s penal interest of @ 1% per annum over and above the coupon rate for the period of delay from the date of allotment to the date of listing.
Rating of the Instrument	CARE Ratings Limited has vide its letter dated August 07, 2024, assigned a rating of CARE AA+; Stable (pronounced as Double A Plus; Outlook: Stable), revalidated by its letter dated March 05, 2025, and has issued a rating rationale dated August 09, 2024. CRISIL Ratings Limited has vide its letter dated July 04, 2024, assigned a rating of Provisional CRISIL AA+/Stable (pronounced as Provisional CRISIL double A plus rating with Stable outlook), revalidated by its letter dated March 03, 2025, and has issued a rating rationale dated December 26, 2024.
Base Issue Size	Rs 100 Crore
Option to retain over subscription	Up to Rs 100 Crore
Total Issue Size	Up to Rs 200 Crore (including Green Shoe Option)
Objects of the issue	The proceeds of the bonds will be utilized for funding the capital expenditure to be incurred towards the (i) Development of Harit Setu works in “A” ward office area (“ Project I ”) and (ii) Development of Telco Road from Gawali Matha to Indrayani Nagar Chowk (“ Projects II ”).
Details of the utilization of the proceeds	The proceeds of the Issue shall be utilized for the Projects. The details of the Projects along with the details/ status of any prior requisite approvals required, if any for such Projects have been detailed in the Section titled Objects of the Issue of this PPM.
Coupon rate	To be finalized subsequent to bidding on electronic bidding platform of BSE
Taxable/Tax free	Taxable
Step Up/Step Down	N.A.

Coupon payment frequency	On a Half-Yearly basis																			
Coupon payment dates	The dates on which interest/coupon on the NCDs shall fall due for payment																			
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	The Pay-in Date shall be the Deemed Date of Allotment; interest on application money not applicable.																			
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; <table><tr><th>Sub-Series</th><th>Tenor (in years)</th><th>As %age of issue</th><th>Amount (in Crore)</th></tr><tr><td>A</td><td>4</td><td>50%</td><td>100</td></tr><tr><td>B</td><td>5</td><td>50%</td><td>100</td></tr><tr><td>Total</td><td></td><td>100%</td><td>200</td></tr></table>				Sub-Series	Tenor (in years)	As %age of issue	Amount (in Crore)	A	4	50%	100	B	5	50%	100	Total		100%	200
Sub-Series	Tenor (in years)	As %age of issue	Amount (in Crore)																	
A	4	50%	100																	
B	5	50%	100																	
Total		100%	200																	
Redemption Date/ Maturity Date	The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows: - STRPP A - at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A; - STRPP B – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B;																			
Redemption Amount	Principal repayment to happen annually, from the expiry of 4 (Four) years from the Deemed Date of Allotment, in 2 (two) annual installments of: 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; 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; Each STRPP will be redeemed at face value on the respective Redemption Dates. Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued Coupon and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.																			
Redemption Premium / Discount	Not applicable																			
Issue Price	Face Value of ₹ 2,00,000 per NCD consisting of 2 (Two) STRPPs (i.e. 1 STRPP A and 1 STRPP B) with face value of each STRPP being ₹ 1,00,000 (Rupees One lakh 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 Rs.2,00,000 (Rupees Two Lakhs 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 ₹ 1,00,000 (Rupees One Lakh) each.
Minimum Application Size and in multiples thereof	5 bonds of face value of ₹ 2,00,000 each aggregating to ₹ 10,00,000 (i.e. 5 NCD comprising of 5 STRPP A, & 5 STRPP B) and in multiples of 1 (One) NCD of face value of ₹ 2,00,000 (comprising of 1 STRPP A & 1 STRPP B) thereafter.
Trading Lot	1 (one) STRPP of face value of ₹ 1,00,000 (Rupees One Lakh).
Issue Timing	1.Issue Opening Date: [●] 2.Issue Closing Date: [●] 3.Pay-in Date: [●] 4.Deemed Date of Allotment: [●]
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	Through the Indian Clearing Corporation Limited
Depository	NSDL and CDSL
Business/ Working Day Convention	Business day/Working day shall mean all days on which commercial banks in the Pimpri Chinchwadi are open for business. In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchange and with respect to the record date, working day shall mean all trading days of the Stock Exchange for Bonds, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated May 22, 2024 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54, as amended from time to time. If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Placement Memorandum. If the redemption/maturity date of the Bonds 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 the Bonds shall also be paid on the previous working day as per the cash flows provided under Annexure – V “Illustration of Bond Cash Flow” of the Placement Memorandum. If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - V” Illustration of

	Bond Cash Flow” of the Placement Memorandum.
Record Date	The record date for payment of coupon/interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law. In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchange, will be deemed as the record date. 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.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of 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) First <i>pari passu</i> charge by way of hypothecation over present and future receivables pertaining to Property tax or any other tax/specified revenue/cash flow to be deposited in the account(s) where property Tax shall be collected (Collection Account(s) with minimum security cover of 1 (One) time of the total outstanding Secured Obligations (“Minimum Security Cover”)); (b) First <i>pari passu</i> charge over the Escrow Account and the account(s) where the Property tax or any other tax/specified revenue/cash flow collected and/ or pooled by Pimpri-Chinchwad Municipal Corporation, in each case to the extent of the Property tax or any other tax/specified revenue/cash flow gets collected and/ or pooled in each of such accounts; (c) Exclusive charge over the Interest Payment Account (including the DSRA Amount), Sinking Fund Account being opened for the issue, the funds lying in each such account and any investment(s) made from these account(s); (d) Exclusive charge over the investments made in terms of paragraph 7 and paragraph 8 under the head of term ‘Structured Payment Mechanism’ below (“Permitted Investment(s)”). 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 Green Bonds and shall include, without limitation, the obligation to redeem the Green 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 Green Bonds under the Transaction Documents.

	The security interest/security documents stipulated above shall be collectively referred to as the “Security”. The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security. Security Creation Timelines (a) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). (b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents. The Issuer shall also maintain a minimum 100% security cover on the outstanding principal of the NCDs plus accrued interest/coupon thereon, at all times.
Required DSRA Amount	For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 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 utilization from the DSRA Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below. Further, as the interest liability would progressively come down after the peak, the Issuer would be permitted to take out the excess DSRA progressively under intimation to the Debenture Trustee, subject to: (i) no unresolved breach of any covenant or event of default, (ii) no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.
Escrow Account	PCMC had issued bonds aggregating to Rs 200 Crore in July 2023 for a tenor of 5 years (“8.15% PCMC 2028 Series I”). For the said bonds issue, PCMC had created first <i>pari passu</i> charge on the Property tax or any other tax/specified revenues/cash flow deposited in the account(s) where Property Tax shall be collected (Collection Account(s) and created escrow mechanism on the said revenues/cash flows in line with the structured payment mechanism stipulated for the bonds issue. PCMC is maintaining a no-lien escrow account i.e. “PCMC ESCROW ACCOUNT” with Bank of Baroda with Account No. 31060200000351 for the said purpose and the funds lying in account(s) in which the Property tax or any other tax/specified revenues/cash flow deposited in the account(s) where Property Tax shall be collected (Collection Account(s) are collected and/or pooled by the PCMC are being transferred to the Escrow Account for the debt servicing on daily basis.

		Now, for the present Issue, PCMC is creating a first <i>pari passu</i> charge and escrow mechanism in favor of the NCD Holders on the Property tax or any other tax/specified revenues/cash flow deposited in the account(s) where Property Tax shall be collected (Collection Account(s) of PCMC along with the existing bond holders as mentioned above and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first <i>pari passu</i> charge (along with the existing bond holders) over the Escrow Account and the Collection Account(s) of the Issuer. The funds lying in this escrow account would be available proportionately towards the debt service requirements for the present Issue along with the earlier Issue (“8.15% PCMC 2028 Series I”) Proportion of charge, on the Escrow Account and the Collection Account(s) of the Issuer, between the bond holders of the existing bond issue and the present Issue – 200:200 (at the time of issue which may vary in future depending upon the outstanding liabilities of the existing and the present issue).
Structured Payment Mechanism		1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the NCDs :- a. <u>Escrow Account</u> PCMC is maintaining a no-lien escrow account with Bank of Baroda with Account No. 31060200000351 for servicing of the ₹ 200 Cr bonds issued in July 2023. Now for the present Issue PCMC shall utilize the same account as defined above under the head ‘Escrow Account’ of this term sheet. b. <u>Interest Payment Account (for exclusive benefit of the debenture holders)</u> 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. For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the date of Allotment with an amount equal to the 2 (Two) succeeding Coupon payments required to be paid by the Issuer in respect of the NCDs (“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. 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.

	c. <u>Sinking Fund Account (for exclusive benefit of the debenture holders)</u> The Sinking Fund Account is an account from which the principal redemptions of the STRPPs/NCDs will be made. 2. The funds lying in the Escrow Account shall be used in the following priority: (a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and the sinking fund account as per the interest payment and sinking fund mechanism defined below; (b) Thereafter, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last 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. 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, can transfer the Minimum Balance maintained in Escrow Account to the Interest Payment Account and the Sinking Fund Account on any day prior to the Transfer Date. It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in Interest Payment Account (including the required DSRA amount) and Sinking Fund Account, the obligation of the Issuer to fund the Interest Payment Account and Sinking Fund Account to the extent of the Minimum Balance no later than the monthly Transfer Date shall continue until the Final Settlement Date. The following amounts will be required to be transferred to the Interest Payment Account and the Sinking Fund Account from the Escrow Account as mentioned above each year (Each year here means each period of 12 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '12 month block') on first priority basis along with the existing bond holders: a. Interest payment Account (IPA II) – Half-yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA every month for 5 months. Accordingly, 20% of the half yearly coupon
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	payment (along with any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution) shall be transferred to IPA each month as follows:- (i) 1st half year - from 1st to 5th Month (ii) 2nd half year - from 6th to 10th Month b. Sinking Fund Account (SFA II) – 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 c. Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer. 4. 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. (d) The funds lying in the Sinking Fund Account can be used to redeem the Debentures.
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	(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). 5. The Debenture Trustee, on behalf of the Debenture Holders shall have <i>pari passu</i> first ranking charge over the Escrow Account and the Collection Account(s) that are being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), Sinking Fund Account and any permitted investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). 6. The amount deposited in the Interest Payment Account (including the DSRA Amount), 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 prior approval of Debenture Trustee. 7. 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 accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Maharashtra Municipal Corporation Act, 1949, to the extent applicable. 8. 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 Maharashtra Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. 9. 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. 10. 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
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	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. 11. 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. <u>Interest Payment Mechanism</u> 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
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	same timelines for subsequent and future servicing. If any over dues on account of past servicing from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice. 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. <u>Principal Repayment (Sinking Fund) Mechanism</u> The Debenture Trustee shall check the balance in the Sinking Fund Account prior to the end of each 12 month block - and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:- The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account at 45 (Forty Five) days prior to the end of each 12 month block. In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 12 month block (T-15 days). Further, in case of shortfall on T-45 days, the amounts lying or credited in the escrow account shall flow into the sinking fund account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall still persists in in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall 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). 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.
Financial Covenants	1. The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 1.25 times of the Annual Payments Amount. For the purpose of this term sheet, the term 'Annual Payments Amount' shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present Green Bonds Issue, existing bond issue and any further borrowings); and (b) the portion of principal amount of the Debentures which are required to be deposited by the Issuer into the Sinking Fund Account in such financial year (in relation to the present Green Bonds issue, existing bond issue and any further borrowings), (c) Principal Repayment amount (where sinking fund us not created), in terms hereof.

	2. The Issuer shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year: DSCR: Debt Service Coverage Ratio (“DSCR”) for the PCMC shall not be less than 1.25 times as the below: DSCR = operating surplus / total debt service 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 - Other non-cash expenditures. ii. Total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment (where sinking fund is not created) + transfer of debt service reserve account. 3. So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of the debenture trustee subject to the Applicable Law. 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. Other financial covenants as defined in the Transaction Documents
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum / Placement Memorandum, the Debenture Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Escrow Agreement, Issuer Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Conditions Precedent to Disbursement	Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILDMS Regulations, there are no conditions precedent to the Issue.
Conditions Subsequent to Disbursement	Other than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILDMS Regulations, there are no conditions precedent to the Issue.

Events of Default	As is more particularly set out in the Placement Memorandum and 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/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As will be stated in the Placement Memorandum and in the Debenture Trust Deed to be executed in accordance with applicable law
Default Interest	(a) All monies due in respect of the Debentures shall, in case the same be not paid on the respective due dates, carry further interest at the rate of 2% (Two Percent) per annum, which shall be paid over and above the Coupon Rate for the period during which such default continues; (b) In case of delay in execution of the Debenture Trust Deed and security documents, the Issuer will pay penal interest of at least 2% p.a. (Two percent per annum), which shall be paid over and above the Coupon Rate for the period during which such default continues; (c) In case of delay in listing of the Debentures beyond 3 (Three) days from the Issue Closing Date, the Issuer shall pay penal interest of at least 1% p.a. (One percent per annum) which shall be paid over and above the Coupon Rate for the period of delay (i.e. from the date of allotment to the date of listing) as specified in Chapter VII of the SEBI Master Circular. (d) Other provisions as set out in the Transaction Documents.
Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform yield allotment
Settlement Cycle	To be decided
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Issue Proceeds Agreement) shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Pune. The Issue Proceeds Agreement shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Mumbai.

SECTION-XVI: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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

A. Material Contracts

- a. Copy of Tripartite Agreement dated March 02, 2023 between CDSL, the Issuer and the Registrar to the Issue.
- b. Copy of Tripartite Agreement dated March 03, 2023 between NSDL, the Issuer and the Registrar to the Issue.
- c. Debenture Trustee Agreement dated March 13, 2025 between the Issuer and the Debenture Trustee;
- d. Issue Agreement dated March 13, 2025 between the Issuer and the Merchant Banker/Arranger to the Issue.
- e. Registrar Agreement dated March 13, 2025 between the Issuer and the Registrar to the Issue.
- f. Debenture Trust Deed dated [●] executed between the Issuer and the Debenture Trustee.
- g. Deed of Hypothecation dated [●] executed between the Issuer and the Debenture Trustee.
- h. Escrow Agreement dated [●] between the Issuer, the Debenture Trustee and the Escrow Banker to the Issue.
- i. Issue Proceeds Agreement dated [●] between the Issuer, the Merchant Banker/Arranger, Registrar and the Banker to the Issue.

B. Material Documents

- a) Copy of Notification dated October 05, 1982, bearing reference number PCC 1082/210(i)/UD-20 pursuant to which the Issuer is constituted.
- b) Copy of Maharashtra Municipal Corporations Act, 1949.
- c) State Government Order dated February 13, 2025 approving the issuance of Debentures.
- d) Notification no. D.O. No. K-14012/01/2022-AMRUT-IIB dated May 31, 2024 in relation to AMRUT Incentive issued by Ministry of Housing and Urban Affairs.
- e) Copy of the Resolution of the Standing committee bearing reference number 3693 dated July 09, 2024 forming the Bond Issue Committee with respect to discussions and decisions for the proposed Issue.
- f) Copy of the Resolution of the General Body bearing reference number 629 dated July 16, 2024 approving Standing Committee resolution of forming the Bond Issue Committee with respect to discussions and decisions for the proposed Issue.
- g) Copy of Municipal Commissioner Letter dated February 28, 2025, certifying the list of members of the Bond Issue Committee.
- h) Copy of the resolution of the Bond Issue Committee dated March 13, 2025 approving the issuance of Green Bonds.
- i) Bond Issue Committee Resolution dated November 20, 2024, approving the framework of

Green Bonds.

- j) Copy of the resolution of Bond Issue Committee dated March 13, 2025 appointing Deputy Accounts & Finance Officer as the Compliance Officer and Officer in Charge of dealing with Investor Grievances.
- k) Consents of the Merchant Banker/Arranger/Transaction Advisor, Debenture Trustee, Rating Agencies, Registrar to the Issue, Legal Advisor, Auditors, members of the BIC Committee, Municipal Commissioner, Escrow Bank and Banker to the Issue to include their names in the Preliminary Placement Memorandum.
- l) Copy of the resolution of the Bond Issue Committee dated March 13, 2025 approving the Materiality Policy.
- m) Copy of the resolution of the Bond Issue Committee dated March 13, 2025 approving the objects of the issue.
- n) Examination report dated March 13, 2025 issued by the Auditor of the Issuer.
- o) Statement of tax benefits dated March 13, 2025 Issued by the Auditor of the Issuer.
- p) Rating letter dated August 07, 2024, revalidation letter dated March 05, 2025 and rating rationale dated August 09, 2024, issued by CARE Ratings.
- q) Rating letter dated July 04, 2024, revalidation letter dated March 03, 2025, and rating rationale dated December 26, 2024, issued by CRISIL.
- r) Certificates dated March 13, 2025 by Project Consultant confirming the details of the Projects.
- s) Certificate from Independent Certifier for Green Bonds dated March 06, 2025 in relation to Projects qualifying for issuing Green Debt Security under SEBI regulations and other green bonds related disclosures.
- t) Independent Third Party Reviewer Assurance Report dated January 14, 2025.
- u) Copy of the resolution of the Bond Issue Committee dated March 13, 2025 approving the Preliminary Placement Memorandum.
- v) Due diligence certificate dated March 13, 2025 filed by the Merchant Banker with SEBI in relation to the Preliminary Placement Memorandum.
- w) Due Diligence Certificate dated March 13, 2025 from the Debenture Trustee in relation to the Issue
- x) In-principle approval of the BSE dated [●].



SHEKHAR SINGH I.A.S.
Commissioner
Pimpri Chinchwad Municipal Corporation

DECLARATION

I, Shri. Shekhar Singh (I.A.S.), as the Commissioner of the Pimpri Chinchwad Municipal Corporation hereby declare and confirm that:

1. the Preliminary Placement Memorandum contains true, fair and adequate information to enable the investors to make a well-informed decision regarding their investment in the proposed Issue;
2. the Preliminary Placement Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, issued vide No SEBI/LAD-NRP/GN/2015-16/006 dated 15th July, 2015 as amended, and other applicable SEBI circulars;
3. the Preliminary Placement Memorandum is in conformity with the documents, materials and papers which are material to the Issue;
4. the Preliminary Placement Memorandum 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 Preliminary Placement Memorandum also does not contain any false or misleading statement; and
5. that no responsibility for statements made otherwise than in the Preliminary Placement Memorandum or 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 their own risk.

For Pimpri Chinchwad Municipal Corporation

Name: Shekhar Singh

Designation: Commissioner

Place: Pimpri Chinchwad

Date: 13/03/2025

Office : PCMC Main Administrative Building, 4th Floor, Pimpri, Pune - 411 018.

Tel (O) : 020-27426331, Fax : 020-27425600

Mobile : 9175696449/8806946449, E-mail : s.singh@pcmcindia.gov.in



(नागरी व प्रशासकीय सेवेसाठी आयुक्तसो १००१:२००८ प्रमाणपत्र प्राप्त संस्था)

**Pimpri Chinchwad Municipal Corporation
Pimpri - 411018.**

Tel. : (020) 67333333

Fax : (020) 27425600

Email : pcmc@vsnl.com

Website : www.pcmcindia.gov.in

DECLARATION

I, Shekhar Singh (I.A.S.), as the Administrator of the Pimpri Chinchwad Municipal Corporation hereby declare and confirm that:

1. the Preliminary Placement Memorandum contains true, fair and adequate information to enable the investors to make a well-informed decision regarding their investment in the proposed Issue;
2. the Preliminary Placement Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, issued vide No SEBI/LAD-NRP/GN/2015-16/006 dated 15th July, 2015 as amended, and other applicable SEBI circulars;
3. the Preliminary Placement Memorandum is in conformity with the documents, materials and papers which are material to the Issue;
4. the Preliminary Placement Memorandum 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 Preliminary Placement Memorandum also does not contain any false or misleading statement; and
5. that no responsibility for statements made otherwise than in the Preliminary Placement Memorandum or 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 their own risk.

For Pimpri Chinchwad Municipal Corporation

Name: Shekhar Singh

Designation: Administrator

Place: Pimpri Chinchwad

Date: 13/03/2025



(नामची व प्रशासकीय सेवेसाठी आयएसओ ९००१:२००८ प्रमाणपत्र प्राप्त संस्था)

Pimpri Chinchwad Municipal Corporation
Pimpri - 411018.

Tel. : (020) 67333333

Fax : (020) 27425600

Email : pcmc@vsnl.com

Website : www.pcmcindia.gov.in

Undertaking by the Issuer

The Issuer hereby agrees and undertakes:

- a) that it shall submit the documents disclosed in the Preliminary Placement Memorandum to the Debenture Trustee in electronic form (soft copy);
- b) that the complaints received in respect of the issue shall be attended to by the Issuer expeditiously and satisfactorily;
- c) that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within the period specified by the Board;
- d) that the Preliminary Placement Memorandum contains true, fair and adequate information to enable investor to make a well-informed decision regarding their investment in the proposed Issue and a declaration to this effect issued by the Administrator and by the Commissioner has been annexed to the Preliminary Placement Memorandum;
- e) that the Preliminary Placement Memorandum or term sheet or any advertisement issued by the Issuer in connection with the Issue shall not contain any false or misleading statement;
- f) that all monies received out of the issue shall be transferred to a separate bank account; and
- g) that the Issuer has not issued any securities by way of public issues in the past.
- h) That it has complied and it shall comply with all the applicable law including but not limited to the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015.

For Pimpri Chinchwad Municipal Corporation

Name: Shri. Shekhar Singh

Designation: Municipal Commissioner

Place: Pimpri Chinchwad

Date: 13/03/2025

ANNEXURE I – STRUCTURED PAYMENT MECHANISM

1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the NCDs :-

(a) Escrow Account

PCMC is maintaining a no-lien escrow account with Bank of Baroda with Account No. **31060200000351** for servicing of the INR 200 Cr bonds issued in July 2023. Now for the present Issue PCMC shall utilize the same account as defined above under the head ‘Escrow Account’ of this term sheet.

(b) Interest Payment Account (for exclusive benefit of the debenture holders)

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.

For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the date of Allotment with an amount equal to the 2 (Two) succeeding Coupon payments required to be paid by the Issuer in respect of the NCDs ("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.

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.

(c) Sinking Fund Account (for exclusive benefit of the debenture holders)

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

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

- (a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and the sinking fund account as per the interest payment and sinking fund mechanism defined below;
- (b) Thereafter, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last 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.

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, can transfer the Minimum Balance maintained in Escrow Account to the Interest Payment Account and the Sinking Fund Account on any day prior to the Transfer Date.

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

3. 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 along with the existing bond holders:

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

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

- (b) **Sinking Fund Account (SFA II)** – Total issue size of the Debentures (Rs 200 Crore) shall be divided into 5 parts and each part (Rs. 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 (Rs. 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

- (c) Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer.

4. 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.
 - (d) The funds lying in the Sinking Fund Account can be used to redeem the
 - (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).
5. The Debenture Trustee, on behalf of the Debenture Holders shall have pari passu first ranking charge over the Escrow Account and the Collection Account(s) that are being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), Sinking Fund Account and any permitted investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s).
 6. The amount deposited in the Interest Payment Account (including the DSRA Amount), 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 prior approval of Debenture Trustee.
 7. 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 accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Maharashtra Municipal Corporation Act, 1949, to the extent applicable.
 8. 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 Maharashtra Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.
 9. 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.
 10. 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.
 11. 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 servicing. If any over dues on account of past servicing from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice.

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).

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

In case of shortfall still persists in in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall 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).

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.

ANNEXURE II – RATING LETTERS AND RATIONALE

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No. CARE/HRO/RL/2024-25/1229

Shri Shekhar Singh
Commissioner
Pimpri Chinchwad Municipal Corporation
Account Department, PCMC Bhavan,
Old Mumbai Pune Highway,
Pune
Maharashtra 411018



August 07, 2024

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long-term Non-convertible Debenture (NCD) issue aggregating to Rs.200 crore of your Company. The proposed NCDs would have tenure of 5 years with bullet repayment on 4th year and 5th year of Rs.100 Cr each.]

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Bonds	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is August 07, 2024).]

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:]

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.]
7. [The rationale and write-up (Press Release) for the rating will be communicated to you separately.]
8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
10. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
11. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
12. Our ratings are not recommendations to buy, sell or hold any securities.
13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

Renil Kotak

Renil Kotak
Analyst
renil.kotak@careedge.in

Tej Kiran

Tej Kiran Ghattamaneni
Assistant Director
tej.kiran@careedge.in

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Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

JK

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No. CARE/HRO/RL/2024-25/1874

Shri Shekhar Singh
Commissioner
Pimpri Chinchwad Municipal Corporation
Account Department, PCMC Bhavan,
Old Mumbai Pune Highway,
Pune
Maharashtra 411018



March 05, 2025

Confidential

Dear Sir,

Credit rating for proposed Debt Issue / Non-Convertible Debentures

Please refer to our letter no. CARE/HRO/RL/2024-25/1229 dated August 07, 2025 and your request for revalidation of the rating assigned to the Pimpri Chinchwad Municipal corporation, for a limit of Rs.200.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Bonds	200.00	CARE AA+; Stable	Reaffirmed

3. The NCDs would have a tenure of five years with a bullet repayment at the end of fifth year.

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
-----------------	------	---------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

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6. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
10. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Renil Kotak

Renil Kotak
Analyst
renil.kotak@careedge.in

Encl.: As above

Tej Kiran

Tej Kiran
Assistant Director
tej.kiran@careedge.in

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Pimpri Chinchwad Municipal Corporation

August 09, 2024

Facilities/ Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Bonds-I	200.00	CARE AA+; Stable	Assigned
Bonds-II	200.00	CARE AA+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bond issuances of Pimpri Chinchwad Municipal Corporation (PCMC), factors in Trustee-administered structured payment mechanism (SPM) for bonds with escrow of designated revenue collections towards debt obligations, priority of debt servicing and stipulated reserves maintained as sinking fund and Debt Service Reserve Account (DSRA). Comfort is derived from 1.25x coverage stipulated in the SPM, with PCMC's cashflows comfortably covering them. PCMC has been maintaining stipulated reserves of DSRA and sinking fund as fixed deposit for the outstanding bonds. Similar structure is proposed for the green bonds to be issued.

The rating continues to derive strength from PCMC's healthy financial profile backed by stable growth in receipts and consistent revenue surplus over the last few years. The corporation has been reporting average revenue surplus of ~₹1,000 crore over the past three years with the surplus registering a y-o-y growth of 54% to ₹2,071 crore in FY24 (refers to period April 01 to March 31) over FY23. CARE Ratings Limited (CARE Ratings) expects the revenue surplus to remain comfortable going forward. Liquidity position and debt coverage metrics of the Corporation continue to remain robust.

The rating also factors in PCMC's importance to Maharashtra, with the entity being the third-largest municipal corporation in the state. PCMC continues to benefit from Pune city's strong economic base, known as an evolving business centre, hosting manufacturing and automobile industries, information technology (IT), education, management, and training institutes.

However, the rating is tempered by the Corporation's moderate self-reliance, given the higher share of GST grants in revenues with own revenue source comprising only 50% of the overall revenue, and moderate property tax collection efficiency. While comfort is derived from the track record of receiving such compensation timely, its continuity is important to maintain a healthy revenue profile.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in the revenue surplus of the corporation, while successfully augmenting its infrastructure needs.
- Improvement in property tax collection to above 80% on a sustained basis.

Negative factors

- Significant decline in revenue surplus of the corporation on a sustained basis.
- Higher-than-envisaged debt level, impacting liquidity profile.
- Non-adherence to the covenants of bonds issuance.

Analytical approach:

Standalone while factoring in comfort from the Trustee-monitored SPM for bond issue, escrow of designated revenue sources, priority towards debt servicing of bonds, creating interest payment account and sinking fund account, and DSRA provision for two semi-annual interest payments.

Outlook: Stable

PCMC is expected to maintain a strong financial profile with steady growth in its revenue, consistently generating revenue surplus, and comfortable liquidity.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

Detailed description of key rating drivers:

Key strengths

Strong economic base, efficient operations, and service delivery track record

Pune is the second-largest contributor to Maharashtra's GDP and has high-level industrialisation, being a hub for industrial set-ups. PCMC is home to operations of major Indian and multinational companies. It hosts automotive majors, including Daimler Chrysler, Force Motors, General Motors, Jaguar Land Rover, Kawasaki, Kinetic Engineering, Mahindra & Mahindra, Mercedes-Benz India, Premier Ltd., TATA Motors, and Volkswagen, among others PCMC's Rajiv Gandhi Infotech Park spans across 2800 acres, housing more than 800 IT companies. The corporation has good infrastructure and has a strong track record of coverage and service delivery including about 100% solid waste collection, 100% drinking water supply, and 95% sewerage. Storm water drainage coverage is relatively lower. The corporation has been incurring capex for improving coverage of such civic amenities.

Sustained revenue surplus over the years

The municipal corporation registered satisfactory growth in revenue over the last few years, consistent growth in property tax (10% in FY24 over FY23) and non-tax revenue (39% in FY24 over FY23) due to rapid growth in industrialisation and in real-estate market. PCMC reported a surplus of ₹2,071 crore in FY24. In the medium term, it is expected to maintain a strong financial profile and report a surplus of over ₹1,000 crore.

Comfortable financial position

PCMC has a low-debt burden with no outstanding borrowings from financial institutions apart from a term debt from the state government. The corporation has raised bonds of ₹200 crore in fiscal FY24 and has proposed to raise green bonds of ₹200 crore in the current fiscal; FY25. With stable revenue base and consistent revenue surplus generation, CARE Ratings expects debt coverage indicators to remain comfortable despite the proposed borrowing.

Structured payment mechanism

For Bond-1

The bonds are backed by a structured payment mechanism (SPM). The SPM entails creating an escrow account for designated revenue source (property tax) with priority on servicing of bonds. Under the SPM, collections for revenue heads of property tax collected shall be transferred to a separate escrow account. The salient features of SPM include:

- i. Transfer funds collected in escrow account to debt service account (DSA), amount equivalent to defined monthly liability for servicing of debt. This includes interest and debt repayments.
- ii. Build up shortfall in Debt Service Reserve Account (DSRA) (at all times, DSRA should be maintained as two half-yearly interest payment).
- iii. Transfer to Interest Payment Account (IPA) for half-yearly interest servicing, funded monthly, under terms of the bond issue.
- iv. Transfer to Sinking Fund Account (SFA) monthly, such sums as may be required by terms of bond issuance and shortfall in earlier contributions.

Surplus funds after meeting minimum monthly requirement in escrow account/DSA can be transferred to PCMC General Fund account. Debenture trustee shall have lien on IPA, DSRA and SFA for exclusive benefit of bondholders PCMC maintains (DSRA) equivalent to two-half yearly interest payment amounts as fixed deposits, providing sufficient liquidity cushion. It is also creating sinking fund reserves for bullet payment of bonds on the 5th year.

SPM for Proposed green bonds

The proposed bonds are backed by a structured payment mechanism (SPM). The SPM entails creating an escrow account for designated revenue source (property tax) with priority on servicing of bonds. Under the SPM, collections for revenue heads of property tax collected shall be transferred to a separate escrow account. The salient features of SPM include:

- i. Transfer funds collected in escrow account to Interest Payment Account (IPA) and Sinking Fund Account (SFA), amount equivalent to defined monthly liability for servicing of debt and interest repayments.
- ii. Build up shortfall in Debt Service Reserve Account (DSRA) (at all times, DSRA should be maintained as two half-yearly interest payment).
- iii. Transfer to Interest Payment Account (IPA) for half-yearly interest servicing, funded monthly, under terms of the bond issue.
- iv. Transfer to Sinking Fund Account (SFA) monthly, such sums as may be required by terms of bond issuance and shortfall in earlier contributions.

Surplus funds after meeting minimum monthly requirement in escrow account can be transferred to PCMC General Fund account. Debenture trustee shall have first pari passu charge over IPA, DSRA, SFA, Escrow account and collection along with existing bond holders PCMC would maintain DSRA equivalent to two-half yearly interest payment amounts as fixed deposits, providing sufficient liquidity cushion and would be creating sinking fund reserves for bullet payment of bonds on the 4th year and 5th year of ₹100 Cr each.

Liquidity: Strong

PCMC's liquidity position remains strong with consistent revenue surplus generated y-o-y and low debt obligations with debt/revenue receipts at 7.31% in FY24. The corporation has liquid funds of ~₹5,000 crore as on March 31, 2024.

Key weaknesses

Low own-revenue sources and moderate tax collection efficiency

Own revenue as tax and non-tax revenue comprised ~50% of overall revenue receipts during last three years Tax revenue collection efficiency has also been moderate. Revenue receipts are skewed towards GST compensation receipt from the state government, constituting 41% of the revenue receipt. The corporation receives GST compensation share as stipulated in "The Maharashtra Goods and Services Tax (Compensation to The Local Authorities) Act 2017". CARE Ratings makes a note that while timely compensation is received, revenue is susceptible to delay in receipt/regulatory changes.

Assumptions/Covenants-I

- Debt service coverage ratio (DSCR) on operating surplus: DSCR will not be less than 1.25x of operating surplus (total income – total expenditure + depreciation+ Finance Charges).
- DSRA of two semi-annual coupon payments should be maintained.
- Total amount collected in escrow account shall be at least 1.25x of debt service amount annually. In case the ratio falls below 1.25x, PCMC shall not borrow further amount against cashflow(s) of the escrow account. No permission to borrow further amount(s) by PCMC shall be required, under this head, from bondholders if this condition is fulfilled.
- PCMC shall not borrow further funds against cashflow of escrow account in case there is a shortfall in contribution to debt service account and the shortfall has not been made good by PCMC.

Assumptions/Covenants-II (Proposed green bonds)

- Debt service coverage ratio (DSCR) on operating surplus: DSCR will not be less than 1.25x of operating surplus (total income – total expenditure + depreciation+ Finance Charges + other non-cash expenditures).
- DSRA of two semi-annual coupon payments should be maintained.
- Total amount collected in escrow account shall be at least 1.25x of debt service amount annually. In case the ratio falls below 1.25x, PCMC shall not borrow further amount against cashflow(s) of the escrow account. No permission to borrow further amount(s) by PCMC shall be required, under this head, from bondholders if this condition is fulfilled.
- PCMC shall not borrow further funds against cashflow of escrow account in case there is a shortfall in contribution to Escrow account, IPA and SFA and the shortfall has not been made good by PCMC.

Interest payment and principal repayment mechanism for existing bonds

T = Bond payment date

Date	Event/ employed	Measures if shortfall occurs
Interest Payment Account		
T-25	Trustees will check amount in Interest Payment Account	Intimate PCMC to make good the shortfall in interest payment account 15 days prior to interest payment date.
T-14	Trustees shall re-check amount in interest Payment Account	Trustees will trigger payment mechanism and bank will be instructed to transfer shortfall amount from DSRA to interest payment account 10 days prior to interest payment date. Withdrawal from DSRA should be deposited back in the account.
T	PCMC shall pay interest on due date	
Sinking fund		
T-25	Trustees shall check credit in sinking fund	Intimate PCMC of shortfall and PCMC shall make it good 15 days prior to redemption date
T	PCMC shall repay the principal	

Interest payment and principal repayment mechanism for proposed bonds

T = Bond payment date

Date	Event/ employed	Measures if shortfall occurs
Interest Payment Account		
T-25	Trustees will check amount in Interest Payment Account	Intimate PCMC to make good for the shortfall in interest payment account 10 days prior to interest payment date.
T-9	Trustees shall re-check amount in interest Payment Account	Trustees will trigger the payment mechanism and bank will be instructed to transfer the shortfall amount from DSRA to interest payment eight days prior to interest payment date.
T	PCMC shall pay the interest on due date	
The debenture trustee shall check the balance in the SFA at the end of each year and in case of any shortfall in the SFA, PCMC shall replenish the SFA with the necessary amount to fill the Shortfall		
Sinking fund		
T-45	Trustees shall check credit in the sinking fund	Intimate PCMC of the shortfall and PCMC shall make good the shortfall 15 days prior to redemption date.
T-14	Trustees shall re-check amount in interest Payment	The trustee shall trigger the payment mechanism and issue a final notice to the issuer. On issuance of such notice, the issuer shall fund the shortfall in SFA prior to redemption date.
T*	PCMC shall repay the principal	

*T: Date for sinking fund refers to the 12 period.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Urban Infrastructure Projects](#)

About the company and industry

Industry classification

Macro-economic indicator	Sector	Industry	Basic industry
Services	Services	Public services	Urban local bodies

PCMC is the third-largest municipal corporation in Maharashtra, governed by The Maharashtra Municipal Corporations Act, 1949 (amended periodically). PCMC was established on October 11, 1982, to govern the newly industrialised towns of Chinchwad, Akurdi, Pimpri, and Bhosari. Pimpri-Chinchwad is Pune's satellite city about 15 kms from Pune, India and 150 kms from Mumbai. PCMC is mainly responsible for civic administration, maintaining infrastructure facilities, and providing civic services, such as water supply, solid waste management, sewerage, education, health, and others to its citizens. Pune has been a hub for the engineering industry for over five decades and an evolving business centre, as it hosts Information Technology (IT) and automotive companies. It has a coverage area of 485 Sq. kms with a population of 31.32 lakh (2011 census).

Brief Financials (₹ crore)	FY23(A)	FY24(A)
Reported revenue receipts	4,245	5,417
Reported revenue surplus	1,347	2,071
Adjusted revenue surplus**	1,831	1,950
Adjusted revenue surplus/revenue receipts** (%)	38.72	36.82
Own revenue/revenue receipts (%)	45.50	45.15

A: Audited; **Adjusted for incremental debtors and excluding depreciation

Note: 'these are latest available financial results.'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer to Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of rated instruments/facilities is given in Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Bonds	INE0P1K24010	July 28, 2023	8.15%	July 28, 2028	200.00	CARE AA+; Stable
Bonds*	-	-	-	-	200.00	CARE AA+; Stable

*Proposed bonds

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Bonds	LT	200.00	CARE AA+; Stable	-	1)CARE AA+; Stable (01-Mar-24)	1)CARE AA+; Stable (03-Mar-23) 2)CARE AA; Stable (03-Aug-22)	-
2	Bonds	LT	200.00	CARE AA+; Stable	-	-	-	-

*LT: Long term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here
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Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 91 22 6754 3404 E-mail: saiikat.roy@careedge.in	Puja Jalan Director CARE Ratings Limited Phone: 914040020131 E-mail: puja.jalan@careedge.in
	Tej Kiran Assistant Director CARE Ratings Limited Phone: 91-040 40102030 E-mail: tej.kiran@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

For the detailed Rationale Report and subscription information,
 please visit www.careedge.in

RL/PCMCORP/344615/GMB/0724/92812/168550936

July 04, 2024

Mr. Shekhar Singh

Commissioner

Pimpri Chinchwad Municipal Corporation

Kamala Cross Road, Nana Peth,

MIDC, Pimpri Colony, Pimpri,

Pune - 411018



Dear Mr. Shekhar Singh,

Re: CRISIL Rating on the Rs.200 Crore Green Municipal Bonds[&] of Pimpri Chinchwad Municipal Corporation

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a Provisional CRISIL AA+/Stable (pronounced as Provisional CRISIL double A plus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Kindly note that the provisional rating will be converted to final rating after CRISIL Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps, within 90 days from the date of issuance of the instrument and to the satisfaction of CRISIL Ratings.

- Escrow agreement
- Representation and warranties letter
- Debenture trustee awareness letter
- Debenture trust deed

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of CRISIL Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. CRISIL Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, CRISIL Ratings has assumed that the representations made by Pimpri Chinchwad Municipal Corporation are true and that the structure, shall work and operate as represented by Pimpri Chinchwad Municipal Corporation. CRISIL Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to CRISIL Ratings and/or the representations made in the transaction documents. CRISIL Ratings is not responsible for any acts of commission or omission of the Pimpri Chinchwad Municipal Corporation and/or the Trustee.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rabindra Man Verma

Associate Director - CRISIL Ratings

Nivedita Shibu

Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

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Corporate Identity Number: U67100MH2019PLC326247

& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015 directive 'Standardizing the term, rating symbol, and manner of disclosure with regards to conditional/ provisional/ in-principle ratings assigned by credit rating agencies' by Securities and Exchange Board of India (SEBI) and April 27, 2021 circular 'Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' by SEBI.

Annexure A: Details of the Rs.200 Crore Green Municipal Bonds of Pimpri Chinchwad Municipal Corporation

	1st tranche		2nd tranche		3rd tranche	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crsil.com or at 1800-267-1301

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RL/PCMCORP/359059/GMB/0325/110614/168550936

March 03, 2025

Mr. Pravin Jain

Chief Accounts & Finance Officer

Pimpri Chinchwad Municipal Corporation

Kamala Cross Road, Nana Peth,

MIDC, Pimpri Colony, Pimpri,

Pune - 411018

9967519333



Dear Mr. Pravin Jain,

Re: Crisil Rating for the Rs.200 Crore Green Municipal Bonds[&] of Pimpri Chinchwad Municipal Corporation (PCMC).

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated December 27, 2024 bearing Ref. no: RL/PCMCORP/359059/GMB/1224/105587/168550936

Rating outstanding on the captioned debt instruments is Provisional Crisil AA+/Stable (pronounced as Provisional Crisil double plus rating with Stable outlook). Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Kindly note that the provisional rating will be converted to final rating after Crisil Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps within 90 days from the date of issuance of the instrument, to the satisfaction of Crisil Ratings.

- Escrow agreement
- Representation and warranties letter
- Debenture trustee awareness letter
- Debenture trust deed

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of Crisil Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. Crisil Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, Crisil Ratings has assumed that the representations made by PCMC are true and that the structure, shall work and operate as represented by PCMC. Crisil Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to Crisil Ratings and/or the representations made in the transaction documents. Crisil Ratings is not responsible for any acts of commission or omission of the PCMC and/or the Trustee.

As per our Rating Agreement, Crisil Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. Crisil Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.As per SEBI circular (ref. no.: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. Further, SEBI circular dated June 30, 2017 (ref. no. SEBI/ HO/ MIRSD/ MIRSD4/ CIR/ P/ 2017/ 71), requires you to inform Crisil Ratings with the details of Securities as per the format prescribed, refer Annexure A, immediately but not later than seven (7) days from the date of placing the debt security. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rabindra Man Verma

Associate Director - Crisil Ratings

Nivedita Shibu

Director - Crisil Ratings



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Crisil Ratings Limited

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& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015 directive 'Standardizing the term, rating symbol, and manner of disclosure with regards to conditional/ provisional/ in-principle ratings assigned by credit rating agencies' by Securities and Exchange Board of India (SEBI) and April 27, 2021 circular 'Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' by SEBI.

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Crisil Ratings Limited

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Rating Rationale

December 26, 2024 | Mumbai

Pimpri Chinchwad Municipal Corporation

Rating reaffirmed

Rating Action

Rs.200 Crore Green Municipal Bonds ^{&}	Provisional CRISIL AA+/Stable (Reaffirmed)
Rs.200 Crore Bond	CRISIL AA+/Stable (Reaffirmed)

[&] A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015 directive 'Standardizing the term, rating symbol, and manner of disclosure with regards to conditional/ provisional/ in-principle ratings assigned by credit rating agencies' by Securities and Exchange Board of India (SEBI) and April 27, 2021 circular 'Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' by SEBI.

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its 'Provisional CRISIL AA+/Stable' rating for the Rs 200 crore proposed green municipal bond and has reaffirmed its 'CRISIL AA+/Stable' rating on the existing Rs 200 crore bond of the of Pimpri Chinchwad Municipal Corporation (PCMC).

The rating reflects the healthy revenue receipts, led by building permission fees, revenue grants and improvement in collection of property tax. Operating surplus, after dipping to Rs 345 crores in FY21 post the Covid-19 pandemic impacted period, has remained above Rs 1100 crore from fiscals 2022-2024. Operating surplus is expected to remain above Rs 1,100 crore over the medium term, limiting reliance on external funds to cover the capital expenditure (capex). Liquidity should be adequate with substantial fixed deposits. The rating continues to reflect the strong and sustained financial risk profile of PCMC, backed by its healthy revenue surplus, robust liquidity and favourable economic base.

The rating also reflects the strength of the trustee-administered escrow and payment mechanism and adequate liquidity through the debt service reserve account (DSRA). The payment mechanism for coupon and redemption is given in the annexure.

These strengths are partially offset by modest cost recovery for services provided and collection efficiency.

Analytical Approach

To arrive at the rating, CRISIL Ratings has applied its criteria on future flow securitisation.

Key Rating Drivers & Detailed Description

Strengths:

- **Strength of the escrow mechanism:** The escrow and bond payment mechanism provides adequate strength to the bond issuance. The property tax receipts escrowed at collection, trustee-managed escrow mechanism and payment structure with recourse to originator ensure adequate safety for timely payment of debt obligation to the investors. Creation of the DSRA before pay-in and maintenance of the same throughout the tenure further enhances the strength of the structure. The DSCR is also expected to be high throughout the tenure of the bond due to presence of strong cushion between property tax collections and the debt servicing requirements. The property tax collection for fiscal 2024 was ~Rs 866 crore and ~Rs 839 crore for fiscal 2023. The annual debt servicing requirement is ~Rs 100-115 crore, thus indicating sufficient cushion. Even on a monthly basis, debt servicing requirements for the bonds (including transfer to interest payment and sinking fund accounts) are likely to be ~Rs 10-11 crore vis-à-vis average property tax collections of ~Rs 60-70 crore. Additionally, for the proposed green municipal bond, the principal amount, coupon payment and other charges will be secured through a first pari passu charge over present and future receivables pertaining to property tax.
- **Strong financial risk profile, backed by robust liquidity and the healthy revenue surplus:** The corporation is likely to maintain its healthy revenue surplus of over Rs 1,000 crore over the medium term, driven by adequate GST compensation and own revenue streams such as property tax, fees and user charges. In fiscal 2023, PCMC saw a healthy growth in property tax collection led by various initiatives of the corporation. Apart from the bond programmes, PCMC had low debt of around ~Rs 186 crore as of September 2024 (from International Bank for Reconstruction and Development with Sovereign Guarantee). PCMC received GST compensation of over Rs 2,300 crore in fiscal 2024 and should continue to receive timely compensation. Liquidity is robust as indicated by cash and fixed deposits.
- **Favourable economic base:** The corporation has a strong industrial base, comprising more than 4,000 units, including small and mid-sized enterprises as well as multinational companies. It is an established hub for the automotive industry,

with companies such as Tata Motors Ltd ('CRISIL AA+/Stable/CRISIL A1+'), Force Motors Ltd⁵ ('CRISIL AA+/Stable/CRISIL A1+'), Bajaj Auto Ltd ('CRISIL AAA/Stable/CRISIL A1+'), SKF Bearing India Ltd, present in the region. It also houses offices of information technology (IT) majors, such as Infosys Ltd ('CRISIL AAA/Stable/CRISIL A1+'), Wipro Ltd, IBM India Pvt Ltd, and KPIT Technologies Ltd. Furthermore, the corporation benefits from its proximity to Pune, which is a major industrial town in Maharashtra. This results in strong employment generation opportunities and high per capita income.

Weakness:

- **Modest cost recovery for services provided:** Although the corporation has good service arrangements, its cost recovery for services such as water supply and sewerage are modest. Unaccounted water continues to remain moderately high. Collection efficiency of property tax, a major source of revenue is though improving. Initiatives by PCMC to expand citizen outreach through various mediums (including social media) and discount schemes have helped improve collection efficiency.

Liquidity: Strong

Liquidity is Strong, backed by cash and fixed deposits. The corporation has healthy revenue surplus of over Rs 1,000 crore against debt obligation of Rs 14-16 crore per annum, apart from obligations pertaining to the bond issuance (annual obligation of ~Rs 56.3 towards Interest Payment account and Sinking Fund account for existing bond issuance and similar obligations for the proposed bond issuance). It may continue to fund capital expenses majorly through revenue surplus, with low reliance on external debt.

Outlook: Stable

CRISIL Ratings believes PCMC will maintain its strong financial risk profile over the medium term, supported by healthy revenue surplus and liquidity.

Rating sensitivity factors

Upward factors:

- Substantial growth in operating surplus, supported by healthy increase in property tax and other own revenue
- Significant improvement in tax collection efficiency over 85% on a sustained basis

Downward factors:

- Considerable decline in revenue, resulting in reduction in operating surplus/revenue receipts to below 20%
- Significant decline in property tax collection
- Non-adherence to the escrow and payment mechanism

Additional disclosures for the provisional rating (for the new bond issuance)

The 'provisional' rating will be converted into a 'final' rating on receipt of the following documents duly executed:

- Escrow agreement
- Representation and warranties letter
- Debenture trustee awareness letter
- Debenture trust deed

Additional documents, if any, executed for the transaction will have to be provided. A rating rationale or report indicating conversion of the 'provisional' rating into the 'final' rating will be published on the CRISIL Ratings website on receipt of the required documents.

The provisional rating shall be converted into a final rating after receipt of the transaction documents duly executed within 90 days from the date of issuance of the instrument.

The final rating assigned following the conversion shall be consistent with the available documents. In case of non-receipt of the duly executed transaction documents within the above-mentioned timelines, the rating committee of CRISIL Ratings may grant an extension of up to another 90 days, in line with its policy on provisional ratings.

Rating that would have been assigned in the absence of the pending documentation

In the absence of the pending documentation considered while assigning the provisional rating as mentioned earlier, CRISIL Ratings would have assigned a rating of 'CRISIL AA/Stable'.

Risks associated with the provisional rating:

The 'Provisional' prefix indicates that the rating is contingent on occurrence of certain steps or execution of certain documents by the issuer, as applicable. If the documents received and/or completion of steps deviate significantly from the expectations, CRISIL Ratings may take an appropriate action, including placing the rating on watch or changing the rating/outlook, depending on the status of progress on a case to case basis. In the absence of the pending steps / documentation, the rating on the instrument would not have been assigned ab initio.

About the corporation

PCMC services an area of 181 square kilometers, inhabited by around 20 lakh people. The corporation provides key obligatory services, such as roads and bridges, water supply and sanitation, drainage and sewerage, public health, solid waste management, and primary education. It also offers discretionary services, such as transport.

Key Financial Indicators

As on / for the period ended March 31	Units	2024	2023
Revenue receipts	Rs crore	3893	3851
Operating surplus	Rs crore	1233	1133
Operating surplus/ revenue receipts	%	32	29

Any other information:**For existing bonds:****Broad contours of the escrow structure:**

- Property taxes or any other specified revenue/cashflow deposited in the account(s) where Property Tax shall be collected (Collection Account(s)) will be transferred to a separate no-lien Escrow Account for debt servicing.
- This transfer shall be done on a daily basis except on the last business day of every month
- Establishing separate interest payment account (IPA) and sinking fund account (SFA) with the escrow banker as per the terms of each series. Bondholders or lenders have first and pari-passu charge over Escrow account, IPA and SFA for respective accounts.
- On the last Business Day of every month, the Minimum Balance (pro-rata monthly contribution towards IPA and SFA) shall be transferred to respective accounts established for servicing debt for each debenture with the Escrow Banker.
- In case of any shortfall from transfer from escrow account, PCMC shall make good the shortfall from the funds from other account(s).
- The funds lying in Collection Account(s) will not be utilized for any purpose other than transfer to Escrow account.
- Eligible bondholders and lenders shall have first pari-passu charge over the escrow account and the collection account(s).

Interest Payment Mechanism

T – Interest Payment Date

Day	
T-25	The trustee shall check the amount lying to the credit of Interest Payment Account. In case of any shortfall in amount, the trustees shall intimate PCMC of the shortfall
T-15	PCMC shall make good the shortfall in the Interest Payment Account, if applicable
T-14	In case of shortfall, Trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from Debt Service Reserve Account to the Interest Payment Account
T	Interest Payment is done

**Any amount drawn from the Debt Service Reserve Account should be deposited back in the Debt Service Reserve Account as per the mechanism indicated above*

Redemption mechanism

T – Redemption date

Day	
T-25	The trustee shall check the amount lying to the credit of Sinking Fund Account. In case of any shortfall in amount, the trustees shall intimate PCMC of the shortfall
T-15	PCMC shall make good the shortfall in the Sinking Fund Account
T	Redemption Payment in done

The trustee shall keep the rating agencies informed of any shortfall in interest payment account, the DSRA, sinking fund account and any transfer from the DSRA to the interest payment account.

For proposed bonds:**Broad contours of the escrow structure pertaining to the proposed Rs 200 crore green municipal bond based on draft term sheet:**

- Property taxes or any other specified revenue/cashflow deposited in the account(s) where Property Tax shall be collected (Collection Account(s)) will be transferred to a separate no-lien Escrow Account for debt servicing.
- This transfer shall be done on a daily basis except on the last business day of every month.
- Establishing separate interest payment account (IPA II) and sinking fund account (SFA II) with the escrow banker as per the terms of each series. Bondholders shall have first pari-passu charge over Escrow account (along with existing bondholders), exclusive charge over IPA II and SFA II.
- On the last Business Day of every month, the Minimum Balance (pro-rata monthly contribution towards IPA and SFA) shall be transferred to respective accounts established for servicing debt for each debenture with the Escrow Banker.
- 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 along with the existing bond holders
- Interest payment Account (IPA II) – 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:-
 - a. 1st half year - from 1st to 5th Month
 - b. 2nd half year - from 6th to 10th Month
 - c. Sinking Fund Account (SFA II) – Total issue size of the Debentures (Rs 200 Crore) shall be divided into 5 parts and each part (Rs. 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 (Rs. 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.
- In case of any shortfall in transfer from escrow account, PCMC shall make good the shortfall from the funds from other account(s).
- The funds lying in Collection Account(s) will not be utilized for any purpose other than transfer to Escrow account.

- Eligible bondholders shall have first pari-passu charge over the escrow account and the collection account(s) (along with existing bondholders).
 - The principal amount of the debentures to be issued with all the coupon due on the green bonds, as well as costs, charges, all fees, remuneration of the debenture trustee and expenses payable in respect thereof has been secured by way of first pari passu charge over present and future receivables pertaining to property tax or any other tax/specified revenue/cash flow deposited in the account(s) where property Tax shall be collected (Collection Account(s)).
 - Total Tenure of 4 years to 5 years with half yearly coupon payment.
- Bullet / full redemption at the end of 4 years to 5 years comprising of:-

Sub Series	Tenor (in years)	As %age of issue	Amount (in crore)
A	4	50%	100
B	5	50%	100
Total		100%	200

Interest Payment Mechanism

T – Interest Payment Date

Day	
T-25	The trustee shall check the amount lying to the credit of Interest Payment Account. In case of any shortfall in amount, the trustees shall intimate Issuer of the shortfall
T-10	Issuer shall make good the shortfall in the Interest Payment Account, if applicable
T-9	In case of shortfall, Trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from Debt Service Reserve Account to the Interest Payment Account
T-7	Trustee to check if shortfall persists in DSRA and issue a notice to the issuer for the shortfall
T	Interest Payment is done
T+8	Last date to replenish DSRA

*Any amount drawn from the Debt Service Reserve Amount should be replenished as per the mechanism indicated above

Redemption mechanism

T – Redemption date

Day	
T-45	The trustee shall check the amount lying to the credit of Sinking Fund Account. In case of any shortfall in amount, the trustees shall intimate Issuer of the shortfall
T-15	Issuer shall make good the shortfall in the Sinking Fund Account
T-14	In case shortfall still persists, the trustee will issue a final notice to Issuer and Issuer will remit funds to the extent of the shortfall in SFA
T	Last date to fund the shortfall in SFA

The trustee shall keep the rating agencies informed of any shortfall in interest payment account, the DSRA, sinking fund account and any transfer from the DSRA to the interest payment account.

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

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Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
INE0P1K24010	Bond	28-Jul-23	8.15	28-Jul-28	200.00	Simple	CRISIL AA+/Stable
NA	Green Municipal Bonds [#]	NA	NA	NA	200.00	Simple	Provisional CRISIL AA+/Stable

[#] Yet to be issued

Annexure - Rating History for last 3 Years

Current				2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT	200.0	CRISIL AA+/Stable	04-07-24	CRISIL AA+/Stable	28-08-23	CRISIL AA+/Stable	26-07-22	CRISIL AA/Stable	28-07-21	CRISIL AA/Stable	CRISIL AA/Stable

			--		--	02-03-23	Provisional CRISIL AA+/Stable		--		A - 28 --	--
Green Municipal Bonds	LT	200.0	Provisional CRISIL AA+/Stable	04-07-24	Provisional CRISIL AA+/Stable		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Municipal and Urban Local Bodies
CRISILs rating methodology for future flow securitisation
The Infrastructure Sector Its Unique Rating Drivers

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ANNEXURE III – RESOLUTIONS AND APPROVALS

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Pimpri Chinchwad Municipal Corporation

Office/Department of Municipal Secretary

Decisions/Resolutions from the Hon. Administrator about the matters of Hon. Standing Committee

Hon. Administration's Resolution / Decision No.-3693
Date- 09/07/2024

Matter No.- 3693
Department – Accounts

Matter No. 3693 Date – 09/07/2024	Regarding making recommendation for taking approval of Hon. Administrator under vested authority of Hon. Municipal Corporation for raising necessary green loan/bonds (Green Bonds) for various development projects of Pimpri Chinchwad Municipal Corporation in accordance with letter No. Accounts/13/KaVi (OD)/107/2024 dated 27/06/2024 from Hon. Commissioner, Accounts.
Matter No. 3693 Date – 09/07/2024	In accordance with letter No. Accounts/13/KaVi (OD)/107/2024 dated 27/06/2024 from Hon. Commissioner, Accounts, issuing of green bonds is planned for the projects positively contributing for environment or climate in line with Pimpri Chinchwad Municipal Corporations' city development. For this, from the view point of reducing effects of climate change or protecting environment in the area of Pimpri Chinchwad Municipal Corporation, it is necessary to raise large funds, that is, to finance the projects included in the green bonds. In this it is proposed from Pimpri Chinchwad Municipal Corporation to raise Pimpri Chinchwad Municipal Corporations Rs. 200 Crores (Green Shoe option is an option to retain oversubscription) for making funds available for city's non-motorised transportation and other green projects. Accordingly, (1) Telco Road from Gawali Matha to Indrayani Nagar Chowk Junction, (2) work in the area of "A' Ward /Ward office of Green Bridge, Nigdi Pradhikaran (Ward 15) and non-motorised transportation in the city as well as other green projects as the municipal corporation deems necessary shall be undertaken. Accordingly, to raise loan/Bonds it is necessary to appoint certain intermediaries such as merchant banker, credit rating agencies, debenture trustees, registrar, legal counsel, depositories, stock exchange, bankers etc. and approval is granted for their appointment in accordance with Hon. Standing Committee's resolution no. 2860 dated 16/01/2024 and No. 3171 dated 27/02/2024. As mentioned above, it is necessary to raise total fund up to Rs. 200 Crores (with Green Shoe option) by issuing Municipal bonds (under Securities and Exchange Board of India's (Issuance and Listing of Municipal Debts Securities) Regulation, 2015 as amended from time to time (SEBI ILMDS Regulations)), with the objective of providing funds for various

green projects.

Accordingly, in view of above matters for Issuing Municipal Bonds it is necessary to receive following approvals.

1. To provide approval for issuing non-convertible green municipal bonds (with green shoe option) (Green bonds, or NCDs, or Debentures) of up to Rs. 200 Crores by municipal corporation with private placement method, for providing funds to various green projects that are undertaken or shall be undertaken by the Municipal Corporation. The bonds shall be issued as approved by Municipal corporation which may be listed on recognized stock exchange, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("SEBI Municipal Debt Regulations"), Securities Contracts (Regulation) Act, 1956, Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 (updated as on July 07, 2023) bearing circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 ("SEBI Operational Circular") read with Continuous Disclosures No. CIR/IMD/DF1/60/2017 dated June 19, 2017 and Circular No. SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time, and also other laws, rules, directions, notifications, circulars, issued by the Government, or any other regulatory authority, in this regard, for funding implementation of various project(s) as may be decided by the Corporation. 2. For the purpose of issuance of bonds, the "Bonds Issue Committee" should be constituted comprising of the following members:

- 1) Commissioner
- 2) Additional Commissioner
- 3) Chief Accounts and Finance Officer
- 4) Joint City Engineer

3. With this That the aforesaid Bond Issue Committee be and is hereby jointly and severally be authorized to decide and negotiate the terms and conditions in relation to the issuance of Bonds including quantum, time and nature of bonds, the mode of issuance and also shall appoint any/ all agencies and intermediaries, including but not limited to credit rating agencies, registrar, legal advisors, depositories, stock exchange, etc, and also shall decide matters like minimum subscription, retention of oversubscription, extension of the issue, issuance of Bonds and/or early closure of the issue etc.

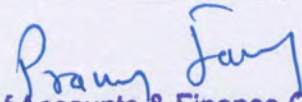
4. The members of the Bond Committee are hereby jointly and severally be authorized to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/agreements/deeds/instruments/applications and writings incidental thereto as it may, at its discretion, deem

necessary and desirable. Amongst other things, the Bond Committee shall be authorized to do the following:

1. To finalize and approve appointments of any/all agencies/intermediaries including all the factors involved in the allotment of green bonds, credit rating agencies, trustees, registrar, legal counsel, depositories, stock exchange, bankers to the issue, etc., but not limited to these and to remunerate all such persons/agencies including payment of fees, commissions, brokerage, etc. may be decided mutually as per terms and conditions mentioned in their individual appointment letters.
2. To finalize mode of issuance, terms for issuance of bonds such as tenure, rate of interest, etc., in view of prevailing market conditions and applicable laws;
3. To grant approval to those projects for which the funds are being raised;
4. To finalize the terms/mechanisms regarding term sheet, structure/plan of green bonds, structured payment mechanism/escrow mechanism/waterfall (sinking fund) mechanism/interest payment mechanism/DSRA mechanism as well as any other terms/mechanism as may be required for structuring of bonds and timely servicing of bond obligations;
5. To draw-up, finalize and sign the Financial Statements/Disclosure Document/Placement Memorandum (Appointment Agreements)/Offer Documents and other documents for the issuance of bonds and file the same with SEBI and Stock Exchanges as well as any other authorities, as may be required;
6. To execute all other necessary documents/agreements/contracts/deeds/MoUs/certificates/affidavits/declarations/undertakings; etc, and all other requisite documents and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with or incidental or related to the issue and allotment of Bonds in token of due compliances of the SEBI/Stock Exchange or any other applicable Acts/laws or Rules for the issuance of the said bonds;
7. To enter into security documents / agreements on behalf of Municipal Corporation and mortgage immovable property(ties) identified/specified for issuance of bonds in the name of Debenture trustee/ Bondholders or to create charge on such

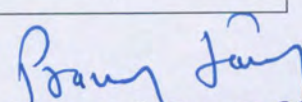
accounts opened for the Issue & to enter into security documents/agreements, bond trust deed and other documents on behalf of the municipal corporation & register all security document with CERSAI etc. on behalf of Municipal Corporation as applicable.;

8. To charge in the name of bondholders/secured creditor for providing security to the bond holders, if necessary as applicable and to carry out all necessary filing and to register all the security documents with the necessary authority(ties) and to secure all the interest amounts, expenses, fees along with other incidental expenses, as per the conditions of the instruments (documents) offered by the secured creditors of the bondholders/bond issuing person as deem necessary from time to time, to prepare mortgage, fees, security or to create liability including all the present and future claims of the municipal corporation or any part of that and/or book debts which are also known as accounts receivable (amounts receivable to the company from its clients or customers), municipal corporation's movable or immovable properties, current or stable assets, tangible or intangible assets;
9. To approve financial statements/re-formatted financial statements in accordance with the National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the State Government and the rules made thereunder, as applicable to be incorporated in the Disclosure Document/Restructured financial statements for the issuance of the bonds;
10. To accept application money received as subscription for the Bonds, decide upon basis of allotment, approve allotment of Bonds and allot the bonds;
11. To make application and follow-up to seek all required approvals from the concerned authorities/regulatory agencies/bodies such as Listing Application and execution of Listing Agreement with the stock exchange, i.e. BSE Limited or National Stock Exchange of India Limited for listing of the Bonds, execute agreement(s) with the Registrar, National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of Bonds, and execute other necessary document(s)/agreement(s) on behalf of the Municipal Corporation for the issuance of green bonds as required by any Statutory authority;
12. To appoint one or more Banker(s) for collection of application


Chief Accounts & Finance Officer
 Cum-Director (Finance)
 Pimpri Chinchwad Municipal Corporation

Chief Accounts & Finance Officer
 Cum-Director (Finance)
 Pimpri Chinchwad Municipal Corporation
 Pimpri-411018

	monies against subscription for the bonds; 13. To open one or more no-lien Escrow Current Accounts with banks for the issue and operate the same for remittance of the issue proceeds received from the investors in the Issue as well as for the operation of structured payment mechanism/escrow mechanism/waterfall mechanism (structured, rigorous project management system mechanism)/Sinking Fund mechanism/Interest payment mechanism/DSRA mechanism or any other terms/mechanism as may be required for timely repayment of bond obligations; 14. To prepare, sign, file and execute the Master Creation Form, Corporate Action Form and other necessary documents/agreements with NSDL and CDSL and the Registrars for dematerialization of bonds; 15. To designate/appoint a Compliance Officer for compliance with related regulatory/statutory issues and for redressal of any pre-issue/post-issue investor complaints/grievances such as non-credit of letters of allotment/bond certificates in the DEMAT account, non-receipt of refund orders, interest warrants, etc.; 16. To allot Bonds under DEMAT facilities and to provide DEMAT facilities by entering into necessary agreements with NSDL/CDSL, Registrar and Transfer Agents in this regard; 17. To affix the stamp/seal of the Municipal Corporation as may be required for the proposed issuance of bonds, dematerialization, and listing thereof; 18. To pay stamp duty as per the applicable Acts, laws and regulations. 19. To take decisions/action on any other matter(s) relating to the proposed issue(s)/issuance of green bonds by the Issuer; As an approval is necessary for making recommendation for taking approval from the Hon. Administrator under General Body's vested authority an approval is being granted by the Hon. Administrator for the expenses incurred as per aforementioned details for the purpose of raising Municipal Corporation's green loan/green bonds along with all the aforementioned proposed matters.
Decision/Resolution:	Hon. Administrator has granted approval for the aforementioned decision/resolution by exercising the authority of the Hon. Standing


 Chief Accounts & Finance Officer
 Cum Director (Finance)
 Municipal Corporation

	Committee obtained in accordance with the order No. S.C.O-2020/Case No. 71 (Section-2)/UD-14, dated 3 rd March 2022 and Charge Acceptance Order No. Admin/18/KaVi (OD)/592/2022 dated 18/08/2022 with the Urban Development Department of Government of Maharashtra to make recommendation for taking approval of the general body regarding the matter.
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True Copy

(Chandrakant Popat Indalkar)

Municipal Secretary

Pimpri Chinchwad Municipal Corporation

Pimpri-411 018.

Shekhar Singh

Hon. Administrator

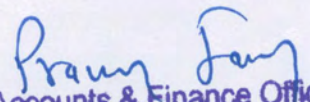
Pimpri Chinchwad Municipal Corporation

Pimpri-411 018.

Municipal Secretary

Pimpri Chinchwad Municipal Corporation

Pimpri 18.


 Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation
 Pimpri-411018

Pimpri Chinchwad Municipal Corporation, Pimpri – 18.

Office/Department of Municipal Secretary

Decisions/Resolutions from the Hon. Administrator about the matters of General Body

Hon. Administration's Resolution / Decision No.-629

Matter No.- 629

Date- 16/07/2024

Department – Hon. Commissioner

Matter No. 629 Date – 16/7/2024	Regarding providing approval for raising necessary green loan/bonds (Green Bonds) for various development projects of Pimpri Chinchwad Municipal Corporation in accordance with Hon. Administrator's resolution no. 3693 dated 09/7/2024 under the vested authority of Hon. Municipal Corporation and letter No. Accounts/13/KaVi(OD)/107/2024 dated 27/06/2024 from Hon. Commissioner, Accounts.
Matter No. 629 Date – 16/7/2024	In accordance with letter No. Accounts/13/KaVi (OD)/107/2024 dated 27/06/2024 from Hon. Commissioner, Accounts and resolution no. 3693 dated 09/7/2024 of Hon. Administrator under the vested authority of Hon. Municipal Corporation, issuing of green bonds is planned for the projects positively contributing for environment or climate in line with Pimpri Chinchwad Municipal Corporations' city development. For this, from the view point of reducing effects of climate change or protecting environment in the area of Pimpri Chinchwad Municipal Corporation, it is necessary to raise large funds, that is, to finance the projects included in the green bonds. In this it is proposed from Pimpri Chinchwad Municipal Corporation to raise Rs. 200 Crores (with Green Shoe option i.e. with an option to retain oversubscription) for making funds available for city's non-motorised transportation and other green projects. Accordingly, (1) Telco Road from Gawali Matha to Indrayani Nagar Chowk Junction, (2) work in the area of "A' Ward /Ward office of Green bridge, Nigdi Pradhikaran (Ward 15) and non-motorised transportation in the city as well as other green projects as the municipal corporation deems necessary shall be undertaken. Accordingly, to raise loan/Bonds it is necessary to appoint certain intermediaries such as merchant banker, credit rating agencies, debenture trustees, registrar, legal counsel, depositories, stock exchange, bankers etc. and approval is granted for their appointment in accordance with Hon. Standing Committee's resolution no. 2860 dated 16/01/2024 and No. 3171 dated 27/02/2024. As mentioned above, it is necessary to raise total funds of up to Rs. 200 Crores (with Green Shoe option) by issuing Municipal bonds under SEBI (Issuance and listing of municipal debts securities) Regulations, 2015 as amended from time to time (SEBI ILMDS Regulations)), with the objective of providing funds for various green projects. Accordingly, in view of above matters for issuing Municipal Bonds it is necessary

Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation

Pramod Jang
Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation

to receive following approvals.

1. To provide approval for issuing non-convertible green municipal bonds (with green shoe option) (Green bonds, or NCDs, or Debentures) of up to Rs. 200 Crores by the Municipal Corporation with private placement method, for providing funds to various green projects that are undertaken or shall be undertaken by the Municipal Corporation. The bonds shall be issued as approved by Municipal corporation which may be listed on recognized stock exchange, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("SEBI Municipal Debt Regulations"), Securities Contracts (Regulation) Act, 1956, Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 (updated as on July 07, 2023) bearing circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 ("SEBI Operational Circular") read with Continuous Disclosures No. CIR/IMD/DF1/60/2017 dated June 19, 2017 and Circular No. SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time, and also other laws, rules, directions, notifications, circulars, issued by the Government, or any other regulatory authority, in this regard, for funding implementation of various project(s) as may be decided by the Corporation.

2. For the purpose of issuance of bonds, the "Bonds Issue Committee" should be constituted comprising of the following members:

- 1) Commissioner
- 2) Additional Commissioner (2)
- 3) Chief Accounts and Finance Officer
- 4) Joint City Engineer

3. With this, That the aforesaid Bond Issue Committee be and is hereby jointly and severally be authorized to decide and negotiate the terms and conditions in relation to the issuance of Bonds including quantum, time and nature of bonds, the mode of issuance and also shall appoint any/ all agencies and intermediaries, including but not limited to credit rating agencies, registrar, legal advisors, depositories, stock exchange, etc, and also shall decide matters like minimum subscription, retention of oversubscription, extension of the issue, issuance of Bonds and/or early closure of the issue etc.

4. The members of the Bond Issue Committee are hereby jointly and severally authorized to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/agreements/deeds/instruments/applications and writings incidental there to as it may, at its discretion, deem necessary and desirable. Amongst other things, the Bond Committee shall be authorized to do the following:

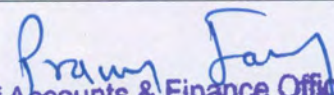
Ram Jang
 Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation
 411018

Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation

1. To finalize and approve appointments of any/all agencies/intermediaries including all the factors involved in the allotment of green bonds, credit rating agencies, trustees, registrar, legal counsel, depositories, stock exchange, bankers to the issue, project consultants etc., but not limited to these and to remunerate all such persons/agencies including payment of fees, commissions, brokerage, etc. may be decided mutually as per terms and conditions mentioned in their individual appointment letters.
2. To finalize mode of issuance, terms for issuance of bonds such as tenure, rate of interest, etc., in view of prevailing market conditions and applicable laws;
3. To grant approval to those projects for which the funds are being raised;
4. To finalize the terms/mechanisms regarding term sheet, structure/plan of green bonds, structured payment mechanism/escrow mechanism/waterfall (sinking fund) mechanism/interest payment mechanism/DSRA as well as any other terms/mechanism as may be required for structuring of bonds and timely servicing of bond obligations;
5. To draw-up, finalize and sign the Financial Statements/Disclosure Documents/Placement Memorandum (Appointment Agreements)/Offer Documents and other documents for the issuance of green bonds and file the same with SEBI and Stock Exchanges as well as any other authorities, as may be required;
6. To execute all other necessary documents/agreements/contracts/deeds/MoUs/certificates/affidavits/declarations/undertakings, etc, and all other requisite documents and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with or incidental or related to the issue and allotment of Bonds in token of due compliances of the SEBI/Stock Exchange or any other applicable Acts/laws or Rules for the issuance of the said bonds;
7. To enter into security documents / agreements on behalf of Municipal Corporation and mortgage immovable property(ties) identified/specified for issuance of bonds in the name of Debenture trustee/ Bondholders or to create charge on such accounts opened for the Issue & to enter into security documents/agreements, bond trust deed and other documents on behalf of the municipal corporation

registry, CERSAI etc. on behalf of Municipal Corporation as applicable;

8. To charge taxes/fees in the name of bondholders/secured creditor for providing security to the bonds, if necessary as applicable and to carry out all necessary filing and to register all the security documents with the necessary authority(ties) and to secure all the interest amounts, expenses, fees along with other incidental expenses, as per the conditions of the instruments (documents) offered by the secured creditors of the bondholders/bond issuing person as deem necessary from time to time, to prepare mortgage, fees, security or to create liability including all the present and future claims of the municipal corporation or any part of that and/or book debts which are also known as accounts receivable (amounts receivable to the company from its clients or customers), municipal corporation's movable or immovable properties, current or stable assets, tangible or intangible assets;
9. To approve financial statements/re-formatted financial statements in accordance with the National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the State Government and the rules made thereunder, as applicable to be incorporated in the Disclosure Document/Restructured financial statements for the issuance of the bonds;
10. To accept application money received as subscription for the Bonds, decide upon basis of allotment, approve allotment of Bonds and allot the bonds;
11. To make application and follow-up to seek all required approvals from the concerned authorities/regulatory agencies/bodies such as Listing Application and execution of Listing Agreement with the stock exchange, i.e. BSE Limited or National Stock Exchange of India Limited for listing of the Bonds, execute agreement(s) with the Registrar, National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of Bonds, and execute other necessary document(s)/agreement(s) on behalf of the Municipal Corporation for the issuance of green bonds as required by any Statutory authority;
12. To appoint one or more Banker(s) for collection of application money against subscription for the bonds;
13. To open one or more no-lien Escrow Current Accounts with banks for the issue and operate the same for remittance of the issue proceeds received from the investors in the Issue as well as for the operation of structured payment mechanism/escrow mechanism/waterfall mechanism (structured, rigorous project management system mechanism)/Sinking Fund mechanism/Interest payment


 Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation

Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation

	mechanism/DSRA mechanism or any other terms/mechanism as may be required for timely repayment of bond obligations; 14. To prepare, sign, file and execute the Master Creation Form, Corporate Action Form and other necessary documents/agreements with NSDL and CDSL and the Registrars for dematerialization of bonds; 15. To designate/appoint a Compliance Officer for compliance with related regulatory/statutory issues and for redressal of any pre-issue/post-issue investor complaints/grievances such as non-credit of letters of allotment/bond certificates in the DEMAT account, non-receipt of refund orders, interest warrants, etc.; 16. To allot Bonds under DEMAT facilities and to provide DEMAT facilities by entering into necessary agreements with NSDL/CDSL, Registrar and Transfer Agents in this regard; 17. To affix the stamp/seal of the Municipal Corporation as may be required for the proposed issuance of bonds, dematerialization, and listing thereof; 18. To pay stamp duty as per the applicable Acts, laws and regulations. 19. To take decisions/action on any other matter(s) relating to the proposed issue(s)/issuance of green bonds by the Issuer; As it is necessary to obtain administrative approval from the Hon. General Body, an approval is being granted by the Hon. Administrator under general body's vested authority for the expenses incurred as per aforementioned details for the purpose of raising Municipal Corporation's green loan/green bonds along with all the aforementioned proposed matters.
Decision/Resolution:	Hon. Administrator has granted approval for the aforementioned decision/resolution by exercising the authority of the Hon. General Body obtained in accordance with the order No. S.C.O-2020/Case No. 71 (Section-2)/UD-14, dated 3rd March 2022 and Charge Acceptance Order No. Admin/18/KaVi (OD)/592/2022 dated 18/08/2022 with the Urban Development Department of Government of Maharashtra.

(Chandrakant Popat Indalkar)

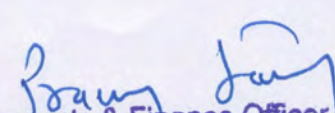
Municipal Secretary

Pimpri Chinchwad Municipal Corporation

Shekhar Singh

Hon. Administrator

Pimpri Chinchwad Municipal Corporation


Chief Accounts & Finance Officer
Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation
 Pimpri-411018

**Regarding approval for Green Loan/
Bonds for various
developmental projects of
Pimpri Chinchwad Municipal
Corporation.**

**Government of Maharashtra
Department of Urban Development
Government Order Number: - PCC-2024/Case No. 420/NaVi-22
Mantralaya, Mumbai – 400 032.
Date: - 13th February, 2025**

Reference: -

Letter No. Accounts/13/Official Memorandum (OM)/131/2024 from Commissioner,
Pimpri Chinchwad, dated 22nd July 2024.

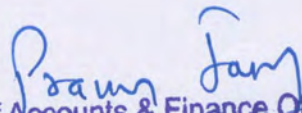
Introduction: -

Subject to reference letter Hon. Commissioner, Pimpri Chinchwad Municipal Corporation had submitted a proposal to raise municipal green bonds for various green projects in the area of Pimpri Chinchwad Municipal Corporation and to approve an appointed mediator organization accordingly to raise funds of Rs.200 Crores in the form of loan/ bonds in the initial phase, and to raise additional loan/ bonds if additional funds are required, as per Section 109 of Maharashtra Municipal Corporation Act. The matter of approval for this was under government's consideration.

Government Order: -

Pimpri Chinchwad Municipal Corporation is raising a fund of Rs.200 Crores (with a Green Shoe Option, i.e., an option to retain over-subscription) to make funds available for non-motorised transportation and other green projects in the city of Pimpri Chinchwad Municipal Corporation. In this regard, an approval for the expenditure along with all other necessary matters for raising green loans/bonds has been granted by the Standing Committee as per Resolution No. 3693, dated 09/07/2024, and General Body Meeting Resolution No. 629, dated 16/07/2024. Accordingly, according to the said project, an approval is being granted by the state government to raise loan bonds up to Rs. 200 Crores, as per clause 109 of Maharashtra Municipal Corporation Act along with the terms in this clause and terms given below.

1. Pimpri Chinchwad Municipal Corporation should submit an independent proposal to raise additional loan/bonds if needed in case additional funds are required for actual project work.
2. Take care that the Municipal Corporation opens an Escrow Account in a nationalised bank for the repayment of bonds.
3. The responsibility of repayment of raised loan amount and interest on the same solely remains with the Pimpri Chinchwad Municipal Corporation and there is no government guarantee in this regard.
4. The Pimpri Chinchwad Municipal Corporation should submit the report to the government regarding raising of bonds and its repayment from time to time.
5. It shall be mandatory for the Commissioner, Pimpri Chinchwad Municipal Corporation to make use of the bonds for the same purpose those are raised for.


**Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation
Pimpri-411018**

Government Order No.: - PCC-2024/Case No. 420/UD-22

6. It shall be mandatory to fulfil all the legal matters after an approval is granted for this project. Also, it shall be mandatory to take required further action only after fulfilling all the various rules, regulations, terms, and conditions finalized by concerned departments of the Central Government and the State Government.
7. Though the government has provided no objection to Pimpri Chinchwad Municipal Corporation to raise the loan within the limit of Rs. 200 Crores in the initial phase, the actual off-take of the loan should be carried out as per the requirement.
8. It is mandatory for the Pimpri Chinchwad Municipal Corporation to execute the repayment of the current and previously raised loan amount within the specified timeline.

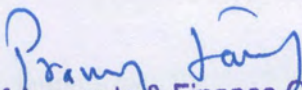
The said government order is made available on the website of the Government of Maharashtra www.maharashtra.gov.in and its computer code is 202502131659045225. This government order is being issued by signing with a digital signature.

As per the order and in the name of the Governor of Maharashtra,

(Priyanka Kulkarni – Chhapwale)
Deputy Secretary, Government of Maharashtra

To,

- 1) Principal Secretary to Hon. Chief Minister, Mantralaya, Mumbai.
- 2) Principal Secretary to Hon. Deputy Chief Minister, Department of Urban Development, Principal Secretary
- 3) Principal Secretary to Hon. Minister of State, Department of Urban Development, Mantralaya, Mumbai.
- 4) Principal Secretary (UD-2), Personal Secretary to the Department of Urban Development, Mantralaya, Mumbai.
- 5) Commissioner, Pimpri Chinchwad Municipal Corporation, Pimpri, Pune.
- 6) Select File (UDi-22).


Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation
Pimpri-411018

Page 2 of 2

Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation



SHEKHAR SINGH I.A.S.
Commissioner
 Pimpri Chinchwad Municipal Corporation

Dated: 28/02/2025

To,
 A. K. Capital Services Limited,
 Unit No. 603, 6th floor,
 Windsor, Off CST Road,
 Kalina, Santacruz-(East),
 Mumbai- 400 098, India.

Sub: Proposed private placement of 10,000 (ten thousand) secured, rated, listed, taxable, redeemable, non-convertible green municipal bonds of a face value of ₹ 2,00,000/- (Indian Rupees Two Lakh only) each ("Green Bonds"/"NCDs"/"Debentures"), (comprising of 2 (two) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000/- and 1 STRPP B of face value of ₹ 1,00,000/-), 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 ("Issue") by Pimpri Chinchwad Municipal Corporation (the "Corporation" or the "Issuer").

Dear Sir/Ma'am,

I, Shri Shekhar Singh (I.A.S), hereby confirm the following:

The Department of Urban Development department, Government of Maharashtra vide its government order no.PCC-2024/Case No. 420/NaVi-22 dated February 13, 2025 had approved the proposed bond issuance by Issuer for issuing Green Bonds in form of debentures up to Rs. 200 crores (Two Hundred Crores Only) under section 109 of the Maharashtra Municipal Corporation Act, 1949, as amended from time to time and authorised the Municipal Commissioner for various decisions, activities and signing documents/ appointments/ agreements related to the bond issuance process ("State Approval").

Subsequently, under the powers from the State Approval, the Standing Committee vide its Resolution No. 3693 dated July 9, 2024 and the General Body vide its Resolution No. 629 dated July 16, 2024, had approved the issuance of bonds and formation of Bond Issue Committee.

The Bond Issue Committee currently consists of the following members:

S. No.	Designation	Name
1.	Commissioner	Shekhar Singh
2.	Chief Accounts and Finance Officer	Pravin Jain
3.	Additional Commissioner (2)	Vijay Khorate
4.	Joint City Engineer	Pramod Ombhase Sudhakar

Yours sincerely,


 (Shekhar Singh)
 Municipal Commissioner

Copy to:
 Khaitan & Co.
 One World Centre, 13th Floor, Tower 1, 841 Senapati Bapat Marg,
 Mumbai 400 013

Office : PCMC Main Administrative Building, 4th Floor, Pimpri, Pune - 411 018.
 Tel (O) : 020-27426331, Fax : 020-27425600
 Mobile : 9175696449/8806946449, E-mail : s.singh@pcmcindia.gov.in

ANNEXURE IV – DEBENTURE TRUSTEE CONSENT LETTER

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Ref: 2572 /STCL/DT/2024-25

Date: 07th August 2024

Pimpri Chinchwad Municipal Corporation
Mumbai-Pune Road, Pimpri-Chinchwad,
Maharashtra, 411018

Dear Sir/ Madam,

Sub: Proposed issue, on private placement basis, of 10,000 (ten thousand) secured, rated, listed, taxable, redeemable, non-convertible green municipal bonds of a face value of ₹ 2,00,000/- (Indian Rupees Two Lakh only) each ("Green Bonds", "NCDs" or "Debentures"), (comprising of 2 (two) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000/- and 1 STRPP B of face value of ₹ 1,00,000/-), for an amount up to ₹ 200 crore ("Issue Size") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("ILMDS Regulations"), each as amended from time to time, ("Proposed Issue") by Pimpri Chinchwad Municipal Corporation (the "Corporation" or "Issuer")."

We, the undersigned, do hereby consent to act as the the Debenture Trustee to the Issue and to our name being inserted as the the Debenture Trustee to the Issue in the preliminary placement memorandum and the placement memorandum (whether as a draft or otherwise) to be filed with the Securities and Exchange Board of India ("SEBI") and the stock exchange where the Bonds are proposed to be listed ("Stock Exchange") and also in all related advertisements and communications sent pursuant to the Issue.

1. The following details with respect to us may be disclosed:

Logo:  **SBI Trustee**

Name: SBICAP Trustee Company Limited

Address: 04th Floor, Mistry Bhavan, 122 Dinshaw Vachha Road, Churchgate, Mumbai-400020

Tel.: 022-4302 5566

E-mail: corporate@sbicaptrustee.com

Investor Grievance e-mail: investor.cell@sbicaptrustee.com

Website: www.sbicaptrustee.com

Contact Person: Rajiv Ranjan

Compliance officer: Rajiv Ranjan

Tel. (Compliance Offer): 022 4302 5503

Email (Compliance Offer): Rajiv.Ranjan@SBICAPTRUSTEE.COM

SEBI Registration Number: IND000000536

CIN: IJ65991MH2005PLC158386



SBICAP Trustee Company Ltd.

Registered & Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.

+91 22 4302 5566 / +91 22 4302 5555 ✉ corporate@sbicaptrustee.com CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

www.sbicaptrustee.com

A Group Company of SBI

2. We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate attached as **Annexure A** and a declaration regarding our registration with SEBI in the required format is annexed as **Annexure B** hereto.
3. We also confirm that we have not been prohibited by SEBI to act as an intermediary including, without limitation, in capital market issues, nor have we been debarred by any regulatory authority. We hereby authorise you/ your representatives to deliver this letter of consent and make disclosures in relation to the same to Stock Exchange, SEBI or any other statutory/regulatory authority, if required by such authority pursuant to the provisions of applicable laws, and to share, as necessary, with the advisors and intermediaries duly appointed in this regard for their reliance, in respect of the Issue.
4. We hereby confirm that there are no disciplinary actions similar to any enforcement action/ adjudication taken by SEBI or any regulatory authority against us from the time of our registration other than as disclosed in **Annexure C** hereto.
5. We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Issuer in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Issuer.
6. We undertake that we shall immediately intimate the Issuer and the merchant banker to the Issue of any changes in the aforementioned details until the listing and trading of the Bonds on the Stock Exchange. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchange.
7. This letter may be relied upon by the Issuer and the merchant banker and the legal advisors to the Issue.

Sincerely,

For **SBICAP Trustee Company Limited**


Authorized Signatory

Name: Rajiv Ranjan

Designation: Compliance Officer



CC:

Khaitan & Co

One World Center

10th and 13th Floor, Tower 1C

841, Senapati Bapat Marg

Mumbai - 400 013

Maharashtra, India

डिबेंचर न्यासी

प्रारूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 256

(विनियम 8)

(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

SBICAP TRUSTEE COMPANY LIMITED
202, MAKER TOWER, "E" WING
20TH FLOOR, CUFF PARADE
MUMBAI - 400005
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट

है।

2) Registration Code for the debenture trustee is **IND000000536**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र

से

तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from

to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board

आदेश से

भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से

By order

For and on behalf of

Securities and Exchange Board of India

स्थान Place : **MUMBAI**तारीख Date : **OCTOBER 06, 2015****MEDIA SONPAROTE**

Authorised Signatory

Annexure B

Date: 07th August 2024

Pimpri Chinchwad Municipal Corporation
Mumbai-Pune Road, Pimpri-Chinchwad,
Maharashtra, 411018

Dear Sir/ Madam,

Sub: *Proposed issued, on private placement basis, of 10,000 (ten thousand) secured, rated, listed, taxable, redeemable, non-convertible green municipal bonds of a face value of ₹ 2,00,000/- (Indian Rupees Two Lakh only) each ("Green Bonds", "NCDs" or "Debentures"), (comprising of 2 (two) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000/- and 1 STRPP B of face value of ₹ 1,00,000/-), for an amount up to ₹ 200 crore ("Issue Size") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("ILMDS Regulations"), as amended from time to time ("Proposed Issue") by Pimpri Chinchwad Municipal Corporation (the "Corporation" or "Issuer")."*

1. We refer to our consent letter dated 09th May 2024 ("Consent Letter"). We hereby confirm that as on date of our Consent Letter, the following details in relation to our registration with the Securities and Exchange Board of India ("SEBI") as a Debenture Trustee are true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000536
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	October, 2015
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	No
5.	Details of any pending inquiry/ investigation being conducted by SEBI	No
6.	Details of any penalty imposed by SEBI	No



2. We shall immediately intimate the Issuer and the merchant banker to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant stock exchange, where the Bonds are proposed to be listed ("**Stock Exchange**"). In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Bonds on the Stock Exchange.

Sincerely

For **SBICAP Trustee Company Limited**



Authorized Signatory

Name: Rajiv Ranjan

Designation: Compliance Officer



CC:

Khaitan & Co

One World Center

10th and 13th Floor, Tower 1C

841, Senapati Bapat Marg

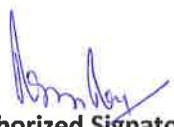
Mumbai - 400 013

Maharashtra, India

Annexure C

S. No.	SEBI/ Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
1.	[SEBI/ Name of regulatory Authority]	NA

Sincerely
For **SBICAP Trustee Company Limited**


Authorized Signatory
Name: Rajiv Ranjan
Designation: Compliance Officer



Ref No.: 8064/STCL/DT/2024-2025/CL-5810

Date: March 13, 2025

To,
Pimpri Chinchwad Municipal Corporation,
Accounts Dept, PCMC Bhavan,
Old Mumbai-Pune Highway,
Pimpri, Pune- 411018

Dear Sir,

Sub: - CONSENT TO ACT AS DEBENTURE TRUSTEE FOR PRIVATE PLACEMENT OF UPTO 10,000 SECURED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE GREEN BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 2,00,000 (RUPEES TWO LAKH ONLY) EACH, ("GREEN BONDS" / "BONDS"/"NCDS" / "DEBENTURES"), (COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPPs") NAMELY 1 STRPP A OF FACE VALUE OF ₹ 1,00,000 AND 1 STRPP B OF FACE VALUE OF ₹ 1,00,000) , FOR THE BASE ISSUE SIZE OF ₹100 CRORE (RUPEES HUNDRED CRORE) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹ 100 CRORE (RUPEES ONE HUNDRED CRORE)("GREEN SHOE OPTION"), AGGREGATING UP TO ₹ 200 CRORES (RUPEES TWO HUNDRED CRORE) ("ISSUE SIZE") UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME BY PIMPRI CHINCHWAD MUNICIPAL CORPORATION ("COMPANY") OR ("ISSUER")

We refer your acknowledgement to original offer/fee letter bearing reference no. 0040/2024-2025/CL-5810 dated May 09, 2024, accepting our offer to act SBICAP Trustee Company Limited as Debenture Trustee for issue of Listed Secured NCD's aggregating to Rs. 200 crores (in various tranches). **In this connection, we hereby give our consent to act as Debenture / Bond Trustee and confirm our acceptance to the assignment.**

We are aggregable for inclusion of our name as Trustee in the Private Placement Memorandum / Information Memorandum/GID & KID to be issued by the Company on private placement basis to the certain identified person in terms of the Companies Act, 2013, as required subject to following conditions: -

1. The Company has entered into the written Debenture Trustee Agreement (DTA) for the said issue before the opening of the issue /subscription list for issue debentures. The Debenture Trust Deed shall be executed by the Company within a period of 3 days from the date of closure of issue. Further, the Company shall also list the debentures on the Stock Exchange within a period of 3 working days from the date of closure of debenture issue.
2. The Company should create and perfect security as per the Private Placement Memorandum / Information Memorandum/ GID & KID.

SBICAP Trustee Company Ltd.

Registered & Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.

☎ +91 22 4302 5566 / +91 22 4302 5555 ✉ corporate@sbicaptrustee.com CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

 www.sbicaptrustee.com*A Group Company of SBI*

3. The Company agrees and undertakes that it shall comply with the provisions of the SEBI regulations /Companies Act, 2013 read with the rules and regulations framed thereunder and the applicable provisions of the rules and regulations framed under the Reserve Bank of India Act, till the final redemption of the NCD being issued by the Company.
4. The Company agrees and undertakes to pay to the debenture trustee so long as they hold the office of debenture trustee, remuneration as stated in the fee letter bearing reference no. 0040/2024-2025/CL-5810 dated May 09, 2024.
5. Any payment in respect of debentures required to be made by the debenture trustee to debenture holder (who is FII Entity) at the time / post enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized Dealer only. The Company / Investor / Debenture Holders shall obtain all such approvals from RBI, if required, to ensure prompt and timely payments to the said debenture holders. Such remittance shall not exceed the total investment (and interest provided herein) made by the debenture holder (who is FPI).
6. The Company confirms that all necessary disclosures shall be made in the Private Placement Memorandum / Information Memorandum/ GID & KID including but not limited to statutory and other regulatory disclosures.
7. The Debenture Trustee & Company confirms to comply with regulation 13A of SEBI (DT) Regulations, 1993 and all amendments thereto and other applicable provisions and shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for redemption in all respects, have been complied with.
8. The Debenture Trustee undertakes and confirms that it has not lent or is proposing to lend money to the Issuer / Company.
9. Investor should carefully read and note the contents of the Private Placement Memorandum / Information Memorandum. Each prospective investor should make its own independent assessment of the merits of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt market and are able to bear the economic risk of investing in such instruments.



10. The Trustee, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid / invested by the investors for the debentures being issued by the Issuer Company.

Looking forward to a fruitful association with you and assuring you of our best professional services at all times.

With warm regards,

Yours faithfully,

For SBICAP Trustee Company Limited

Authorised Signatory

Name: Ardhendu Mukhopadyay

Designation: CFO & COO

No.0040/2024-2025/CL – 5810

Date: 09th May, 2024.

Pimpri Chinchwad Municipal Corporation
Account Department, PCMC Bhavan, Old
Mumbai, Pune Highway, Pimpri, Pune
PUNE – 411018

Dear Sir,

Sub: - Commercial Consent to act as Trustee for issue of Green Bonds aggregating to Rs.200 Crores by Pimpri Chinchwad Municipal Corporation

We refer to your email dated 9th May 2024 accepting our offer to act as Debenture Trustee for your proposed Listed Secured NCD Issue aggregating up to Rs. 200 crores.

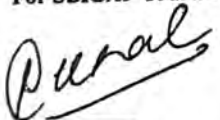
In this connection, we hereby give our consent to act as Debenture Trustee on the following fee terms:

Sr. No	Description	Amount
1	<u>Acceptance Fees</u>	Rs. 75,000/- plus applicable taxes (one-time payment -non-refundable) to be paid immediately on acceptance.
2	<u>Annual Service Charges</u>	Rs. 60,000/- plus applicable taxes payable yearly in advance on 1 st April each year The trusteeship remuneration will be payable by you till the time of repayment/redemption of the entire Debentures and its satisfaction of charge thereof in full. The first such charge shall be payable by you from date of execution of documents.
3	<u>Trust Settlement Fees</u>	Rs. 1000/- (one-time fees, to be paid in advance)
4	<u>CERSAI Fees</u>	Rs. 5000/- (one-time fees, to be paid in advance)
5	<u>Enforcement Charges</u>	Shall be chargeable separately in case of enforcement.

You are requested to kindly counter-sign the copy of this letter.

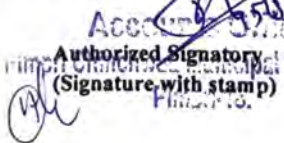
With warm regards,
Yours faithfully,

For SBICAP Trustee Company Limited


Authorized Signatory



We accept the above terms
For Pimpri Chinchwad Municipal Corporation


Authorized Signatory
(Signature with stamp)

SBICAP Trustee Company Ltd.

Registered & Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.
☎ +91 22 4302 5566 / +91 22 4302 5555 ✉ corporate@sbicaptrustee.com CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

🌐 www.sbicaptrustee.com

A Group Company of SBI

ANNEXURE V – ILLUSTRATION OF BOND CASH FLOW

[•]

ANNEXURE VI – BUDGET DOCUMENTS

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Pimpri-Chinchwad Municipal Corporation Pimpri, Pune -18

Revised budget of Year 2021-2022 and primary/basic budget of year 2022-2023

Brief summary of the budget

Sr. no.	Details	Year 2020-2021 actual Accruals/Expenses	Basic estimate of Year 2021- 2022	Revised budget of Year 2021- 2022	Estimate of Year 2022- 2023
	Opening balance	8,61,83,70,140	6,52,46,95,828	0	5,09,46,590
A	Revenue receipts				
1	A Budget	27,55,30,52,310	39,22,05,20,100	42,04,26,40,000	43,64,11,36,000
2	C Budget	54,85,09,144	94,82,35,000	76,27,12,000	84,59,19,000
3	P Budget	54,69,14,653	1,17,80,21,000	91,42,89,000	97,85,15,000
	Total revenue receipts	28,64,84,76,107	41,34,67,76,100	43,71,96,41,000	45,46,55,70,000
B	Capital receipts				
1	A Budget	49,03,94,415	8,29,00,00,000	2,05,00,00,000	4,10,00,00,000
2	C Budget	0	0	0	0
3	P Budget	0	0	0	0
	Total capital receipts	49,03,94,415	8,29,00,00,000	2,05,00,00,000	4,10,00,00,000
	Total receipts	29,13,88,70,522	49,63,67,76,100	45,76,96,41,000	49,56,55,70,000
	Total receipts+ Opening Balance	37,75,72,40,662	56,16,14,71,928	45,76,96,41,000	49,61,65,16,590
A	Revenue expenditure				
1	A Budget	7,95,76,34,151	11,51,57,86,492	10,32,54,18,513	11,70,87,62,143
2	C Budget	2,52,80,04,618	3,07,79,84,300	2,65,00,38,410	3,07,71,42,991
3	P Budget	6,78,33,59,605	8,27,32,19,650	7,35,38,75,555	9,55,97,35,725
	Total Revenue expenditure	17,26,89,98,375	22,86,69,90,442	20,32,93,32,478	24,34,56,40,860

B	Capital expenditure				
1	A Budget	12,60,73,71,898	20,33,86,66,314	13,09,02,17,885	14,32,77,24,696
2	C Budget	2,27,88,51,084	4,06,62,11,000	3,07,20,62,700	2,98,85,63,000
3	P Budget	20,22,48,535	36,23,94,000	16,09,81,347	17,05,22,000
Total Capital expenditure		15,08,84,71,517	24,76,72,71,314	16,32,32,61,932	17,48,68,09,696
E	Transferred to other funds				
A	Transferred to other municipal corporation funds				
1	7 th Pay commission	1,12,81,51,249	1,10,00,00,000	1,40,00,00,000	65,00,00,000
2	PMPMPL fund	1,94,27,98,811	2,38,21,00,000	2,87,00,00,000	2,19,38,00,000
3	Transferred to Fire Safety Fund	0	1,00,000	1,00,000	1,00,000
4	Debt Relief Fund	10,00,00,000	5,00,00,000	10,00,00,000	10,00,00,000
5	Depreciation Fund	15,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
6	Dhanvantari Health Scheme/ Swasthya Yojana	10,78,57,700	15,91,49,000	15,00,00,000	19,00,00,000
7	Pension contribution fund share	14,37,34,914	20,00,00,000	20,00,00,000	20,00,00,000
8	Vehicle Depreciation Fund	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
9	Vehicle Affairs Department Employee Salary Reimbursement/Reimbursement of employee salary	7,20,61,283	8,00,00,000	0	0
10	Development fund	0	0	0	0
11	Insurance –Medical	7,00,00,000	25,23,00,000	0	10,00,00,000
12	Salary Fund	15,00,00,000	5,00,00,000	15,00,00,000	15,00,00,000
13	Pension Salary Fund Share	2,01,49,00,000	1,99,00,00,000	2,42,00,00,000	3,01,00,00,000
Total		5,92,95,03,957	6,36,36,49,000	7,39,01,00,000	6,69,39,00,000

B	Municipal Corporation's share transferred to central/state awarded schemes				
1	Amrut 2.0	0	0	0	1,00,00,000
2	Amrut Scheme/Yojana-Water supply	72,40,00,000	63,83,00,000	14,00,00,000	0
3	Amrut Scheme-Drainage	0	0	0	32,00,00,000
4	Transferred to capital under central government awarded scheme	9,11,00,000	2,00,00,000	40,00,000	1,00,00,000
5	Prime Minister / Pradhan Mantri Awas Yojana	70,00,00,000	49,10,00,000	79,10,00,000	10,00,00,000
6	Smart city Mission/Yojana/Scheme	49,00,00,000	1,00,00,00,000	70,20,00,000	50,00,00,000
7	Swachh Bharat Mission/Yojana/Scheme	10,00,000	1,00,00,000	3,90,00,000	10,00,00,000
Total		2,00,61,00,000	2,15,93,00,000	1,67,60,00,000	1,04,00,00,000
Total funds		7,93,56,03,957	8,52,29,49,000	9,06,61,00,000	7,73,39,00,000
Total expenditure		40,29,30,73,849	56,15,72,10,756	45,71,86,94,410	49,56,63,50,556
Closing Balance			42,61,172	5,09,46,590	5,01,66,033


 Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation
 Pimpri-411018

Pimpri-Chinchwad Municipal Corporation Pimpri, Pune -18

Revised budget of Year 2022-2023 and primary/basic budget of year 2023-2024

Statement No. 1 – Brief summary of the budget

Sr. no	Details	Year 2021-2022 actual Accruals/Expense s	Basic estimate of Year 2022- 2023	Revised budget of Year 2022- 2023	Estimate of Year 2023- 2024
	Opening balance	0	5,09,46,590	0	5,70,17,313
A	Revenue receipts				
1	A Budget	36,84,93,26,134	43,64,11,36,00 0	42,67,99,13,71 1	44,13,74,27,00 0
2	C Budget	53,02,90,020	84,59,19,000	85,08,25,000	88,07,61,000
3	P Budget	1,12,94,97,406	97,85,15,000	1,83,15,67,452	1,89,79,11,000
	Total revenue receipts	38,50,91,13,560	45,46,55,70,00 0	45,36,23,06,16 3	46,91,60,99,00 0
B	Capital receipts				
1	A Budget	15,98,92,518	4,10,00,00,000	2,09,80,00,000	6,01,00,00,000
2	C Budget	0	0	0	0
3	P Budget	0	0	0	0
	Total capital receipts	15,98,92,518	4,10,00,00,000	2,09,80,00,000	6,01,00,00,000
	Total receipts	38,66,90,06,078	49,56,55,70,00 0	47,46,03,06,16 3	52,92,60,99,00 0
	Total receipts+ Opening Balance	38,66,90,06,078	49,61,65,16,59 0	47,46,03,06,16 3	52,98,31,16,31 3
C	Revenue expenditure				
1	A Budget	9,53,75,21,960	11,70,87,62,14 3	9,97,25,16,156	11,99,09,35,65 8

Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri-Chinchwad Municipal Corporation
Pimpri-411018

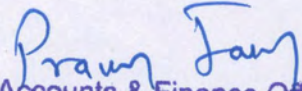
Pramod J. J.
Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri-Chinchwad Municipal Corporation
Pimpri-411018

2	C Budget	2,51,67,61,515	3,07,71,42,991	3,16,87,46,826	3,45,73,12,274
3	P Budget	6,81,58,73,708	9,55,97,35,725	9,10,71,37,896	10,45,66,12,650
Total Revenue expenditure		18,87,01,57,183	24,34,56,40,860	22,24,84,00,878	25,90,48,60,582
D	Capital expenditure				
1	A Budget	12,82,42,27,266	14,32,77,24,696	14,99,89,21,142	16,58,90,47,783
2	C Budget	2,95,80,63,236	2,98,85,63,000	2,90,74,78,000	2,45,38,15,000
3	P Budget	13,44,31,995	17,05,22,000	8,24,88,830	17,22,98,000
Total Capital expenditure		15,91,67,22,497	17,48,68,09,696	17,98,88,87,972	19,21,51,60,783
E	Transferred to other funds				
A	Transferred to other municipal corporation funds				
1	7 th Pay commission	1,38,36,23,689	65,00,00,000	65,00,00,000	0
2	PMPMPL fund	2,47,55,94,473	2,19,38,00,000	2,76,00,00,000	2,94,00,00,000
3	Transferred to Fire Safety Fund	0	1,00,000	0	0
4	Debt Relief Fund	10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
5	Depreciation Fund	5,00,00,000	5,00,00,000	50,00,000	5,00,00,000
6	Dahnvantary Health Scheme/ Swasthya Yojana	14,75,18,200	19,00,00,000	20,00,00,000	15,00,00,000
7	River Rejuvenation Project	0	0	0	0
8	River improvement Project – Share of	0	0	0	2,00,00,000

Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation
Pimpri-411018

Pranay Jain
Chief Accounts & Finance Officer
Cum Director (Finance)
Pimpri Chinchwad Municipal Corporation
Pimpri-411018

	Municipal Corporation				
9	Pension Contribution Fund Share	16,66,05,990	20,00,00,000	21,00,00,000	25,00,00,000
10	Vehicle Depreciation Fund	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
11	Insurance – Staff Medical Insurance	0	10,00,00,000	0	15,00,00,000
12	Salary Fund	15,00,00,000	15,00,00,000	1,00,00,000	25,00,00,000
13	Pension Salary Fund Share	2,15,00,00,000	3,01,00,00,000	2,58,00,00,000	3,14,00,00,000
Total		6,67,33,42,352	6,69,39,00,000	6,56,50,00,000	7,10,00,00,000
B	Municipal Corporation's share transferred to central/state awarded schemes				
1	Amrut 2.0	0	1,00,00,000	10,00,000	20,00,00,000
2	Amrut Scheme/Yojana-Water supply	13,83,00,000	0	0	0
3	Amrut Scheme-Drainage	0	32,00,00,000	0	0
4	Transferred to capital under central government awarded scheme	38,00,000	1,00,00,000	0	0
5	Prime Minister / Pradhan Mantri Awas Yojana	79,10,00,000	10,00,00,000	10,00,00,000	0
6	Smart city Mission/Yojana/Scheme	70,20,00,000	50,00,00,000	50,00,00,000	50,00,00,000


 Chief Accounts & Finance Officer
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 Pimpri-411018

7	Swachh Bharat Mission/Yojana/Scheme	0	10,00,00,000	0	0
	Total	1,63,51,00,000	1,04,00,00,000	60,10,00,000	70,00,00,000
	Total funds	8,30,84,42,352	7,73,39,00,000	7,16,60,00,000	7,80,00,00,000
	Total expenditure	43,09,53,22,032	49,56,63,50,556	47,40,32,88,850	52,92,00,21,365
	Closing Balance		5,01,66,033	5,70,17,313	6,30,94,948


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 Pimpri-411018

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 Pimpri-411018

Pimpri-Chinchwad Municipal Corporation Pimpri, Pune -18

Revised budget of Year 2023-2024 and primary/basic budget of year 2024-2025

Statement No. 1 – Brief summary of the budget

Sr. no.	Details	Year 2022-2023 actual Accruals/Expenses	Basic estimate of Year 2023- 2024	Revised budget of Year 2023- 2024	Estimate of Year 2024- 2025
	Opening balance	0	5,09,46,590	0	5,25,76,023
A	Revenue receipts				
1	A Budget	36,79,01,20,012	44,13,74,27,000	44,76,87,99,797	48,21,22,78,481
2	C Budget	60,77,96,079	88,07,61,000	82,83,30,289	94,87,92,190
3	P Budget	1,53,56,02,926	1,89,79,12,000	1,55,57,79,914	1,70,60,50,000
	Total revenue receipts	38,93,35,19,017	46,91,61,00,000	47,15,29,10,000	50,86,71,20,671
B	Capital receipts				
1	A Budget	6,63,39,215	6,01,00,00,000	2,75,03,00,000	7,50,00,00,000
2	C Budget	0	0	0	0
3	P Budget	0	0	0	0
	Total capital receipts	6,63,39,215	6,01,00,00,000	2,75,03,00,000	7,50,00,00,000
	Total receipts	38,99,98,58,232	52,92,61,00,000	49,90,32,10,000	58,36,71,20,671
	Total receipts+ Opening Balance	38,99,98,58,232	52,97,70,46,590	49,90,32,10,000	58,41,96,96,694
C	Revenue expenditure				
1	A Budget	9,10,59,60,158	11,99,09,35,658	11,43,50,72,286	14,96,62,24,058
2	C Budget	2,85,37,62,367	3,45,73,12,274	3,55,17,85,408	4,15,65,12,000
3	P Budget	7,76,12,76,286	10,45,66,12,650	10,44,11,65,041	11,74,99,05,000
	Total Revenue expenditure	19,72,09,98,811	25,90,48,60,582	25,42,80,22,735	30,87,26,41,058

D	Capital expenditure				
1	A Budget	14,29,64,38,476	16,58,90,47,783	12,97,56,39,947	15,24,11,53,834
2	C Budget	2,79,74,10,115	2,45,38,15,000	2,38,61,77,462	3,10,08,42,000
3	P Budget	5,49,92,858	17,22,98,000	11,64,66,833	29,28,54,000
Total Capital expenditure		17,14,88,41,449	19,21,51,60,783	15,47,82,84,242	18,63,48,49,834
E	Transferred to other funds				
A	Transferred to other municipal corporation funds				
1	7 th Pay commission	64,99,94,075	0	0	0
2	PMPMPL fund	2,53,88,34,346	2,94,00,00,000	2,94,00,00,000	3,25,61,00,000
3	Debt Relief Fund	10,00,00,000	10,00,00,000	20,00,00,000	20,00,00,000
4	Depreciation Fund	50,00,000	5,00,00,000	5,00,00,000	5,00,00,000
5	Dhanvantari Health Scheme/ Swasthya Yojana	19,63,75,550	15,00,00,000	17,41,27,000	20,00,00,000
6	River improvement Project – Share of Municipal Corporation	0	2,00,00,000	80,00,00,000	20,00,00,000
7	Pension contribution fund share	20,88,77,700	25,00,00,000	29,00,00,000	30,00,00,000
8	Vehicle Depreciation Fund	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
9	Insurance – Staff Medical Insurance	0	15,00,00,000	28,00,00,000	30,00,00,000
10	Salary Fund	1,00,00,000	25,00,00,000	25,00,00,000	25,00,00,000
11	Pension Fund Share	2,53,00,00,000	3,14,00,00,000	2,95,00,00,000	3,20,00,00,000
Total		6,28,90,81,671	7,10,00,00,000	7,98,41,27,000	8,00,61,00,000

B	Municipal Corporation's share transferred to central/state awarded schemes				
1	Amrut 2.0	0	20,00,00,000	46,02,00,000	30,68,00,000
2	Prime Minister / Pradhan Mantri Awas Yojana	10,00,00,000	0	0	0
3	Smart city Mission/Yojana/Scheme	49,00,00,000	50,00,00,000	50,00,00,000	50,00,00,000
Total		59,00,00,000	70,00,00,000	96,02,00,000	80,68,00,000
Total funds		6,87,90,81,671	7,80,00,00,000	8,94,43,27,000	8,81,29,00,000
Total expenditure		43,74,89,21,931	52,92,00,21,365	49,85,06,33,977	58,32,03,90,892
Closing Balance			5,70,25,225	5,25,76,023	9,93,05,802


 Chief Accounts & Finance Officer
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 Pimpri-411018

Pimpri-Chinchwad Municipal Corporation Pimpri, Pune -18

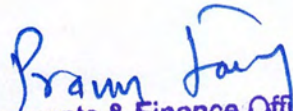
Revised budget of Year 2024-2025 and primary/basic budget of year 2025-2026

Statement No. 1 –Brief summary of the budget

Sr. no.	Details	Year 2023-2024 actual Accruals/Expenses	Basic estimate of Year 2024- 2025	Revised budget of Year 2024- 2025	Estimate of Year 2025- 2026
	Opening balance	0	5,25,76,023	0	5,00,00,000
A	Revenue receipts				
1	A Budget	40,06,37,46,417	48,21,22,78,481	45,41,49,08,572	49,54,26,89,409
2	C Budget	82,11,65,023	84,87,92,190	98,86,46,108	99,53,68,420
3	P Budget	1,26,99,42,305	1,70,60,50,000	1,63,90,48,350	1,65,81,23,000
	Total revenue receipts	42,15,48,53,745	50,86,71,20,671	48,04,26,03,030	52,19,61,80,829
B	Capital receipts				
1	A Budget	1,50,66,58,616	7,50,00,00,000	5,20,00,00,000	10,31,77,54,000
	Total capital receipts	1,50,66,58,616	7,50,00,00,000	5,20,00,00,000	10,31,77,54,000
	Total receipts	43,66,15,12,361	58,36,71,20,671	53,24,26,03,030	62,51,39,34,829
	Total receipts+ Opening Balance	43,66,15,12,361	58,41,96,96,694	53,24,26,03,030	62,56,39,34,829
C	Revenue expenditure				
1	A Budget	10,03,26,75,508	14,96,62,24,058	13,04,53,27,220	15,71,08,05,597
2	C Budget	3,17,01,07,028	4,15,65,12,000	4,00,57,79,437	4,41,92,79,000
3	P Budget	9,26,59,71,121	11,74,99,05,000	11,54,78,28,900	13,19,65,85,200
	Total Revenue expenditure	22,46,87,53,657	30,87,26,41,058	28,59,89,35,557	33,32,66,69,797
D	Capital expenditure				
1	A Budget	13,57,22,62,973	15,24,11,53,834	12,13,68,74,346	12,28,02,42,032

2	C Budget	2,28,19,15,624	3,10,08,42,000	3,24,50,47,127	2,76,61,33,000
3	P Budget	8,33,35,926	29,28,54,000	14,42,82,000	50,60,40,000
Total Capital expenditure		15,93,75,14,523	18,63,48,49,834	15,52,62,03,473	15,55,24,15,032
E	Transferred to other funds				
A	Transferred to other municipal corporation funds				
1	PMPMPL fund	2,53,05,19,072	3,25,61,00,000	3,30,54,00,000	4,17,00,00,000
2	Debt Relief Fund	10,00,00,000	20,00,00,000	20,00,00,000	20,00,00,000
3	Depreciation Fund	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
4	Dhanvantari Health Scheme/ Swasthya Yojana	12,04,67,508	20,00,00,000	30,00,00,000	19,00,00,000
5	Pension contribution fund share	22,89,21,131	30,00,00,000	30,00,00,000	30,00,00,000
6	Vehicle Depreciation Fund	5,00,00,000	5,00,00,000	5,00,00,000	5,00,00,000
7	Insurance – Staff Medical Insurance	28,00,00,000	30,00,00,000	0	50,00,00,000
8	Salary Fund	25,00,00,000	25,00,00,000	25,00,00,000	35,00,00,000
9	Pension Salary Fund Share	2,89,00,00,000	3,20,00,00,000	3,15,00,00,000	3,25,00,00,000
Total		6,49,99,07,711	7,80,61,00,000	7,60,54,00,000	9,06,00,00,000
B	Municipal Corporation's share transferred to central/state awarded schemes				
1	Amrut 2.0	29,88,00,000	30,68,00,000	55,70,64,000	55,48,50,000
2	Project expenditure through debt securities/bonds	0	0	0	1,50,00,00,000

3	River Revitalization Project	0	20,00,00,000	10,00,00,000	50,00,00,000
4	Smart city Mission/Yojana/Scheme	35,00,00,000	50,00,00,000	78,00,00,000	50,00,00,000
5	Swachh Bharat Mission/Yojana/Scheme	0	0	2,50,00,000	2,00,00,000
6	Harit Setu project expenditure	0	0	0	1,50,00,00,000
Total		64,88,00,000	1,00,68,00,000	1,46,20,64,000	4,57,48,50,000
Total funds		7,14,87,07,711	8,81,29,00,000	9,06,74,64,000	13,63,48,50,000
Total expenditure		45,55,49,75,891	58,32,03,90,892	53,19,26,03,030	62,51,39,34,829
Closing Balance			9,93,05,802	5,00,00,000	5,00,00,000


 Chief Accounts & Finance Officer
 Cum Director (Finance)
 Pimpri Chinchwad Municipal Corporation
 Pimpri-411018

**ANNEXURE VII – ASSURANCE REPORT OF THE INDEPENDENT THIRD-PARTY
REVIEWER**

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 DLF Cyber City, Phase – II
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Independent Limited Assurance Statement

To the management of Pimpri Chinchwad Municipal Corporation

Introduction

We ('KPMG Assurance and Consulting Services LLP') have been engaged by Pimpri Chinchwad Municipal Corporation ('Issuer') for providing services as Assurance Service Provider, to undertake an independent assurance on their "Framework for Green Bonds" (Green Bond Framework). This report reflects our opinion on conformance of their framework with the International Capital Markets Association (ICMA) Green Bond Principles, 2021.

Our responsibility is to provide limited assurance conclusion that is based on our work performed and evidence obtained, nothing has come to our attention to suggest that the "Framework for Green Bonds" (Green Bond Framework) to be used for issuance of green bonds by the Issuer, is not, in all material respects, conforming to the requirements of the ICMA Green Bond Principles, 2021.

Issuer's Responsibilities

The Management of the Issuer is responsible for ensuring that the Issuer and their green bond complies with the requirements of the ICMA Green Bond Principles, 2021. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the document "Green Bond Framework" prepared by the Issuer and to report thereon on selected non-financial disclosures in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the report complies with Green Bond Principles, 2021 in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services



Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our understanding of the report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the document "Green Bond Framework" and other engagement circumstances, we have considered the process used to prepare the report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Issuer's process or internal control over the preparation and presentation of the report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the financial disclosures nor of the underlying records or other sources from which the financial statements and information was extracted.

Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report to design assurance procedures that are appropriate in the circumstances.

We planned and performed our work to obtain evidences, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidences we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

Conducted interviews with management and key staff of Issuer responsible for preparing the Green Bond Framework, to obtain an understanding of the processes, systems and controls in place for management of bond proceeds; and

Reviewed the Issuer's Green Bond Framework that includes processes, systems and controls for:



- Use of proceeds
- Process for evaluation and selection of projects and assets
- Management of proceeds, and
- Reporting.

Scope, Boundary, Characteristics and Limitations

Our scope of assurance included information on material aspects of the above-mentioned Green Bond Framework, based on the requirements of the ICMA Green Bond Principles, 2021 as listed below:

- Expected use of proceeds
- Process for evaluation and selection of projects and assets
- Management of proceeds
- Reporting.

The boundary of the assurance covers the eligible green projects covered under the above-mentioned evaluation and selection of projects and assets.

Limitations

The assurance scope excludes following:

- Data related to Issuer's financial performance.
- We have not performed any management function for issuer nor made any decision relating to the services provided by us in the terms of this letter. The management of issuer is responsible for making management decisions, including accepting responsibility for the results of our services.
- Additionally, management of the Issuer is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations and monitoring ongoing activities.
- Data and information outside of the assurance boundary as defined in Green Bond Framework
- The Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Issuer and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.
- Aspects of the Report other than those mentioned under the scope and boundary above.
- Review of legal compliances. The raising of funds under the Green Bonds shall be subject to RBI's approval, other statutory authority or Government approvals which is the sole responsibility of the issuer.

Additionally, management of the Issuer is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations and monitoring ongoing activities.

Our scope and associated responsibility exclude, for the avoidance of doubt, any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project, and accordingly we express no opinion thereon. We have also not verified any likelihood, timing or effect of



possible future oriented information and commercial risks associated with the Report, nor comment upon the possibility of any financial projections being achieved. We have relied on the data furnished by the Issuer and have not independently verified the information or efficacy and reliability of the Issuer's information technology systems, technology tools/platform or data management systems.

Conclusion

Based on our procedures performed and evidence obtained and according to the information and explanations provided to us by the management of the Corporation, nothing has come to our attention that cause us to believe that the "Framework for Green Bonds" (Green Bond Framework) to be used for issuance of green bonds by the Issuer, is not, in all material respects, in accordance with the requirements of the ICMA Green Bond Principles, 2021.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Issuer for any purpose or in any context. Any party other than the Issuer who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than the Issuer for our work, for this independent limited assurance statement, or for the conclusions we have reached.

Our report is released to the Issuer on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Issuer's own internal purposes) or in part, without our prior written consent.

Apurba Mitra

Partner

KPMG Assurance and Consulting Services LLP

14 January 2025



Framework for Green Bonds

1. Introduction

PCMC is committed to enhancing the quality of life in Pimpri Chinchwad by envisioning a greener and more sustainable environment that directly benefits its residents. This vision encompasses a multifaceted approach aimed at addressing various environmental challenges while promoting the well-being of the community. At the forefront of PCMC's vision is the imperative to mitigate greenhouse gas emissions, which pose significant health risks to the populace. By implementing strategic measures to reduce emissions, PCMC aims to safeguard the health and vitality of all citizens, ensuring a cleaner and healthier living environment. Moreover, PCMC is dedicated to the creation of new green spaces that not only enhance the aesthetic appeal of the city but also serve as recreational areas for residents to enjoy. These green spaces play a crucial role in promoting physical and mental well-being, fostering a sense of community, and mitigating the urban heat island effect. In tandem with efforts to enhance green spaces, PCMC is committed to improving waste management practices and water quality across the city. By implementing innovative solutions and leveraging advanced technologies, PCMC seeks to achieve higher levels of efficiency in waste disposal and recycling, thereby minimizing environmental impact and conserving natural resources.

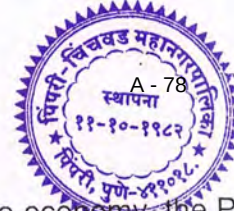
The vision of Pimpri Chinchwad as a Clean, Green, and Environment-Friendly City is underpinned by three key pillars:

Environmental Health: This pillar emphasizes the provision of essential services related to waste management, water supply, and air quality. PCMC's focus on environmental health is driven by a commitment to safeguarding both the natural and built environments, with a keen awareness of their impact on human health. Through continuous innovation and persistent efforts, PCMC aims to elevate environmental standards and promote a healthier living environment for all.

Ecosystem Vitality: Central to PCMC's vision is the preservation and enhancement of ecosystem vitality. This entails a proactive approach to environmental protection, with an emphasis on preserving natural habitats and biodiversity. PCMC envisions a city where green public spaces are accessible to all segments of society, fostering biodiversity, promoting ecological resilience, and enhancing the overall quality of life. Additionally, PCMC is committed to promoting renewable and green energy consumption, further reducing the city's carbon footprint and advancing sustainability goals.

Promotion of Non-Motorized Transport: PCMC recognizes the importance of promoting non-motorized transport as a sustainable and healthy alternative to motorized vehicles. By investing in infrastructure and policies that support walking, cycling, and other non-motorized modes of transport, PCMC aims to reduce dependence on fossil fuels, improve air quality, and create a more vibrant and active urban environment.

By aligning its initiatives with these key pillars, PCMC is poised to realize its vision of a Clean, Green, and Environment-Friendly City, setting a benchmark for sustainable urban development and enhancing the well-being of its residents for generations to come.



Context for Green Bonds

In keeping with the ambition to significantly reduce the carbon intensity of the economy, the PCMC is in process to issue Green Bonds. The issuance of Green Bonds will help PCMC in tapping the requisite finance from potential investors for deployment in green projects aimed at reducing the carbon intensity of the city. This Green Bond Framework (Framework) sets forth the obligations of the PCMC as a Green Bond issuer. The Framework applies to all Green Bonds issued by the PCMC. Payments of principal and interest on the issuances under this Framework are not conditional on the performance of the eligible projects. Investors in bonds issued under this Framework do not bear any project related risks.

PCMC reserves the right to modify this Framework according to state/national law or international best practices. The framework is designed to comply with four components and key recommendations of the International Capital Market Association (ICMA) Green Bond Principles and keeping in view SEBI's regulations regarding green municipal debt securities. These principles and regulations recommend delineation of a clear process and disclosure by the issuer to enable the investors and banks and others to understand the characteristics of the green bond.

The four core components as outlined by ICMA green bond principles are:

- i. Use of proceeds;
- ii. Project evaluation and selection;
- iii. Management of proceeds; and
- iv. Reporting.

2. Core Components of the Framework

i. Use of Proceeds

A 'green project' classification is based on the following principles:

- Encourages energy efficiency in resource utilization.
- Reduces carbon emissions and greenhouse gases.
- Promotes climate resilience and/or adaptation.
- Values and improves natural ecosystems and biodiversity especially in accordance with SDG principles.

PCMC will use the proceeds raised from Green Bonds to finance and/or refinance expenditure (in parts or whole) for eligible green projects falling under 'Eligible Categories' defined in Table 1 and shall fulfil the following criteria:

1. Be aligned with PCMC's obligatory functions under Maharashtra Municipal Corporation Act
2. Meet SEBI's criteria for eligible green projects..

Table 1: Eligible Category of Projects and the SDGs impacted are as follows:

Green Project Category	Environmental Objective	Eligibility Criteria
Renewable Energy	Climate Change, Mitigation, Net Zero Objectives	• Investments in solar/ wind/ biomass /hydropower



Green Project Category

Environmental Objective

Eligibility Criteria

Energy Efficiency

Climate Change Mitigation

- energy projects that integrate energy generation and storage.
- Incentivizing adoption of renewable energy
- Design and construction of energy-efficient and energy saving systems and installations in PCMC buildings and properties.
- Supporting public lighting improvements (e.g. replacement with LEDs).
- Supporting construction of new low-carbon buildings as well as energy-efficiency retrofits to existing buildings

Clean Transportation

Climate Change Mitigation

- Promote public transportation including its electrification and transport safety.
- Development of Pedestrian and Cycle Infrastructure to promote Non-Motorized Transport (NMT).
- Harit Setu, Junction Improvement
- Cycle Track
- Awareness and Promotion of NMT.
- Subsidies to adopt clean fuels like electric vehicles including building charging infrastructure.

Climate Change Adaptation

Climate Change Adaptation

- Projects aimed at making infrastructure more resilient to impacts of climate change, as well as investments in information support systems, such as

**Green Project Category****Environmental Objective****Eligibility Criteria**

climate observation and early warning systems.

Sustainable Water and Waste Management**Climate Change Mitigation**

- Installation/upgradation of wastewater infrastructure including transport, treatment and disposal systems.
- Water resources conservation.
- Flood control systems.

Pollution Prevention and Control**Climate Change Mitigation, Environment protection**

- Projects targeting reduction of air emissions, greenhouse gas control, soil remediation, waste management, waste prevention, waste recycling, waste reduction and energy/emission-efficient waste-to-energy.

Green Buildings**Climate Change Mitigation**

- Projects related to buildings that meet regional, national or internationally recognized standards or certifications for environmental performance.

Biodiversity Conservation**Biodiversity Conservation**

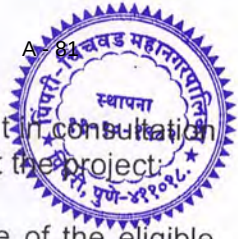
- Projects related to biodiversity preservation, including conservation of endangered species, habitats and ecosystems.

All eligible Green Expenditures will include expenditure undertaken by the PCMC in the form of investment, subsidies, grants-in-aid, or tax foregone (or a combination of all or some of these) or select operational expenditures, R&D expenditures in projects that help in reducing the carbon intensity of the city. It will be endeavoured that all the proceeds get allocated to projects within 24 months following issuance.

Excluded Projects

- Direct waste incineration
- Landfill projects

ii. Process for Project Evaluation and Selection



Initial evaluation of the project will be the responsibility of the concerned department in consultation with experts. Concerned department can refer following terms of reference to select the project:

- Concerned department will select green projects that fall into one or more of the eligible project categories under this Framework on basis of the initial evaluation, which will then review and approve projects for Green Funding. The concerned department may take services of multiple stakeholders, such as project developers, consultants, and financial experts, to examine the robustness of the project and compliance of the projects with SEBI guidelines. A thorough due diligence process is conducted to verify the accuracy and reliability of the projects.
- In the event of postponement, or cancellation of an eligible green project, it shall be replaced with another eligible green project.
- An annual report on the allocation of proceeds to the eligible projects along with description of projects financed, status of implementation, and unallocated proceeds will be brought out under supervision of concerned department.
- Impact of projects in respect of reduction in carbon intensity and environmental benefits will also be assessed and reported separately by concerned department in consultation with the external experts (if required).

PCMC has formed a **"Bonds Issue Committee"** consisting of Municipal Commissioner as Chairperson & 3 members, as the Additional Commissioner (2), Joint City Engineer & Chief Accounts & Finance Officer.

The committee is tasked with the process of selecting projects to be financed by green municipal bond issuance. The committee evaluates projects considering the eligibility criteria of "green projects" as per SEBI guidelines, considering both environmental and social impacts.

Principles of selection of green projects

- Eligible green expenditures are mapped to the environmental objectives of ICMA Green Bond principles, SEBI's criteria for eligible green projects, UN Sustainable Development Goals (SDGs) and shall be in accordance with the Framework in letter and in spirit.
- These expenditures must also be in agreement with state's environmental and social objectives.

iii. Management of Proceeds

The proceeds will be deposited to the Main Fund Account of PCMC with the regular treasury policy, and then funds from the Main Fund will be made available for eligible green projects. For the purposes of ensuring that the proceeds' allocation and accounting is transparent, clear and beyond doubt, a separate account will be created and maintained by PCMC. Unallocated proceeds, if any, will be carried forward to successive years for investment in eligible green projects only. These proceeds will be held in a fixed deposit with a scheduled bank or permitted investments defined under the information memorandum / placement memorandum until they are allocated for an eligible project. It will be endeavoured that all proceeds are allocated within a span of two years from the date of issuance.

iv. Reporting

PCMC commits to providing investors with transparent reporting on the allocation of proceeds of Green Bonds as well as on the environmental impact of projects funded by the proceeds. The Allocation Report will be updated annually until full allocation of proceeds of outstanding Green Bonds and thereafter in case of any material changes, and will be brought under the supervision of concerned department. PCMC's account department will coordinate the preparation of the reports.



The annual bond compliance report is expected to consist of the following:

- Information about issuance
- List of allocated proceeds to eligible projects and type of expenditure
- Alignment of the eligible procedures with stated objectives
- Description of projects financed and their status of implementation,
- Total quantum of proceeds generated, allocated and remaining unallocated (if any)
- Assumptions made, if any
- Expected impact of the projects in quantitative indicators (to the extent possible indicating reduction in carbon intensity, other environmental benefits and, where possible, social co-benefits. (see Table 2)

Table 2: Examples of potential Impact Reporting Metrics

Green Project Category	Examples of potential metrics
Renewable Energy	• Annual renewable energy generation (in MWh) • Annual GHG emissions avoided in tons of CO₂e
Energy Efficiency	• Annual energy savings (in MWh) • Annual GHG emissions avoided in tons of CO₂ emission
Clean Transportation	• Number of people who use new ecological public transport • Number of km of new electric bus/road lines introduced/maintained. • Annual GHG emissions avoided in tons of CO₂ emission. • Air Quality improvement (PPM) • Number of people with access to sustainable public transport systems
Sustainable Water and Waste Management	• Volume of water collected and/or treated (m³). • Increased water efficiency of systems (% reduction in water consumption/loss) • Number of households that have access to new potable water supply
Green Buildings	• Level of certification by property • Annual energy savings (in MWh) • Annual GHG emissions avoided in tons of CO₂e

3. External Review



To provide timely and transparent information about the reporting of the allocation of funds from Green Bond issued under this framework, PCMC intends to engage a third-party external reviewer to provide an annual assessment on the alignment of the allocation with the framework's criteria. The external review will be conducted to:

- a. verify that utilization of proceeds is in accordance with stated objectives of use of proceeds as mentioned in the Framework
- b. assess the management of proceeds and of unallocated proceeds if any

The Framework, Second Party-Opinion, Post-Issuance Allocation Report will be made available to investors on request.

- THE END -