PRIVATE & CONFIDENTIAL – FOR PRIVATE CIRCULATION ONLY
Serial No.:
Addressed to: Dated: April 23, 2025

This Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus. This 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 Placement Memorandum is strictly for a private placement issue. Nothing in this 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 Placement Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus. This Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipient(s) are eligible to apply for the Bonds. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

PLACEMENT MEMORANDUM

PRAYAGRAJ NAGAR NIGAM

A municipal corporation constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on May 31, 1994 under the Uttar Pradesh Municipal Corporation Act, 1959 applicable act in Uttar Pradesh vide letter dated May 24, 1994 bearing reference no. 2942/9-1-94-52TT/94 read with notification dated May 24, 1994 bearing reference no.1743A/9-7-94-14J/94;

Head Office: 1, Sarojini Naidu Marg, Civil Lines, Prayagraj, Uttar Pradesh, 211001

Contact Person cum Compliance Officer: Shri. Raj Kumar Sharma

Tel: 05322560017; **E-mail:** bondspmc2023@gmail.com; **Website:** allahabadmc.gov.in

PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO 1,250 (ONE THOUSAND TWO HUNDRED AND FIFTY) RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES, OF FACE VALUE OF ₹ 4,00,000/- (RUPEES FOUR LAKH ONLY) EACH ("BONDS"/ "NCDS"/"DEBENTURES") COMPRISING OF 4 (FOUR) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPPs") NAMELY 1 STRPP A OF FACE VALUE OF ₹ 1,00,000, 1 STRPP B OF FACE VALUE OF ₹ 1,00,000, 1 STRPP C OF FACE VALUE OF ₹ 1,00,000 AND 1 STRPP D OF FACE VALUE OF ₹ 1,00,000) FOR CASH, FOR AN AMOUNT AGGREGATING UPTO ₹ 50 CRORES (RUPEES FIFTY CRORES ONLY) ("ISSUE") BY PRAYAGRAJ NAGAR NIGAM ("ISSUER"/ "CORPORATION"/ "PNN").

BACKGROUND

This Placement Memorandum is related to the Bonds to be issued by Prayagraj Nagar Nigam on a private placement basis and contains relevant information and disclosures required for the purpose of issuance of the 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 Bonds involve 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 Placement Memorandum including Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer, the Placement Memorandum to be issued and the Issue including the risks involved. Specific attention of investors is invited to the section titled Risk Factors on page no. 20 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Bonds or investor's decision to purchase the Bonds. The Issue of Bonds has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum.

The Issuer confirms that, as of the date hereof, this 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 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 Bonds are proposed to be listed on BSE Limited and BSE shall be the Designated Stock Exchange. The Issuer has received an in-principle approval from BSE vide their letter no. DCS/COMP/PG/IP-PPDI-MC/02/24-25 dated March 19, 2025.

CREDIT RATING

The Bonds proposed to be issued by the Prayagraj Nagar Nigam have been rated by Acuite Ratings & Research Limited ("**Acuite Ratings**") and India Ratings Research Private Limited ("**India Ratings**") (collectively the "**Rating Agencies**"). Acuite Ratings has assigned a rating of Provisional Acuite AA/Stable vide its rating letter dated February 20, 2024 and reaffirmed vide letters dated February 18, 2025, March 27, 2025 and April 22, 2025 and has issued a rating rationale dated February 18, 2025 , India Rating has assigned a rating of Provisional IND AA/Stable vide its letters dated March 07, 2024 and reaffirmed vide letter dated March 06, 2025 and April 16, 2025 , and has issued a rating rationale dated March 06, 2025 . 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 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 Bonds and detailed rationale of the ratings, please refer to Annexure- III. There are no unaccepted rating and any other than as specified in this Placement Memorandum.

MERCHANT BANKER	DEBENTURE TRUSTEE	REGISTRAR
A. K. CAPITAL SERVICES LIMITED, 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra **Tel:** +91 22 6754 6500; **Email:** pmcbonds@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 **Tel (Compliance Officer):** 022-67546546 **Email (Compliance Officer):** tejas.davda@akgroup.co.in **SEBI Registration No.:** INM000010411 **CIN:** L74899MH1993PLC274881	**BEACON TRUSTEESHIP LIMITED** 5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051 **Tel**: 022-46060278; **Email:** compliance@beacontrustee.co.in **Investor Grievance Email:** investorgrievances@beacontrustee.co.in **Website:** https://beacontrustee.co.in/ **Contact Person/Compliance Officer:** Mr. Kaustubh Kulkarni **Compliance Officer:** 022-46060278 **E-mail (Compliance Officer):** kk@beacontrustee.co.in **SEBI Registration No.:** IND000000569 **CIN:** L74999MH2015PLC271288	**KFIN TECHNOLOGIES LIMITED** Selenium, Tower B, Plot No. 31&32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana 500 032 **Tel:** +91 40 6716 2222/ 796110000 **Email:** srinivassudheer.venkatapuram@kfintech.com **Fax No:** +91 40 2343 1551 **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 OPENING DATE	ISSUE / BID CLOSING DATE	PAY-IN DATE / DEEMED DATE OF ALLOTMENT
April 30, 2025	April 30, 2025	May 02, 2025

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.119 of this 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 BSE EBP guidelines.

TABLE OF CONTENTS

SECTION-I: DISCLAIMERS 1
SECTION-II: FORWARD LOOKING STATEMENTS 8
SECTION-III: DEFINITIONS AND ABBREVIATIONS 9
SECTION-IV: RISK FACTORS 20
SECTION-V: GENERAL INFORMATION 35
SECTION-VI: ABOUT THE ISSUER AND CAPITAL STRUCTURE OF THE ISSUER .. 43
SECTION VII: OBJECTS OF THE ISSUE 54
SECTION-VIII: TAX BENEFITS 62
SECTION-IX: ISSUE SPECIFIC INFORMATION 69
SECTION-X: FINANCIAL INFORMATION 89
SECTION XI: LEGAL AND OTHER INFORMATION 110
SECTION-XII: GOVERNMENT APPROVALS 117
SECTION-XIII: UNDERTAKINGS BY THE ISSUER 118
SECTION-XIV: TERM SHEET 119
SECTION XV: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION 136
SECTION-XVI: DECLARATION 138

Annexure-I Structured Payment Mechanism……A-1
Annexure II Description of Mortgaged Property……..A-7
Annexure-III Rating Letters and Rationale…….…….…....A-9
Annexure-IV Resolutions and Approvals ……..…….A-40
Annexure-V Debenture Trustee Consent Letter……...…….A-74
Annexure-VI Illustration of Bond Cash Flow…..…….....……A-82
Annexure-VII Budget Documents…….……..….....A-88
Annexure-VIII Indicative Covenants……...…..A-119

SECTION-I: DISCLAIMERS

1. **GENERAL DISCLAIMER AND DISCLAIMER OF PRAYAGRAJ NAGAR NIGAM ("PNN" OR "CORPORATION" OR "ISSUER"):**

THIS PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF 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 PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN GENERAL TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE BONDS TO BE ISSUED BY PRAYAGRAJ NAGAR NIGAM. THIS PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED BY SEBI. THIS ISSUE OF BONDS IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. THIS 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 PLACEMENT MEMORANDUM, NO OTHER OFFER DOCUMENT HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE BONDS.

THIS 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 BONDS ISSUED BY THE ISSUER. THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED TO GIVE GENERAL INFORMATION REGARDING PRAYAGRAJ NAGAR NIGAM TO PARTIES PROPOSING TO INVEST IN THIS ISSUE OF BONDS AND IT DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY SUCH PARTY MAY REQUIRE. PRAYAGRAJ NAGARNIGAM BELIEVES THAT THE INFORMATION CONTAINED IN THIS 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 PLACEMENT MEMORANDUM HAS BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE 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 PLACEMENT MEMORANDUM TO ANY OTHER PERSON; OR (2) REPRODUCE THE PLACEMENT MEMORANDUM, IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OR COPYING OF THE PLACEMENT MEMORANDUM IN WHOLE OR IN PART OR ANY PUBLIC ANNOUNCEMENT OR ANY ANNOUNCEMENT TO THIRD PARTIES REGARDING THE CONTENTS OF THE 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 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 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 PLACEMENT MEMORANDUM, FROM THE DATE OF PLACEMENT MEMORANDUM TILL LISTING DATE.

NEITHER THE DELIVERY OF THE PLACEMENT MEMORANDUM NOR THE ISSUE OF ANY 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 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 BONDS OR THE DISTRIBUTION OF THE PLACEMENT MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE 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 PLACEMENT MEMORANDUM COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. THE 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 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 BONDS. NOTHING IN THIS 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 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 BONDS. PROSPECTIVE SUBSCRIBERS SHOULD ALSO CONSULT THEIR OWN ADVISORS ON THE IMPLICATIONS OF APPLICATION, ALLOTMENT, SALE, HOLDING, OWNERSHIP AND REDEMPTION OF THESE BONDS AND MATTERS INCIDENTAL THERETO.

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE PRIVATE PLACEMENT OF THE 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 SUCH APPLICATION MONEY.

IT IS THE RESPONSIBILITY OF ALLOTTEES OF THESE BONDS TO ALSO ENSURE THAT IF THEY CHOOSE TO TRANSFER THESE BONDS IT SHALL BE IN STRICT ACCORDANCE WITH THIS PLACEMENT MEMORANDUM AND OTHER APPLICABLE LAWS.

WE BELIEVE OUR INTERNAL ESTIMATES FOR THE PROJECT COST AND SCHEDULE OF IMPLEMENTATION TO BE REASONABLE FOR THE PROJECTAND THAT WE HAVE RELIED UPON THE REPORTS AND CERTIFICATES OF TECHNICAL CONSULTANTS INCLUDING FOR COSTS 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 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 PLACEMENT MEMORANDUM.

2. DISCLAIMER CLAUSE

ONLY THOSE PERSONS TO WHOM THIS 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 STATEMENTS MADE OTHERWISE THAN IN THIS PLACEMENT MEMORANDUM OR ANY OTHER MATERIAL ISSUED EXCEPT BY THE 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 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 PLACEMENT MEMORANDUM.

5. DISCLAIMER CLAUSE OF GOVERNMENT OF UTTAR PRADESH

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PLACEMENT MEMORANDUM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY GOVERNMENT OF UTTAR PRADESH. GOVERNMENT OF UTTAR PRADESH 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 PLACEMENT MEMORANDUM.

6. DISCLAIMER OF THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THIS 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 PLACEMENT MEMORANDUM TO THE STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE 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 RATING AGENCIES:

DISCLAIMER OF INDIA RATING AND RESEARCH PRIVATE LIMITED

USERS OF INDIA RATINGS AND RESEARCH PVT LTD ("INDIA RATINGS") RATINGS SHOULD UNDERSTAND THAT NEITHER AN ENHANCED FACTUAL INVESTIGATION NOR ANY THIRD-PARTY VERIFICATION CAN ENSURE THAT ALL OF THE INFORMATION INDIA RATINGS RELIES ON IN CONNECTION WITH A RATING WILL BE ACCURATE AND COMPLETE. ULTIMATELY, THE ISSUER AND ITS ADVISERS ARE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION THEY PROVIDE TO INDIA RATINGS AND TO THE MARKET IN OFFERING DOCUMENTS AND OTHER REPORTS. IN ISSUING ITS RATINGS INDIA RATINGS MUST RELY ON THE WORK OF EXPERTS, INCLUDING INDEPENDENT AUDITORS WITH RESPECT TO FINANCIAL STATEMENTS AND ATTORNEYS WITH RESPECT TO LEGAL AND TAX MATTERS. FURTHER, RATINGS ARE INHERENTLY FORWARD-LOOKING AND EMBODY ASSUMPTIONS AND PREDICTIONS ABOUT FUTURE EVENTS THAT BY THEIR NATURE CANNOT BE VERIFIED AS FACTS. AS A RESULT, DESPITE ANY VERIFICATION OF CURRENT FACTS, RATINGS CAN BE AFFECTED BY FUTURE EVENTS OR CONDITIONS THAT WERE NOT ANTICIPATED AT THE TIME A RATING WAS ISSUED OR AFFIRMED.

RATINGS ARE NOT A RECOMMENDATION OR SUGGESTION, DIRECTLY OR INDIRECTLY, TO YOU OR ANY OTHER PERSON, TO BUY, SELL, MAKE OR HOLD ANY INVESTMENT, LOAN OR SECURITY OR TO UNDERTAKE ANY INVESTMENT STRATEGY WITH RESPECT TO ANY INVESTMENT, LOAN OR SECURITY OF ANY ISSUER. RATINGS DO NOT COMMENT ON THE ADEQUACY OF MARKET PRICE, THE SUITABILITY OF ANY INVESTMENT, LOAN OR SECURITY FOR A PARTICULAR INVESTOR (INCLUDING WITHOUT LIMITATION, ANY ACCOUNTING AND/OR REGULATORY TREATMENT), OR THE TAX-EXEMPT NATURE OR TAXABILITY OF PAYMENTS MADE IN RESPECT OF ANY INVESTMENT, LOAN OR SECURITY. THE RATING AGENCY SHALL NEITHER CONSTRUED TO BE NOR ACTING UNDER THE CAPACITY OR NATURE OF AN 'EXPERT' AS DEFINED UNDER SECTION 2(38) OF THE COMPANIES ACT, 2013. INDIA RATINGS IS NOT YOUR ADVISOR, NOR IS INDIA RATINGS PROVIDING TO YOU OR ANY OTHER PARTY ANY FINANCIAL ADVICE, OR ANY LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. INVESTORS MAY FIND IRRPL RATINGS TO BE IMPORTANT INFORMATION, AND INDIA RATINGS NOTES THAT THE ISSUER IS RESPONSIBLE FOR COMMUNICATING THE CONTENTS OF THIS LETTER, AND ANY CHANGES WITH RESPECT TO THE RATING, TO INVESTORS.

DISCLAIMER OF ACUITE RATINGS & RESEARCH LIMITED

AN ACUITE RATING DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY AND SHOULD NOT BE TREATED AS A RECOMMENDATION OR OPINION THAT IS INTENDED TO SUBSTITUTE FOR A FINANCIAL ADVISER'S OR INVESTOR'S INDEPENDENT ASSESSMENT OF WHETHER TO BUY, SELL OR HOLD ANY SECURITY. RATINGS ASSIGNED BY ACUITE ARE BASED ON THE DATA AND INFORMATION PROVIDED BY THE ISSUER AND OBTAINED FROM OTHER RELIABLE SOURCES. ALTHOUGH REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE DATA AND INFORMATION IS TRUE, ACUITE, IN PARTICULAR, MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED WITH RESPECT TO THE ADEQUACY, ACCURACY OR COMPLETENESS OF THE INFORMATION RELIED UPON. ACUITE IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND ESPECIALLY STATES THAT IT HAS NO FINANCIAL LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OF ANY KIND, ARISING FROM THE USE OF ITS RATINGS. RATINGS ASSIGNED BY ACUITE ARE SUBJECT TO A PROCESS OF SURVEILLANCE WHICH MAY LEAD TO A REVISION IN RATINGS AS AND WHEN THE CIRCUMSTANCES SO WARRANT. PLEASE VISIT OUR WEBSITE (WWW.ACUITE.IN) FOR THE LATEST INFORMATION ON ANY INSTRUMENT RATED BY ACUITE. PLEASE VISIT HTTPS://WWW.ACUITE.IN/FAQS.HTM TO REFER FAQS ON CREDIT RATING.

8. DISCLAIMER OF THE DEBENTURE TRUSTEE:

INVESTORS SHOULD CAREFULLY READ AND NOTE THE CONTENTS OF THE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE MERIT OF THE INVESTMENT IN 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 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 PLACEMENT MEMORANDUM IN CONNECTION WITH THE PLACEMENT OF THE BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS 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 PLACEMENT MEMORANDUM ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE PLACEMENT MEMORANDUM AND THE RISK FACTORS STATED IN SECTION IV RISK FACTORS ON PAGE NO.20 OF THIS PLACEMENT MEMORANDUM AND RELY ON ITS OWN EXAMINATION OF THE ISSUER AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE 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. MERCHANT BANKER HAS OBTAINED A CONFIRMATION FROM THE ISSUER THAT ALL THE DISCLOSURES BEING MADE IN THE PLACEMENT MEMORANDUM ARE IN COMPLIANCE WITH THE REGULATIONS AND DO NOT CONSTITUTE OF ANY NON-PUBLIC INFORMATION OR CONFIDENTIAL INFORMATION.

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

THE ISSUER HAS PREPARED THIS PLACEMENT MEMORANDUM AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS 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 ACCURACY AND COMPLETENESS OF INFORMATION PROVIDED BY EXPERTS, AUDITORS, TECHNICAL CONSULTANTS AND OTHER RELAIBLE SOURCES.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS PLACEMENT MEMORANDUM. HOWEVER, THE POTENTIAL INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS 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 BONDS. THIS 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 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 PLACEMENT MEMORANDUM.

THE MERCHANT BANKER/ARRANGER IS ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE PLACEMENT MEMORANDUM. THE RECEIPT OF THE 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 BONDS.

EACH RECIPIENT OF THE 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 PLACEMENT MEMORANDUM OTHER THAN THE INFORMATION SET OUT HEREIN.

THIS PLACEMENT MEMORANDUM IS FOR GENERAL INFORMATION PURPOSE ONLY, WITHOUT REGARD TO SPECIFIC OBJECTIVES, SUITABILITY, FINANCIAL SITUATIONS AND NEEDS OF ANY PARTICULAR PERSON. THIS 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 PLACEMENT MEMORANDUM IS CONFIDENTIAL AND IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE BONDS ON THE UNDERSTANDING THAT IT IS CONFIDENTIAL. RECIPIENTS ARE NOT ENTITLED TO USE ANY OF THE INFORMATION CONTAINED IN THIS PLACEMENT MEMORANDUM FOR ANY PURPOSE OTHER THAN IN ASSISTING TO DECIDE WHETHER OR NOT TO PARTICIPATE IN THE 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 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.K. CAPITAL SERVICES LIMITED HAS BEEN APPOINTED AS MERCHANT BANKER/ ARRANGER TO THE ISSUE VIDE ENGAGEMENT LETTER DATED MAY 23, 2023 AND ISSUE AGREEMENT DATED MARCH 11, 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, CO-ORDINATION WITH EXTERNAL AGENCIES, LIAISONING WITH CREDIT RATING AGENCIES ETC., IN RESPECT OF THE DEBENTURES. IT IS THE RESPONSIBILITY OF THE ISSUER TO OBTAIN ALL NECESSARY APPROVALS FOR THE ISSUANCE OF THE DEBENTURES. THE INVESTORS SHOULD READ THE PLACEMENT MEMORANDUM AND TAKE THEIR OWN INFORMED DECISION FOR INVESTMENT IN THE DEBENTURES 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 BONDS HAVE BEEN/ WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER PARAGRAPH K(a) (ELIGIBLE INVESTORS) OF SECTION IX: ISSUE SPECIFIC INFORMATION ON PAGE NO. 73 OF THIS PLACEMENT MEMORANDUM, WHO HAVE BEEN/ SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THE PLACEMENT MEMORANDUM IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO BONDS OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. ANY DISPUTES ARISING OUT OF THE BONDS AND THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUE PROCEEDS AGREEMENT) SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS AT PRAYAGRAJ. THE ISSUE PROCEEDS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE ITH THE LAWS OF INDIA AND THE PARTIES SUBMIT TO THE EXCLUSIVE JURISDICTION OF COURTS AND TRIBUNALS IN MUMBAI THE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO THE BONDS HEREIN, IN ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION.

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 AS PER APPLICABLE LAWS.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

THE DEBENTURES WILL BE ISSUED IN DEMATERIALISED FORM. THE ISSUER HAS MADE ARRANGEMENTS WITH THE DEPOSITORIES FOR THE ISSUE OF THE DEBENTURES IN DEMATERIALISED FORM. THE INVESTOR WILL HAVE THE OPTION TO HOLD THE DEBENTURES IN PHYSICAL FORM AS PER THE PROVISIONS OF THE DEPOSITORIES ACT. THE ISSUER SHALL TAKE NECESSARY STEPS TO CREDIT THE DEBENTURES 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 Placement Memorandum that are not statements of historical facts constitute "forward looking statements". Readers can generally identify forward-looking statements by usage of terminology like "aim", "anticipate", "intend", "believe", "continue", "estimate", "expect", "may", "objective", "plan", "potential", "projects", "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 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 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 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.

SECTION-III: DEFINITIONS AND ABBREVIATIONS

This 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 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 Placement Memorandum to "we" or "us" or "our" are to our Corporation i.e., Prayagraj Nagar Nigam. Unless stated otherwise, all references to page numbers in this Placement Memorandum are to the page numbers of this Placement Memorandum.

The words and expressions used in this 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, Uttar Pradesh Municipal Corporations Act, 1959, The Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations notified thereunder.

General Terms

TERM	DESCRIPTION
"PNN" "Prayagraj Nagar Nigam" or "Issuer" or "Corporation"	Prayagraj Nagar Nigam, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on May 31, 1994 under Section 4 of the Uttar Pradesh Municipal Corporation Act, 1959 ("UPMC Act"), vide letter dated May 24, 1994 bearing reference no. 2942/9-1-94-52TT/94 read with Notification dated May 24, 1994 bearing reference number 1743A/9-7-9414J/94. Uttar Pradesh Shasan vide its notification dated December 20, 2018 having reference number 2138/9-7-18-5(Allahabad)/2018 had given its no objection to change the city's name to "Prayagraj" from "Allahabad", however there are certain documents in which Allahabad name is being used for the city including the website's domain name which is allahabadmc.gov.in, however these refer/ belong to Prayagraj Nagar Nigam.
"we", "us", "our"	Unless the context otherwise requires, the Corporation or PNN.

Issuer related Terms

TERM	DESCRIPTION
Additional Commissioner/ Additional Municipal Commissioner	Additional Municipal Commissioner, Prayagraj Nagar Nigam, appointed in terms of the Uttar Pradesh Municipal Corporation Act, 1959.
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 1, 2021 with the aim of making cities 'Aatma Nirbhar' and 'Water Secure'.
AMRUT Incentive	Pursuant to notification dated April 07, 2025, issued by the MoHUA, Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB and any subsequent notification, urban local bodies claiming incentive for the first time, incentive amount of ₹ 13,00,00,000/- (Rupees Thirteen Crores) will be given for every ₹. 100,00,00,000/- (Rupees One Hundred Crores) of bonds issued subject to a maximum of ₹ 26,00,00,000 (Rupees Twenty-Six Crores) per urban local body.

TERM	DESCRIPTION
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	Ravi Kumar Srivastava & Associate, Chartered Accountants., being the current auditors of the Issuer, appointed as permissible under its constitution documents.
Audited Financial Statements	Refers to merged audited balance sheet, the income and expenditure statement and the cash flow statement of the Issuer for the Financial Years ending March 31, 2022 and March 31, 2023 audited by Ravi Kumar Srivastava & Associates, Chartered Accountants vide audit report dated July 01, 2023 and for the Financial Year ending March 31, 2024 audited by Ravi Kumar Srivastava & Associate, Chartered Accountants, vide their audit report dated May 21, 2024.
Bond Issue Committee/Committee	Committee duly formed vide a resolution of the Executive Committee and House of the Issuer dated July 5, 2023, and July 23, 2023 respectively and the current members of the Bond Issue Committee being confirmed by Commissioner vide its letter dated March 04, 2025 and April 23, 2025.
Calendar Year	Each period of twelve (12) months commencing on January 1 and ending on December 31.
Committee Member	Member of the Bond Issue Committee of the Corporation as mentioned in this Placement Memorandum.
Deputy Commissioner	Deputy Municipal Commissioner, Prayagraj Nagar Nigam, appointed in terms of the UPMC Act.
Executive Committee	Executive Committee of the Issuer constituted in terms of the Uttar Pradesh Municipal Corporation Act, 1959, as amended from time to time.
GoUP	Government of Uttar Pradesh/State Government
GoI	Government of India/ Central Government.
Head Office	Head Office of PNN at 1, Sarojini Naidu Marg, Civil Lines, Prayagraj, Uttar Pradesh, 211001
House/House of the Issuer	Comprises of Mayor and Corporators chosen by direct election from the wards and charged with carrying out the provisions of the UPMC Act.
HRMS	Human Resources Management System.
Jalkal Vibhag/ Jalkal Department/ Jalkal	Refers to Jalkal Department, Prayagraj Nagar Nigam converted from Jal Sansthans under the provisions of Section 100-A of the U.P. Water Supply and Sewerage Act 1975 vide Office Memorandum No. 380/9-2-2010-58Miss/2007 dated February 4, 2010 issued in Town Development Session -2, GoUP and further clarified vide Office Memorandum No. U.O.38/9-7-10-58Miss/2007 dated May 20, 2010 issued in the Town Development Session-7, GoUP. The budgets of the Jalkal Department are passed from the Prayagraj Nagar Nigam premises, however the Jalkal Department has a separate fund and separate General Manager with financial powers up to ₹5,00,000/- (Rupees Five Lakhs), powers to manage the fund and recruit employees of the decentralized services of the Jalkal Department. The water supply and sewerage taxes are collected by the Jalkal Department and do not form a part of the Issuer collections. The budgets and financial statements of Jalkal Department are separate from the budgets and financial statements of the Issuer.

TERM	DESCRIPTION
Municipal Commissioner/Commissioner	Municipal Commissioner, Prayagraj Nagar Nigam, appointed in terms of the Uttar Pradesh Municipal Corporation Act, 1959, as amended from time to time.
MoHUA	Ministry of Housing and Urban Affairs.
MoUD	Ministry of Urban Development
MLD	Millions Liters Per Day
UPMC Act/ Act	Uttar Pradesh Municipal Corporations Act, 1959 as amended from time to time.
Unaudited Financial Statements	Refers to unaudited abridged balance sheet, the income and expenditure statement and the cash flow statement of the Issuer for the half year ended September 30, 2024, as certified by the Ravi Kumar Srivastava & Associate, Chartered Accountants vide their certificate dated April 23, 2025

Issue Related Terms

TERMS	DESCRIPTION
Acuite Ratings	Acuite Ratings & Research Limited
AERB	Atomic Energy Regulatory Board
Allotment/Allot/Allotted	The issuance and allotment of the Bonds to the successful Applicants in the Issue.
Allottee	A successful Applicant to whom the 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 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 Bonds and which will be considered as the application for allotment of Bonds in the Issue.
AY	Assessment Year
Banker to the Issue	HDFC Bank Limited
Beneficial Owner(s)	Bondholder(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.
Bonds/ NCDs/ Debentures	Upto 1,250 (one thousand two hundred and fifty) Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Municipal Bonds in the nature of debentures, of face value of ₹ 4,00,000/-(Rupees Four Lakh only) each, (comprising of 4 (four) 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 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000), proposed to be listed on BSE.
Bondholder(s)/ Debenture Holders(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories.

TERMS	DESCRIPTION
BSE	BSE Limited
BSE EBP Guidelines	"Operational guidelines for participation on BSE BOND (EBP platform of BSE)" for issuance of securities on private placement basis through the electronic book mechanism issued by BSE vide their notice 20230417-35 dated April 17, 2023, as amended/modified.
BSNL	Bharat Sanchar Nigam Limited
CAD	Computer-Aided Design
CCTV	Closed Circuit Television
CDSL	Central Depository Services (India) Limited.
Credit Rating Agencies	India Ratings & Research Private Limited and Acuite Ratings & Research Limited, shall together be referred to as the Credit Rating Agencies for the purpose of the Issue.
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 mentioned in the Summary of Term Sheet.
DCGI	Drug Controller General of India
Debenture Trust Deed	Deed to be executed by and between the Debenture Trustee and the Issuer in respect of the 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	The Debenture Trustee appointed vide work order bearing reference number 78/CFO/2023 under the letter dated August 19, 2023 for the Bond Holders. Trustee for the Bond Holders, in this case being Beacon Trusteeship Company Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at 5W, 5th Floor, The Metropolitan, Bandra Kurla Complex, Bandra(East), Mumbai, Maharashtra, India, 400051.
Debenture Trustee Agreement	Agreement dated March 11, 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 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 Bonds with effect from which all benefits under the Bonds including interest on the Bonds shall be available to the Bond holder(s). The actual allotment of Bonds (i.e., approval from the House or a Bond Issue Committee thereof) may take place on a date other than the Deemed Date of Allotment.

TERMS	DESCRIPTION
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.
DPR	Detailed Project Report
DRR	Bond/Debenture Redemption Reserve
DSRA	Debenture Service Reserve Amount
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.
DTAA	Double Taxation Avoidance Agreement
Due Date	Any date or dates on which the Debenture Holder(s) are entitled to any payments in relation to the Bonds, which shall include, without limitation, the Coupon Payment Date(s) and the Maturity Date.
EBP	Electronic Bidding Platform as provided by the Stock Exchange(s) for bidding by Eligible Investors. BSE's electronic book platform is being used for participating in electronic book building mechanism.
EMG	Electromyogram
ENG	Electroneurography
EPBAX	Electronic Private Automatic Branch Exchange
ERCP	Endoscopic Retrograde Cholangiopancreatography
Escrow Account	The bank account to be opened by the Issuer with the Escrow Bank for the deposit of, inter alia, Property Tax collected by the Issuer in the Collection Accounts for onward transfer to the Interest Payment Account and the Sinking Fund Account and for servicing of the Bonds, as per the requirements of (a) 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, which account is operated in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Escrow Agreement	Escrow Agreement to be entered into by and between Prayagraj Nagar Nigam, Beacon Trusteeship Limited and HDFC Bank Limited (in its capacity as the Escrow Bank) with respect to the Escrow Account, the Interest Payment Account and the Sinking Fund Account.

TERMS	DESCRIPTION
Escrow Bank	HDFC Bank Limited, being the bank where the Escrow Account, the Interest Payment Account and the Sinking Fund Account will be opened.
FDA	Food and Drugs Administration
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.
FSSAI	Food Safety and Standards Authority of India
GIR	General Index Registration Number.
GIS	Geographic Information System
GPS	Global Positioning System
GSR	Ground Service Reservoir
GST	Goods and Service Tax
HUD	Hypocomplementemic Urticarial Vasculitis
HVAC	Heating, Ventilation, and Air Conditioning
ICU	Intensive Care Unit
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Infrastructure Development Fund/ IDF	The infrastructure development fund for credit enhancement and debt servicing obligations of urban local bodies to promote/ incentivize issuance of municipal bonds according to the order issued by GoUP dated July 30, 2019 wherein the GoUP has created a policy for utilisation of the funds. Subsequently, GoUP vide G.O. dated February 6, 2025 approved the Issue, and use of IDF for the proposed Issue.
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 Bonds will be serviced and (ii) the account in which the Required DSRA Amount will also be maintained, as per the requirements of (a) 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.
India Ratings/ IRRPL	India Ratings and Research Private Limited
Issue/the Offer/ Private Placement	Private Placement of upto 1250 rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of debentures of face value of ₹ 4,00,000/- (Rupees Four Lakh only)each, (comprising of 4 (four) Separately Transferable and Redeemable Principal Parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000 1 STRPP B of face value of ₹ 1,00,000 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000) for an amount aggregating up to 50 crores (Rupees Fifty Crores Only) by Prayagraj Nagar Nigam, proposed to be listed on BSE.

TERMS	DESCRIPTION
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.
Issue Agreement	Agreement dated March 11, 2025 entered between the Issuer and the Merchant Banker/Arranger 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 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
MEP	Mechanical, Electrical And Plumbing
MGPS	Medical Gas Pipeline System
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.
Municipal Land	Non-agricultural Land admeasuring 23,050 square meters located at at Mauza Jahangirabad Uparhar, Pargana Arail, Tehsil Karchana, District Prayagraj (U.P) with Latitude: 25°25'4.24"N and Longitude: 81°51'54.96"E of the Municipal Corporation
MRI	Magnetic Resonance Imaging
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 Project more particularly described in Section VII: Objects of the Issue on page no. 54 of this Placement Memorandum.
O&M	Operation and Maintenance
OPD	Out Patient Department
OT	Operating Theater
PAN	Permanent Account Number

TERMS	DESCRIPTION
Pay-In Date	The date on which the Bond Holders have remitted the subscription monies for the Bonds, as per the terms of this this Placement Memorandum.
Permitted Investments	Shall mean: (a) With respect to the funds lying credited in the Escrow Account (to the extent of the minimum balance), Interest Payment Account (including the DSRA Amount) and Sinking Fund FD can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Programme) or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Uttar Pradesh Municipal Corporations Act, 1959, to the extent applicable; (b) With respect to the funds lying to the credit of Sinking Fund Account can be deposited in a) in government securities, or b) such instruments which may be permitted both in terms of the SEBI Circulars and also Uttar Pradesh Municipal Corporations Act, 1959. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof; (c) With respect to the funds of AMRUT Incentive lying in the Escrow Account, mean fixed deposits with scheduled commercial banks having a dual rating of AA+ (Fixed Deposit Programme) or above. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.
PCC	Plain Cement Concrete
Placement Memorandum/ PM/ Disclosure Document	This placement memorandum dated April 23, 2025 filed with SEBI and BSE
PMAY	Pradhan Mantri Awas Yojana
PPP	Public Private Partnership
Preliminary Placement Memorandum/PPM	The preliminary placement memorandum dated March 11, 2025 filed with SEBI and BSE
Property Tax	Property tax shall have the meaning as prescribed to it under Section 173 of the Uttar Pradesh Municipal Corporation Act, 1959 (or any other tax levied in place of property tax as per Section 173 of the Act) collected by the Issuer.
Project	Construction of 200 Bedded Super Speciality Hospital Block at Naini, Prayagraj
PUVVNL	Purvanchal Vidhuyt Vitaran Limited
RCC	Reinforced Cement Concrete
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.

TERMS	DESCRIPTION
	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.
Recovery Expense Fund	An amount which will be deployed by the Issuer 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 Bonds in the manner as specified by SEBI in Chapter IV of the Master Circular for Debenture Trustee bearing no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time.
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, Gachibowli, Financial District, Nanakramguda, Serilingapally, Hyderabad-500 032, Telangana.
Required DSRA Amount	An amount equal to 4 (Four) succeeding Coupon payments which is required to be paid by the Issuer in respect of the Bonds to be maintained throughout the tenure of the 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
SBR	Sequential Batch Reaction
SCADA	Supervisory Control and Data Acquisition
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 Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds under the Transaction Documents.
Security	Shall mean security for the bonds being issued as set out in the Term Sheet.
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 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

TERMS	DESCRIPTION
	Receipts, Municipal Debt Securities and Commercial Paper as may be amended, clarified or updated from time to time.
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.
SEBI Operational Circular/ Operational Circular/ 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 as may be amended, clarified or updated from time to time.
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.
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.
Solar PV	Solar Photovoltaic
Structured Payment Mechanism	As defined in the section titled Term Sheet on page 126.
SPS	Sewerage Pumping Station
STP	Sewage Treatment Plant
TDS	Tax Deducted at Source
TP	Town Planning
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum/Placement Memorandum along with all annexures, the Debenture Trustee Agreement, the Escrow Agreement, the Issue Proceeds Agreement, Issue Agreement, the Registrar Agreement, Deed of Hypothecation, Memorandum of Deposit of Title Deeds, Debenture Trust Deed, the Tripartite Agreement with Debenture Trustee and the Government of Uttar Pradesh, 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).
Tripartite Agreement	The tripartite agreement to be entered amongst the GoUP, the Debenture Trustee and the Issuer in respect of the Debentures, for payment of funds by the GoUP from the Infrastructure Development Fund in terms of such agreement: (a) into the Sinking Fund Account on the occurrence of a Sinking Fund Mismatch; (b) into the Interest Payment Account for credit of the upfront Required DSRA Amount; and (c) into the Interest Payment Account on the occurrence of a DSRA Amount Shortfall
ULB	Urban Local Body
UPJN	Uttar Pradesh Jal Nigam
UPSFS	Uttar Pradesh State Finance Services

TERMS	DESCRIPTION
UPPCB	UP Pollution Control Board
VRF	Variable Refrigerant Flow
'Working Day'/'Business Day'	In accordance with the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021, business day/working day shall mean all days on which commercial banks in the Prayagraj 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. 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 offer document. If the redemption/maturity date of the STRPP falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided under Annexure – VI "Illustration of Bond Cash Flow" of this 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 - VI" Illustration of Bond Cash Flow" of this Placement Memorandum.

SECTION-IV: RISK FACTORS

An investment in the 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 operation or management or any decision to purchase, own or dispose of the Bonds. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Placement Memorandum before making any investment decision relating to the 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 Issuer's operations, management or cash flows. The market prices of the 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 Bonds include 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 Placement Memorandum including the risks mentioned below. The Bonds have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum.

This 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 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) and Unaudited Financial Statements as included in paragraph II (Abridged Balance Sheet, Income and Expenditure and Cash Flow Statement for the half year ended September 30, 2024 with major heads) of Section X: Financial Information on page no. 89 of this Placement Memorandum.

Investors are advised to read the following risk factors carefully before making an investment in the 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 operations, financial conditions, cash flows and implementation of project could suffer and, therefore, the value of the Issuer's Bonds could decline and/or the Issuer's ability to meet its obligations in respect of the 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 the Financial Information as included in this this Placement Memorandum

INTERNAL RISK FACTORS

Project Risk and Internal Risks

1. **We intend to utilize the Issue proceeds for the proposed Project which are subject to the risk of unanticipated delays in implementation and cost overruns. Any such unanticipated delays in implementation and cost overruns of the Project may have an adverse impact on our operations, reputation and cash flows.**

   We intend to utilize the Issue proceeds for proposed Project, i.e., Construction of 200 Bedded Super Speciality Hospital Block at Naini, Prayagraj(**"Project"**).

The Project is proposed to be financed through Issue proceeds of this Issue and internal accruals of the Issuer. The Project is 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 Project, timelines and the cost. There can be no assurance, despite best efforts, that we will be able to complete the Project within estimated time and cost without any cost overruns. The tender inviting bids have not yet been floated after which work order will be issued for implementation of the Project. The Issuer has obtained certificates from ANB Consultants dated March 11, 2025 and April 23, 2025 regarding the proposed Project details, costs, schedule of implementation, benchmarks of the project etc.

The cost of the work order to be issued for the Project may be higher than the original approved cost or the cost of the Project may escalate or vary based on external factors which may not be in our control and could pose a funding gaps and contingent budgetary risk for PNN. The Corporation shall invite bids for appointment of service providers / hospital management consultants for setting up various labs/departments make appropriate staff deployment & commence the operations of the hospital. The hospital building is proposed to be given on lease to the appointed service providers / hospital management consultants.

The Issuer recognizes that timely selection of bidders and service providers/ hospital management consultants is critical for implementation of Project and timely commencement of the Hospital operations. The Issuer shall make best efforts to ensure the completion of the tendering process and award of work order in relation to the Project within six months from the Issue Closing Date and take all necessary steps for timely execution of the Projects and select service providers/ hospital management consultants. 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 our control, including but not limited to legal considerations or unexpected changes in the requirements of the Project. Consequently, any delay in the selection of bidders may result in a delay in implementation of Project.

Additionally, in the event of any delay in finalizing the relevant contractors for the Project, any delay in receipt of various approvals required at different stages, in relation to the Project 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. There can be no assurance despite best efforts that the proposed Project will be completed as planned or on schedule, and if it is not completed in a timely manner, or at all, our budgeted costs for the Project may be insufficient to meet our proposed capital expenditure requirements towards the Project. Further, there can be no assurance despite best efforts that we will be able to complete the aforementioned Project in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our operations, reputation and cash flows.

The proposed Schedule of Implementation of the Project along with the timelines stated therein are indicative and the Physical Target and Financial Target for activities shall be as per the work order for implementation of the Project. There can be no assurance that despite best efforts, the proposed Project will be completed as planned or on schedule, and if it is not completed in a timely manner, or at all, in accordance with the proposed schedule of implementation and any delay due to unforeseen circumstances that are beyond Issuer's control could have an adverse impact on our operations, reputation and cash flows.

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

While the Issuer has received the approval for the Project from the GoUP, certain additional permits/ approvals are required to be obtained by the Issuer for the implementation of the Project at various stages. The Issuer has made applications for few approvals, the receipt of which are awaited. Delay in obtaining such approvals/ non receipt or timely approvals may defer the Project timelines. Further,

there are some approvals for which application shall be made post completion of the construction of the hospital building, which will be required to be obtained for commencement of operations of the hospital. These approvals shall require technical expertise and thereby can be applied with the support of the appointed service provider/ hospital management consultants only after completion of construction work of the hospital building as per the certificates dated March 11, 2025 and April 23, 2025 from Project Consultant.

The Project is also susceptible to the policies of the state and cost overruns, however, these will not affect the debt servicing of the Bonds, which are backed by the appropriate revenues of the Issuer, to be collected and remitted to the Escrow Account for payment during tenure of Bonds.

Additionally, any failure in future to comply with the terms and conditions of the existing regulatory or statutory approvals may cause the Issuer to lose or become unable to renew such approvals.

The Issuer hereby confirms that it shall ensure all necessary pre-construction approvals for the commencement of the Project are obtained within three months of receipt of the Issue Proceeds and the same is informed to the Debenture Trustee. The Issuer will utilize the Issue Proceeds only after intimation to Debenture Trustee of receipt of these approvals which are necessary for the commencement of the Project in compliance with SEBI Municipal Debt Regulations and undertakes to obtain the balance approvals/ enter into necessary arrangements as required at appropriate stages to ensure successful and timely implementation of the Projects.

While the Issuer shall make best efforts to obtain the requisite approvals to ensure timely implementation and progress of the Projects, there may be unforeseen circumstances beyond the control of the Issuer which may cause delay in receipt of approvals or renewing the approvals, as may be required in a timely manner, which may lead to delay in implementation of the Project in a timely manner or cost overruns. Further, our capital expenditure plans remain subject to the potential problems and uncertainties that Project activities face including cost overruns or delays.

For further details in relation to the (i) list of approvals/ permissions required, (ii) status of applications made and received and (iii) details of approvals for which applications shall be made post completion of the construction of the hospital building in relation to the Project please, see "Objects of the Issue –Details and status of the regulatory approvals" on page no. 61.

3. We are 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 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 operations, implementation of project, 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**

S. No.	Nature	Number of Cases	Amount Involved (Rs. In Crores)
Direct Tax			
1)	TDS#	1	0.007
Indirect Tax			
2)	Property Tax* - Cases have been filed against the Issuer by the residents/ entities residing/ operating in Prayagraj Nagar Nigam jurisdiction accusing Issuer of charging huge amount of property tax.	26	18.41

**Note: To the extent quantifiable excluding the interest and penalty thereon.*
#Source: www.tdscpc.gov.in. Status as on April 23, 2025 .

1. **Criminal Litigations involving the Issuer and the members of the Bond Issue Committee**
   There are no criminal litigations involving the Issuer and the members of the Bond Issue Committee.

2. **Actions by Regulatory and Statutory Authorities**
   There are no regulatory or statutory actions pending against the Issuer.

3. **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. 110 of the PM.

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 *"Other Matters based on the Materiality Policy of the Issuer"* of *Section XI Legal and Other Information* on page no. 110 of this Placement Memorandum.

Except for the disclosures in Section titled "*Legal and Other Information*", 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. As per the auditor certificate dated April 23, 2025 there are cases pending in courts, but as these matters are sub-judice, the financial implications are not ascertainable. Although the Issuer does not expect that the outcome in any of these legal proceedings, 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.

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/ charges 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 due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, 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/ charges, may also adversely affect the Issuer's operations. Further, there may be situations where the tax/ charges 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/ charges collection will adversely affect the Issuer's revenue collections.

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

Our statutory auditors have highlighted few observations/remarks in the audit reports dated May 27, 2024 for F.Y. 2023-24, dated July 01, 2023 for FY 2022-23 and dated December 21, 2022 for FY 2021-22.

Brief Summary of the observations/ remarks is as below:

As per the Auditor's Report dated May 27, 2024 for F.Y. 2023-24:

1. All income including other income are accounted on cash basis while expenditure is accounted on accrual basis.
2. Total outstanding dues against Property Tax of Rs.144.63 Crores is not fully accounted for due to disputed dues involved, mostly pertaining to offices of State Government and Central Government which may be realized in forthcoming financial years.
3. No adequate internal control system for the purchase of inventory and fixed assets and the sale of auction goods and services and continuing failure to correct the weaknesses in internal control system.
4. Amount of State Government Grant and deductions duly accounted for based on Statement provided by the Corporation
5. Electricity Payable pertaining to Jalkal Vibhag was Rs. 163.51 Crores in FY 2022-23. However pursuant to a letter from head office of Urban Local bodies an amount of only Rs. 17.44 Crores was payable. Excess liability has been adjusted in Revenue Grants in FY 2023-24.
6. After obtaining information from concerned departments capital WIP of Rs. 513.92 Crores is shown which is not correct. These related to Infrastructure & Development Expenses up to 2019-20. After ascertaining proper head of Fixed Assets they will be capitalized accordingly. For Fy 2022-23 they are shown under Infrastructure & Development Expenses.
7. Sundry debtors/ sundry creditors/ other receivables and liabilities are subject to reconciliation and confirmation.
8. Centralised purchase/ contract register maintained by the organization are in the process of updation.
9. Fixed Asset register is maintained however same could not be updated for want of certain information from different departments.
10. Receivables from Government includes some Grant sanctioned by the Government and already received but is unspent.
11. Many cases are pending in Hon'ble Court. As the matters are sub-judice, the financial implications are not ascertainable.

As per the Auditor's Report dated July 01, 2023 for F.Y. 2022-23:

1. All income including other income are accounted on cash basis while expenditure is accounted on accrual basis.
2. Total outstanding dues against Property Tax of Rs. 144.63 Crores is not fully accounted for due to disputed dues involved, mostly pertaining to offices of State Government and Central Government which may be realized in forthcoming financial years.
3. No adequate internal control system for the purchase of inventory and fixed assets and the sale of auction goods and services and continuing failure to correct the weaknesses in internal control system.
4. Amount of State Government Grant and deductions duly accounted for based on Statement provided by the Corporation.
5. After obtaining information from concerned departments capital WIP of Rs. 513.92 Crores is shown which is not correct. These related to Infrastructure & Development Expenses up to 2019-20. After ascertaining proper head of Fixed Assets they will be capitalized accordingly. For FY 2022-23 they are shown under Infrastructure & Development Expenses.
6. Sundry debtors/ sundry creditors/ other receivables and liabilities are subject to reconciliation and confirmation.
7. Centralised purchase/ contract register maintained by the organization are in the process of updation.
8. Fixed Asset register is maintained however same could not be updated for want of certain information from different departments.
9. Receivables from Government includes some Grant sanctioned by the Government and already received but is unspent.
10. Many cases are pending in Hon'ble Court. As the matters are sub-judice, the financial implications are not ascertainable.

As per the Auditor's Report dated December 21, 2022 for F.Y. 2021-22:

1. All income including other income are accounted on cash basis while expenditure is accounted on accrual basis.
2. Total outstanding dues against Property Tax of Rs.144.63 Crores is not fully accounted for due to disputed dues involved, mostly pertaining to offices of State Government and Central Government which may be realized in forthcoming financial years.

3. No adequate internal control system for the purchase of inventory and fixed assets and the sale of auction goods and services and continuing failure to correct the weaknesses in internal control system.
4. Amount of State Government Grant and deductions duly accounted for based on Statement provided by the Corporation.
5. Capital Work in Progress is capitalized fully as tangible assets as per details provided by engineering departments. Because of inadequate information amounts could not be capitalized into fixed assets. The capital WIP of Rs. 513.92 Crores is incorrect and needs to be capitalized in subsequent years.
6. Sundry debtors/ sundry creditors/ other receivables and liabilities are subject to reconciliation and confirmation.
7. Centralised purchase/ contract register maintained by the organization are in the process of updation.
8. Fixed Asset register is maintained however same could not be updated for want of certain information from different departments.
9. Many cases are pending in Hon'ble Court. As the matters are sub-judice, the financial implications are not ascertainable.

There can be no assurance that our statutory auditors will not include further similar comments in the audit reports to our audited financial statements in the future, or that such remarks will not affect our financial results in future financial years. Investors should consider the above observations while in evaluating our financial condition, results of operations and cash flows. Any such similar comments on our financial statements in the future may affect the trading price of the bonds.

6. This Placement Memorandum includes certain unaudited financial information. Reliance on such information should, accordingly, be limited.

This Placement Memorandum includes unaudited financial information for the half year ended September 30, 2024, which is not indicative of full year financial information and not comparable with annual audited financial statements. Further, this unaudited financial information has not been audited. Therefore, reliance by prospective investors to the Issue on such unaudited financial information being disclosed in the Placement Memorandum should be limited.

7. 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 supported by grants and the form of budgetary allocation from Central and State Government. Any reduction in budgetary allocation of capital, funding or non-receipt of grants by the GoI and GoUP may materially affect projects being undertaken by the Issuer and impact the the Issuer's operations, performance and asset generation capacity. Since grants are one of the main sources of revenue for the Issuer, any irregularity in release of grants may affect the project implementation schedules and affect the financial condition of the Issuer. After introduction of GST, the amount of grant received by us from GoUP 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. 53 of this 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 project that the Issuer undertakes/ proposes to undertake, the Issuer's operations and future performance could be materially and adversely affected.

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. 53 of this Placement Memorandum.

8. **The Project for which funds are being raised has not been appraised by any bank or government or regulatory body or financial institution and are not insured for any losses.**

The Project for which funds are proposed to be financed through Bonds, and internal accruals of PNN have not been appraised by any bank or government or regulatory body or financial institution. The cost of the Project is based on the details, estimates and assumptions given in Detailed Project Report received for the Project and the related Project Cost approved by the Bond Issue Committee. Our budgeted costs for the Project may be insufficient to meet our proposed capital expenditure requirements Further the estimated Project Cost are excluding amount payable towards GST. The amount payable towards GST obligations will be borne by PNN out of internal accruals. Although PNN would endeavor to complete the Project on time and within the prescribed cost, a funding gap could develop due to cost overruns, which may pose a contingent budgetary risk for PNN, Further, the Issuer does not have any insurance coverage for the Project in case of any loss caused to the Project due to fire, earthquake, flood or any other natural calamities etc. leading to cost and time overruns. While the Issuer shall make best efforts to ensure implementation of the Project within the estimated timelines there may be delays due to unforeseen circumstances beyond the control of the Issuer. The non-implementation of the Project as per the schedule of implementation will affect the Issuer's performance and asset generation capacity, and thereby impacting the business, cashflow and financial conditions of the Issuer. The schedule of implementation has been provided under Objects of the Issue chapter on page no. 59 of this PM.

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 April 07, 2025 and any subsequent notification 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 15 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 Rs. 13,00,00,000/- (Rupees Thirteen Crores) for every Rs. 100,00,00,000/- (Rupees One Hundred Crores) of bonds, subject to a maximum of Rs. 26,00,00,000 (Rupees Twenty Six 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.

Risks relating to Credit Risk

10. **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.**

The Bonds have been rated (a) Provisional IND AA/Stable by India Rating and Research Private Limited *vide* its letter dated March 07, 2024 and reaffirmed vide its letter dated March 06, 2025, and April 16, 2025 and a rating rationale dated March 06, 2025,and (b) Provisional ACUITE AA(Stable) by Acuite Ratings & Research Limited *vide* its letter dated February 20, 2024 which was reaffirmed vide its letters dated February 18, 2025 , March 27, 2025 and April 22, 2025 and a rating rationale dated February 18, 2025. 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 Bonds may be downgraded. Any downgrading in our credit rating or credit rating of instruments will result in an enhanced risk to the Bondholders.

Further, in terms of the rating rationale issued by India Rating and Research Private Limited on March 06, 2025 and Acuite Ratings & Research Limited on February 18, 2025 and the outlook has been kept as 'Stable', considering the structured payment mechanism for servicing of bond servicing dues along with the support from the Infrastructure Development Fund, 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 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 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 Bonds and may also affect the Issuer's ability to raise further debt. In such cases where the value of the Bonds decreases, potential investors may incur losses on sale of their investment in the secondary market. Please refer to Annexure III on page A-9 for rating letters, revalidation letters and rationales for the above rating.

Financial Risk including Liquidity Risk

11. Collection ratios of Issuer may vary in the future that may impact the financial condition of the Issuer.

The total collection of Property Tax which is one of the sources of revenue for PNN. The overall collection ratio for Property Tax amounted to 58.53% in Financial Year 2022, 65.13% in Financial Year 2023 and 71.03% in Financial Year 2024. The total overall collection from Property Tax amounted to ₹ 68.94 crore in Financial Year 2022, ₹ 90.26 crore in Financial Year 2023 and ₹ 104.76 crore in Financial Year 2024 and ₹130.00 as per unaudited financials as on September 30, 2024. While the Issuer has now 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 overall demand collection ratios may not decrease in future which will have an impact on the financial condition of the Issuer.

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 Bonds. For further details please refer to the "Details of Property Tax collection" of Section X: Financial Information on page no. 105.

The obligations towards Bonds are covered through the Structured payment mechanism whereby any shortfall towards payments to be made in respect of the Bonds will be transferred from the Infrastructure Development Fund by the GoUP, in terms of the Transaction Documents.

.

12. Income of the Issuer including Property Tax which is the main source of income besides the State Government Grants is recognized on Receipt basis while expenditure is accounted on accrual basis

As per the Audit Reports of the Auditors for the last 3 financial years, all the Income of the Corporation is accounted on cash basis including Property Tax, and water tax. Grants and Other Income including fees and user charges, hire charges, rental income from municipal properties are taken into account as and when challan of its receipt is obtained.

As per the certificates date March 11, 2025 , March 28, 2025 and April 23, 2025 from the Auditor, the Property tax is recognised on cash basis because demand of each financial year could not be properly ascertained. In some cases, demands pertaining to properties of State Government and Central Government departments are disputed. Therefore, for the purpose of presenting a true and fair view of financial statement, property tax has been recognized on receipt basis. Further there is no system of bills with respect to Government Grants hence it is accounted on receipt basis. SFC Grants are recognised on accrual basis as current month grants are actually received in the next month.

Other income which includes fees and user charges, hire charges, rental income from municipal properties recognized on receipt basis as per National Municipal Accounting Manual. While some other income like Penalties and Interest are recognized on receipt basis based on documentary evidence. Accordingly, the accounting of some part of the income is not on accrual basis and hence may not be comparable to revenue recognized on accrual basis in compliance with the National Municipal Accounts Manual to that extent.

13. The merged financial statements of PNN and Jal Sansthan for Financial Year 2021-22 are sourced from audited books of accounts of Prayagraj Nagar Nigam and unaudited financial results of Jalkal Department

On account of operational reasons the merger of PNN and Jal Sansthan could not be completed till FY 2021-2022, and resultantly the financial statements of the Issuer and Jalkal were prepared separately till Financial Year 2021-2022. Subsequently, during the Financial Year 2022-23, accounts of Jalkal (hereinafter referred to as "Jalkal Department") were merged with that of the Corporation. The merged figures for Financial Year 2021-2022 appearing as previous year numbers for the audited financial statement of Financial Year 2022-2023 have been prepared on the basis of audited books of accounts of Prayagraj Nagar Nigam by the Auditors vide their audit report dated December 21, 2022 and unaudited financial results of Jal Sansthan complied by M/s. Bhattacharya & Mehrotra, Chartered Accountants vide their compilation report dated March 11, 2023. The figures for the Financial Year 2021-22 were regrouped and rearranged wherever seemed necessary to form the merged financial statements of Prayagraj Nagar Nigam for inclusion as previous year's figures in the financial statements prepared for Financial Year 2022-23 which were audited by the Auditors vide our audit report dated July 01, 2023. Reliance on unaudited information should, accordingly, be limited.

14. The Issuer's ability to pay Coupon and redeem principal in accordance with the terms of the Issue is subject to various factors affecting the Issuer's financial condition. Any adverse change in these factors may have an adverse impact Issuers ability to pay interest accrued on the Bonds and/ or the principal amount in timely manner as outstanding from time to time

The Issuer's ability to pay Coupon accrued on the Bonds and/or the principal amounts outstanding from time to time in connection therewith would be subject to various factors, including inter alia the Issuer's financial condition, profitability, revenue generation and general economic conditions prevailing in India and in the global financial markets. Any adverse change in these factors may have an adverse impact on our reputation and financial condition. The Issuer shall create a structured payment mechanism through which the Property Tax or any other specified revenue/cashflow deposited in the account(s) where Property Tax shall be collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first and exclusive charge over the Escrow Account and the account(s) where the Property Tax is collected and/ or pooled by the Issuer. Additionally, sufficient fixed assets will be pledged as security.

The Issuer's ability to timely pay interest accrued on the 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 Project, on-time recovery of Property tax collections and the general economic conditions prevailing in India and in the global financial markets.

In the event of any default, 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 Bonds. The realizable value of the Security 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 Bonds.

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 (one) times will be maintained during the tenor of Debentures. In the event of any default, 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 the type of security being offered to secure 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. However, the obligations towards Bonds are covered through the Structured Payment Mechanism whereby any shortfall towards payments to be made in respect of the Bonds will be transferred from the Infrastructure Development Fund by the GoUP, in terms of the Transaction Documents.

Business Risk

15. 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.

16. 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 protections under the trade mark or prevent unauthorised 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, there are currently no such claims and 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.

17. 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 civil contractors for undertaking various civil 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.

Further if the third parties upon which the Issuer relies on cannot expand system capacity to handle increased demand, or if any of their systems otherwise fail to perform or experience interruptions, malfunctions, disruptions in service, slower response times or delays, then we could incur reputational damage, regulatory sanctions, litigation and loss of trading, any of which could materially adversely affect the Issuer’s financial condition. 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.

18. 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. Additionally, some of the Issuer’s employees are part of certain industry labour unions and such unions could result in labour unrest. 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 spread of the Covid-19 virus and the measures taken by the Government of India and Government of Uttar Pradesh including lockdown and curfew have had a negative impact on the movement and activities of contract labour. This has had a negative impact on the activities of execution agencies such as civil contractors and other vendors that have been engaged by the Issuer. Further, 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 due to future events, unforeseen circumstances or reasons beyond the control of the Issuer.

19. 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 turn out to be insufficient 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.

EXTERNAL RISK FACTORS

General Risk

20. 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.

21. 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. The payment of interest and principal to the Bonds holders are backed by structured payment mechanism. For further details, please refer to Structured Payment Mechanism on page 126 of this PM.

22. 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. Further, inconsistencies in our revenue collection and 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 may will affect the Issuer's projects and operations.

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

Being a government organization, 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 or in the enforcement of the laws and regulations could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

24. 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 PNN due to additional cost burden for retrieving the city back to normalcy.

25. Decentralization with respect to Municipal Corporations.

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

Additionally, being a government organization, PNN 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 PNN.

26. 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 Project through other sources which may lead to a delay in the completion of the Project. The funding gap may develop due to such shortfall in full subscription to the Issue, in which the Issuer may utilize its internal accruals or obtain funding through other means for completion of the Project. Please refer to paragraph J (Capital structure relating to Project for which funds are proposed to be mobilised) of Section VI *About the Issuer and Capital Structure of the Issuer* on page no. 53 of this Placement Memorandum.

27. There may be a delay in making refunds to applicants.

The Issuer is obligated to ensure refund of application money to applicants in case of any failure in obtaining listing or trading permission of NCDs within seven days of receipt of intimation from the Stock Exchange.

However, in case of delay in refund the Issuer will be liable to repay the entire monies, with interest at the rate of 15% (fifteen percent) per annum till such refund is made as per provisions of the SEBI Municipal Debt Regulations.

Risk in relation to the Bonds

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

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to the Issue will not be granted until after the 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 Bonds on BSE 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.

In accordance with 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. 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.

29. Changes in interest rates may affect the price of the Bonds.

All securities where a fixed rate of interest is offered, such as the 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 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.

30. Bonds are subject to the risk of change in law.

The terms and conditions of the Bonds are based on Indian law in effect as of the date of issue of the 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 Bonds and any such change could materially and adversely impact the value of any Bonds affected by it.

31. 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 the 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 the BSE EBP Guidelines.

32. There may be no active market for the Bonds on the platform of the Stock Exchange. As a result, the liquidity and market prices of the Bonds may fail to develop and may, accordingly, be adversely affected.

There can be no assurance that an active market for the Bonds will develop. If an active market for the Bonds fails to develop or be sustained, the liquidity and market prices of the Bonds may be adversely affected. The market price of the 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, (iii) general economic conditions, and (iv) our reputation, financial performance and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which you purchase the Bonds and/or be relatively illiquid.

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

33. The Issuer, post listing of the Bonds shall be subject to continuous listing compliances with applicable rules and regulations with respect to such listed non-convertible debentures.

The Bonds are proposed to be listed on the BSE. Subsequently, we will be required to comply with various applicable rules and regulations, including the SEBI circulars issued on continuous disclosures and compliances for our Bonds.

Despite best efforts of the Issuer to comply with all Applicable Law post listing of the Debentures on BSE, there may be instances of delays or non-compliances in relation to continuous disclosures and filings in terms of the listed non-convertible debentures. If we fail to rectify such non-compliances or comply with such rules and regulations including any further compliance notified by BSE or relevant regulatory authorities, we may be subject to certain penal actions, imposition of which may have an adverse effect on our operations, reputation and financial condition.

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

i) Name of the Issuer: Prayagraj Nagar Nigam

ii) **Head Office of the Issuer:**
1, Sarojini Naidu Marg, Civil Lines, Prayagraj, Uttar Pradesh, 211001
Ph: 05322560017
Email id: bondspmc2023@gmail.com
Website: allahabadmc.gov.in

iii) Other Offices of the Issuer:

***Zonal Offices:**

a) Zone 1

Khuldabad, kala danda,
Prayagraj, Uttar Pradesh- 211016

b) Zone2

942, Lowther Road,
Himmatganj, Kotha Parcha,
Prayaagraj Uttar Pradesh-211003

c) Zone 3

17/21, Kutchery Road,
Dwarika Puri, Old Katra,
Prayagraj, Uttar Pradesh-211008.

d) Zone 4

Near Haija Hospital,
Allahpur, Prayagraj,
Uttar Pradesh-211006

e) Zone 5

Indalpur, Mahewa Patti,
Paschim Uperhar, Prayagraj,
Uttar Pradesh-211008

f) Zone 6

Near Mundera Mandi,
Transport Nagar,
Prayagraj, Uttar Pradesh-211011

g) Zone 7

Near Teliarganj
Market, Fafamau Prayagraj,
Uttar Pradesh-211002

h) Zone 8

Panchayat Samiti Bhawan,
Jhunsi Prayagraj,
Uttar Pradesh-211019

** The addresses for the zonal offices of the Issuer have been certified by the Municipal Commissioner vide its letter dated March 11, 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 including date of appointment.

Sl. No.	Particulars	Designation	Date of Appointment
1.	Shri. Umesh Chandra Ganesh Kesarwani	Mayor	May 13, 2023

D. Details of Commissioner/Deputy Commissioners including date of appointment.

Sl. No.	Designation	Name of the Officer	Date of Appointment for the Designation*
1.	Municipal Commissioner	Shri. Seelam Sai Teja	April 17, 2025
2.	Additional Municipal Commissioner	Shri. Deependra Yadava	October 19, 2023
3.	Additional Municipal Commissioner	Shri. Arvind Kumar Rai	July 5, 2022
4.	Additional Municipal Commissioner	Shri. Ambrish Kumar Bind	December 1, 2022
5.	Joint Municipal Commissioner	Shri. Vikas Sen	October 01, 2024

**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 projects/ various Standing Committees relating to Taxation / Finance /Accounts/ Audit/ Infrastructure.

The Issuer has an Executive Committee and a Bond Issue Committee.

Executive Committee

Executive Committee comprises of members chosen by corporation amongst themselves. Executive Committee comprises of Mayor and 12 other members. The Mayor (Mahapaur) or in his absence, the Deputy Sabhapati of the Corporation will be the ex-Officio Chairperson of the Executive Committee. The Executive Committee looks into finances and other activities of the corporation including acquisition of immovable property where it cannot be acquired by agreement, sale of movable property, issue of stock certificate, investment of surplus money, form of accounts to be maintained by the corporation, reviewing annual administration and revenue reports, recommendation of budget grants, recommending increase or decrease in municipal taxes, water courses to be vested in corporation. Various other functions are also subject to approval of the Executive Committee. The Executive Committee prepares& approves the budget estimate of the income expenditure of Corporation.

Presently the constitution of the Executive Committee is as follows:

Name and Designation	Date of Appointment /Resignation	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Shri. Umesh Chandra Ganesh Kesharwani	May 13, 2023	-	-
Members			
Shri Shiv Sewak Singh	June 13, 2023	-	-
Shri. Gyanendra Mishra	July 11, 2024	-	-
Smt. Sunita Chopra	July 11, 2024	-	-
Smt. Sunita Darbari	June 13, 2023	-	-
Shri. Gulab Singh	July 11, 2024	-	-

Name and Designation	Date of Appointment /Resignation	Member of the Committee since (in case of resignation)	Remarks
Shri. Neeraj Kumar Gupta	June 13, 2023	-	-
Shri. Ram Milan	July 11, 2024	-	-
Shri. Abdul Samad	July 11, 2024	-	-
Shri. Amit	June 13, 2023	-	-
Shri. Balaraj	June 13, 2023	-	-
Shri. Ajay Yadav	June 13, 2023	-	-
Shri. Prem Shankar	July 11, 2024	-	-

Bond Issue Committee

Committee duly formed vide a resolution of the Executive Committee and House of the Issuer dated July 5, 2023, and July 23, 2023 respectively and the current members of the Bond Issue Committee being confirmed by Commissioner vide its letters dated March 04, 2025 , March 28, 2025 and April 23, 2025 consists of the following members:

Name and Designation	Date of Appointment/ Resignation*	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Shri. Seelam Sai Teja **Municipal Commissioner**	April 17, 2025		
Shri. Chandra Mohan Garg **Municipal Commissioner**	July 23, 2023	April 17, 2025	-
Members			
Shri Deependra Yadava **Additional Municipal Commissioner**	October 19, 2023	-	-
Shri. Arvind Kumar Rai **Additional Municipal Commissioner**	July 23, 2023	-	-
Chief Engineer-The post is currently vacant.	-	-	-
Shri. Pramod Kumar Dwivedi, **Chief Tax Assessment Officer**	July 23, 2023	-	-
Shri. Kumar Gaurav **General Manager (Jalkal)**	July 23, 2023	-	-
Shri. Raj Kumar Sharma **Chief Finance & Accounts Officer**	July 23, 2023	-	-

** 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 Bonds and also the Chief Accounts and Finance Officer or equivalent of the Issuer

Shri. Raj Kumar Sharma
Chief Finance & Accounts Officer.,
Account Department,
1, Sarojini Naidu Marg, Civil Lines, Prayagraj, Uttar Pradesh, 211001.
Ph. No.: 9653046684,
Email: bondspmc2023@gmail.com

Email (Investor Grievance): bondspmc2023@gmail.com

The responsibility of Shri. Raj Kumar Sharma as Compliance Officer and in-charge of investor grievances shall be till he has his designation as Chief Finance and Accounts Officer in PNN and in case of his transfer/retirement/recuse, PNN shall immediately handover the responsibility of Compliance Officer to any other official of the same cadre holding his post.

H. Arranger*

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

A. K. CAPITAL SERVICES LIMITED

Logo:
Address: 603, 6th floor, Windsor, Off CST Road, Kalina,
Santacruz-(East), Mumbai- 400 098.
Tel: 022-67546500;
Fax: 022-66100594
Email: varun.kaushik@akgroup.co.in, pmcbonds@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
Tel (Compliance Officer): 022-67546546
Email (Compliance Officer): tejas.davda@akgroup.co.in
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

** The Issuer may appoint SEBI registered Merchant Banker(s) (whose names appear in top 20 rankings of 'Debt All Category' league table of Prime database for private placement of Bonds in FY 2022-23) as co-arranger(s) to the Issue, provided that the Merchant Banker(s) mobilizes/ is allotted a minimum of 20% or more (i.e. at least Rs. 10 Crore) of the Issue Size subject to the SEBI EBP Guidelines and BSE EBP Guidelines. A separate letter shall be issued to co-arranger(s) and their name(s) would be inserted as co-arranger(s) in this Placement Memorandum.*

J. Debenture Trustee of the Issue

Beacon Trusteeship Limited

Logo:
Address: 5W, 5th Floor, The Metropolitan, E-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051
Tel: 022-46060278
Contact Person: Mr. Kaustubh Kulkarni
E-mail: compliance@beacontrustee.co.in
Website: https://beacontrustee.co.in/
Compliance Officer: Mr. Kaustubh Kulkarni
Tel. (Compliance Offer): 022-46060278
Email (Compliance Offer): kk@beacontrustee.co.in
Investor Grievance e-mail: investorgrievances@beacontrustee.co.in
SEBI Registration No.: IND000000569
CIN: L74999MH2015PLC271288

K. Registrar to the Issue:

KFin Technologies Limited

Logo:

Address: Selenium, Tower B, Plot No. 31 and 32,
Financial District, Nanakramguda,
Serilingampally-Hyderabad Rangareddi
TG 500032 IN
Tel: +914067162222/7961 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

L. Credit Rating Agencies for the Issue:

India Ratings and Research Private Limited

Logo:
Address: Wockhardt Towers, 4th Floor, West Wing,
Bandra Kurla Complex, Bandra (E) Mumbai-400 051
Tel: 022-40001700
Fax: 022-40001701
E-mail: infogrp@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Vineet Ahuja
Compliance Officer: Arunima Basu
Tel(Compliance Officer): 022-40356190
E-mail(Compliance Officer):compliance.india@indiaratings.co.in
SEBI Registration No.: IN/CRA/002/1999
CIN: U67100MH1995FTC140049

Acuite Ratings & Research Limited

Logo:
Address: 708, Lodha Supremus, Lodha iThink Techno Campus,
Kanjurmarg (East), Mumbai – 400 042
Tel: 91 99698 98000
Fax: NA
E-mail: chitra.mohan@acuite.in
Investor Grievance e-mail: grievances@acuite.in
Website: www.acuite.in
Contact Person: Ms. Chitra Mohan
Compliance officer: Ms. Chitra Mohan
Tel. (Compliance Offer): +91 9819960324
Email (Compliance Offer): chitra.mohan@acuite.in
SEBI Registration No.: IN/CRA/006/2011
CIN: U74999MH2005PLC155683

M. Auditor of the Issuer:

Ravi Kumar Srivastava & Associates, Chartered Accountants
Address:30B/1H, A.N. Jha Marg, George Town,
Prayagraj, Uttar Pradesh – 211002
Tel: +91-9450579029

E-mail: caravi98@gmail.com
Firm's Registration No. 008995C
Contact Person: Ravi Kumar Srivastava (Proprietor)
Membership No.:078466

N. 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,** 603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz-(East), Mumbai- 400 098. **Tel:** 022-67546500; **Fax:** 022-66100594 **Email:** pmcbonds@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 **Tel (Compliance Officer):** 022-67546546 **Email (Compliance Officer):** tejas.davda@akgroup.co.in **SEBI Registration No.:** INM000010411 **CIN:** L74899MH1993PLC274881
Registrar to the Issue	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 India **Tel:** +914067162222/7961 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	**HDFC Bank Limited** HDFC Bank Limited, FIG- OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042 **Tel.:** 022-30752927/28/2914 **Fax:** 022-25799801 **E-mail:** Siddharth.Jadhav@hdfcbank.com; eric.bacha@hdfcbank.com; Sachin.gawade@hdfcbank.com. **Investor Grievance e-mail:** sebicomplaints@hdfcbank.com **Website:** www.hdfcbank.com **Contact Person:** Siddharth Jadhav, Eric Bacha, Sachin Ramesh Gawade **Email (Compliance Officer):** sebicomplaints@hdfcbank.com **SEBI Registration Number:** INBI00000063 **CIN:** L65920MH1994PLC080618
Escrow Bank	**HDFC Bank Limited** 4/58 Zero Road, Shiv Charan Lal Road, Chowk Prayagraj-211003 **Tel:** 8799249636 **E-mail:** Shashank.kacker@hdfcbank.com

	Website: www.hdfcbank.com **Contact Person:** Shashank Kacker **CIN:** L65920MH1994PLC080618
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

O. 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	**MV Kini, Law Firm** Kini House, 6/39, Jangpura B New Delhi-110014 Ph: +91 11 2437 1038/39/40 Facsimile: +91 11 24379484 E-mail:corporatedelhi@mvkini.com
Underwriter to the Issuer	Not Applicable as the Issue is on a private placement basis.
Bankers to the Issuer*	Not Applicable

**The Issuer has not availed any facilities from any bank.*

P. Debenture Trustee to the Issue

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, PNN has appointed Beacon Trusteeship Limited to act as Debenture Trustee ("**Debenture Trustee**") for and on behalf of the holder(s) of the Bonds.

A copy of letter from Beacon Trusteeship Limited conveying their consent to act as Debenture Trustee for the current issue of Bonds and in all communications sent pursuant to the Issue as **Annexure V**.

PNN hereby undertakes that the rights of the Bondholders will be protected as per the governing Act, agreement/deed executed/to be executed between PNN and the Debenture Trustee. The Debenture Trustee Agreement/Debenture Trust 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 PNN in relation to any rights or interests of the holder(s) of the 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 PNN for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(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 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 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 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.

Q. Investor Relations and Grievance Redressal Mechanism.

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 bondspmc2023@gmail.com. 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 order(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 Chapter on *General Information* at page no. 37 in this Placement Memorandum. The Corporation has already got itself registered with the SCORES platform of SEBI (SCORES ID: COMP00978) 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

The Prayagraj Nagar Nigam (PNN) is the chief municipal body of Prayagraj city. Presently, Shri Umesh Chandra Ganesh Kesarwani is the Mayor and Shri. Seelam Sai Teja is the Municipal Commissioner of Prayagraj Nagar Nigam.

Prayagraj Nagar Nigam is responsible for the civic infrastructure and administration of the city of Prayagraj in Uttar Pradesh state of India. It is working towards enhancing quality of life for the citizens by providing equal access to the best quality physical infrastructure and social infrastructure with focus on enhancing economy, protecting the ecology and preserving the identity and culture of the city.

a. About Prayagraj

Prayagraj is located at 25.45°N 81.84°E in the southern part of the Uttar Pradesh. To its south and southeast is the Bagelkhand region, to its east is the middle Ganges valley of North India, or Purvanchal, to its southwest is the Bundelkhand region, to its north and northeast is the Awadh region and to its west along with Kaushambi it forms the part of Doab i.e., the Lower Doab region. In the north Pratapgarh, in the south Rewa (M.P.), in the east Sant Ravi Das Nagar and in the west Kaushambhi districts are located. The total geographical area of the district is 54.83 Sq. Km.

The city of Prayagraj is among the largest cities of Uttar Pradesh and is also an educational and cultural hub situated at the confluence of three rivers- Ganga, Yamuna and the invisible Saraswati. The meeting point is known as Triveni and is especially sacred to Hindus. The earlier settlements of the Aryans were established in this city, then known as Prayag. Prayagraj is one of the historic and mythological cities of India with glorious past and present. It continues to enjoy the distinction of being a place of haunting and lasting memories. It is a city of mixed culture of Hindu, Muslims, Jains and Christians.

b. Constitution of the Issuer

The Prayagraj Nagar Nigam has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on May 31, 1994 under the Uttar Pradesh Municipal Corporation Act, 1959 applicable act in Uttar Pradesh vide notification dated May 24, 1994 bearing reference no. 2942/9-1-94-52TT/94 read with notification dated May 24, 1994 bearing reference no.1743A/9-7-9414J/94;

The Issuer, being a corporation established under the Act, which is a state act, is a public sector company for the purposes of the Income Tax Act, 1961, which defines the term 'public sector company' under Section 2(36A) to mean any corporation established by or under any central, state or provincial act or a government company as defined in the Section 2(45) of the Companies Act, 2013.

c. Composition of the Issuer

In accordance with Section 5 of the UPMC Act, the municipal authorities charged with carrying out the provisions of the Act for each city are:

- the Corporation;
- the Ward Committees;
- an Executive Committee of the Corporation;
- the Mayor;
- a Development Committee of the Corporation;
- a Municipal Commissioner and one or more Additional Municipal Commissioners appointed for the Corporation under this Act; and

- in the event of the Corporation establishing or acquiring electricity supply or public transport undertaking or other public utility services, such other committee or committees of the Corporation as the Corporation may with the previous sanction of the State Government establish with respect thereto.

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. The Municipal Commissioner is to be appointed by the State Government and shall hold office for such period not exceeding three years.

d. **Elected representatives in PNN**

PNN's area is divided into eight zones for administrative purposes. The political wing is an elected body of Municipal Councilors headed by a Mayor. Prayagraj has 100 election wards. Each election ward is represented by 1(one) councilors. Thus, the total number of Municipal Councilors is 100 (One hundred). The governance is distributed in terms of policy making as a responsibility of the General Body, financial decision making as a responsibility of the Executive Committee (Karyakarini) and Municipal Commissioner as a Chief Executive of the authority.

The corporation has statutory and non-statutory functional committees for setting the obligatory and discretionary functions. Executive Committee is the most powerful body in PNN, responsible for all the decisions pertaining to municipal finance matters. The Executive committee comprises of the Mayor who is its ex-officio chairman and 12 persons to be elected by corporation from amongst the corporators after the first general elections. The House under the UPMC Act also enjoys sanctioning powers.

The mayor, the first citizen of the city, is elected directly by the public voters and holds office for a period of 5 years, according to the UPMC Act. The Mayor presides over the General Body Meetings of the councillors.

e. **Administrative Cadre in PNN**

The Administrative wing of the PNN works under the command of the Commissioner who heads a team of officials comprising of Additional Commissioner, and Assistant Municipal Commissioner and other officials who administer their respective domains. The Administrative wing is responsible for general administration and supervision of all the development works in the city, maintenance of infrastructure, collection of taxes, preparation of development plans and budgets, etc.

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 Prayagraj city. The UPMC Act has entrusted PNN the responsibility for the maintenance, operation and development of certain public utilities in the city.

The Prayagraj Nagar Nigam mainly comprises of the following departments

Sr. No.	PNN Departments	Functions
1.	Public Works Department	Maintenance and Construction of Roads, Drainage & other construction related activities
2.	Property Tax Department	Assessment and collection of house tax
3.	Jal Kal (Water Works) Department	Supply of Drinking Water, Sewerage Management and Assessment and collection of water and sewerage charges
4.	Health Department	Road Sweeping & drainage cleaning, Death & Birth Certificates, etc
5.	Grievance Department	Handling government and citizen letters or complaints, handling promotions and dismissals, Establishment work in Nagar Nigam

6.	Environment and Garden Department	Development, maintenance and operations of the gardens and greenery in the city
7.	Accounts and Finance Department	Budget, Annual Accounts, Receipt and Payments related matters
8.	License Department	Administers the license for Commercial properties
9.	Electric Department	• Providing Street lighting facilities and regular maintenance on all the roads under the Municipal Corporation Prayagraj limits. • Providing LED and decorative luminaries wherever required within the municipal limits. • Reducing the failure rate of street lights and providing maximum uptime by performing regular maintenance work. • Installing Electric poles, pulling wires and doing its regular maintenance. • To arrange lighting on various public and public festivals
10.	Advertisement Department	• Publish any device or poster by any means, words, letters, models, signs within the Municipal Corporation area. • Publishing announcements or instructions through small advertising boards, balloons.
11.	Animal Husbandry Department	Controls the birth and sterilization of street cattle and dogs, maintains the Gau-Shala in the city, registration of pet animals
12.	Estate Department	Maintenance of Municipal Land
13.	Media Cell Department	To Print media advertisements and Nagar Nigam related news.
14.	Legal Department	The Municipal Corporations side is presented through the nominated advocates of the Municipal Corporation in the suits/writ petitions filed against the Municipal Corporation in the courts like honorable Supreme Court of Delhi, honorable High Court of Allahabad, honorable District Court, Labor Court, Tribunals and NGT etc.
15.	Audit Department	To Audit all the Public related work done in Municipal Corporation also focused Pre- Audit and Internal Audit.
16.	Workshop Department	Work of mechanized solid waste management and street lighting for civic facilities under Municipal Corporation Prayagraj border.

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

(1) erection, where there are no natural boundary marks, of substantial boundary marks of such description and in such a position as shall be approved by the State Government defining the limits or any alteration in the limits of the City;

(2) the naming or numbering of streets and of public places vesting in the Corporation and the numbering of premises;

(3) the collection and removal of sewage, offensive matter and rubbish and treatment and disposal thereof including establishing and maintaining farm or factory;

(4) the watering, scavenging and cleansing of all public streets and places in the City and the removal of all sweepings therefrom;

(5) the construction, maintenance and cleansing of drains and drainage works, and of public latrines, water-closets, urinals and similar conveniences;

(6) supplying, constructing and maintaining in accordance with the general system approved by the Corporation receptacles fittings pipes and other appliances whatsoever on or for the use of premises for receiving and conducting the sewage thereof into drains under the control of the Corporation;

(7) the management and maintenance of all Corporation waterworks and the construction or acquisition of new works necessary for a sufficient supply of water for domestic, industrial and commercial purposes;

(8) guarding from pollution water used for human consumption and preventing polluted water from being so used;

(9) the lighting of public streets, Corporation markets and public buildings and other public places vested in the Corporation;

(10) the construction and maintenance of parking plots, bus stops and public conveniences;

(11) the establishment, maintenance or supports 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;

(12) preventing and checking the spread of contagious, infectious and dangerous diseases;

(13) provision for anti-rabic treatment;

(14) maintenance of ambulance service;

(15) establishing and maintaining a system of public vaccination;

(16) the registration of vital statistics including births and deaths;

(17) establishing, maintaining and assisting maternity centers and child welfare and birth control clinics and promoting population control, family welfare and small family norms;

(18) the organisation, maintenance or management of chemical or bacteriological laboratories for the examination or analysis of water, food or drugs, for the detection of diseases or adulteration or for researches connected with public health;

(19) the reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;

(20) the regulation and abatement of offensive and dangerous trades, callings or practices including prostitution;

(21) the maintenance, fixing 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 or aiding within its means any arrangement made with the same objects by any other institution;

(22) the construction and maintenance of public markets and slaughter-houses, tanneries and the regulation of all markets and slaughter-houses;

(23) the securing or removal of dangerous buildings and places;

(24) maintaining hydrants and rendering such assistance, including the maintaining or managing of a fire brigade in extinguishing fires and protecting life and property when fires occur, as the State Government may by general or special order direct from time to time;

(25) the removal of obstructions and projections in or upon streets, bridges and other public places;

(26) establishing, maintaining, aiding and suitably accommodating schools for primary education including nursery education;

(27) establishing and maintaining or granting aid to institutions of physical culture;

(28) maintaining or contributing to the maintenance of veterinary hospitals;

(29) the construction or acquisition and maintenance of cattle-pounds;

(30) the construction, maintenance, alteration and improvement of public streets, bridges, sub-ways, culverts, causeways and the like;

(31) planting and maintaining trees on road sides and other public places;

(32) regulation of traffic and provision of traffic signs;

(33) assisting by constructing and maintaining residential quarters, by giving loans in the proper housing of Corporation conservancy staff and all sections of working classes;

(34) town planning and improvement including slum clearance and preparation and execution of housing schemes and laying out of new streets;

(35) promising urban forestry and ecological aspects and protection of the environment;

(36) maintaining and developing the value of property vested in, or entrusted to the management of the Corporation;

(37) safeguarding the interest of weaker sections of society including the handicapped and mentally retarded;

(38) the promotion of cultural, educational and aesthetic aspects;

(39) the construction and maintenance of cattle pounds and prevention of cruelty to animals];

(40) the maintenance of a Corporation office and of all public monuments and open space and other property vesting in the Corporation;

(41) the issue of a Bulletin reporting proceedings or substance of proceedings of the Corporation and of its committees and giving other information about the activities of the Corporation;

(42) prompt attention to official letters and preparation and submission of such return, statements and reports as the State Government requires the Corporation to submit; and

(43) fulfilment of any obligation imposed by or under the Act or any other law for the time being in force.

(44) slum improvement and upgradation;

(45) urban poverty alleviation;

(46) providing urban amenities and facilities such as parks, gardens and playgrounds.

g. **Achievements**

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

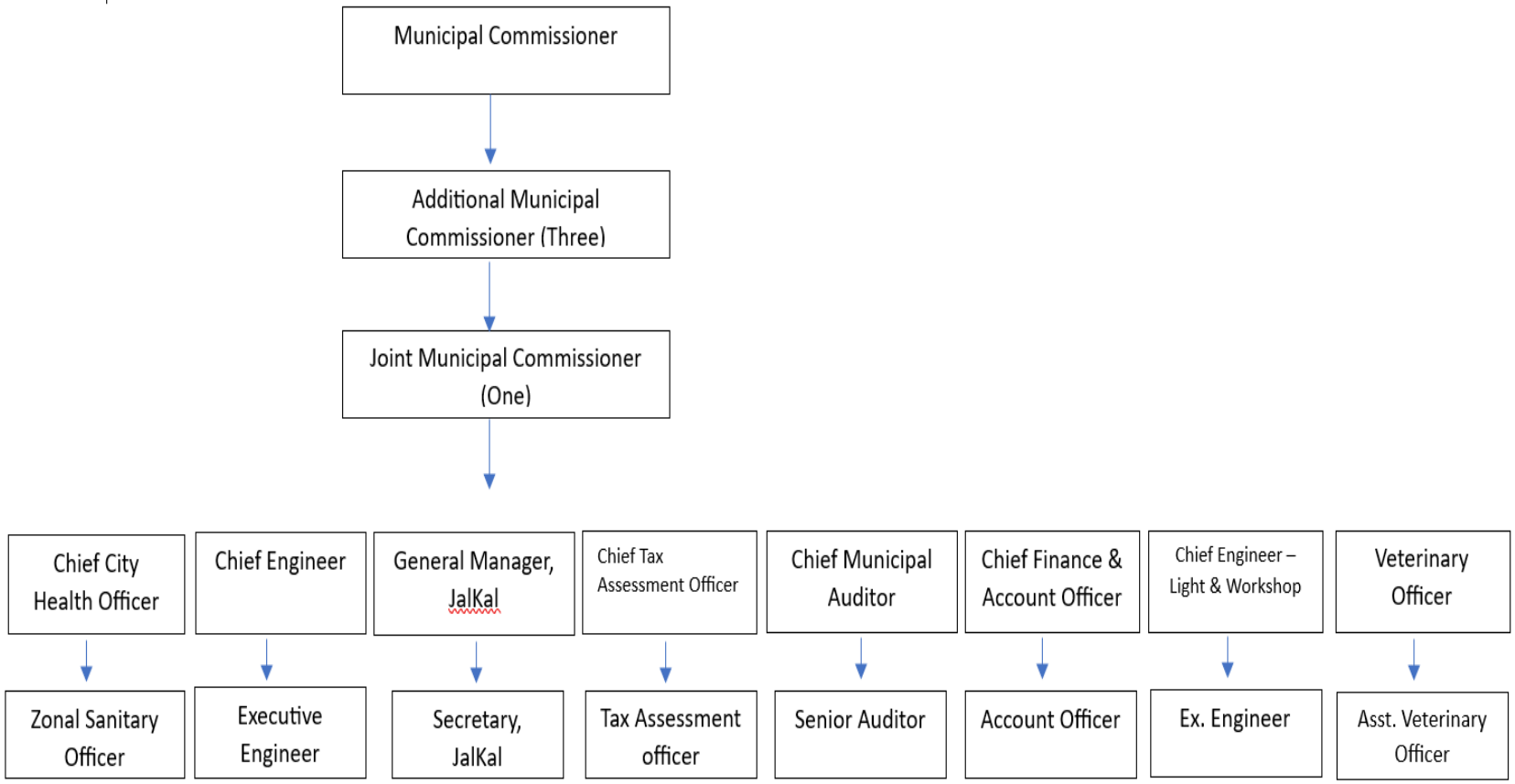
Sr. No.	Name of Award / Appreciation	Purpose Achievement	Year	Name of Institution
1.	Indian Swachhata League	Top Impact Creator in the Maiden Edition of Indian Swachhata League	2022	MyGov
2.	Swachh Survekshan 2023	Cleanest Ganga Town Rank 2	2023	Ministry of Housing and Urban Affairs
3.	Swachh Vayu Sarvekshan	2nd rank as National Clean Air City"(Category 1-Popolation Above 10 Lakh)	2022	Ministry of Environment Climate Change Government of India

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

The Issuer is a Municipal Corporation and as per UPMC Act, constituted under Article 243Q (1)(c) of the Constitution of India, 1949 and there is no equity share capital in any municipal corporation.

C. Details of the management structure of the Issuer.

The management structure of the Issuer is as set out below:



.

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.

Approval for the Issue	
1.	Executive Committee Resolution No. 31 dated July 5, 2023 in relation to approval for the issuance of bonds and formation of Bond Issue Committee.
2.	House Resolution No. 16 dated July 23, 2023, in relation to issue of bonds and approving the above Executive Committee Resolution.
2.	House Resolution No. 113 dated August 23, 2024, in relation to approval of the Project
3.	The Urban Development Section-9, Government of Uttar Pradesh vide its letter dated November 14, 2024 having reference no. 1342/9-9-2024-58J/18TC-E-1820120 has approved the Projects for the Issue
4.	The Urban Development Section-9, Government of Uttar Pradesh vide its resolution no. 158/9-9-2025-58J/18TC-1, dated February 06, 2025 had approved (i) the bond issuance by Issuer for issuing Taxable Bonds in form of debenture up to Rs. 50 crores (Fifty Hundred Crores Only) under section 154 of the Uttar Pradesh Municipal Corporation Act, 1959; and (ii) credit enhancement and debt servicing for the issue through the Infrastructure Development Fund.
5.	Letters of Commissioner dated March 04, 2025 and April 23, 2025 confirming the members of Bonds Issue Committee.
6.	Resolution of the Bond Issue Committee dated March 11, 2025 approving the Objects of the Issue.
7.	Resolution of the Bond Issue Committee dated March 11, 2025 approving the issuance of Bonds and Term Sheet including the Security for the Issue.
8.	Resolutions passed by the Bond Issue Committee dated March 11, 2025 ,March 28, 2025 and April 23, 2025 approving the PPM, Updated Preliminary Placement Memorandum and this Placement Memorandum, respectively.
9.	Resolution passed by the Bond Issue Committee dated March 28, 2025, approving the updated Term Sheet.

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

The resolution for allotment of 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 UPMC 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 including change in Municipal Commissioner, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (one) year.

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

The Issuer is presently engaged in various projects. Following are the details of five key projects undertaken by the Issuer in terms of project cost:

1. **Planning and designing of methodical and efficient Drinking Water scheme (Surface Water) & related works for Naini extended area in Nagar Nigam Prayagraj under Amrut-2.0 scheme.**

This Project is being undertaken for planning and designing of a methodical and efficient water supply scheme for the villages of Naini, extended of Naini, extended area of Prayagraj district. The project objective is the coverage of the entire extended zone by precisely planning and hydraulic designing for the

water supply system and selection of a sustainable source. It aims to provide tapped water to every household at the rate of 150 LPCD up to its ultimate design stage.

2. **Bio-mining of Legacy waste at Baswar for Prayagraj Nagar Nigam.**

   Effective and efficient method of legacy waste management by clearing of approx. 14 lakh MT legacy waste from Baswar, Prayagraj through Bio Mining with completion of works at 382/MT rate and remedying of any defects therein for Prayagraj Nagar Nigam.

3. **Construction work of Road Track and RCC drain from Kruti scanning centre via Chandrapali Clinic to behind CMP Degree College and upto Lidlle road under Zone 4 Tagore Town**

   Road Development under CMGRIDS in Zone 04, Ward 65 Kriti Scanning centre via Chandrapali Clinic to Back of CMP Degree College and Liddle Road development of road, footpath, drain, divider, utility duct. Prayagraj **Nagar Nigam** invited eligible Contractors for the work including five (5) years maintenance under CM-GRID Scheme.

4. **Construction work of road track and RCC covered drain from in front of K.P. Inter College via Jagat Taran Golden Jubilee School to Jawahar Lal Nehru Road under Zone 4 Tagore Town**

   Road Development in Zone 04, Ward 65 Tagore town, in front of KP Inter college via Jagataran Golden Jubilee School till Jawaharlal Nehru Road development of road, footpath, drain, divider, utility duct. Prayagraj Nagar Nigam invited eligible Contractors for the work including five (5) years maintenance under CM-GRID Scheme.

5. **Construction work of road, track, drain, divider and utility duct from Dhramveer statue to fort station via RTO square in ward 49 Transport Nagar under Zone 6**

   Road Development in Zone 06 Ward 49 Dharamveermoorthy Road to Port Station and Link Road development of road, footpath, drain, divider, utility duct. Prayagraj Nagar Nigam invited eligible Contractors for the work including five (5) years maintenance under CM-GRID Scheme.

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

S. No.	Project Name	Project Cost (Rs. In Crore)		Project Cost Share (Rs. In Crore)				Grant Received (Rs. In Crore)		
		Approved	Awarded	GoI	GoUP	ULB (PNN)	Total	GoI	GoUP	Total
1.	Planning and designing of methodical and efficient Drinking Water scheme (Surface Water) & related works for Naini extended area in Nagar Nigam Prayagraj under Amrut-2.0 scheme	403.73	322.27	80.57*	145.02*	96.68	322.27*	20.19	36.34	56.53
2.	Bio-mining of Legacy waste at Baswar for Prayagraj Nagar Nigam	60.58	53.48	27.9**	25.58**	-	53.48	27.9	25.58	53.48
3.	Construction work of Road Track and RCC drain from Kruti scanning centre via Chandrapali Clinic to behind CMP Degree College and upto Lidlle road under Zone 4 Tagore Town	22.49	17.40	-	15.66#	1.74	17.40	-	10.12	10.12
4.	Construction work of road track and RCC covered drain from in front of K.P. Inter College via Jagat Taran Golden Jubilee School to Jawahar Lal Nehru Road under Zone 4 Tagore Town	20.05	15.52	-	13.97#	1.55	15.52	-	9.02	9.02
5.	Construction work of road, track, drain, divider and utility duct from Dhramveer statue to fort station via RTO square in ward 49 Transport Nagar under Zone 6	19.34	13.23	-	11.91#	1.32	13.23	-	8.70	8.70

Source: Government orders for Project Cost approved and the Project Cost share. Work Orders and Agreements for Project Cost awarded.

*Note: *Based on financial approval from GoUP under AMRUT 2.0 Scheme vide order dated March 15, 2024*
***The project is approved by committee constituted for the above works and the cost of the project will be borne through grants from 15th Finance Commission of GoI, SWM scheme of GoUP & Nagar Nigam Nidhi*
#Based on financial approval from GoUP under CM-Green Road Infrastructure Development Scheme (CM-GRIDS) vide order dated March 13, 2024 & November 04, 2024.

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

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

Sr. No	Project Name	Utilization from Issue Proceeds (Rs. in crores)
1	Construction of 200 Bedded Super Speciality Hospital Block at Naini Prayagraj	50.00
Total		**50.00**

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

S. No.	Description	Total Amount (Rs. in Crores)
1.	PNN Contribution (internal accruals)	26.54
2.	External Borrowing (Bonds)	50.00
	Total Project Cost	**76.54***

** The cost of the Project is as approved by Government of Uttar Pradesh dated vide letter November 14,2024 & approved by Bond Issue Committee vide resolution dated March 11, 2025. Cost of the Project is inclusive of GST and may vary during the implementation. Any incremental cost shall be borne by Prayagraj Nagar Nigam (PNN).*

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

As on date, there is no capital grant received for the proposed Project, and it is being funded by PNN contribution and proceeds from the Issue as stated above.

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

Particulars	Grant Received (Rs. in Crores)
Financial Year 2023-2024	446.64
Financial Year 2022-2023	393.54
Financial Year 2021-2022	362.72
Half year ended 30th September, 2024	208.08

Certified by Auditor vide certificate dated April 23, 2025

In addition to State Finance Commission Grants received by the Issuer, as mentioned for the last three Financial years in table above, the revenue grants received and spent during the last three Financial years by the Issuer is set out below:

Particulars	Financial Year (Rs. in Crores)			
	2021-2022	2022-2023	2023-2024	Half year ended 30th September, 2024
Revenue Grant Received	36.36	76.87	92.49	34.23
Revenue Grant Spent	36.36	76.87	92.49	31.71

Certified by Auditor vide certificate dated April 23, 2025

SECTION VII: OBJECTS OF THE ISSUE

Project: Construction of a 200 Bedded Super Specialty Hospital Block at Naini, Prayagraj

The details of Project based on the Detailed Project Report dated August 20, 2024 ("DPR for Project") prepared by, ANB Consultants, the project consultant for Project ("Project Consultant") and certificates dated March 11, 2025 , and April 23, 2025 from Project Consultant for Project are listed below:

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.:

The proposed Project involves construction of a 200 Bedded Super Specialty Hospital Block at Naini, Prayagraj

Naini, a rapidly growing sub-urban region within Prayagraj which is witnessing significant residential and commercial developments. Despite its rapid growth, the region faces critical gaps in healthcare infrastructure, creating an urgent need for advanced medical facilities to cater to the burgeoning population and its diverse healthcare demands. However, the region's existing infrastructure is inadequate to meet the healthcare needs of the urban population effectively. Further, Prayagraj being holy city witnesses large-scale gatherings of pilgrims from across the world and thereby it is imperative to have a super specialty hospital to cater to the healthcare needs of the visitors and will help managing routine and emergency medical requirements efficiently. The absence of advanced medical facilities in the vicinity forces residents to travel long distances for specialized treatments, leading to delayed care and negatively impacting patient outcomes.

Under the proposed Project, Prayagraj Nagar Nigam proposes to undertake civil construction work of the Hospital Building as per the design parameters of National Building Code and designed to get the National Accreditation Board for Hospitals & Healthcare Providers (NABH) category with required utilities. The Corporation shall lease the hospital building to the appointed service providers / hospital management consultants and the appointed service providers / hospital management consultants shall work for setting up various labs/departments make appropriate staff deployment & commence the operations of the hospital.

The proposal involves:

(i) carrying out civil construction works of the Hospital Building which is estimated to be completed within 2 years; and
(ii) commencement of operations of the Hospital by appointment of service providers / hospital management consultants through competitive bidding.

The civil construction phase shall comprise of all civil infrastructure developments. Upon completion of construction, the operations of the hospital will commence, covering the supply and installation of medical equipment, management of pharmacy, deployment of doctors, and any additional activities required for seamless operations of the hospital including operation & maintenance of the hospital building. This phase shall be governed by a revenue-sharing model, ensuring financial sustainability and efficient service delivery. The operation and maintenance contract will have a minimum validity of 25 years, ensuring long-term commitment to quality healthcare services.

The proceeds from the Municipal Bonds shall be utilized for the purpose of construction of the hospital building only and the applicable costs for setting up various labs/departments shall be taken up separately by the appointed service providers / hospital management consultants.

The Hospital building is proposed to feature multiple floors designed for Hospital purpose, following is the proposed floor-wise plan for the building.

Total no of Floors	G to G+4
Ground (G) floor	Outpatient department (OPD), Emergency, Imaging and Radiology, Laundry Unit, Dietary Unit, Support Services, Entrance
First floor (G + 1)	Dialysis, Endoscopy (ERCP), Physiotherapy
First floor (G + 2)	Single and Twin Sharing Rooms, Wards
First floor (G + 3)	Single and Twin Sharing Rooms, Wards

First floor (G + 4)	OT, CSSD, ICU, Blood Bank
Total built-up area	14576 square meters

Key Features & Facilities of the proposed hospital:

S. No.	Key Features & Facilities	
1	**Emergency Services**	• Dedicated triage area for patient assessment and categorization. • Minor operation theatres (OTs) and immediate treatment rooms to efficiently manage emergency cases.
2	**Radiology and Diagnostics**	• Advanced diagnostic tools, including x-ray machines, ultrasounds, CT & MRI scanners.
3	**Pathology and Pharmacy**	• Comprehensive pathology laboratories with sample collection centers. • Efficient reporting systems. • Blood bank • In-house pharmacy services for patients and visitors.
4	**In-Patient Departments (IPD)**	• Specialized departments distributed across multiple floors, including General Wards, Private Rooms, Intensive Care Units (ICUs), High-Dependency Units (HDUs).
5	**Support Infrastructure**	• Food court for staff and visitors. • Ambulance parking with dedicated entry/exit points for emergencies. • Provisions for future expansion to accommodate growing needs.
6	**Sustainability and Utilities**	• Rainwater harvesting systems. • Solar PV rooftop plant for renewable energy. • Efficient sewage treatment plant (STP) to manage waste sustainably. • Advanced HVAC systems, medical gas pipelines, and centralized power backup for uninterrupted services. • Kitchen , Laundry, Mortuary, CSSD

Specialized Departments of the Proposed Super Specialty Hospital:

Sl. No.	Key Features & Facilities	
1	**Cardiology**	• Interventional Cardiology, Electrophysiology, Cath Lab, OT
2	**Neurology and Neurosurgery**	• Stroke Unit, Spine Surgery, MRI, EMG, ENG, OT
3	**Nephrology/Urology**	• Dialysis Unit, Kidney Transplantation, Prostate and Kidney Stone Clinic
4	**Gastroenterology and Hepatology**	• Endoscopy Unit, Liver Transplantation, ERCP
5	**Orthopedics**	• Joint Replacement Surgery, Sports Medicine
6	**Endocrinology**	• Diabetes Management, Hormonal Disorders, Thyroid
7	**Plastic and Reconstructive Surgery**	• Burn Unit, Aesthetic Surgery
8	**Critical Care**	• ICU, Emergency Medicine
9	**Radiology and Imaging Sciences**	• MRI/CT/Ultrasound Services

Note: The departments are subject to be changed if required by the authority during the finalization of tender (Prayagraj Nagar Nigam).

Benefits of the Project are provided below:

- Improved Access to Healthcare – Provides specialized medical services locally, reducing the need for travel and ensuring timely treatment.
- Strengthening Healthcare Infrastructure – Establishes a modern facility with advanced technology, enhancing overall medical services in the region.
- Public Health Preparedness for Large Gatherings – Ensures medical readiness for events like Kumbh Mela, reducing healthcare strain and managing outbreaks.
- Economic Growth & Employment – Generates jobs, boosts local businesses, and promotes medical tourism.
- Medical Research & Education – Supports training, research, and collaborations with academic institutions, fostering innovation in healthcare.
- Sustainable & Efficient Operations – Incorporates eco-friendly construction, optimizes medical workflows, and enhances patient comfort.
- Enhanced Emergency & Critical Care – Strengthens trauma and intensive care services, ensuring better disaster and crisis response.

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

Location	Naini area of Prayagraj Nagar Nigam
Plant & Machinery/ Components	List of machinery used in the construction of project: **1. Excavators:** These machines are essential for digging and excavating the foundation and trenches required for the reservoirs. 2. **Concrete Batching Plants:** The plants are used to produce large quantities of concrete with specified mix designs, ensuring the structural integrity of the reservoirs. 3. **Concrete Pump Trucks:** Used to pump and place concrete in hard-to-reach areas, ensuring proper filling and consolidation. 4. **Formwork Systems:** To mold and shape the concrete during construction, formwork systems are employed for creating walls, slabs, and other structural elements. 5. **Rebar Cutters and Benders:** Essential for cutting and bending reinforcing steel bars to the required specifications for structural reinforcement. 6. **Compactors:** Vibratory compactors help in achieving proper compaction of soil and backfill materials around the foundation of the reservoirs. 7. **Concrete Mixers:** Used to mix concrete batches on-site, ensuring a consistent and quality mix for construction. 8. **Surveying Instruments:** Precision instruments such as total stations and GPS systems are used for accurate layout and alignment of the reservoir structures. 9. **Concrete Vibrators:** Ensure proper consolidation of concrete to eliminate air voids and enhance structural strength. 10. **Batching and Mixing Plants:** For the preparation of various construction materials and ensuring consistency in the mix. 11. **Water Pumps:** Used for dewatering and managing water levels during construction. The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of construction projects.
Process and Technology	1. **Site Selection and Surveying:** • Process: Initial site selection involves evaluating factors such as elevation and topography. • Technology: Surveying instruments such as total stations and GPS are used for accurate site measurements and data collection and layout. 2. **Design and Planning:** • Process: Engineers develop detailed structural and architectural plans considering the land available and safety standards. • Technology: Computer-Aided Design (CAD) software is commonly used for creating detailed blueprints.

	3. **Excavation and Foundation Construction:** • Process: Site preparation involves excavation for foundation. • Technology: Earthmoving equipment, including excavators is utilized for efficient excavation. • Dressing of Excavation for PCC work. • Pcc work in entire foundation as per design. • Reinforcement work and preparation for casting. • Column shuttering and Rebar work. • Column casting. • Retaining wall Shuttering & Rebar. • Casting of RCC. 4. **Reinforcement and Formwork:** • Process: Reinforcement bars are cut and bent according to design specifications. Formwork is erected to mold and shape the concrete. • Technology: Rebar cutters and benders, along with advanced formwork systems, enhance precision and efficiency. 5. **Concrete Placement:** • Process: High-quality concrete is mixed and poured into the formwork to create the structural components. • Technology: Concrete batching plants and transit mixers ensure consistent and quality concrete mixes, while concrete pumps facilitate precise placement. 6. **Curing and Quality Control:** • Process: Proper curing methods are employed to enhance concrete strength. Quality control measures are implemented throughout the construction process. • Technology: Non-destructive testing methods, contribute to quality assurance. 7. **Structural Monitoring:** • Process: Continuous monitoring of structural elements during and after construction. • Technology: Structural health monitoring systems may include sensors to detect stresses, deformations, and other parameters affecting the reservoir's integrity. 8. **MEP work** - Internal Electrical connections, VRF system & Rooftop solar – Installation of all the electrical connections, solar system & VRF system for the building. External Sewerage & STP plant – Construction of the external sewerage, storm water drains, rain water harvesting, trenches of services & boundary walls & sewage treatment plant for building campus. 9. CCTV systems – Installation of CCTV systems covering the building. **10. Final Inspection and Commissioning:** • Process: Comprehensive inspection is conducted to ensure adherence to design specifications and safety standards. **11. Landscaping and Surrounding Infrastructure:** • Process: Landscaping is performed around the reservoir, and surrounding infrastructure is developed. • Technology: Advanced landscaping techniques and civil engineering technologies contribute to the aesthetic and functional aspects of the project.

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 the Project is given below:

Sr. No.	Item Description	Total Cost (in Rs. Cr)
1	Cost of Basement Floor	7.94
2	Cost of Ground Floor	6.29

3	Cost of First Floor	5.97
4	Cost of Second Floor	5.97
5	Cost of Third Floor	5.97
6	Cost of Fourth Floor	5.97
7	Mumty/Terrace	0.21
8	Cost of Ramp	1.02
9	Cost of submersible pump	0.04
10	Cost of rain water harvesting	0.09
11	Cost of storm water drains	0.37
12	Cost of landscape & horticulture	0.16
13	Cost of road / surface parking	0.12
14	Silent DG Set	0.28
15	Sewage Treatment Plant (S.T.P)	0.28
16	Underground sump	0.17
17	Over Head tank	0.17
18	Cost of external electrification	1.05
19	Cost of Solar PV roof-top plant (30 kw)	0.13
20	Cost of boundary wall	0.35
21	Cost of gate	0.10
22	Cost of stretcher lift	0.43
23	Cost of false ceiling	2.12
24	Cost of glazing	0.79
25	Cost of air condition VRV system	6.45
26	CCTV camera system	0.18
27	Lan system	0.48
28	IP Based EPABX System	0.50
29	Modular O.T. (Stainless Steel Technology)	1.06
30	Uninterrupted Power supply	0.24
31	Air Curtains	0.1
32	Cabling Work	0.84
33	Medical gas work	6.68
34	CSSD Equipment's	0.62
35	Communication System	0.29
	Total Cost (A)	**63.43**
	Contingency [@1% of Total cost (A)]----------(B)	**0.63**
	Project Cost including contingency (C') = (A) + (B)	**64.06**
	Consultancy Fee [@1.25% of (C)]----------(D)	**0.80**
	Grand Total (E') = (A+B+C+D)	**64.86**
	GST (@18%)	**11.68**
	Approved Project Cost (E)*	**76.54**

**The activity-wise cost for the Project is as per the DPR for Project & approved by the Bond Issue Committee vide resolution dated March 11, 2025 and certificates from Project Consultant dated March 11, 2025 ,and April 23, 2025.*

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 is being executed in single phase.

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 Projects are presented in the table below:

Name of the Project	Approved project cost* (Rs. in Crore)	Means of the finance of the capital cost (Rs. in Crore)	
		PNN Contribution (internal accruals)	External Borrowing (Proposed Bonds Issue)
Construction of 200 Bedded Super Speciality Hospital Block at Naini, Prayagraj	**76.54**	**26.54**	**50.00**

**The approved project cost is inclusive of GST*

Note: *The cost of the Project is as approved by Government of Uttar Pradesh dated vide letter November 14, 2024& approved by Bond Issue Committee vide resolution dated March 11, 2025. Cost of project may vary during implementation. Any incremental cost shall be borne by PNN.*

The Issuer confirms that its contribution for the Issue shall not be less than 20% (Twenty percent) of the cost of the Project, which shall be contributed from its internal accruals.

E. Schedule of implementation of the Project

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

Activity Description	Duration* (in Days)		Physical Target (%)	Financial target %
Site clearance and leveling	T*	T+14	5%	5%
Foundation construction	T+15	T+49	10%	10%
Ground floor construction	T+50	T+77	20%	20%
First to Terrace construction	T+78	T+224	60%	60%
Equipment Processing	T+225	T+245	65%	65%
Electrical	T+246	T+287	70%	70%
HVAC	T+288	T+322	75%	75%
Plumbing	T+323	T+357	80%	80%
MGPS	T+358	T+385	85%	85%
Equipment Installation	T+386	T+407	90%	90%
Finishing (Flooring, Ceiling, Painting)	T+408	T+497	95%	95%
Commissioning	T+498	T+557	100%	100%

***T stands for the estimated start date of the Project#.*

**The above timelines are indicative and based on the certificates from the Project Consultant dated March 11, 2025 and April 23, 2025 and the Physical Target and Financial Target for the activities will commence after allotment of Work order and signing of vendor agreement for implementation of the Project.*

#Issuer has undertaken to ensure completion of the tendering process of the Project within six months of the Issue Closing Date on best effort basis and to take all necessary steps for timely completion the Projects.

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

The indicative milestone dates for the proposed Project are as below:

Sr. No.	Item Description	Duration (In Days)	Date of Start	Date of Completion
1	Site clearance and levelling	14	T*	T+14
2	Foundation construction	35	T+15	T+49
3	Ground floor construction	28	T+50	T+77

Sr. No.	Item Description	Duration (In Days)	Date of Start	Date of Completion
4	First to Terrace construction	147	T+78	T+224
5	Equipment Processing	21	T+225	T+245
6	Electrical	42	T+246	T+287
7	HVAC	35	T+288	T+322
8	Plumbing	35	T+323	T+357
9	MGPS	28	T+358	T+385
10	Equipment Installation	22	T+386	T+407
11	Finishing (Flooring, Ceiling, Painting)	90	T+408	T+497
12	Commissioning	60	T+498	T+557

T stands for the estimated start date of the Project.*

***Issuer has undertaken to ensure completion of the tendering process of the Project within six months of the Issue Closing Date on best effort basis and to take all necessary steps for timely completion the Projects.*

Current Status of the Project:

Detailed Project Report has been prepared and the cost of Project has been approved. The Issuer is yet to issue any tenders inviting bids for construction of Hospital Block post which work orders will be issued for implementation of Project. The Issuer will invite competitive bids for appointing service providers / hospital management consultants for setting up the hospital & commence the operations of the hospital.

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

Project has been approved by GoUP vide letter 1342/No-9-2024-58J/18T.C.-E-1820120 dated November 14, 2024.

Based on the certificate dated April 23, 2025 from Project Consultant, the details of approvals as required for implementing the Project and their status is as given below:

Sr. No.	Description of Approval and Name of the Authority/Agency	Status of Application	Status of Approval
1.	Approval from Government of UP	Received	Received vide letter dated November 14, 2024
2.	NOC of building plan from Prayagraj Development Authority	Applied vide letter dated March 11, 2025	Awaited*
3.	NOC from Fire Department	Applied vide letter dated March 11, 2025	Awaited*
4.	NOC from Purvanchal Vidhuyt Vitaran Limited (PUVVNL)	Applied vide letter dated March 11, 2025	Awaited*
5.	NOC from BSNL	Applied vide letter dated March 11, 2025	NOC Received vide letter dated March 24, 2025
6.	NOC from UP Pollution Control Board (UPPCB)	Applied vide letter dated March 11, 2025	Awaited*

** These approvals are necessary for commencement of the Project. The Issuer has undertaken to ensure that these necessary pre-construction approvals for the commencement of the Project are obtained within three months of receipt of the Issue Proceeds and the same shared with the Debenture Trustee. The Issuer will utilize the Issue Proceeds only after the receipt of these approvals which are necessary for the commencement of the Project and after intimation of the same to Debenture Trustee.*

In addition to the above, post completion of the construction of the hospital building, following approvals will be required to be obtained for commencement of operations of the hospital. Based on the certificates dated March 11, 2025 , March 28, 2025 and April 23, 2025, from Project Consultant, these approvals shall require technical expertise and thereby can be applied with the support of the appointed service provider/ hospital management consultants only after completion of construction work of the hospital building:

1.	Approval for Biomedical Waste Management from UPPCB
2.	Clinical Establishment License from State Health Department
3.	Pharmacy License from State Drug Controller
4.	Blood Bank License Will be issued by the Drug Controller General of India (DCGI)
5.	Food Safety License from FSSAI
6.	Food and drugs administration (FDA)
7.	NABH Accreditation (optional but recommended which may be obtained after commencing of operations)
8.	AERB Approval for Radiology Equipment's Atomic Energy Regulatory Board (AERB)

Based on the certificates dated March 11, 2025 and April 23, 2025 from Project Consultant, other than the approval mentioned herein, there are no other statutory or regulatory approvals/ permissions/ licenses required to be obtained by the Corporation for implementation of the Project.

H. 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 Rs.) (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	74,000.00	6.06%	0.0148%
Fees to the Legal Advisor to the Issue	198,000.00	16.21%	0.0396%
Advertising and marketing expenses (including road shows and investors meet)	250,000.00	20.46%	0.0500%
Regulators including stock exchange	99,800.00	8.17%	0.0200%
Printing and distribution of issue stationery	50,000.00	4.09%	0.0100%
Others, if any (fees of Rating Agencies, Debenture Trustee, etc.)	550,000.00	45.02%	0.1100%
Total (exclusive of taxes)	**1,221,801.00**	**100.00%**	**0.2444%**

**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

Any special tax benefits (under direct and indirect tax laws) for the issuer and its investors:

To,
Prayagraj Nagar Nigam
1, Sarojini Naidu Marg, Civil Lines,
Prayagraj, Uttar Pradesh – 211001

Dear Sirs,

Re: Statement of Tax Benefits available to the debenture holders of private placement of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of Debentures of face value of ₹4,00,000/- each(Rupees Four Lakhs) ("Bonds"/"NCDs"/"Debentures"), (comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000, 1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000) for an amount aggregating up to ₹50 crores (Rupees Fifty Crores Only) ("Issue").

1. We, **Ravi Kumar Srivastava & Associates**, Chartered Accountants, refer to the proposed Issue by Prayagraj Nagar Nigam(the "**Issuer**") and enclose the statement of special tax benefits available to the Issuer and Investors under the Income Tax Act, 1961 (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, 2025 and Taxation Laws (Amendment)Act, 2021 as applicable for the financial year 2025-26, for inclusion in the Placement Memorandum which is proposed to be filed by the Issuer with the Stock Exchange(s), the Securities and Exchange Board of India 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 Investors to derive these tax benefits is dependent upon their fulfilling such conditions.

2. 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 debenture 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.

3. We hereby give our consent to include the Statement in the 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.

4. **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.

5. 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**" or "**Permitted Recipient**"). We further consent to the above details being include for the records to be maintained by the Merchant Banker in connection with the Issue and in accordance with the provision of the applicable laws.

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

For Ravi Kumar Srivastava & Associates
Chartered Accountants
Firm's Registration No. 008995C

Ravi Kumar Srivastava
(Proprietor)
Membership No.:078466
UDIN: 25078466BMJUWB5780

Place: Prayagraj
Date: April 23, 2025

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 Debenture Holder(s). 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 Debenture Holder(s), 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 Debentures. The Debenture Holders are advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting its tax advisor as alternate views are possible. We are not liable to the Debenture 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) alongwith 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 Debenture Holders:

DIRECT TAXES

IMPLICATIONS UNDER THE INCOMETAX 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:

In accordance with the amendments under the Finance Act, 2025, Surcharge and Health & Education Cess shall be added to rate of tax deduction, wherever applicable.

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 Debentures 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 Debenture holder(s)

The interest income earned on investment made in municipal bonds are 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(+SC+HEC)*

(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.

<u>Deduction of Tax at Source on interest on NCDs</u>

1. Income Tax is deductible at source at the rate of 10%(no surcharge or health education cess) 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 Rs. 10,000 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.

2. 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.

3. 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 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 tile 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.

4. 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.

5. 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 Issuer 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:

S. 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 Issuer. 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 declaration (in duplicate) in the prescribed form i.e., Form 15H which can be given by individuals who are of the age of 60 years or more Form 15G which can be given by all applicants (other than companies, and firms), or 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	Copy of Registration certificate
4	General Insurance Corporation of India, companies formed under section 16(1) of General Insurance Business Act, 1972 and any company in which GIC has full	Clause vii of Proviso to Section 193	Copy of Registration certificate Copy of shareholding pattern

S. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
	beneficial interest (100% shareholding)		
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
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
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
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 Debenture holder(s)

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 UPMC Act provides borrowing powers to PNN. The proposed issue is being made pursuant to Section 154 of the UPMC Act and is subject to the provisions of the UPMC Act, the terms of this 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 tilted "*About the Issuer and Capital Structure of the Issuer*" on page no. 43.

Section 154 provides that the Corporation may from time to time borrow or re-borrow and take up at interest from the Central or the State Government or with the sanction of the Government, from any other person for the purpose of:
(a) defraying any costs, charges or expenses incurred or to be incurred by them in the execution of this Act.
(b) discharging any loan contracted under this Act or any other loan or debt for the repayment of which they are liable;
(c) Generally, carrying out the purposes of this Act.

Further in accordance with Section 156 of the UPMC Act, every loan raised by PNN under Section 154 shall be repaid by the following methods:

(a) by payment from a sinking fund established under Section 157 in respect of the loan;
(b) by equal payments of principal and interest;
(c) from any sum borrowed for the purpose under clause (b) of sub-section (1) of Section 154;
(d) partly from a sinking fund established under Section 157 in respect of the loan and partly from money borrowed for the purpose under Section 154(1)(b);
(e) By such other method including drawings as the State Government may specify.

Further in accordance with Section 161, if any money borrowed by the Corporation or any interest or costs due in respect thereof are not repaid according to the conditions of the loan, the State Government, if it has itself given the loan, may, and in other cases shall, on the application of the lender after considering the explanation of the Corporation, if any, attach the Corporation Fund or a portion of the corporation fund.

B. Rating and detailed Rating Rationale.

The Bonds proposed to be issued by the Prayagraj Nagar Nigam have been rated by Acuite Ratings & Research Limited ("Acuite Ratings") and India Ratings Research Private Limited ("India Ratings") (collectively the "Rating Agencies"). Acuite Ratings has assigned a rating of Provisional Acuite AA/Stable vide its rating letter dated February 20, 2024 and reaffirmed vide letter dated February 18, 2025,March 27, 2025 and April 22, 2025 and has issued a rating rationale dated February 18, 2025, India Rating has assigned a rating of Provisional IND AA/Stable vide its letter dated March 07, 2024 and reaffirmed vide letter dated March 06, 2025 and April 16, 2025, and has issued a rating rationale dated March 06, 2025. 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 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 Bonds and detailed rationale of the ratings, please refer to Annexure- III. There are no unaccepted rating and any other than as specified in this Placement Memorandum.

C. Other Confirmations

- The Issuer is eligible to raise funds under its constitution documents and in terms of the Uttar Pradesh Municipal Corporation Act, 1959;

- The accounts of the Issuer are prepared in accordance with the National Municipal Accounting Manual;

- The Issuer has no outstanding loans or borrowings from banks and financial institutions as of the date of filing this Placement Memorandum;

- 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.

As per order issued by GoUP dated July 30, 2019, an infrastructure development fund (IDF), which is formed from 0.5% out of the 2% additional Stamp Duty deposited on transfer records of immovable properties located under Urban Local Bodies (ULB), is made available to the ULBs issuing municipal bonds on first priority. This policy was formed by GoUP to promote the issue of Municipal bond by Local Bodies to get desired Credit Enhancement for fulfilling the requirements of issuing Bonds. Subsequently, GoUP vide G.O. dated February 6, 2025 approved for the Issue, and use of IDF for the proposed Issue. This incentive is available to bodies issuing municipal bonds in accordance with the SEBI guidelines. No amount/ commission/ compensation is payable by the Issuer to GoUP towards the IDF during or after the Issue

For further details, 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 bearing number DSC/COMP/PG/IP-PPDI-MC/02/24-25 dated March 19, 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 per cent) 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 UPMC 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 Placement Memorandum.

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

a. We would like to disclose to all the stakeholders including but not limited to potential investors that, PNN has appointed A. K. Capital Services Limited as Merchant Bankers/ Arrangers to the Issue vide Engagement letter dated August 19, 2023 and Issue Agreement dated March 11, 2025;
b. We further would like to disclose that lead managers/ merchant bankers/ arrangers either directly or through its affiliates or it associates or its subsidiaries may invest in the proposed issue through EBP mechanism in transparent manner;
c. 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	Prayagraj Nagar Nigam	KFin Technologies Ltd.
Correspondence Address	1, Sarojini Naidu Marg, Civil Lines, Prayagraj, Uttar Pradesh- 211001	Selenium Tower -B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana - 500032,
Contact Person	Raj Kumar Sharma	Srinivas Sudheer Venkatapuram
Designation	Chief Finance and Accounts Officer	VP – Corporate Registry
E-mail ID	bondspmc2023@gmail.com	srinivassudheer.venkatapuram@kfintech.com
Tel. No.	05322560017	040- 67162222
Fax No.	-	040-23001153
Link for online submission	-	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:

- 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;

- 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;

- 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;

- 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;

- 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 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;

- 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;

- 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 tile return of income as per Section 139 of the IT Act);

- 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**"):

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

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 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 shall be available at https://www.BSE-ebp.com/ebp/rest/login. 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 up to 1,250 (One Thousand Two Hundred and Fifty) Rated, Listed, Taxable, Secured, Redeemable Non-Convertible Municipal Bonds in the nature of Debentures, of Face Value of ₹ 4,00,000/- each ("Bonds"/ "NCDs"/"Debentures") comprising of 4 (four) separately transferrable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000,1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000 for cash, for an amount aggregating up to ₹ 50 Crores (Rupees Fifty Crores only)
Interest rate parameter	Fixed Coupon
Issue Opening Date	April 30, 2025
Issue Closing Date	April 30, 2025
Minimum Bid Lot	3 Debentures (comprising of 3 STRPP A, 3 STRPP B, 3 STRPP C and 3 STRPP D).
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 Placement Memorandum
Settlement Cycle	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date

(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:

- Names of such Eligible Investors;

- Category of the Eligible Investors (i.e. QIB or non-QIB); and
- 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 Rs. 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:

- such cancellation/ modification in the bids can be made only during the bidding period;
- no cancellation of bids shall be permitted in the last 10 minutes of the bidding period; and
- in the last 10 minutes of the bidding period, only revision allowed would be for:
- downward revision of coupon/ spread or upward modification of price; and/ or
- 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:

- 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.
- 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	HDFC Bank
IFSC	ICIC0000106
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	PNN BONDS 2025 ISSUE PROCEEDS ACCOUNT
Bank Account No.	50200108330860
IFSC Code	HDFC0000861
Bank Name	HDFC BANK LIMITED
Branch Address	4/58, zero road, shiv Charan Lal road, Chowk, prayagraj - 211003 (U.P.)

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 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 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 1, Sarojini Naidu Marg, Civil Lines, Prayagraj, Uttar Pradesh-

211001, 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:

- Articles and Memorandum of Association/ Constitution/ Bye-laws;
- Board Resolution authorizing the investment and containing operating instructions;
- Power of Attorney/ relevant resolution/authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- 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.

(k) **Procedure for Applying for Dematerialised Facility**

i. The applicant must have at least one beneficiary account with any of the DP's of NSDL/ CDSL prior to making the application.

ii. 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".

iii. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

iv. 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.

v. 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.

vi. 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.

vii. 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.

(l) **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 dematerilsed form only. As per provisions of the Depositories Act,1996. 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.

(m) **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.

(n) **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 a 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.

(o) **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:

i) SEBI registration certificate;
ii) Resolution authorising investment and containing operating instructions;
iii) Specimen signature of authorised signatories.

(p) **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).

(q) **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 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.

(r) **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.

(s) **Refunds**
As per the provisions of the SEBI Municipal Debt Regulation, 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.

(t) **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.

(u) **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 EBP Guidelines.

(v) **Applications complete in all respects must be submitted before the last date indicated in the issue timetable.**

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.

(w) **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.

(x) **Market Lot**

The market lot for the purpose of bidding on the BSE EBP platform will be one bond. 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/STRPPs.

(y) **Trading of Bonds**

The trading lot shall be 1 (one) STRPP forming part of any NCD, pursuant to which 1 STRPP of any NCD bearing individual ISIN will be tradable by the NCD Holders.

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.

Please note that in case of Maturity Date of any STRPP, the trading in the respective STRPP shall remain suspended between the Record Date and the Maturity Date.

(z) **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 K(a) "Eligible Investors" of this Section on page no.73 of this Placement Memorandum. The NCDs under this Issue will be allotted and transferred in dematerilsed form only. As per provisions of the Depositories Act, 1996, 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. The Debentures held in dematerialised 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 dematerialised form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

(aa) **Debentures held in Dematerialised Form**

The NCDs under this Issue will be allotted and transferred in dematerilsed form only. As per provisions of the Depositories Act, 1996, Investors has an option to hold the Bonds only 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.

(bb) **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.

(cc) **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.

(dd) **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.

(ee) **Trustee for the Debentures**

The Issuer has appointed Beacon Trusteeship 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 teed, 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.

(ff) **Interest on Application Money**

Not Applicable

(gg) **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 Bondholders 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 Bondholders whose names appear on the list of Beneficial Owners given by the Depositories to the Registrar as on the Record Date.

(hh) **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.

(ii) **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 Bondholders.

(jj) **Put & Call Option**

Neither the Bondholder(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.

(kk) **Redemption**

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 of Bonds. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer to the registered Bondholders whose name appear in the Register of Bondholders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders.

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 in accordance with the provisions of Chapter III of the SEBI Master Circular.

(ll) **Roll-Over of Bonds issued**

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

(mm) **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.

(nn) **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.

(oo) **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 Bondholders 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 Bondholders. On such payment being made, the Issuer shall inform NSDL/CDSL/Depository Participant and accordingly the account of the Bondholders with NSDL/CDSL shall be adjusted.

The Issuer's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished after the redemption of STRPPs/Bonds. Further the Issuer will not be liable to pay any interest or compensation after the redemption of STRPPs/Bonds. On the Issuer's crediting the amount to the Beneficiary(ies) in respect of the Bonds, the liability of the Issuer shall stand extinguished except in case of delay or non-credit of funds into the accounts of the Beneficial Owners.

(pp) **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.

(qq) **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 documentary evidence for this purpose, in accordance with the Applicable Laws

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.

(rr) **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 EBP Guidelines.

(ss) **Acknowledgements**

Merchant Banker/Arranger to the Issue receiving the duly completed Application Form will acknowledge receipt of the application. No separate receipts will be issued for the application money.

(tt) **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.

(uu) **Nomination Facility**

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

(vv) **Right of Bondholder(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 Bondholders 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 Bondholders 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 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.

(ww) **Modification of Rights**

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated in accordance with the 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 Bondholders.

(xx) **Notices**

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

(yy) **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 divided payable in respect of such debenture unless notice to the contrary has been given to the Commissioner by other holders.

(zz) **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 Prayagraj, India. However, in relation to the Issue Proceeds Agreement the parties shall submit to the exclusive jurisdiction of Courts and Tribunals in Mumbai

(aaa) **Procedure for deciding and adjusting payment dates.**

i. 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.

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

iii. If the redemption/maturity date of the STRPP/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 such STRPP/Bonds shall also be paid on the previous working day as per the cash flows provided under Annexure – VI "Illustration of Bond Cash Flow" of this Placement Memorandum.

iv. 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.

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

M. 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.)

NIL, as the Issuer has not issued any municipal debt securities in past 5 years.

N. 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.

O. 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. 126 of this Placement Memorandum.

P. Permission to use Issuer Details

The Online Bond Platform Providers registered with the stock exchanges ("OBPPs" 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. It is the responsibility of Issuer to ensure compliance with Applicable Laws and further ensure that the same does not constitute an offer to the public.

Q. 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 fee amounting to Rs. 1.00/- (plus the applicable taxes) and annual service charges of Rs. 1.00/- (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.

- 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.

- 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.

- 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.

- 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:

- Security Cover Certificate
- Valuation of Security
- 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.

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).

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.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreements)

1. 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:

2. 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.

3. 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.

4. 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-PoD3/P/CIR/2024/46) dated May 16, 2024 issued by SEBI.

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.

BEACON TRUSTEESHIP LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED APRIL 23, 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:

1. 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.

2. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).

3. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.

4. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN PLACEMENT MEMORANDUM AND ALL DISCLOSURES MADE IN THE PLACEMENT MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.

5. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), PLACEMENT MEMORANDUM.

6. 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,
Prayagraj Nagar Nigam
1, Sarojini Naidu Marg,
Civil Lines, Prayagraj,
Uttar Pradesh – 211001

Dear Sirs,

1. We have examined the Financial Information comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the "**Financial Information**") of Prayagraj Nagar Nigam (the "**Issuer**") 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 the BSE Limited ("**Stock Exchange**"), where the Debentures are proposed to be listed for private placement by the Issuer of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of debentures of face value of ₹4,00,000/- each("Rupees Four Lakhs") ("**Bonds**"/ "**NCDs**"/ "**Debentures**"), (comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000, 1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000, for an amount aggregating up to ₹50 crores (Rupees Fifty Crores Only) ("**Issue**").

   It may be noted that "Uttar Pradesh Government vide office memorandum number 380(1)/9-2-2010-58Mis-2007 dated February 04, 2010 read with office memorandum dated May 20, 2010 (collectively "Government Orders"), directed to merge the Jal Sansthan of Prayagraj ("**Jalkal**") with the Prayagraj Nagar Nigam ("Merger"). However, owing to operational reasons beyond the control of Jalkal and the Issuer, the merger could not be completed till FY 2021-2022, and resultantly the financial statements of the Issuer and Jalkal Department of Prayagraj Nagar Nigam were prepared separately till Financial Year 2021-2022. The financial statements of the Prayagraj Nagar Nigam for financial year 2021-2022 were audited by us vide our audit report dated December 21, 2022. The unaudited financial statements of the Jal-kal vibhag of Prayagraj Nagar Nigam for financial year 2021-2022 were compiled by Bhattacharya & Mehrotra, Chartered Accountants vide their compilation report dated March 11, 2023.

   Subsequently, during the Financial Year 2022-23, accounts of Jalkal (hereinafter referred to as "Jalkal Department") were merged with that of the Corporation. The merged figures for Financial Year 2021-2022 appearing as previous year numbers for the audited financial statement of Financial Year 2022-2023 have been prepared on the basis of audited books of accounts of Prayagraj Nagar Nigam and unaudited financial results of Jalkal Department and have been regrouped and rearranged wherever necessary. Reliance has been placed on the audit reports/compilation report of previous auditors of the Issuer and the Jalkal Sansthan. The figures for the Financial Year 2021-22 were regrouped and rearranged wherever seemed necessary to form the merged financial statements of Prayagraj Nagar Nigam for inclusion as previous year's figures in the financial statements prepared for Financial Year 2022-23 which were audited by us vide our audit report dated July 01, 2023. The financial statements for Financial Year 2023-24 were also audited by us vide our audit report dated May 27, 2024.

   Accordingly, for the purpose of this Examination report, Financial Information comprising of the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements have been prepared based on (i) the merged accounts of Prayagraj Nagar Nigam and Jalkal Department for Financial Year 2021-2022 and Financial Year 2022-2023 derived from the audited financial statements for Financial Year 2023 audited by us vide our audit report dated July 01, 2023 (ii) the merged accounts of Prayagraj Nagar Nigam and Jalkal Department for Financial Year 2023-2024 derived from the audited financial statements for Financial Year 2023-2024 audited by us vide our audit report dated May 27, 2024.

   In this regard, it is pertinent to take note of each of the following aspects relating to or connected with the Merger:

(i) Pursuant to the Government Orders referred above, the Jal Sansthan shall function as a Jakal Department under the purview of Prayagraj Nagar Nigam (PNN). From the fiscal year 2023, the balance sheets for both PNN and Jalkal were merged.

(ii) As per the Government Orders, the General Manager ("GM") of Jalkal has been granted financial powers of up to Rs. 5,00,000/- (Rupees Five lakhs only) without prior consent of the PNN as well as the authority to recruit officials for Jalkal. However, the budgets of Jalkal Department was passed in the house of Prayagraj Nagar Nigam.

(iii) Pursuant to the Government Orders, Jalkal Department shall collect all revenues received with respect to "Water Supply & Sewer Management" & will be utilized by the Jalkal Department for management of various services of "Water Supply & Sewer Management" and not for any other purpose.

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 Uttar Pradesh Municipal Corporation Act, 1959("**Act**") and the rules framed thereunder;
d) 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 merged financial statements of the Issuer audited by us pursuant to our Auditor's Reports dated May 27, 2024 on the merged financial statements of the Issuer as on and for the financial year ended March 31, 2024, and our Auditor's Report dated July 01, 2023 on the merged financial statements of the Issuer as on and for the financial years ended March 31, 2023 and March 31, 2022.

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.

Auditors 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 February 17, 2024 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 above-mentioned regulations of National Municipal Accounts Manual and the Regulations, we report that:

The Financial Information comprising the Abridged Balance Sheet, the Income and Expenditure Statements 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 of Bonds. 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 exchange(s) or any other statutory/ regulatory authority, as may be required and A.K. Capital Services Limited (being the Merchant Banker to the Issue).

For Ravi Kumar Srivastava & Associates
Chartered Accountants
Firm's Registration No. 008995C

Ravi Kumar Srivastava
(Proprietor)
Membership No.:078466
UDIN: 25078466BMJUWF5257

Place: Prayagraj
Date: April 23, 2025

A. Abridged Balance Sheet **(Rs. In Crores)**

Particulars	FY 2021-22 (Merged)	FY 2022-23 (Merged)	FY 2023-24 (Merged)
LIABILITIES			
Reserve & Surplus			
Municipal (General) Fund	1343.92	1356.94	1379.57
Earmarked Funds	0.00	0.00	0.00
Reserves	0.00	0.00	0.00
Total Reserves & Surplus	**1343.92**	**1356.94**	**1379.57**
Grants, Contributions for specific purposes	**431.91**	**560.47**	**1025.89***
Secured Loans	0.00	0.00	0.00
Unsecured Loans	12.02	10.02	8.01
Total Loans	**12.02**	**10.02**	**8.01**
Current Liabilities and Provisions			
Deposits Received	10.33	10.29	11.58
Deposit works	2.81	0.53	152.19**
Other Liabilities (Sundry Creditors)	159.64	189.02	38.08#
Provisions	3.78	4.94	1.61
Total Current Liabilities and Provisions	**176.56**	**204.78**	**203.46**
TOTAL LIABILITIES	**1964.41**	**2132.21**	**2616.93**
ASSETS			
Fixed Assets			
Gross Block(WDV)	904.14	1042.94	1078.46
Add: Addition During the year	220.03	117.12	162.27
Less: Accumulated Depreciation	81.23	81.61	89.27
Net Block	**1042.94**	**1078.46**	**1151.46**
Capital Work-in-Progress &Other	513.92	526.58	527.98
Total Fixed Assets	**1556.86**	**1605.04**	**1679.44**
Investments			
Investment – General Fund	3.35	3.54	58.90^
Investments – Other Funds	0.00	0.00	0.00
Total Investments	**3.35**	**3.54**	**58.90**
Current Assets, Loans and Advances			
Stock in Hand (Inventories)	1.67	2.11	4.82

Sundry Debtors (Receivables)	245.01	298.43	281.70
Prepaid Expenses	0.00	0.00	0.00
Cash and Bank Balances	152.20	218.27	590.39^
Loans, advances and deposits	4.21	2.52	1.68
Less: Accumulated provision against Loans Net Amount outstanding			
Total Current Assets, Loans & Advances	**403.09**	**521.33**	**878.59**
Other Assets	1.11	2.30	0.00
Miscellaneous Expenditure (to the extent not written off)	0.00	0.00	0.00
TOTAL ASSETS	**1964.41**	**2132.21**	**2616.93**

Notes:

*******The increase in the Grants, Contributions for specific purposes is attributable to unutilized amount of 15th Finance Commission, utilized amount of Kumbh Mela (Mahakumbh) grant etc. during FY 2023-2024.*

***Increase in the deposits works represents unspent amount out of the amount received for Kumbha Mela (Mahakumbh).*

#Decrease in Sundry Creditors is due to huge payments made to contractors from huge grants received during the FY2023-24.

^ Increase in Investment & Cash & Bank Balance is attributable to the un-utilized 15th finance commission grants received by the PNN during FY 2023-24.

B. Income and Expenditure Statement **(Rs. In Crores)**

Major Head of Accounts	Financial Year		
Particulars	**2021-22 (Merged)**	**2022-23 (Merged)**	**2023-24 (Merged)**
INCOME			
Tax Revenue	181.16	217.29	218.23
Assigned Revenues & Compensation	0.00	0.00	0.00
Rental Income from Municipal Properties	1.40	1.07	0.84
Fees & User Charges	21.47	11.60	16.46
Sale & Hire Charges	0.30	1.31	1.22
Revenue Grants, Contributions & Subsidies	399.08	470.42	539.13
Income from Investments	0.00	0.00	0.00
Interest Earned	3.04	4.06	9.28
Other Income	5.39	7.08	9.92
A-Total – INCOME	**611.84**	**712.83**	**795.08**
EXPENDITURE			
Establishment Expenses	310.39	299.22	333.13
Administrative Expenses	8.06	6.18	6.93
Operations & Maintenance	201.02	311.24(1)	341.00(1)
Interest & Finance Expenses	0.00	0.02	0.04
Programme Expenses	0.70	0.71	0.77
Revenue Grants, Contributions & subsidies	0.00	0.00	0.00
Provisions & Write off-Property Tax	0.00	0.00	0.00
Miscellaneous Expenses	0.59	0.83	1.30
Depreciation	81.23	81.61	89.27
Consumption of Stock	0.00	0.00	0.00
B-Total – EXPENDITURE	**601.99**	**699.81**	**772.44**
(A-B)Gross surplus/ (deficit) of income over expenditure before Prior Period Items	**9.85**	**13.02**	**22.64**
Add: Prior period Items (Net)	0.00	0.00	0.00
Gross surplus/ (deficit) of income over expenditure after Prior Period Items	9.85	13.02	22.64
Net balance being surplus/ deficit carried over to Municipal Fund	**9.85**	**13.02**	**22.64**

Notes:(1)Increase in Operations & Maintenance expenses is attributable to the increase in maintenance works undertaken by PNN during the year.

(Rs. In Crores)

C. Cash Flow Statement

Particulars	Financial Year		
	2021-22 (Merged)	2022-23 (Merged)	2023-24 (Merged)
Cash flows from Operating Activities: (A)			
Gross surplus/(deficit) over expenditure	9.85	13.02	22.64
Add:			
Depreciation	81.23	81.61	89.27
Interest & finance expenses	-	-	-
Less:			
Investment income	-	-	-
Interest income received	3.04	4.06	9.28
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	88.04	90.57	102.63
Changes in current assets and current liabilities			
(Increase)/decrease in Sundry debtors	(56.33)	(53.43)	16.73
(Increase)/decrease in Stock in Hand	-	(0.44)	(2.70)
(Increase)/decrease in Prepaid Expenses	0.00	0.00	0.00
(Increase)/decrease in other current assets	(3.01)	0.50	3.14
(Decrease)/increase in Deposits received	44.37	(0.04)	1.29
(Decrease)/increase in Deposits Work	0.00	(2.29)	151.66
(Decrease)/increase in other current liabilities	8.08	30.54	(154.29)
(Decrease)/increase in Provisions	0.00	0.00	0.00
Net cash generated from/(used in) operating activities (A)	**81.15**	**65.41**	**118.46**
B. Cash flows from Investing Activities			
(Purchase) of fixed assets & CWIP	(220.03)	(129.78)	(163.67)
Increase/(Decrease) in Municipal Fund	0.00	0.00	0.00
Increase/(Decrease) in Special Funds/ Grants	102.17	128.56	465.42
Increase/(Decrease) in Earmarked Funds	0.00	0.00	0.00
Sale/(Purchase) of Investments	(0.09)	(0.19)	(55.36)
Add:			
Investment income received	0.00	0.00	0.00

Interest income received	3.04	4.06	9.28
Net cash generated from/ (used in) investing activities (B)	**(114.91)**	**2.65**	**255.67**
C. Cash flows from Financing Activities			
Add:			
Loans from Banks/Others Received (Unsecured & Secured)	0.00	0.00	0.00
Transfer to Reserve	0.00	0.00	0.00
Loan Recovered from Employees	0.00	0.00	0.00
Less:			
Deposits Made	0.00	0.00	0.00
Repayment of Loan (Unsecured & Secured)	(2.01)	(2.00)	(2.00)
Loans & Advances to Employees	0.00	0.00	0.00
Loans & Advances to Others	0.00	0.00	0.00
Interest & Finance Expenses	0.00	0.00	0.00
Net cash generated from/(used in) financing activities (C)	**(2.01)**	**(2.00)**	**(2.00)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(35.77)**	**66.06**	**372.13**
Cash and cash equivalents at beginning of the period	187.97	152.20	218.26
Cash and cash equivalents at end of the period	152.20	218.26	590.39
Net increase and (Decrease) Cash Balance year End	(35.77)	66.06	372.13
Cash balances year End	0.00	0.00	0.00
Bank balances year End	152.20	218.26	590.39

CERTIFICATE ON UNAUDITED FINANCIAL STATEMENTS

To,
Prayagraj Nagar Nigam
1, Sarojini Naidu Marg,
Civil Lines, Prayagraj,
Uttar Pradesh – 211001

Dear Sirs,

8. We have examined the Financial Statement comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the half year ended September 30, 2024 ("**Unaudited Financial Statements**") of Prayagraj Nagar Nigam (the "**Issuer**") as annexed to this report for the purpose of inclusion in the Placement Memorandum to be filed by the Issuer with the Securities and Exchange Board of India **("SEBI")** and the BSE Limited ("**Stock Exchange**"), where the Debentures are proposed to be listed for private placement by the Issuer of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of debentures of face value of ₹4,00,000/- each("Rupees Four Lakhs") ("**Bonds**"/ "**NCDs**"/ "**Debentures**"), (comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000, 1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000, for an amount aggregating up to ₹50 crores (Rupees Fifty Crores Only) ("**Issue**").

   The Unaudited Financial Statements has been prepared by the Management of the Issuer and are certified by us in terms of the requirements of the proposed Issue and has been prepared in accordance with:

   e) Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time ("**Regulations**");
   f) The National Municipal Accounts Manual;
   g) The Uttar Pradesh Municipal Corporation Act, 1959("**Act**") and the rules framed thereunder;
   h) 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**").

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.

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.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Our report is intended solely for use of the purpose set out in first paragraph and in connection with the proposed issue of Bonds. 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 exchange(s) or any other statutory/ regulatory authority, as may be required and A.K. Capital Services Limited (being the Merchant Banker to the Issue).

For Ravi Kumar Srivastava & Associates
Chartered Accountants
Firm's Registration No. 008995C

Ravi Kumar Srivastava
(Proprietor)
Membership No.:078466
UDIN: 25078466BMJUWD2249

Place: Prayagraj
Date: April 23, 2025

A. **Abridged Balance Sheet (Unaudited)**

Particulars	As on September 30, 2024 (Rs in Crore)
LIABILITIES	
Municipal (General) Fund	
General Fund	1595.07
Earmarked Funds	-
Reserves	-
Total Reserves and Surplus	1,595.07
Grants, Contributions for specific purposes	1,035.69
Loans	
Secured Loans	-
Unsecured Loans	7.01
Total Loans	**7.01**
Current Liabilities and Provisions	
Deposits Received	11.97
Deposit works	107.10
Other Liabilities (Sundry Creditors)	31.28
Provisions	0.16
Total Current Liabilities and Provisions	**150.51**
TOTAL LIABILITIES	**2,788.28**
ASSETS	
Fixed Assets	
Gross Block	1207.79
Less: Accumulated Depreciation	46.08
Net Block	1161.71
Capital Work-in-Progress	527.97
Total Fixed Assets	**1689.68**
Investments	
Investment – General Fund	111.38

Investments – Other Funds	-
Total Investments	**111.38**
Current Assets, Loans and Advances	
Stock in Hand (Inventories)	481.87
Sundry Debtors (Receivables)	460.02
Prepaid Expenses	-
Cash and Bank Balances	520.69
Loans, advances and deposits	1.68
Less: Accumulated provision against Loans Net Amount outstanding	-
Total Current Assets, Loans & Advances	**987.21**
Other Assets	0.00
Miscellaneous Expenditure (to the extent not written off)	-
TOTAL ASSETS	**2,788.28**

B. Income and Expenditure Statement

Particulars	As on September 30, 2024 (Rs in Crore)
Tax Revenue	287.02
Assigned Revenues & Compensation	-
Rental Income from Municipal Properties	0.61
Fees & User Charges	11.59
Sale& Hire Charges	0.58
Revenue Grants, Contributions & Subsidies	242.31
Income from Investments	-
Interest Earned	6.30
Other Income	2.82
A-Total – INCOME	**551.24**
Establishment Expenses	154.06
Administrative Expenses	3.42
Operations & Maintenance	132.12
Interest & Finance Expenses	-
Programme Expenses	0.01
Revenue Grants, Contributions & subsidies	-
Provisions &Write off-Property Tax	-
Miscellaneous Expenses	0.04
Depreciation	46.08
Bond Interest	-
Consumption of Stock	-
B-Total – EXPENDITURE	**335.74**
(A-B) Gross surplus/ (deficit) of income overexpenditure before Prior Period Items*	215.50
Add: Prior period Items (Net)	-
*Gross surplus/ (deficit) of income overexpenditure after Prior Period Items**	215.50
Net balance being surplus/ deficit carriedover to Municipal Fund	**215.50**

**The Gross surplus figure for half year period is not comparable with previous years' full year numbers as the property tax demand for the entire year is recognized as revenue in the books of accounts at the beginning of the year whereas expenses are made and accounted throughout the year*

C. Cash Flow Statement

Particulars	As on September 30, 2024 (Rs in Crore)
Cash flows from Operating Activities: (A)	
Gross surplus/(deficit)over expenditure	215.50
Add: Depreciation	46.08
Interest & finance expenses	-
Less:	
Investment income	-
Interest income received	6.30
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	**255.28**
Changes in current assets and current liabilities	
(Increase)/decrease in Sundry debtors	(178.32)
(Increase)/decrease in Stock in Hand	-
(Increase)/decrease in Prepaid Expenses	-
(Increase)/decrease in other current assets	-
(Decrease)/increase in Deposits received	0.38
(Decrease)/increase in Deposits Work	(45.10)
(Decrease)/increase in other current liabilities	(8.24)
(Decrease)/increase in Provisions	0.01
Net cash generated from/(used in) operating activities (A)	**24.01**
B. Cash flows from Investing Activities	
(Purchase) of fixed assets &CWIP	(56.33)
Increase/ (Decrease) in Grants received for specific purpose	
Increase/(Decrease) in Municipal Fund	-
Increase/(Decrease) in Special Funds/Grants	-
Increase/(Decrease) in Earmarked Funds	-
Sale/(Purchase) of Investments	(52.48)
Add:	
Investment income received	-
Interest income received	6.30
Net cash generated from/ (used in) investing activities (B)	**(102.51)**
C. Cash flows from Financing Activities	

Increase/ (Decrease) in Grants received for specific purpose	9.80
Add:	
Loans from Banks/Others Received (Unsecured & Secured)	-
Transfer to Reserve	-
Loan Recovered from Employees	-
Less:	
Deposits Made	-
Repayment of Loan (Unsecured & Secured)	(1.00)
Loans & Advances to Employees	-
Loans & Advances to Others	-
Interest & Finance Expenses	-
Net cash generated from/(used in) financing activities (C)	**8.80**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(69.70)**
Cash and cash equivalentsat beginning of the period	590.39
Cash and cash equivalentsat end of the period	**520.69**
Net(Decrese)	**(69.70)**
Cash and cash equivalent at the end of the year comprises of the following account balances at the end of the year:	-
Bank balances	**520.69**

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

The audited financial statements of the Corporation can be obtained from the following link: https://allahabadmc.gov.in/CitizenHome.html

COPY OF BUDGET DOCUMENTS FOR PREVIOUS THREE YEARS

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

For complete budget documents for previous three financial years and for the current financial year please refer to the following links below:

1. For Audited Balance Sheet

- FY2021-2022: https://allahabadmc.gov.in/cache/1/Smart%20City/Balance%20Sheet/BS%202021-22.pdf
- FY2022-2023: https://allahabadmc.gov.in/cache/1/Smart%20City/Balance%20Sheet/BS%202022-23.pdf
- FY2023-2024: https://allahabadmc.gov.in/cache/1/Smart%20City/Balance%20Sheet/BS%2023-24.pdf

2. For Budget Documents

- FY2024-2025: https://allahabadmc.gov.in/cache/1/Smart%20City/Budget/Mool%20Budget%202024-25.pdf

- FY2023-2022: https://allahabadmc.gov.in/cache/1/Smart%20City/Budget/PNN%20Revised%20Budget%202023-24.pdf
- FY2022-2023: https://allahabadmc.gov.in/cache/1/Smart%20City/Budget/PNN%20Revised%20Budget%202022-23.pdf

E. FINANCIAL PARAMETERS

- **Audited Financials for FY 2021-22, FY 2022-23 and FY 2023-24**

(Rs. in Crores)

Key Financial Figures	Financial Year		
	2021-22	2022-23	2023-24
Revenue Income	611.85	712.83	795.08
Revenue expenditure (Excl. Interest)	601.99	699.79	772.40
Operating revenue Surplus	9.86	13.04	22.68
Interest expense	-	0.02	0.04
Principal repayment (outside sinking Fund)	2.00	2.00	2.00
Contribution to Sinking fund	-	-	-
Revenue Surplus (incl Prior Period Items)	**9.86**	**13.02**	**22.64**
Capital Income	102.17	128.56	465.42
Capital Expense	220.01	129.78	163.67
Capital Surplus	**(117.84)**	**(1.22)**	**301.75**
Overall Surplus	**(107.98)**	**11.80**	**324.39**
Deposits and Advances (net)	0.75	(1.83)	152.95
Initial Cash/Bank balance	187.97	152.20	218.26
Change in Cash/Bank balance	(35.77)	66.06	372.13
Final Cash / Bank Balance	152.20	218.26	590.39
Loan repayment from sinking fund	-	-	-
Initial Sinking fund Balance	-	-	-
Change in sinking fund	-	-	-
Final sinking fund balance	-	-	-
Total Debt	12.01	10.01	8.01
Total Expenditure	822.00	829.56	936.07
Total Revenue	714.02	841.39	1260.50
Ratio of Total Expenditure/Total Revenue	1.15	0.99	0.74
Cash Surplus / Total Revenue	0.21	0.08	0.29
Ratio of Debt Service / Total Revenue	0.003	0.002	0.001

- **Unaudited Financials as on September 30, 2024**

(Rs. in crores)

Key Financial Figures	As per Unaudited Financials as on September 30th, 2024
Revenue Income	551.24
Revenue expenditure(Excl. Interest)	335.74
Operating revenue Surplus	215.50
Interest expense	
Contribution to Sinking fund	0.00
Revenue Surplus (incl Prior Period Items)	215.50
Capital Income	9.80
Capital Expense	56.33
Capital Surplus	(46.53)

Key Financial Figures	As per Unaudited Financials as on September 30th, 2024
Overall Surplus	**168.97**
Deposits and Advances (net)	(44.71)
Initial Cash/Bank balance	590.39
Change in Cash/Bank balance	(69.70)
Final Cash / Bank Balance	520.69
Loan repayment from sinking fund	
Initial Sinking fund Balance	
Change in sinking fund	
Final sinking fund balance	
Total Debt	
Total Expenditure	392.07
Total Revenue	561.04
Ratio of Total Expenditure/Total Revenue	0.70
Cash Surplus / Total Revenue	30.11
Ratio of Debt Service / Total Revenue	0.003

F. 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 are as below.**

(Rs. in Crores)

Revenue Receipts Type	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2023-24
Revenue Grants, Contribution & Subsidies	399.08	470.41	539.13
Tax Revenue	181.16	217.29	218.23
Fees & User Charges	21.47	11.60	16.46
Interest Earned	3.04	4.06	9.28
Other Income	5.39	7.08	9.92

- **For half year ended September 30, 2024 based on Unaudited Financial Statements**

(₹ in crore)

Revenue Receipts Type	As per Unaudited Financials as on September 30, 2024
Revenue Grants, Contribution & Subsidies	242.31
Tax Revenue	287.02
Fees & User Charges	11.59
Interest Earned	6.29
Other Income	2.82

G. 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**

(Rs. In Crores)

Financial Year	Demand Raised			Collections			Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Arrears	Current	Total		
2023-2024	48.31	99.17	147.48	5.59	99.17	104.76	71.03%	-
2022-2023	48.83	89.74	138.57	0.52	89.74	90.26	65.13%	-
2021-2022	48.83	68.94	117.80		68.94	68.94	58.53%	-

Note: The property tax income is accounted on receipt basis, therefore the current collection ratios are not calculated.

Arrears refers to outstanding Receivables of Taxes which were accounted in the past and have been carried forward in books.

- **Unaudited Financials as on September 30, 2024**

(₹ in crore)

Demand Raised			Collections			Overall Collection Ratio	Current Collection Ratio
Arrears	Current	Total	Arrears	Current	Total		
42.72	130.00	172.72	-	-	33.80*	19.57%	-

**The bifurcation of total collections into current and arrear is not done by the Corporation, therefore current collection ratio is not ascertainable.*

The collection ratio for half yearly period ended September 30, 2024 is not comparable with annual collection ratios provided for previous years as property tax demand is recognized at the beginning of the year while collections are made and accounted throughout the year.

H. 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

- **PNN Mobile App and other IT Initiatives**
  PNN has launched one-stop solution Web Portal & Mobile App (PNN 24x7) for the citizens along with promoting e-governance inside the organization by implementing ERP.

- **Digitalization of physical files/records in PNN**
  PNN is in the process of digitalization of physical files/records by implementing ERP.

Other IT initiatives: Web/portal based Monitoring online services viz:-

PNN has implemented various IT initiatives to enhance service delivery and administrative efficiency. They are as follows:

- The Banking Correspondent System (BC/BF) will be used for tax collection in urban slums, densely populated areas, and extended areas of PNN.
- Property database management system has been updated under ERP for better monitoring of billing and collection of taxes.
- Regular MIS Update of Bill Distribution Achievement.

ii.) Reforms on Water Supply

JalKal Department is an essential body of PNN, constituted to avail the supply of pure drinking water and proper sewage facility to the citizens of Prayagraj. Various reforms by the JalKal Department are as follows:

- Water testing lab has been set up in Khusrobagh JalKal Vibhag to test the suitability of drinking water by testing the BoD, CoD parameters.
- To reduce NRW levels, SCADA System has been setup wherein tubewells valves, actuators, water level sensors were installed.

iii. Solid Waste Management (SWM) reforms

PNN has implemented comprehensive reforms in Solid Waste Management to enhance efficiency and sustainability across its 8 municipal zones and 100 wards, serving 296,743 households with a daily waste generation of 1060 Tons Per Day (TPD).

The following steps have been taken to increase the efficiency of Solid Waste Management in following:

- **Door to Door Collection and Transportation (DTDC):** PNN manages door-to-door waste collection across 100 wards through two agencies, M/s Prayagraj Lions Waste Management Private Limited and M/s Om Swachatha Corporation. This operation employs includes tippers, hook loaders, and refuse compactors. Tippers collect waste from households and transport it to a port station, where hook loaders and refuse compactors take over, ensuring efficient transfer to processing plants. Portable cabins provide a secure waste transfer environment, while compactors optimize waste for streamlined transportation.

- **Wet Waste Plant:** A wet waste processing facility is operated by M/s Hari-Bhari Recyclable Private Limited which handles 400 TPD across two shifts. The waste undergoes primary, secondary, and final screening using power screens and trommels of varying capacities.

- **Material Recovery Facilities:** M/s SWAAHA Resource Management Private Limited and Issuer has entered into contract for design, supply, installation & commissioning of MRF Plant for processing of dry waste including O&M services for peiod of one year in Prayagraj City under smart city mission in EPC mode. Equipped with aglo machines, shredders, balers, and plastic extruders, these facilities recover valuable materials like plastics, cardboard, and polyethylene, supporting recycling efforts. Prayagraj's commitment to sustainability is further reflected in the construction of three additional MRFs and an RDF facility to enhance waste management capacity.

- **Construction & Demolition Treatment:** M/s Orbit Builderand clean India (P) Limited and the Issuer has entered into contract to design ,supply , construction ,installation and commissioning of recycling facility of Construction & Demolition (C&D) waste including collection and transportation . M/s Orbit Build and clean India (P) Limited operates. Construction & Demolition waste plant in Prayagraj, using wet and dry technologies to produce paver blocks, tiles, and bricks for PNN construction projects. This collaboration between the plant and PNN embodies the principles of a circular economy and supports sustainability by ensuring efficient C&D waste management. This innovative approach contributes to the city's infrastructure development.

- **Legacy Waste Treatment:** Prayagraj's Legacy Waste Management Plan in Baswar is dedicated to process 14 lakh MT of waste, employing the expertise of M/s BVG India Limited and M/s Ecostan Infra Private Limited. The project converts legacy waste into valuable resources such as RDF, bio-soil, and C&D materials, reducing landfill use, reclaiming resources, generating renewable resources, enhancing soil fertility, and ultimately supporting the local environment and public health, thereby promoting sustainability.

- **IEC:** PNN has partnered with M/s Srishti Waste Management Services Private Limited to lead Information, Education, and Communication (IEC) activities in Prayagraj to promote waste management awareness. The various IEC initiatives include street plays, school campaigns, and rallies, fostering community engagement and driving behavioral change for a cleaner, sustainable city and a more sustainable urban environment.

- PNN is also in the process of establishing a SWM control room for real-time monitoring of various SWM Projects.

iv. Property Tax Reforms:

PNN has undertaken significant reforms in its property tax system to enhance revenue collection and improve service delivery. These reforms are aimed at expanding the tax base, streamlining processes, and ensuring greater convenience for citizens.

The various initiatives taken by PNN to improve the efficiency of revenue collection are as follows:

- PNN has initiated qualitative target-based manpower monitoring mechanism using scalogram for aspects of Bill distribution, tax collection, demand creation, action on defaulters taken.
- PNN has started integrated tax billing and collection of House Tax & Water/Sewer Tax vis EPOS machines through HDFC Bank & ICICI Bank. Thus, House Tax & Water/Sewer Tax can be collected through single EPOS.
- To ensure proper tax collection, the Banking Correspondent System (BC/BF) will be used for tax collection in urban slums, densely populated areas, and extended areas of PNN.
- Spatial monitoring of Bill Distribution reach has been initiated by PNN.
- The Property database's data has been segregated and analysed. To enhance tax collection, properties with high demand and unpaid bills are being targeted.
- Property database management system is updated under ERP for better monitoring of billing and collection of taxes.
- Regular MIS Update of Bill Distribution Achievement.
- Initiation of WhatsApp Bot, IVRS Call Centre, SMS, and FM for timely and digital based submission of Bills.
- PNN has initiated micro level survey of maximum revenue generating two wards of the city in pilot phase by the creation of Digital twin, which is presently under implementation.

Steps taken to bring Properties under tax net:

- The 80-ward limit of the Prayagraj municipal area has been increased to a 100-ward limit. After survey of properties, notice distributed for taxable properties and tax is being imposed where civic facilities are available.
- Billing & Collection has been started in extended area of PNN.
- For maximum coverage, PNN is working to involve banking correspondents in bill distribution and collection on the outskirts of the city.
- PNN operates a house tax control room to improve tax collection efficiency while providing real-time solutions to queries raised by the citizens.

Citizen Facilitation Centre:

- PNN has inaugurated Citizen Facilitation Centre, where citizen can pay house tax, water/sewer tax in organised way and citizen can also submit their complaints.

v. <u>Double Entry Accounting Reforms</u>:

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

- PNN is in the process of digitalization of physical files/records by implementing ERP. All vendor payments processes are digitalized as part of a paperless office and to increase administrative transparency.

- PNN is maintaining accounting sheets/ ancillary documents/ vouchers etc. in digitized form. All vendor payments processes are digitalized as part of a paperless office and to increase administrative transparency.

- Property database management system has been updated under ERP for better monitoring of billing and collection of taxes.

I. Details Of Issuer's Outstanding Borrowing

a. Details of borrowings of the Issuer, as on the latest quarter end:

As on March 31, 2025, the Issuer had outstanding secured borrowings of Rs. 0.00 and unsecured borrowings of Rs. 6.01 Crore. (Rs. 2.00 Crore deducted by GoUP from SFC grant every year).

b. Details of Secured Loan Facilities:

Nil

c. Details of Unsecured Loan Facilities:

The details of unsecured loans received from the GoUP under various state government schemes is given below:

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding (Rs Cr)	Repayment Date / Schedule
Government of Uttar Pradesh	Interest free loan	-*	6.01	Rs. 2.00 Crore deducted by GoUP from SFC grant every year

**As per the certificate of the Auditor dated April 23, 2025 2025, the aggregate sanctioned amount is not ascertainable.*

d. Details of NCDs/Bonds:

Nil. The Issuer has not issued any debentures or bonds prior to this proposed Issue.

e. List of Top 10 Debenture Holders

Not Applicable

f. Details of Commercial Paper

Nil

g. Details of Rest of Borrowings

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

J. Sufficient revenue generation and resources for timely servicing and redemption

The Bonds issued under this Placement Memorandum are proposed for servicing through a Structured Payment Mechanism. Under the Structured Payment Mechanism all funds lying in account(s) in which the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) collected by PNN shall be transferred to a separate no-lien Escrow Account for debt servicing. Please refer to detailed Structured Payment Mechanism on page 126 of this PM.

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 4 (Four) succeeding Coupon payments and the Issuer shall deposit an amount every month for the payment of the Coupon. 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 for timely servicing and redemption of Debentures from Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act), deposited in the account(s) for timely servicing and redemption. The total Revenue from Property Tax during the last 3 (Three) Financial Years is approximately Rs. 99.17 Crores (Financial Year 2023-2024), Rs 89.74 Crores (Financial Year 2022-2023) Rs. 68.94 Crores (Financial Year 2021-2022) and Rs.130.00 crores for half year period ending September 30, 2024.

K. Issue Estimated Scenarios of Asset Liability Mis-matches

The Issuer has sufficient revenue from Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act). With respect to the repayment of bonds and revenue generation, the Bonds are to be paid from the collection of Property Tax of the PNN. The current collections are sufficient to ensure the redemption of the Debentures. The Structured Payment Mechanism as provided in this Placement Memorandum shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further, any short fall towards payments to be made in respect of Debentures will be transferred from the Infrastructure Development Fund by the GoUP, in terms of Transaction Documents.

SECTION XI: LEGAL AND OTHER INFORMATION

The Bond Issue Committee in its meeting held on March 11, 2025 has adopted a materiality policy for disclosure of litigation in relation to the Issuer according to which other litigation involving the Issuer and 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 Debentures, have 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 or the members of the 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 or the members of the 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 or the members of the Bond Issue Committee, in any such pending matter(s) is in excess of 0.5% of the Gross Surplus as per the audited financial statements of the Issuer for the FY 2023-24, i.e., Rs. 0.11 crores;*
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 our Corporation; (ii) the Projects 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;*
c. *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 Bond Issue Committee of the Municipal Corporation is impleaded as defendants in litigation proceedings before any judicial forum.*

*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 is in excess of 1% of the Gross Surplus as per the audited financial statements of the Issuer for the FY 2023-24, i.e., Rs 0.23 crores.*

A. CONTINGENT LIABILITIES OF THE ISSUER

Nil

LITIGATIONS INVOLVING THE ISSUER

B. LITIGATIONS AGAINST THE ISSUER

a. CRIMINAL LITIGATIONS

Nil

i. WILLFUL DEFAULTER

The Issuer is not a wilful defaulter

ii. WILFUL DEFAULTER STATUS OF BOND ISSUE COMMITTEE MEMBERS

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

iii. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

Nil

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 (Rs. in Crores)
Income Tax			
1)	TDS#	1	0.007
Property Tax			
2)	Property Tax* - Cases have been filed against the Issuer by the residents/ entities residing/ operating in Prayagraj Nagar Nigam on jurisdiction accusing Issuer of charging huge amount of property tax.	26	18.41

** To the extent quantifiable excluding interest and penalty thereon.*

#Source: www.tdscpc.gov.in. Status as on April 23, 2025

vi. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER:

Civil Matters

S. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (Rs. in Crore)	Present Status
1.	M/S B & R Infra Techno (P) Ltd. versus Nagar Nigam Through Nagar Yukta & another	Arbitration Case No.58 of 2003	Sole Arbitrator Mr. Justice Shishir Kumar Allahabad Uttar Pradesh	M/S B&R Infra Techno Ltd("**Claimant**") has filed a statement of case on the directions given in the arbitral hearing against the Claimant and Respondent entered into a contractual agreement for strengthening of roads in Prayagraj (North and South Zone). Claimant alleges that the PNN has failed to fulfil their contractual obligations causing delay in contract period and heavy losses to Claimant thus leading to breach of contract by respondent. The Claimant also alleged that multiple attempts to amicably resolve were made, but the PNN remained unresponsive. Consequently, present arbitration proceedings were initiated for compensation against the claims in favour of the claimant for the loss suffered. The case is currently pending before the Hon'ble Arbitrator.	1.83 +18% interest p.a	Pending

S. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (Rs. in Crore)	Present Status
2.	Allahabad Waste Processing Co. Ltd. versus Allahabad Municipal Corporation (A.M.C) Allahabad Uttar Pradesh and Another	Misc Application No.22 of 2017	District Court, Prayagraj	Allahabad Waste Processing Co. Ltd. ("Claimant") has initiated proceedings under Arbitration and Conciliation Act,1996 against the Prayagraj Nagar Nigam, seeking payment of money along with interest for the work they did. The Corporation has contested the claims of the Claimant essentially on the ground of the latter failing to perform their contractual obligations which resulted in significant fiscal loss, consequently lead to tremendous public dissatisfaction. Award was passed and as a result the PNN filed an application under Section 34 of the Arbitration and Conciliation Act,1996 before the Court of Hon'ble District Judge, Prayagraj praying to summon the records of the arbitration which is the subject matter and to further set aside the Arbitral Award in question under Section 34 of the Arbitration and Conciliation Act,1996. The proceedings are presently pending consider as to whether the Claimant is entitled to the amended claim pertaining to compost and recyclables to the tune of Rs. 5 crores.	5.00	Pending
3.	M/s Prayagraj SWM Pvt. Ltd. Centre For Development Communication Trust Vs. Prayagraj Municipal Corporation	Arbitration Case No. 66 of 2022	Learned Sole Arbitrator	M/s Prayagraj SWM Pvt. Ltd. ("Claimant") and Corporation entered into an agreement on December 31, 2020 in order to carry out "Door-to-door collection and transportation of municipal solid waste service and other services in the city of Prayagraj in designated areas in two packages each consisting of 40 wards. The said contract required the applicants to form an SPV for which the Claimant spent a considerable amount of resources. Claimant has claimed in its application that the Corporation failed to honour its obligations under the said agreement and caused breach of agreement as on September 08, 2021, and blacklisted the Claimant from participating in any future tenders floated by the Respondents for 1 year. The Claimants has alleged that it had made continuous requests for providing of workforce, equipment, office space and issuance of identity cards but they dint receive any corporation. The Claimants further mentioned that they continued with their work included within the ambit of their scope nevertheless and the reports of the surveys conducted on	15.74	Pending

S. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (Rs. in Crore)	Present Status
				different wards by both the Claimants and consequently, all the work assigned by the Corporation were fulfilled by the Claimants. A total claim of Rs. 15,73,92,877/- was claimed by the Claimants for the discharge of their duties. The said matter is currently pending.		

C. LITIGATIONS BY THE ISSUER

i. CRIMINAL LITIGATIONS

Nil

ii. TAXATION MATTERS

Nil

iii. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

Nil

D. LITIGATIONS INVOLVING THE MEMBERS OF THE BOND ISSUE COMMITTEE

i. LITIGATIONS AGAINST THE MEMBERS OF THE BOND ISSUE COMMITTEE

Except as disclosed above, 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 Debentures.

ii. LITIGATIONS BY THE MEMBERS OF THE BOND ISSUE COMMITTEE

Except as disclosed above, 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 Debentures.

E. OUTSTANDING DUES TO CREDITORS

Based on Materiality Policy of the Issuer, as on December 31, 2024 PNN had a total 26 material creditors. Further the Issuer does not categorize its creditors as SSU/MSME and the creditors also do not submit their SSU/MSME registrations and hence the dues to SSU/MSME are not disclosed in this Placement Memorandum. Details of outstanding dues to creditors is given below:

Particulars	Outstanding Dues (Rs. In Crore)
Total Outstanding dues to Material Creditors	11.60
Total Outstanding dues creditors other than Material Creditors	5.86
Grand Total	**17.46**

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link:
https://allahabadmc.gov.in/cache/1/11-Mar-25/SHOW_DOCS/Creditor%20List%20PNN.pdf

F. MATERIAL DEVELOPMENTS SINCE DATE OF THE LAST AUDITED BALANCE SHEET

As per the certificate from the Auditors dated April 23, 2025, the Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer including change in Municipal Commissioner.

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 and Contracts are as provided in the section titled "Material Contracts and Documents" on page no. 137 of this 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 as disclosed in this 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 Bonds or an investors' decision to invest or continue to invest in the Bonds to be issued by the Issuer.

I. DETAILS OF NON-PAYMENT OF STATUTORY DUES

Except for litigation matters as disclosed in this Section on 'Legal and Other Information' there are no instances of Non-Payment of Statutory Dues.

Particulars	As per Unaudited Financials as on September 30, 2024 (In crores)
GST Payable	0.64
PF payable	0.07
Royalty Payable	-
VAT	-
TDS	0.98

As per Auditors Certificate dated April 23, 2025

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 April 23, 2025, there are no defaults or delay in payment of interest or principal by the Issuer in the past 3 years.

I. 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

S. No.	SEBI/Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
1.	**SEBI**	Penalty of Rs.3 Lakhs for violation with respect to Reg. 59 of SEBI LODR Regulations and Reg. 15(r) & (s), 16 of SEBI Debenture Trustee Regulations. The order was passed on March 27, 2024. The Debenture Trustee has paid the applicable penalty under protest on May 10, 2024.
2.	**SEBI**	Penalty of Rs. 5 lakhs for violation of Clause 3(b) of Schedule IV of the AIF Regulations regarding the Code of Conduct for the trustee of the Regulations and Clause 13.2.2 (ii) of Master Circular dated July 31, 2023, read with Regulation 20(1) and Regulation 20(2) of AIF Regulations. The order was passed on November 28, 2024. The Company has filed an appeal vide Appeal no. 0036/2025 on January 10, 2025 under section 15T of SEBI Act, 1992, against the said order before the Hon'ble Securities Appellate Tribunal ("SAT") The Appeal has been admitted by Hon'ble SATand is pending for decision.

iii. Against the Merchant Banker

Nil

iv. Against the Credit Rating Agencies

S. No.	Name of the Credit Rating Agencies	SEBI/Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
1.	Acuite Ratings and Research Limited	**SEBI**	Penalty of Rs. 5,00,000 imposed vide SEBI's Adjudication Order Order/AN/PR/2024-25/31018 No. dated November 29, 2024 under Section 15-I of the SEBI Act, 1992 for the alleged violation of Regulation 27 (1) of the SEBI (Credit Rating Agencies) Regulations, 1999 by rating of securities issued by the borrower of SIDBI (promoter) of Acuite (credit rating agency). Acuite has filed an appeal before the Securities Appellate Tribunal (SAT) against the said order and the matter is sub judice.
2.	India Ratings and Research Private Limited	**SEBI**	1. The Securities Exchange Board of India (SEBI) had passed an adjudication order dated December 26, 2019, imposing a penalty of Rs 25 lacs on India Ratings in respect of assigning ratings to Infrastructure Leasing & Financial Services Limited. India Ratings has filed an appeal to Securities Appellate Tribunal (SAT) on February 10, 2020, against the SEBI order imposing a penalty of Rs. 25 lacs on India Ratings. On September 22, 2020, the penalty was enhanced to Rs 1 crore. India Ratings has filed an appeal to SAT on November 6, 2020, against the SEBI order dated September 22, 2020 which enhanced the penalty to Rs. 1 crore. SAT at its hearing on February 03, 2025, directed the Appeals to be listed for hearing next on April 15, 16 and 17, 2025. 2. SEBI imposed a fine of Rs 3 lakhs on India Ratings vide its Order dated November 30, 2023, in respect

			of the delay in recognition of default by M/s Altico Capital India and the delay in recognition of material event in case of M/s Hindustan Cleanenergy Limited.

V. Against the Registrar

Nil

SECTION-XII: GOVERNMENT APPROVALS

The Issuer is a municipal corporation incorporated under the UPMC Act and have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for its operations and except as mentioned below, no further approvals are required for carrying on our present operations.

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 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")	AAALN1763D	Income Tax Department, Government of India	May 31,1994*	One Time Registration
2.	GST Registration Certificate ("GST")	09AAALN1763D1DF	Government of India	December 21, 2018	One Time Registration
3.	Tax deduction Account Number ("TAN")	ALDN00273A	Income Tax Department, Government of India	March 7, 2005	One Time Registration

* *Date mentioned on the PAN card*

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. 61 of this Placement Memorandum

SECTION-XIII:

UNDERTAKINGS BY THE ISSUER

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

UNDERTAKINGS BY THE ISSUER

The Issuer hereby agrees and undertakes:

1. that it shall submit the documents disclosed in the Placement Memorandum to the Debenture Trustee in electronic form (soft copy).
2. that the complaints received in respect of the Issue shall be attended by the Issuer expeditiously and satisfactorily.
3. 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 would be taken within the period specified by the Board.
4. that the Placement Memorandum contains true, fair and adequate information to enable investor to make well informed decision regarding their investment in proposed Issue and a declaration to this effect issued by the Mayor and by the Commissioner has been annexed to the Placement Memorandum.
5. that the Placement Memorandum or term sheet or any advertisement issued by the Issuer in connection with the issue of Debt Securities shall not contain any false or misleading statement.
6. That all monies received out of the Issue shall be transferred to a separate bank account.
7. That the Issuer has not issued any securities by way of public issues in the past.
8. That it has complied and shall comply with all the applicable laws including but not limited to the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015.

For Prayagraj Nagar Nigam

Name: Seelam Sai Teja (I.A.S)
Designation: Municipal Commissioner

Place: Prayagraj
Date: 23April, 2025

SECTION-XIV: TERM SHEET

SUMMARY OF OFFER

A. Primary business of the Issuer:

The Prayagraj Nagar Nigam has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established on May 31, 1994 under the Uttar Pradesh Municipal Corporation Act, 1959 applicable act in Uttar Pradesh vide letter dated May 24, 1994 bearing reference no. 2942/9-1-94-52TT/94 read with notification dated May 24, 1994 bearing reference no. 1743A/9-7-9414J/94.

Size of the Issue:

Issue of Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Municipal Bonds in the nature of debentures Of Face Value Of ₹ 4,00,000/- (Rupees Four Lakh Only) Each("Bonds"/"NCDs"/"Debentures"), (Comprising Of 4 (Four) Separately Transferable And Redeemable Principal Parts ("STRPPs") Namely 1 STRPP A Of Face Value of ₹ 1,00,000 , 1 STRPP B of Face Value Of ₹ 1,00,000, 1 STRPP C Of Face Value of ₹ 1,00,000 and 1 STRPP D of Face Value Of ₹ 1,00,000) for an amount of ₹ 50 crores (Rupees fifty crores only) ("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:

(Rs. in Crores)

Sr. No.	Object	Total Project Cost	Amount to be funded from the proceeds of the Issue
1.	Construction of 200 Bedded Super Speciality Hospital Block at Naini, Prayagraj	76.54	50.00
	Total	**76.54***	**50.00**

**Cost of the Project is inclusive of GST and may vary during the implementation. Any incremental cost shall be borne by Prayagraj Nagar Nigam (PNN).*

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.

Our statutory auditors have highlighted few observations/remarks in the audit reports dated May 27, 2024 for F.Y. 2023-24, dated July 01, 2023 for FY 2022-23 and dated December 21, 2022 for FY 2021-22.

Brief Summary of the observations/ remarks is as below:

As per the Auditor's Report dated May 27, 2024 for F.Y. 2023-24:

1. All income including other income are accounted on cash basis while expenditure is accounted on accrual basis.
2. Total outstanding dues against Property Tax of Rs.144.63 Crores is not fully accounted for due to disputed dues involved, mostly pertaining to offices of State Government and Central Government which may be realized in forthcoming financial years.
3. No adequate internal control system for the purchase of inventory and fixed assets and the sale of auction goods and services and continuing failure to correct the weaknesses in internal control system.
4. Amount of State Government Grant and deductions duly accounted for based on Statement provided by the Corporation
5. Electricity Payable pertaining to Jalkal Vibhag was Rs. 163.51 Crores in FY 2022-23. However pursuant to a letter from head office of Urban Local bodies an amount of only Rs. 17.44 Crores was payable. Excess liability has been adjusted in Revenue Grants in FY 2023-24.

6. After obtaining information from concerned departments capital WIP of Rs. 513.92 Crores is shown which is not correct. These related to Infrastructure & Development Expenses up to 2019-20. After ascertaining proper head of Fixed Assets they will be capitalized accordingly. For Fy 2022-23 they are shown under Infrastructure & Development Expenses.
7. Sundry debtors/ sundry creditors/ other receivables and liabilities are subject to reconciliation and confirmation
8. Centralised purchase/ contract register maintained by the organization are in the process of updation.
9. Fixed Asset register is maintained however same could not be updated for want of certain information from different departments.
10. Receivables from Government includes some Grant sanctioned by the Government and already received but is unspent.
11. Many cases are pending in Hon'ble Court. As the matters are sub-judice, the financial implications are not ascertainable

As per the Auditor's Report dated July 01, 2023 for F.Y. 2022-23:

1. All income including other income are accounted on cash basis while expenditure is accounted on accrual basis
2. Total outstanding dues against Property Tax of Rs. 144.63 Crores is not fully accounted for due to disputed dues involved, mostly pertaining to offices of State Government and Central Government which may be realized in forthcoming financial years.
3. No adequate internal control system for the purchase of inventory and fixed assets and the sale of auction goods and services and continuing failure to correct the weaknesses in internal control system.
4. Amount of State Government Grant and deductions duly accounted for based on Statement provided by the Corporation
5. After obtaining information from concerned departments capital WIP of Rs. 513.92 Crores is shown which is not correct. These related to Infrastructure & Development Expenses up to 2019-20. After ascertaining proper head of Fixed Assets they will be capitalized accordingly. For FY 2022-23 they are shown under Infrastructure & Development Expenses.
6. Sundry debtors/ sundry creditors/ other receivables and liabilities are subject to reconciliation and confirmation
7. Centralised purchase/ contract register maintained by the organization are in the process of updation.
8. Fixed Asset register is maintained however same could not be updated for want of certain information from different departments.
9. Receivables from Government includes some Grant sanctioned by the Government and already received but is unspent.
10. Many cases are pending in Hon'ble Court. As the matters are sub-judice, the financial implications are not ascertainable.

As per the Auditor's Report dated December 21, 2022 for F.Y. 2021-22:

1. All income including other income are accounted on cash basis while expenditure is accounted on accrual basis.
2. Total outstanding dues against Property Tax of Rs.144.63 Crores is not fully accounted for due to disputed dues involved, mostly pertaining to offices of State Government and Central Government which may be realized in forthcoming financial years.
3. No adequate internal control system for the purchase of inventory and fixed assets and the sale of auction goods and services and continuing failure to correct the weaknesses in internal control system.
4. Amount of State Government Grant and deductions duly accounted for based on Statement provided by the Corporation
5. Capital Work in Progress is capitalized fully as tangible assets as per details provided by engineering departments. Because of inadequate information amounts could not be capitalized into fixed assets. The capital WIP of Rs. 513.92 Crores is incorrect and needs to be capitalized in subsequent years.
6. Sundry debtors/ sundry creditors/ other receivables and liabilities are subject to reconciliation and confirmation
7. Centralised purchase/ contract register maintained by the organization are in the process of updation.
8. Fixed Asset register is maintained however same could not be updated for want of certain information from different departments.

9. Many cases are pending in Hon'ble Court. As the matters are sub-judice, the financial implications are not ascertainable.

D. Summary table of pending litigation

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

S. No.	Nature	Number of Cases	Amount Involved (Rs. In Crores)
Direct Tax			
3)	TDS#	1	0.007
Indirect Tax			
4)	Property Tax*- Cases have been filed against the Issuer by the residents/ entities residing/ operating in Prayagraj Nagar Nigam jurisdiction accusing Issuer of charging huge amount of property tax.	26	18.41

**Note: To the extent quantifiable excluding the interest and penalty thereon.*
#Source: www.tdscpc.gov.in. Status as on April 23, 2025.

a. Criminal Litigations involving the Issuer and members of Bond Issue Committee

There are no criminal litigations involving the Issuer and the members of the Bond Issue Committee.

b. Actions by Regulatory and Statutory Authorities

There are no actions by any regulatory and statutory authorities involving the Issuer and the members of the Bond Issue Committee.

c. Other Civil Litigation

The details of all the individual civil litigations above the materiality threshold have been disclosed in the "Section-IX- Legal and Other Information" on Page No.110 of the PM.

For the details of litigation proceedings, please refer the Section titled Litigation and Other Information on page no. 110 of this Placement Memorandum.

E. Risk Factors

For Risk Factor please refer to section titled *Risk Factors* beginning on page no. 20 of this Placement Memorandum.

F. Summary of Contingent Liabilities

For details of Contingent Liabilities please refer to Section-XI titled Legal and Other Information beginning on page no. 110 of this Placement Memorandum.

G. Summary of Related Party Transactions

The Issuer is a Municipal Corporation and has no related party transactions.

H. 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 no.126 of this Placement Memorandum.

SUMMARY OF TERM SHEET

Security Name	___% PNN Bonds _____
Issuer	Prayagraj Nagar Nigam ("PNN")
Type of Instrument	Rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of debentures (hereinafter referred to as " 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 of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of debentures of face value of ₹ 4,00,000/- each (comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely STRPP A, STRPP B, STRPP C, STRPP D of face value of ₹ 1,00,000 each for an amount aggregating up to ₹ 50 Crore (Rupees Fifty Crore Only) ("Total Issue Size") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
Eligible investors	All QIBs and any non-QIB Investors specifically mapped by the Issuer on the 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. The NCDs shall be listed within 3 (three) Working Days from the Issue Closing Date.
Rating of the Instrument	The Bonds proposed to be issued by the Prayagraj Nagar Nigam have been rated by India Ratings & Research Private Limited ("India Ratings") and Acuite Ratings & Research Limited ("Acuite Ratings") (collectively the "Rating Agencies"). India Rating has assigned a rating of Provisional IND AA/Stable vide its letter dated March 07, 2024 and reaffirmed vide letter dated March 06, 2025 and April 16, 2025 and has issued a rating rationale dated March 06, 2025. Acuite Ratings has assigned a rating of Provisional Acuite AA/Stable vide its letter dated February 20, 2024 and reaffirmed vide its letter dated February 18, 2025, March 27, 2025and April 22, 2025 and has issued a rating rationale dated February 18, 2025.
Base Issue Size	Rs 50 Crore
Option to retain over subscription	N.A.
Total Issue Size	Rs 50 Crore
Objects of the issue	The proceeds of the bonds will be utilized for Construction of 200 Bedded Super Speciality Hospital Block at Naini, Prayagraj ("Project").
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" in the PM.
Coupon rate	To be finalized subsequent to bidding on electronic bidding platform of BSE
Taxable/Tax free	Taxable
Step up/step down coupon rate	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	Total Tenure of 4 years to 7 years comprising of :- **STRRP** | **Tenor (in years)** | **As %age of issue** | **Amount (in Crore)** **A** | 4 | 25% | 12.50 **B** | 5 | 25% | 12.50 **C** | 6 | 25% | 12.50 **D** | 7 | 25% | 12.50 **Total** | | **100%** | **50**
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; ➢ STRPP C – at the end of the 6th anniversary of the Deemed Date of Allotment for STRPP C; ➢ STRPP D – at the end of the 7th anniversary of the Deemed Date of Allotment for STRPP D;
Redemption Amount	Principal repayment to happen annually, from the expiry of 4 (Four) years from the Deemed Date of Allotment, in 4 (four) annual instalments of: ➢ STRPP A - Year 4 – on redemption of 1250 STRPP A for aggregate principal amount of Rs. 12,50,00,000 (Rupees Twelve Crores Fifty Lakh) to be repaid at end of 4 (Four) years from the Deemed Date of Allotment; ➢ STRPP B - Year 5 – on redemption of 1250 STRPP B for aggregate principal amount of Rs. 12,50,00,000 (Rupees Twelve Crores Fifty Lakh) to be repaid at end of 5 (Five) years from the Deemed Date of Allotment; ➢ STRPP C - Year 6 – on redemption of 1250 STRPP C for aggregate principal amount of Rs. 12,50,00,000 (Rupees Twelve Crores Fifty Lakh) to be repaid at end of 6 (Six) years from the Deemed Date of Allotment; ➢ STRPP D - Year 7 – on redemption of 1250 STRPP D for aggregate principal amount of Rs. 12,50,00,000 (Rupees Twelve Crores Fifty Lakh) to be repaid at end of 7 (Seven) years from the Deemed Date of Allotment; 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	Rs. 4,00,000 (Rupees Four Lakhs only) per NCD comprising of 4 (Four) STRPPs (i. e. STRPP A, STRPP B, STRPP C and STRPP D) of Rs. 1,00,000 (Rupees One Lakh) each.
Discount at which security is issued and the effective yield as a result of such discount	Not applicable
Put Option Date	Not applicable
Call Option Date	Not applicable
Put Option Price	Not applicable
Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Face Value	Each NCD shall have a face value aggregating to Rs. 4,00,000 (Rupees Four Lakhs only).

	Each NCD would comprise of 4 (Four) STRPPs having different ISIN (i.e. STRPP A, STRPP B, STRPP C and STRPP D) with face value of each STRPP being Rs. 1,00,000 (Rupees One Lakh) each.
Minimum Application size and in multiples of NCDs thereafter	3 (Three) NCDs of face value of Rs. 4,00,000 each aggregating to Rs. 12,00,000 (i.e. 3 NCDs comprising of 3 STRPP A, 3 STRPP B, 3 STRPP C and 3 STRPP D) and in multiple of 1 (One) NCD of Rs.4,00,000 (comprising of 1 STRPP A, 1 STRPP B, 1 STRPP C and 1 STRPP D) thereafter
Trading Lot	1 (one) STRPP of face value of ₹ 1,00,000 (Rupees One Lakh).
Issue Timing	1.Issue Opening Date: April 30, 2025 2.Issue Closing Date: April 30, 2025 3.Pay-in Date: May 02, 2025 4.Deemed Date of Allotment: May 02, 2025
Issuance mode of the Instrument	Dematerialised form only
Trading mode of the Instrument	STRPPs will be traded in dematerialised form only
Settlement mode of the Instrument	Through the clearing corporation of BSE being Indian Clearing Corporation Limited
Depository	NSDL and CDSL
Business/ Working Day Convention	In accordance with the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021, Business day/Working day shall mean all days on which commercial banks are functioning in Prayagraj. 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 . 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 offer document. If the redemption/maturity date of the STRPP falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided under Annexure – VI "Illustration of Bond Cash Flow" of this 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 - VI" Illustration of Bond Cash Flow" of this 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 to be issued with all the Coupon due on the Debentures, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of: a) exclusive first charge by way of mortgage over specific fixed asset (Municipal Land) of the Prayagraj Nagar Nigam with minimum security cover of one time of the outstanding Secured Obligations ("Minimum Security Cover"); (b) exclusive first ranking floating charge by way of hypothecation over present and future receivables of Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act); (c) First and exclusive charge by way of hypothecation over the Escrow Account and the account(s) where the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) is collected and/ or pooled by Prayagraj Nagar Nigam in each case to the extent of the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act), collected and/ or pooled in each of such accounts; (d) First and exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account, the funds lying in each such account and any investment(s) made from these account(s); (e) First and exclusive charge by way of hypothecation over the investments made in terms of paragraph 10 and paragraph 11 under the head of term 'Structured Payment Mechanism' below and the investments made by utilising the AMRUT Incentive lying in the Escrow Account as per the Permitted Investment(s). The Issuer shall, till any of the Debentures are outstanding, maintain the minimum security cover of 1 time of the outstanding Secured Obligations ("Minimum Security Cover"). Secured Obligations refers to all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Bond Holders in respect of the Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds under the Transaction Documents. The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security. Security Creation Timelines (a) 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, till any of the Debentures are outstanding, maintain the Minimum Security Cover.
Structured Payment Mechanism	1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the Debentures for the exclusive benefit of the Debenture Holders: a. Escrow Account b. Interest Payment Account c. Sinking Fund Account 2. The Issuer shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) is collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first and exclusive charge over the Escrow Account and the account(s) where the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) is collected and/ or pooled by the Issuer. 3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) will also be maintained as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019. Accordingly, the Interest Payment Account meets the requirement of interest payment account and the debt service reserve account as directed under the order of the GoUP dated July 30, 2019 bearing reference no. M-103/9-9-19-58 J/18 & order of the GoUP dated February 06, 2025 bearing reference no. 158/9-9-2025-58J/18TC-1 ("**Governmental Order**"). For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 4 (Four) succeeding Coupon payments 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. 4. The Sinking Fund Account is an account from which the principal redemptions of the STRPPs/NCDs will be made. 5. The funds lying in the Escrow Account shall be used in the following priority: (a) The funds should be first utilized to 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;

(b) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;

(c) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s), after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

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

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

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

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

b. Sinking Fund Account (SFA) – Total issue size of the Debentures (Rs 50 Crore) shall be divided into 7 parts and each part (Rs. 7.143 Crore) shall be transferred to SFA in each of the 1st to 7th year. Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs. 0.7143 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 14.28% of STRPP size shall be transferred each year out of which 1.43 % shall be transferred each month for 10 months

c. Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer.

7. The funds lying in the above-mentioned account(s) shall be utilized in the following manner:

(a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose,

the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.

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

(c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the STRPPs on the Redemption Dates.

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

(e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than as mentioned in paragraph (a) to (d) above.

(f) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).

8. The Debenture Trustee, on behalf of the Debenture Holders shall have an exclusive first ranking charge over the Escrow Account and the account(s) where the property tax (or any other tax levied in place of property tax as per Section 173 of the Act) is being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account.

9. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have an exclusive first charge on the Escrow Account, Interest Payment Account (including the DSRA Amount), and Sinking Fund Account and any Permitted Investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). The amount deposited in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account shall be used solely for meeting the dues to the Debenture Holders. Any surplus in the above account(s) after the Debentures have been redeemed in full and all the dues to the Debenture Holders have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee. No amount can be withdrawn from these account(s) without the approval of Debenture Trustee.

10. The funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Program) 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 Uttar Pradesh Municipal Corporation Act, 1959, to the extent applicable.

11. The funds lying to the credit of Sinking Fund Account can be deposited (a) in government securities, or (b) such other instruments which may be permitted both in terms of the SEBI Circulars and also Uttar Pradesh Municipal Corporation Act, 1959. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.

12. Any actual interest income earned and received on the Permitted Investment(s) may be utilized by the Issuer, in accordance with the terms set out in the Transaction Documents, only: (a) with the prior approval of the Debenture Trustee; and (b) if there is no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.

13. The Escrow Account, Interest Payment Account (including the Required DSRA Amount) and Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ (Fixed Deposit Program) by two rating agencies throughout the tenor of the Debentures ("**Bank**"). In case, at any point of time, the rating of senior debt of the Bank falls below AA+ (Fixed Deposit Program) by any rating agency the Issuer shall, with the written consent of Debenture Trustee, move the funds to any other bank satisfying the rating criteria.

14. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer for such period as may be specified by the Debenture Trustee but not greater than 12 (Twelve) months in any case till such time as the Debentures are redeemed. The Issuer shall share copies of all such reports with the Rating Agencies. The Issuer and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Replenishment of Required DSRA Amount as well as funding of shortfall in the sinking fund account in terms of the Tripartite Agreement executed/ to be executed with the GoUP

In terms of the Governmental Order, the GoUP has created a policy for utilisation of the funds in the Infrastructure Development Fund (IDF) for credit enhancement and other needs of local bodies to promote/ incentivise issuance of municipal bonds. One of the terms of the Governmental Order requires the opening of an escrow account, sinking fund account, interest payment account and debt service reserve account by the urban local bodies issuing municipal bonds. As stated above, the Interest Payment Account is a combination of two accounts as required under the Governmental Order, being the interest payment account and the debt service reserve account. Accordingly, the Interest Payment Account will be the account from which the interest payments on the Debentures will be serviced and the account in which the Required DSRA Amount will be maintained.

Pursuant to the Governmental Order, the Issuer has approached the GoUP for entering into the Tripartite Agreement with the Debenture Trustee and the Issuer in respect of the Debentures, for agreeing and covenanting to make payment of funds from the Infrastructure Development Fund in terms of such agreement:

(a) into the Interest Payment Account on the occurrence of a DSRA Amount Shortfall; and

(b) into the Sinking Fund Account on the occurrence of a Sinking Fund Mismatch.

The GoUP shall make payment of such amounts as may be required to make good any DSRA Amount Shortfall. In case the DSRA Amount lying in the Interest Payment Account is utilized to fund the shortfall in Interest Payment Account at the time of the Coupon payment, the GoUP shall remit the funds (to the extent that the DSRA Amount utilized to fund the shortfall in the Interest Payment Account for meeting the Coupon payment on such Coupon Payment Date) to replenish the Required DSRA Amount, in terms of the Tripartite Agreement, as per the 'Interest Payment Mechanism' as mentioned below.

Further, the GoUP shall make payment of such amounts as may be required to make good any Sinking Fund Mismatch. In case of shortfall in the Sinking Fund Account at the end of each year, the GoUP shall remit the funds to fund the shortfall in the Sinking Fund Account, in terms of the Tripartite Agreement, as per the 'Principal Repayment (Sinking Fund) Mechanism' as mentioned below.

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 shortfall in the Interest Payment Account prior to the date falling 10 (Ten) days prior to the Coupon Payment Date (T-10 days). 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 notice in writing to the Issuer (and the GoUP shall be informed of the same, by the Debenture Trustee marking a copy of such notice to the GoUP). On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall prior to the date falling on the relevant Coupon Payment Date (T). In the event that the shortfall is not made good by the Issuer on the relevant Coupon Payment Date (T), the Debenture Trustee shall issue a notice to the Issuer (and GoUP shall be informed by marking a copy to GoUP) on the date immediately succeeding the relevant Coupon Payment Date (T+1). On issuance of such notice, the GoUP shall remit funds required to replenish the Required DSRA Amount (such that the amount in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Minimum Balance) is at least equivalent to the Required DSRA Amount) within 15 (Fifteen) days from the relevant Coupon Payment Date (T+15) by depositing such amounts in to the Interest Payment Account.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicing. If any overdue 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 25 (Twenty Five) days prior to the end of each 12 Month Block (T-25 days). In case of any Sinking Fund Mismatch, the Debenture Trustee shall intimate the Issuer of the shortfall (and the GoUP shall be informed by marking a copy to the GoUP) and the Issuer shall make good the Sinking Fund Mismatch prior to the date falling 15 (Fifteen) days prior to end of each 12 Month Block (T-15 days). In case of shortfall in any amount still persists 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 issue a notice to the Issuer (and the GoUP shall be informed by marking a copy to the GoUP). On the issuance of such notice, the GoUP shall remit funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T). 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.
Government incentive	PNN is expected to receive incentive from Government of India in terms of notification number K-14012/01/2022-AMRUT-IIB dated April 07, 2025 and any subsequent notification **("AMRUT Incentive")**. The AMRUT Incentive, as and when received by the Issuer, shall be deposited in the Escrow Account. Within 10 (Ten) working days of receipt of the AMRUT Incentive in the Escrow Account, the Issuer shall utilize such amounts to create fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Program) or above; provided however that, the Issue shall not utilize the AMRUT Incentive for any purpose other than for creation of such fixed deposits. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. A lien shall be created in favor of Debenture Trustee over such fixed deposits throughout the tenor of the Debentures. Interest amounts earned on such fixed deposits shall be utilizable by the Issuer, in accordance with the terms set out in the Transaction Documents.
Financial Covenants	1. The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 2 (Two) times of the Annual Payments Amount. For the purpose of this term sheet, the term 'Annual Payments' shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present bond issue and any further borrowings); and (b) the portion of principal amount of the Debentures which are required to be deposited by the Issuer into

	the Sinking Fund Account in such financial year (in relation to the present bond issue and any further borrowings), in terms hereof. 1. Debt Service Coverage Ratio (DSCR) shall mean the ratio of operating surplus to total debt servicing, which shall not be less than 1.50 times of operating surplus calculated as on 31st March for each year financial year (starting from 31st March 2026 till the time bonds are outstanding) as below: **DSCR** = operating surplus / total debt service **i. Operating surplus calculated as the below:** **Operating Surplus** = Total Income — Adjusted Expenditure a. **Total income** = Total income of the corporation as per the audited Income and Expenditure statement. b. **Adjusted Expenditure** = Total expenditure as per the audited Income and Expenditure statement - Depreciation - Finance charges - Provisions and Write offs - other non-cash expenditures 2. **Total debt service** = interest payment of loans and bonds + transfers made to the sinking fund account towards principal repayment / redemption + principal repayment / redemption (Excluding those made out of the sinking fund account). So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that 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 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 Minimum DSCR of 1.50 times is maintained by the Issuer (c)there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and/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. 2. Other financial covenants as defined in the Transaction Documents
Affirmative, Informative and Negative Covenants	As indicated in Annexure VIII and more specifically set out in Debenture Trust Deed.
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum/ this Placement Memorandum along with all annexures, the Tripartite Agreement with the Debenture Trustee and the Government of Uttar Pradesh, the Issue Agreement, the Issue Proceeds Agreement, the Debenture Trustee Agreement, the Registrar Agreement, the Debenture Trust Deed, the Deed of Hypothecation, Memorandum of Deposit of Title Deeds, the Escrow Agreement, the Tripartite Agreements with NSDL and CDSL and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Conditions Precedent to Disbursement	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI Guidelines in this regard:

	1. Rating letters for provisional rating from two credit rating agencies ("**Rating Agency(ies)**") not being more than one month old from the Issue Opening Date; 2. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s); 3. Letter from BSE conveying its in-principle approval for listing of the Debentures; 4. Other conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.
Conditions Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents: 1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the BSE -EBP operational guidelines; 2. Listing of the Debentures within 3 (Three) days from the Issue Closing Date; 3. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable; 4. Other conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.
Events of Default	The following shall constitute an Event of Default under the Transaction Documents: 1. Any payments due in respect of the Bonds have not been paid on the relevant Due Date; 2. The Issuer breaches any representation or warranty provided by the Issuer in terms of the Transaction Documents or fails to duly perform any other obligation arising from the Bonds and such breach or failure which continues for more than 30 (Thirty) days after the Issuer has received a notice thereof from the Debenture Trustee; 3. The Issuer commits a breach of any Financial Covenants as provided above; 4. Any change in the constitution of the Issuer which results in change in status of the Issuer; 5. Failure of the Issuer/GoUP to replenish the Required DSRA Amount and to fund the Sinking Fund Mismatch as per the timelines set out under the Transaction Documents; 6. The credit rating assigned to the Debentures by the Rating Agencies falls below the rating assigned by them at the time of the Issuance of the debentures; 7. Failure of the Issuer to list the Debentures on BSE within a period of 3 (Three) working days from the Issue Closing date; 8. Failure of the Issuer to deposit the amounts into Payment Accounts in terms of the Transaction Documents; 9. Failure of the Issuer to create and/or perfect the Security in the manner and within the time period prescribed therefor; 10. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect; 11. If the Issuer repudiates the Debenture Trust Deed or any of the other Transaction Documents, to which it is a party;

	12. If any regulatory or statutory approval, permit, license or other certificate required by the Issuer under Applicable Law, is withdrawn or not granted or not renewed; 13. Any step is taken by Government Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer; 14. Execution of distress being enforced or levied by against whole or substantial part of the assets of the Issuer and any order relating thereto is not discharged or stayed within a period of 30 (thirty) days from the date of enforcement or levy; 15. If the Issuer fails to make payment of any Financial Indebtedness when due or otherwise commits any breach of the provisions of any agreement entered into in respect of any Financial Indebtedness availed of by it (in respect of which breach either no cure period is available or where a cure period is available fails to cure such breach within the available cure period); 16. The Issuer has admitted in writing that the Issuer is unable to pay its debts as they fall due and/ or the Issuer stops, suspends or threatens to stop payment of all or any of its Financial Indebtedness or proposes or makes an arrangement for the deferral, re-scheduling or other re-adjustment of all or any of its Financial Indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such Financial Indebtedness or a moratorium is agreed or declared in respect of or affecting all or any parts of the Financial Indebtedness of the Issuer; 17. In the event that any legal proceedings or governmental proceedings are initiated against the Issuer or claims are made against the Issuer, which, in the opinion of the Debenture Trustee, may impair the Issuer's ability to perform its obligations undertaken in terms of the Transaction Documents; 18. Any information given by the Issuer is misleading or incorrect in any respect; 19. The occurrence of any event which constitutes a Material Adverse Change; 20. If in the opinion of the Debenture Trustee, the Security is in jeopardy; 21. If the Issuer voluntarily creates or attempts to create any encumbrance on the Mortgaged Property and Hypothecated Property or any part thereof, other than as expressly permitted under the Transaction Documents; 22. In the event that the Security Cover falls below the Minimum Security Cover and the Issuer falls to provide additional assets to ensure maintenance of such security cover requirements within the timelines and in the manner stipulated under the Transaction Documents; 23. If the Security (or any part thereof) becomes unenforceable, illegal or invalid or any restriction, imposition, attachment or any similar event has been levied on the Mortgaged Property and Hypothecated Property; and 24. If the Issuer ceases without the consent of the Debenture Holder(s), or threatens to cease to carry on its business or gives notice of its intention to do so. **25.** Other events as may be set out in the Debenture Trust Deed.
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the Master Circular for Debenture Trustee bearing no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.

Provisions related to Cross Default Clause	As provided under the head "Events of Default" above and will be set out 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, PNN 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.
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed and SEBI Master Circular for Debenture Trustees.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Issue Proceeds Agreement) shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Prayagraj. 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.

Schedule of the fixed assets charged:

Description of the Municipal Land:

Brief description of the Municipal Land	Location of the Municipal Land	Area of the Land	Estimated Value of Land*
Non-agricultural land	Mauza Jahangirabad Uparhar, Pargana Arail, Tehsil Karchana, District Prayagraj (U.P) Latitude: 25°25'4.24"N Longitude: 81°51'54.96"E	23,050 square meters	₹ 57.16 Crores#

**Charge to be created only to the extent of 1 time of the outstanding Secured Obligations. Surplus value of the land can be utilized for any subsequent borrowings of the Issuer, without affecting the rights and security of the existing Bond Holders. Subject to applicable law, the consent of the Debenture Trustee would be sufficient for utilizing the surplus land for any future borrowing against it.*

#Market Value as on March 6, 2025 as per the valuation report by Sudhanshu Srivastava, Chartered Engineer dated March 11, 2025. If any fresh borrowing is planned against this Municipal Land, Issuer would submit a fresh valuation report to the Debenture Trustee to re-access the likely market value of the Municipal Land.

SECTION XV: 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 February 28, 2025 between CDSL, the Issuer and the Registrar to the Issue.
b. Copy of Tripartite Agreement dated March 07, 2025 between NSDL, the Issuer and the Registrar to the Issue.
c. Debenture Trustee Agreement dated March 11, 2025 between the Issuer and the Debenture Trustee;
d. Issue Agreement dated March 11, 2025 between the Issuer and the Merchant Banker/Arranger to the Issue.
e. Registrar Agreement dated March 11, 2025 between the Issuer and the Registrar to the Issue.
f. Debenture Trust Deed dated [●] between the Issuer and the Debenture Trustee.
g. Escrow Agreement dated [●] between the Issuer, the Debenture Trustee and the Banker to the Issue.
h. Memorandum of Deposit of Title Deeds [●] between Issuer and the Debenture Trustee.
i. Issue Proceeds Agreement dated [●] between the Issuer, the Merchant Banker/Arranger, Registrar and the Banker to the Issue.
j. Deed of Hypothecation dated [●] executed by the Issuer in favour of Debenture Trustee.
k. Tripartite Agreement dated March 28, 2025 executed by and between the Issuer, GoUP and the Debenture Trustee.

The Issuer hereby undertakes to ensure execution of the balance Transaction Documents before the date of opening of the issue/ day of bidding on the EBP Platform.

B. Material Documents

a) Copy of letter dated May 24, 1994 bearing reference no. 2942/9-1-94-52TT/94 read with notification dated May 24, 1994 bearing reference no. 1743A/9-7-9414J/94 pursuant to which the Issuer is constituted.
b) Copy of Uttar Pradesh Municipal Corporation Act, 1959.
c) Notification no. D.O. No. K-14012/01/2022-AMRUT-IIB dated April 07, 2025 and any subsequent notification in relation to AMRUT Incentive issued by Ministry of Housing and Urban Affairs.
d) Government Order dated February 6, 2025 approving the issuance of Debentures and credit enhancement and debt servicing through the Infrastructure Development Fund.
e) Copy of the Executive Committee Resolution No. 31 dated July 5, 2023 in relation to approval for the issuance of bonds and formation of Bond Issue Committee.
f) Copy of the House Resolution No. 16 dated July 23, 2023, in relation to issue of bonds and approving the above Executive Committee Resolution.
g) Copy of the House Resolution No. 113 dated August 23, 2024, in relation to approval of the Project.
h) Copy of the Urban Development Section-9, Government of Uttar Pradesh vide its letter dated November 14, 2024 having reference no. 1342/9-9-2024-58J/18TC-E-1820120 has approved the Projects for the Issue.
i) Copy of Municipal Commissioner Letters dated March 04, 2025 and April 23, 2025 certifying the list of members of the Bond Issue Committee.
j) Copy of Order issued by GoUP dated July 30, 2019 wherein the GoUP has created a policy for utilization of IDF.
k) Copy of the resolution of the Bond Issue Committee dated March 11, 2025 approving the issuance of Bonds and Term Sheet including the Security for the Issue.

l) Copy of the resolution of Bond Issue Committee dated March 11, 2025, appointing Chief Finance & Accounts Officer as Compliance Officer and Officer in-charge of dealing with Investor Grievance.

m) Copy of the resolution of the Bond Issue Committee dated March 11, 2025authorizing mortgage of municipal land for securing the Municipal Bonds.

n) Copy of the resolution of the Bond Issue Committee dated March 11, 2025 approving the Objects of the Issue.

o) Copy of the resolution of the Bond Issue Committee dated March 11, 2025 approving the Materiality Policy.

p) Copy of the resolution the Bond Issue Committee dated March 28, 2025, approving the updated Term Sheet.

q) Consents and appointment letters of the Merchant Banker / Arranger / Transactions advisor, Debenture Trustee, Rating Agencies, Registrar to the Issue, Legal Advisor, Auditor, Bond Issue Committee Members, Municipal Commissioner, Escrow Bank and Banker to the Issue to include their names in this Placement Memorandum.

r) Examination report dated April 23, 2025 issued by the Auditor of the Issuer.

s) Statement of tax benefits dated April 23, 2025 issued by the Auditor of the Issuer.

t) Certificates dated March 11, 2025 and April 23, 2025 issued by ANB Consultants, technical consultants for all the Projects who have also prepared Detailed Project Report for the Project.

u) Rating letter dated February 20, 2024 and revalidated vide its letters dated on February 18, 2025, March 27, 2025 and April 22, 2025 and rating rationale dated February 18, 2025 issued by Acuite Ratings, rating letter dated March 07, 2024 revalidated letter issued on March 06, 2025 and April 16, 2025 and rating rationale dated March 06, 2025, issued by India Ratings.

v) Copy of the resolution of the Bond Issue Committee dated March 11, 2025 approving the Preliminary Placement Memorandum.

w) Copy of the resolution of the Bond Issue Committee dated March 28, 2025 approving the updated Preliminary Placement Memorandum to be filed with SEBI after incorporating changes and updates as per SEBI observation letter.

x) Copy of the resolution of the Bond Issue Committee dated April 23, 2025 approving the Placement Memorandum

y) Due diligence certificate dated March 11, 2025 and April 23, 2025 filed by the Merchant Banker with SEBI in relation to the Preliminary Placement Memorandum and Placement Memorandum, respectively.

z) Due Diligence Certificate dated March 11, 2025 and April 23, 2025 from the Trustee in relation to the Issue.

aa) In-principle approval received from BSE Limited having reference no. DCS/COMP/PG/IP-PPDI-MC/02/24-25 dated March 19, 2025.

bb) Observation Letter from SEBI bearing reference no. SEBI/HO/DDHS/DDHS-RAC-1/P/OW/2025/0000009091/1 dated March 25, 2025

SECTION-XVI: DECLARATION

उमेश चन्द्र
गणेश केसरवानी
महापौर
अध्यक्ष – जलकल

फोन नं0 : (0532) 2427223 (कार्या0)
फैक्स नं0 : (0532) 2427225 (कार्या0)
कार्यालय : 1, सरोजनी नायडू मार्ग, प्रयागराज 211001 (यू0पी0)

दिनांक 23.04.2025

Declaration

I, Umesh Chandra Ganesh Kesarwani, Mayor of Prayagraj Nagar Nigam (the "Issuer") hereby declare and confirm that:

1. The Placement Memorandum contains true, fair, and adequate information to enable investors to make a well-informed decision regarding their investment in the proposed Issue.
2. The 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-NRO/GN/2015-16/006 dated 15th July 2015, as amended and other applicable SEBI circulars.
3. The Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.
4. The 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 Placement Memorandum also does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Placement Memorandum or in any other material issued by or at the instance of the Issuer shall be accepted by the Issuer, and that anyone placing reliance on any other source of information would be doing so at his own risk.

For Prayagraj Nagar Nigam

Name: Umesh Chandra Ganesh Kesarwani
Designation: Mayor
Date: 23 **April, 2025**

उमेश चन्द्र
गणेश केसरवानी
महापौर
नगर निगम, प्रयागराज

आवास : 649, कृष्णा नगर, कीडगंज, प्रयागराज – 211003 (यू0पी0)
मोबाइल नं0:– 9305729776

Declaration

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

Declaration

I, Seelam Sai Teja, IAS, Municipal Commissioner of Prayagraj Nagar Nigam (the "Issuer") hereby declare and confirm that:

1. The Placement Memorandum contains true, fair, and adequate information to enable investors to make a well-informed decision regarding their investment in the proposed Issue.
2. The 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-NRO/GN/2015-16/006 dated 15th July 2015, as amended and other applicable SEBI circulars.
3. The Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.
4. The 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 Placement Memorandum also does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Placement Memorandum or in any other material issued by or at the instance of the Issuer shall be accepted by the Issuer, and that anyone placing reliance on any other source of information would be doing so at his own risk.

For Prayagraj Nagar Nigam

Name: Seelam Sai Teja, I.A.S.
Designation: Municipal Commissioner
Date: 23 **April, 2025**

ANNEXURE I

Structured Payment Mechanism

STRUCTURED PAYMENT MECHANISM

1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the Debentures for the exclusive benefit of the Debenture Holders:

    a. Escrow Account
    b. Interest Payment Account
    c. Sinking Fund Account

2. The Issuer shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) is collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first and exclusive charge over the Escrow Account and the account(s) where the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) is collected and/ or pooled by the Issuer.

3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) will also be maintained as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019. Accordingly, the Interest Payment Account meets the requirement of interest payment account and the debt service reserve account as directed under the order of the GoUP dated July 30, 2019 bearing reference no. M-103/9-9-19-58 J/18 & order of the GoUP dated February 06, 2025 bearing reference no. 158/9-9-2025-58J/18TC-1 ("**Governmental Order**").

    For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 4 (Four) succeeding Coupon payments 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.

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

5. The funds lying in the Escrow Account shall be used in the following priority:
    (a) The funds should be first utilized to 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;
    (b) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;
    (c) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

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

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

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

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

   b. **Sinking Fund Account (SFA)** – Total issue size of the Debentures (Rs 50 Crore) shall be divided into 7 parts and each part (Rs. 7.143 Crore) shall be transferred to SFA in each of the 1st to 7th year. Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs. 0.7143 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 14.28% of STRPP size shall be transferred each year out of which 1.43 % shall be transferred each month for 10 months

   c. Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer.

7. The funds lying in the above-mentioned account(s) shall be utilized in the following manner:

   (a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose, the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.

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

   (c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the STRPPs on the Redemption Dates.

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

   (e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than as mentioned in paragraph (a) to (d) above.

   (f) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).

8. The Debenture Trustee, on behalf of the Debenture Holders shall have an exclusive first ranking charge over the Escrow Account and the account(s) where the property tax (or any other tax levied in place of property tax as per Section 173 of the Act) is being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account.

9. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have an exclusive first charge on the Escrow Account, Interest Payment Account (including the DSRA Amount), and Sinking Fund Account and any Permitted Investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). The amount deposited in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account shall be used solely for meeting the dues to the Debenture Holders. Any surplus in the above account(s) after the Debentures have been redeemed in full and all the dues to the Debenture Holders have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee. No amount can be withdrawn from these account(s) without the approval of Debenture Trustee.

10. The funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Program) 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 Uttar Pradesh Municipal Corporation Act, 1959, to the extent applicable.

11. The funds lying to the credit of Sinking Fund Account can be deposited (a) in government securities, or (b) such other instruments which may be permitted both in terms of the SEBI Circulars and also Uttar Pradesh Municipal Corporation Act, 1959. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.

12. Any actual interest income earned and received on the Permitted Investment(s) may be utilized by the Issuer, in accordance with the terms set out in the Transaction Documents, only: (a) with the prior approval of the Debenture Trustee; and (b) if there is no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.

13. The Escrow Account, Interest Payment Account (including the Required DSRA Amount) and Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ (Fixed Deposit Program) by two rating agencies throughout the tenor of the Debentures ("Bank"). In case, at any point of time, the rating of senior debt of the Bank falls below AA+ (Fixed Deposit Program) by any rating agency the Issuer shall, with the written consent of Debenture Trustee, move the funds to any other bank satisfying the rating criteria.

14. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer for such period as may be specified by the Debenture Trustee but not greater than 12 (Twelve) months in any case till such time as the Debentures are redeemed. The Issuer shall share copies of all such reports with the Rating Agencies. The Issuer and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Replenishment of Required DSRA Amount as well as funding of shortfall in the sinking fund account in terms of the Tripartite Agreement executed/ to be executed with the GoUP

In terms of the Governmental Order, the GoUP has created a policy for utilisation of the funds in the Infrastructure Development Fund (IDF) for credit enhancement and other needs of local bodies to promote/ incentivise issuance of municipal bonds. One of the terms of the Governmental Order requires the opening of an escrow account, sinking fund account, interest payment account and debt service reserve account by the urban local bodies issuing municipal bonds. As stated above, the Interest Payment Account is a combination of two accounts as required under the Governmental Order, being the interest payment account and the debt service reserve account. Accordingly, the Interest Payment Account will be the account from which the interest payments on the Debentures will be serviced and the account in which the Required DSRA Amount will be maintained.

Pursuant to the Governmental Order, the Issuer has approached the GoUP for entering into the Tripartite Agreement with the Debenture Trustee and the Issuer in respect of the Debentures, for agreeing and covenanting to make payment of funds from the Infrastructure Development Fund in terms of such agreement:

(a) into the Interest Payment Account on the occurrence of a DSRA Amount Shortfall; and

(b) into the Sinking Fund Account on the occurrence of a Sinking Fund Mismatch.

The GoUP shall make payment of such amounts as may be required to make good any DSRA Amount Shortfall. In case the DSRA Amount lying in the Interest Payment Account is utilized to fund the shortfall in Interest Payment Account at the time of the Coupon payment, the GoUP shall remit the funds (to the extent that the DSRA Amount utilized to fund the shortfall in the Interest Payment Account for meeting the Coupon payment on such Coupon Payment Date) to replenish the Required DSRA Amount, in terms of the Tripartite Agreement, as per the 'Interest Payment Mechanism' as mentioned below.

Further, the GoUP shall make payment of such amounts as may be required to make good any Sinking Fund Mismatch. In case of shortfall in the Sinking Fund Account at the end of each year, the GoUP shall remit the funds to fund the shortfall in the Sinking Fund Account, in terms of the Tripartite Agreement, as per the 'Principal Repayment (Sinking Fund) Mechanism' as mentioned below.

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 shortfall in the Interest Payment Account prior to the date falling 10 (Ten) days prior to the Coupon Payment Date (T-10 days). 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 notice in writing to the Issuer (and the GoUP shall be informed of the same, by the Debenture Trustee marking a copy of such notice to the GoUP). On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall prior to the date falling on the relevant Coupon Payment Date (T). In the event that the shortfall is not made good by the Issuer on the relevant Coupon Payment Date (T), the Debenture Trustee shall issue a notice to the Issuer (and GoUP shall be informed by marking a copy to GoUP) on the date immediately succeeding the relevant Coupon Payment Date (T+1). On issuance of such notice, the GoUP shall remit funds required to replenish the Required DSRA Amount (such that the amount in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Minimum Balance) is at least equivalent to the Required DSRA Amount) within 15 (Fifteen) days from the relevant Coupon Payment Date (T+15) by depositing such amounts in to the Interest Payment Account.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicing. If any overdue 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 25 (Twenty Five) days prior to the end of each 12 Month Block (T-25 days). In case of any Sinking Fund Mismatch, the Debenture Trustee shall intimate the Issuer of the shortfall (and the GoUP shall be informed by marking a copy to the GoUP)

and the Issuer shall make good the Sinking Fund Mismatch prior to the date falling 15 (Fifteen) days prior to end of each 12 Month Block (T-15 days).

In case of shortfall in any amount still persists 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 issue a notice to the Issuer (and the GoUP shall be informed by marking a copy to the GoUP). On the issuance of such notice, the GoUP shall remit funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T).

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

DESCRIPTION OF THE MORTGAGED PROPERTY

Schedule of the fixed assets charged:
Description of the Municipal Land

Brief description of the Mortgaged Land	Location of the Mortgaged Land	Area of the Land	Estimated Value of the Land*
Non-agricultural Land	Mauza Jahangirabad Uparhar, Pargana Arail, Tehsil Karchana, District Prayagraj	**23,050 SQM or 2.3050 hectares**	**Rs. 57.16 crores**

*The estimated value is as per the valuation report by Sudhanshu Srivastava, Government Registered Valuer, Chartered Engineer dated March 11, 2025. If any fresh borrowing is planned against this Municipal Land, Issuer would submit a fresh valuation report to the Debenture Trustee to re-access the likely market value of the Municipal Land. Charge to be created only to the extent of 1 time of the outstanding Secured Obligations. Surplus value of the land can be utilized for any subsequent borrowings of the Issuer, without affecting the rights and security of the existing Bond Holders. The consent of the Debenture Trustee would be sufficient for utilizing the surplus land for any future borrowing against it.

ANNEXURE - III
Rating Letters and Rationale

IndiaRatings & Research
A Fitch Group Company

FitchGroup

Shri Chander Mohan Garg, IAS
Municipal Commissioner
Prayagraj Nagar Nigam
1, Sarojini Naidu Marg, Civil Lines,
Prayagraj, Uttar Pradesh- 211001

April 16, 2025

Dear Sir/Madam,

Re: Rating Letter for Proposed Municipal Bonds of Prayagraj Nagar Nigam

This is in reference to the rating action commentary released on 6 March 2025.

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of Prayagraj Nagar Nigam

Instrument Type	Size of Issue (million)	Rating/Outlook
Proposed municipal bonds*	INR500	Provisional IND AA/Stable

*The rating is provisional and contingent upon execution of certain documents and/occurrence of certain steps.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

India Ratings & Research
A Fitch Group Company

FitchGroup

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Dr Devendra Pant
Senior Director

IndiaRatings & Research
A Fitch Group Company

FitchGroup

Shri Chander Mohan Garg, IAS
Municipal Commissioner
Prayagraj Nagar Nigam
1, Sarojini Naidu Marg, Civil Lines,
Prayagraj, Uttar Pradesh- 211001

March 07, 2024

Dear Sir/Madam,

Re: Rating Letter for NCD of Prayagraj Nagar Nigam

India Ratings and Research (Ind-Ra) has rated Prayagraj Nagar Nigam's (PNN) proposed municipal bond as follows:

Instrument Type	**Size of Issue (million)**	**Rating/Outlook**	**Rating Action**
Proposed municipal bond*	INR500	Provisional IND AA/Stable	Assigned

* The rating on the proposed municipal bond is provisional and pending execution of documents. The final rating, upon the receipt of executed documents consistent with the draft documents and the approval from the government of Uttar Pradesh (GoUP) for the issuance, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending. In the absence of the documentation considered while assigning the provisional rating, the agency would have assigned a rating of 'IND A' to the proposed instruments.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website

of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Dr Devendra Pant
Senior Director

IndiaRatings & Research
A Fitch Group Company

FitchGroup

Shri Chander Mohan Garg, IAS
Municipal Commissioner
Prayagraj Nagar Nigam
1, Sarojini Naidu Marg, Civil Lines,
Prayagraj, Uttar Pradesh- 211001

March 06, 2025

Dear Sir/Madam,

Re: Rating Letter for NCD of Prayagraj Nagar Nigam

India Ratings and Research (Ind-Ra) has affirmed Prayagraj Nagar Nigam's (PNN) proposed municipal bonds as follows:

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed municipal bonds	INR500	Provisional IND AA/Stable	Affirmed

*The rating is provisional and contingent upon execution of certain documents and/occurrence of certain steps.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

India Ratings & Research
A Fitch Group Company

FitchGroup

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Dr Devendra Pant
Senior Director

India Ratings & Research
A Fitch Group Company

India Ratings Affirms Prayagraj Nagar Nigam's Proposed Municipal Bonds at 'Provisional IND AA'/Stable

Mar 06, 2025 | Urban Local Bodies

India Ratings and Research (Ind-Ra) has affirmed Prayagraj Nagar Nigam's (PNN) proposed municipal bonds as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed municipal bonds	-	-	-	INR500	Provisional IND AA/Stable	Affirmed

*The rating is provisional and contingent upon execution of certain documents and/occurrence of certain steps. Please refer to the section, DISCLOSURES FOR PROVISIONAL RATING, for additional details as per the Securities and Exchange Board of India's (SEBI) Master Circular dated 6 July 2023.

Analytical Approach

Ind-Ra continues to take a standalone view of PNN while reviewing the rating.

Detailed Rationale of the Rating Action

The rating reflects PNN's continued moderate operational and financial performance and stable performance of escrowed assets (property taxes) during 1HFY25 and FY24, the enforceable nature of these collections by the corporation, strength of the trustee-monitored structured payment mechanism and an adequate debt service coverage ratio (DSCR) during the bond tenor.

The structured payment mechanism would be backed by an interest payment account (IPA) and a sinking fund account (SFA). The IPA shall be pre-funded with the required amount in the debt service reserve account (DSRA), equivalent to four semi-annual interest instalments, one day before the pay in date, to be maintained during the tenor of the bonds. The bonds shall be issued at a fixed rate of interest that mitigates the interest rate risk.

Ind-Ra takes comfort from the presence of an infrastructure development fund (IDF), which is available to replenish the amount in IPA on account of a DSRA shortfall and any mismatch in SFA. IDF is funded out of the additional stamp duty paid on the transfer of records of immovable properties in Uttar Pradesh. PNN is entitled to receive its own share during the year from IDF, which resides with the state government, based on the property registrations under its jurisdiction.

Ind-Ra expects PNN to have adequate receivables from property tax to cover its debt service obligations. PNN shall set up a separate no-lien escrow account into which the funds lying in account(s), in which the property tax is collected by PNN, shall be transferred for debt servicing. The government of Uttar Pradesh's (GoUP) approval for the bond has been received. In Ind-Ra's assessment, the structured payment mechanism of the bond is strong.

List of Key Rating Drivers

Strengths

- Adequacy of escrowed revenue stream

- Structured debt servicing mechanism
- Trustee monitoring
- IDF support
- Consistent operating revenue surpluses and moderate operating margin
- Strong debt service coverage

Weaknesses

- Moderation in own revenue
- Low capital utilisation and moderate civic service delivery

Detailed Description of Key Rating Drivers

Adequacy of Escrowed Revenue Stream: Ind-Ra expects the receivables from property tax, which will be under escrow, to sufficiently cover PNN's debt service obligations during the bond tenor. Under the proposed bond structure, the property tax revenue would be escrowed for servicing debt obligations. The escrowed collections will be first utilised for meeting the minimum balance required to be transferred to IPA and SFA. The revenue from property tax grew at a CAGR of 15.7% over FY21-FY24 to INR991.74 million on cash basis.

Structured Debt Servicing Mechanism: Under the structure, a DSRA funded one day prior to the pay-in date with an amount equal to four half-yearly interest payments will be put in place. At all times, DSRA is to be maintained at four succeeding half-yearly interest payments. PNN shall set up a separate no-lien escrow account, into which the funds that are lying in the account(s), in which the property tax is collected by PNN, shall be transferred for debt servicing. The tenor of the bond is proposed to be four-to-seven years in four sub-series.

On the transfer date (transfer date here means the last date of any monthly period), the funds parked in the escrow account shall be used in the following order of priority:

- On each of the first five transfer dates of the 12-month block, an amount equivalent to 20% of the coupon payment shall be transferred on the first coupon payment date, and any further interest payable as per the terms of the issuance, and any shortfall in the earlier contribution shall be transferred to IPA. On each of the sixth to the 10th transfer dates of the year, an amount equivalent to 20% of the coupon payment shall be transferred on the second coupon payment date in such 12-month block, and any further interest payable and any shortfall in the earlier contribution shall be transferred to IPA.
- On each of the first 10 transfer dates occurring in each 12-month block, an amount equivalent to 1/10th of 14.28% of the issue size and any shortfall in the earlier contribution shall be transferred to SFA. The account will be duly monitored on an ongoing basis, including on each of the first 10 transfer dates occurring in each 12-month block.
- Any shortfall in the funds available in the escrow account to complete the aforesaid transfers to the above accounts shall be made good by PNN by the transfer from its other account(s).

Trustee Monitoring: The debenture trustees, on behalf of the debenture holders, will have an exclusive first charge on the escrow account, IPA, SFA and any permitted investments made from these accounts for the exclusive benefit of the debenture holders. The amount deposited in IPA and SFA is used solely for meeting the debenture holders' dues. Any surplus available in the escrow account can be transferred to PNN's general account only after obtaining the written consent of the debenture trustees. No amount is withdrawn from these accounts without the approval of the debenture trustee.

IDF Support: The GoUP, via an order issued on 30 July 2019, created a policy for the utilisation of funds in IDF for credit enhancement and other needs of local bodies to promote/ incentivise the issuance of municipal bonds. Furthermore, the GoUP will enter into a tripartite agreement with the debenture trustees and PNN for making funds available from IDF, in case of any shortfall in DSRA for interest payments or SFA for principal redemption. Out of the 2% additional stamp duty paid on the transfer of immovable properties in Uttar Pradesh, 0.5% is allocated to urban local bodies (ULBs) in the form of IDF and the remaining 1.5% is allocated to other parastatals engaged in urban development in the ULB area. PNN receives these funds from the state government as per its requirements.

Consistent Operating Revenue Surplus; Moderate Operating Margin: Ind-Ra expects PNN's revenue balance position to remain in surplus over the medium term. PNN maintained its revenue surplus position in FY24 at INR1,119.46 million (FY23: INR946.55 million, FY22: INR910.82 million). The corporation funded its entire revenue expenditure out of the revenue income. The operating margin was moderate averaging 14.1% during FY22-FY24. Ind-Ra expects PNN's operating margin to remain moderate in the medium term. During FY20-FY24, the revenue expenditure grew at a CAGR of 32.2%, while the revenue income grew at a CAGR of 36.8%.

Strong Debt Service Coverage: Ind-Ra expects PNN's DSCR (FY24: 54.66x) to be comfortable over the bond tenor, considering the debt service obligations from the issuance of the proposed municipal bonds of INR500 million. The agency also expects the coverage of its instrument-level debt servicing obligations, based on the receivables from property tax, IDF and Atal Mission for Rejuvenation and Urban Transformation scheme (AMRUT) incentive, to remain healthy over the medium term. Ind-Ra will closely monitor the coverage adequacy during the entire tenure of the bond.

At FYE24, PNN had an interest-free debt of INR80.12 million from the GoUP under the Deen Dayal Upadhaya scheme, which does not have any structured repayment schedule. Depending upon the State Finance Commission devolution, the amount is deducted from the entitlement at the source. The absence of any interest servicing obligations has resulted in a healthy credit profile for the corporation.

Moderation in Own Revenue: Ind-Ra expects PNN to enhance its own revenues and reduce its dependence on the GoUP. The proportion of PNN's own income in the total revenue income ratio declined to 29.6% in FY24 (FY23: 32.3%, FY22: 33.4%) and averaged 28.6% over FY20-FY24. The decline has been due to a marginal increase in the proportion of grants and other income (comprising interest and miscellaneous income) to the total income of ULB.

In FY24, property tax constituted 45.4% of the tax revenue (FY23: 41.3%, FY22: 38.1%) and 12.5% of the total revenue income (12.6%, 11.3%). The property tax collection efficiency declined to 68.4% in FY24 (FY23: 76.3%, FY22: 91.8%), due to an increase in the total number of properties assessed and the ongoing reconciliation work after completion of GIS survey. The total number of properties assessed increased to 0.237 million in 1HFY25 from 0.233 million as of FY24 (FY23: 0.228 million). In FY24, water tax formed a major source of the tax revenue at 40.3% (FY23: 43.7%).

Ind-Ra expects implementation of planned measures to improve the property tax collections in the medium term. PNN uses geographic information system surveys to bring unassessed properties under the tax net and it is launching platforms such as WhatsApp Bot, interactive voice response system call centres and short message service for timely and digital-based submission of bills.

Low Capital Utilisation and Moderate Civic Service Delivery: Ind-Ra expects capital utilisation to increase in FY25, with the dedicated allocation for the Kumbh Mela and decline thereafter as the Kumbh is organised in every 12 years at different locations in India - Prayagraj, Haridwar, Nasik and Ujjain. The proportion of capital expenditure in the total expenditure was 17.6% in FY24 (FY23: 18.6%, FY22: 15.9%). The capital utilisation (capital expenditure/capital income) remained below 1.0x for FY24 and FY23 due to the receipt of capital grants towards the year-end and a sharp increase in capital receipts in FY23 and FY24. The Kumbh Mela was organised in FY25 starting 13 January 2025 and was concluded on 26 February 2025. The funds dedicated for the Kumbh mela amounted to INR120,000 million which was disbursed among the various implementing agencies for the development of the entire city. For the mela, various temporary and permanent structures were erected for which, these grants were utilised.

Separately, the corporation has undertaken several water supply and sewerage works, construction of parks under the AMRUT scheme. The corporation's service delivery levels for water, sewerage and solid waste segments remained average. Ind-Ra expects the same to improve as the corporation has undertaken several projects in the field of water supply, solid waste management and sewerage. Given the quality of civic infrastructure, and with the new areas merged with PNN, the corporation needs to make further investments. The Ministry of Housing and Urban Affairs has set benchmark levels of 100% for each parameter, whereas the corporation has a water supply coverage network of 90%, household level coverage of solid waste management of 100%, and the extent of solid waste segregation stood at 72%. The per capita daily water supply increased to 135 litres in FY24 (FY23: 130.0 litres) (benchmark: 135 litres per

capita per day). Enterprise resource planning has been used to bring in vendors on board for civic services such as solid waste management, lighting and civic works. However, PNN's performance was less than adequate in areas such as continuity of water supply (FY24: 12 hours against benchmark of 24 hours per day) and extent of non-revenue water (30% against benchmark of 20%).

Liquidity

Adequate: Ind-Ra expects the liquidity profile to be adequate over the medium term, supported by capital grants to fund capex, sizeable cash and bank balances and unencumbered investments. Debt servicing requirement pertaining to the bonds will be backed by way of an escrow of receivables from property taxes. The corporation's cash balances and investments stood at INR6,320.74 million as on 30 September 2024 (FYE24: INR6,492.93 million).

Rating Sensitivities

Positive: Events that could collectively lead to a positive rating action are:

- total house tax collection efficiency increasing to or exceeding 90% on a sustained basis, and
- a sustained improvement in the civic service deliverables such as hours of water supply and coverage sewerage network in line with the corresponding benchmark levels.

Negative: Events that could, individually or collectively, lead to a negative rating action are:

- a breach of the financial covenants and a deviation from the structured payment mechanism,
- an unanticipated increase in the debt levels, resulting in the DSCR remaining below 2.0x for two consecutive years,
- higher dependence on grants and/or deterioration in the revenue on a sustained basis,
- property tax collection efficiency falling below 50% on a sustained basis, and
- failure or a breach to comply with Securities and Exchange Board of India's listing requirements with regard to timely disclosure on a sustained basis.

Disclosures for Provisional Rating

1) Rating that would have been assigned in absence of the pending steps/ documentation

Ind-Ra would have assigned an 'IND A'/Stable rating in the absence of the pending steps/documentation.

2) Pending steps/ documentation considered while affirming provisional rating and risks associated with the provisional nature of the credit rating:

Sr. No.	Pending documentation/steps considered while affirming provisional rating	Risks associated with the provisional nature of the credit rating in the absence of completed documentation/steps
1.	Debenture trust deed	Weaker structure and monitoring; risks to timeliness of payment; lower protection to investors
2.	Escrow agreement	
3.	Final term sheet	
4.	Final information memorandum	
5.	Tripartite agreement	
6.	Statement of interest payment account showing one annual instalment of debt service reserve amount one day prior to the pay-in date	Pending funding of debt service reserve amount would increase vulnerability to cashflow mismatches and a risk of timely debt servicing

* Any other relevant documents executed for the transaction should be provided to the agency.

3) Validity Period

The final rating, upon the receipt of executed documents consistent with the draft documents, shall be assigned within 90

days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

Any Other Information

Bond Usage: On the advice of the state government, the ULB has decided to utilise the proceeds from bond issuance to fund utility and revenue-generating projects. PNN plans to enhance its own income to reduce its dependence on the state and central government for financial aid for undertaking developmental works for the city. The project will provide a regular source of income for the Nagar Nigam. This strategic move aims to boost the ULB's revenue and promote self-sufficiency for the Nagar Nigam. Citizens travel to Lucknow and Delhi for advanced medical treatments. To mitigate the issue, the Nagar Nigam plans to establish state-of-the-art hospital facilities over an area of 42.3 hectares in Naini, Prayagraj. The hospital will feature a four-storey building with a 200-bed capacity adjoining to a residential area. Expansion plans will be developed based on demand. The construction for hospital is set to begin from April 2025, and PNN expects to complete the same within 1.5 years. The hospital will offer treatments that are in high demand, significantly improving the local healthcare access. The total cost of the project is INR765.30 million funded through the proposed bond issuance of INR500.00 million and remaining through ULB's internal accruals.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on PNN, due to either their nature or the way in which the entity is managing them. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

PNN is the chief municipal body of Prayagraj city. It was constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under Section 4 of the Uttar Pradesh Municipal Corporation Act, 1959 on 26 August 1994. Prayagraj is one of the largest cities in Uttar Pradesh and is also an educational and cultural hub. The city is divided into eight zones and has 100 wards covering an area of 365 square km, and it had a population of 1.2 million as per Census of India 2011.

Key Financial Indicators

Particulars	FY24	FY23
Revenue income (INR million)	7,950.83	7,128.31
Revenue expenditure (INR million)	6,831.78	6,182.01
Revenue surplus/(Deficit) before depreciation (INR million)	1,119.46	946.55
DSCR (x)	54.66	46.75
Debt payment/revenue income (%)	NM*	0.01
*NM: Not meaningful because of negligible payment Source: PNN, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook
	Rating Type	Rated Limits (million)	Rating	7 March 2024
Proposed municipal bonds	Long-term	INR500	Provisional IND AA/Stable	Provisional IND AA/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Municipal bonds	Moderate

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

ANNEXURE - I

INSTRUMENT COVENANTS

Financial Covenants

The issuer shall, at all times till the debentures are outstanding, ensure that the total amounts collected in the escrow account in any financial year shall be at least 2.0x of the annual payments amount.

For the purpose of this term sheet, the term annual payments shall, in respect of any financial year, mean the aggregate of: (a) the coupon payable in such year (in relation to the present bond issue and any further borrowings); and (b) the portion of principal amount of the debentures which are required to be deposited by the issuer into the SFA in such financial year (in relation to the present bond issue and any further borrowings), in terms hereof.

So long as the eligibility conditions are met, the issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the escrow account, provided that it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of the debenture trustee.

'Eligibility conditions' shall mean the following conditions:

1. the annual payments ratio is maintained by the issuer;
2. there is no shortfall in the contribution to the escrow account, IPA (including towards maintenance of the required DSRA amount) and/or SFA which has not been made good by the issuer in terms of the transaction documents.

Annexure - II

Interest Payment Mechanism (T-interest date)	
Trigger Date	**Action**
T-25	The trustee shall check the amount lying to the credit of IPA over and above the required DSRA amount. In case of any shortfall in the requisite amount for coupon payment, the trustee shall intimate the issuer.
T-10	The issuer makes good the shortfall in IPA, if required.
T-9	In case of shortfall, the trustee shall trigger the payment mechanism and instruct the banks to utilise the DSRA amount for meeting the shortfall in IPA.
T-8	The bank shall transfer the shortfall amount, if applicable*.
T	Interest payment service
*Any amount drawn from DSRA should be deposited back in the account before T.	

DSRA	
Trigger Date	**Action**
T-7	DSRA amount to be used for interest payment in the event of shortfall, immediately after the trustee instruction to the bank.
	The issuer shall make good the DSRA amount shortfall prior to the date falling on T. In case the DSRA shortfall is not replenished by T date, then trustee shall issue a notice to PNN and marking a copy to the GoUP on the date immediately succeeding the relevant coupon payment date (T+1) day. Post issuance of the notice, the GoUP shall remit funds required to replenish required DSRA amount (such that the amount in IPA (calculated on the basis of the amounts available in addition to the minimum balance) is at least equivalent to the required DSRA amount) within 15 days from the relevant coupon payment date (T+15) by depositing such amounts in to the interest payment account.

Redemption Mechanism (T-redemption date)	
Trigger Date	**Action**
T-25	The trustee shall check the amount lying to the credit of SFA. In case of any shortfall, the trustee shall intimate PNN and the GoUP of the same.
T-15	PNN shall make good the shortfall in SFA.
T-14	In case any shortfall still persists in SFA, the trustee shall trigger the payment mechanism and issue notice to PNN and the GoUP. Post issuance of the notice, the GoUP shall remit funds to fund the shortfall into SFA prior to T.
T	Redemption payment is done.

Contact

Primary Analyst
Karishma Badhwar
Analyst
India Ratings and Research Pvt Ltd
DLF Epitome, Level 16, Building No. 5, Tower B DLF Cyber City, Gurugram Haryana - 122002
+91 124 6687213
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst
Monika Bishnoi
Senior Analyst
+91 124 6687289

Media Relation
Ameya Bodkhe
Marketing Manager
+91 22 40356121

About India Ratings and Research: India Ratings and Research (Ind-Ra) is committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Local and State Government Rating Criteria

Evaluating Corporate Governance

Policy on Provisional Ratings

DISCLAIMER

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.indiaratings.co.in/rating-definitions. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

Rating Revalidation Letter

Letter Issued on: April 22, 2025
Letter Expires on: September 26, 2025
Fees Valid till: September 26, 2025

Scan this QR Code to verify authenticity of this rating

PRAYAGRAJ NAGAR NIGAM
1, Sarojini Naidu Marg,
Civil Lines,
Allahabad 211001
Uttar Pradesh

Kind Attn.: - Mr. Raj Kumar Sharma, Chief Finance and Accounts Officer (Tel. No. 9653046684)

Sir,

Sub.: Credit Rating of Bond Issued by PRAYAGRAJ NAGAR NIGAM aggregating to Rs. 50.00 Cr

Acuité Ratings & Research Limited has an outstanding rating of **'Provisional ACUITE AA | Reaffirmed'** read as [**Provisional ACUITE double A reaffirmed**] with a **'Stable'** outlook for the mentioned debt instrument [see annexure 1].

Acuité reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating(s). Acuité ratings are not recommendations to buy, sell or hold any security.

Kindly inform us the details of the bonds being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. Cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Yours truly,

For Acuité Ratings & Research Limited

Antony Jose

Chief Rating Officer

ANNEXURE – 1

Instrument	Scale	Amount (Rs. Cr)	Ratings
Proposed Bond	Long-term	50.00	Provisional ACUITE AA (Stable) | Reaffirmed

DISCLAIMER

An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité 's rating scale and its definitions. Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.

Rating Revalidation Letter

Letter Issued on: March 27, 2025
Letter Expires on: September 26, 2025
Fees Valid till: September 26, 2025

Scan this QR Code to verify authenticity of this rating

PRAYAGRAJ NAGAR NIGAM
1, SAROJINI NAIDU MARG,
CIVIL LINES,
ALLAHABAD 211001
UTTAR PRADESH

Kind Attn.: - Mr. RAJ KUMAR SHARMA, CHIEF FINANCE AND ACCOUNTS OFFICER (Tel. No. 9653046684)

Sir,

Sub.: Credit Rating of Bond Issued by PRAYAGRAJ NAGAR NIGAM aggregating to Rs. 50.00 Cr

Acuité Ratings & Research Limited has an outstanding rating of **'Provisional ACUITE AA | Reaffirmed'** read as [**Provisional ACUITE double A**] with a **'Stable'** outlook for the mentioned debt instrument [see annexure 1].

Acuité reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating(s). Acuité ratings are not recommendations to buy, sell or hold any security.

Kindly inform us the details of the bonds being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. Cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Yours truly,

For Acuité Ratings & Research Limited

Antony Jose

Chief Rating Officer

ANNEXURE – 1

Instrument	Scale	Amount (Rs. Cr)	Ratings
Proposed Bond	Long-term	50.00	Provisional ACUITE AA (Stable) | Reaffirmed

DISCLAIMER

An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité 's rating scale and its definitions. Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.

Rating Letter - Intimation of Rating Action

Scan this QR Code to verify authenticity of this rating

Letter Issued on : February 18, 2025
Letter Expires on : September 26, 2025
Annual Fee valid till : September 26, 2025

PRAYAGRAJ NAGAR NIGAM
1, SAROJINI NAIDU MARG,
CIVIL LINES,
Allahabad 211001
UTTAR PRADESH

Kind Attn.: Mr. RAJ KUMAR SHARMA, CHIEF FINANCE AND ACCOUNT OFFICER (Tel. No.9653046684)

Sir / Madam,

Sub.: Rating(s) Reaffirmed - Debt Instruments of PRAYAGRAJ NAGAR NIGAM

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
BOND	50.00	Provisional | ACUITE AA | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

Acuit® reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuit® believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by Acuit® as required under prevailing SEBI guidelines and Acuit® ís policies.

This letter will expire on or on the day when Acuit® takes the next rating action, whichever is earlier. It may be noted that the rating(s) is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.acuite.in/ OR scan the QR code given above to confirm the current outstanding rating(s).

Acuit® will re-issue this rating letter on subject to receipt of surveillance fee as applicable. If the rating(s) is reviewed before , Acuit® will issue a new rating letter.

Please note that under extant SEBI regulations and as per the terms of the rating agreement, once a rating is accepted and outstanding, the issuer is required to promptly furnish the íNo Default Statementî on the first working day of every month.

Sd/-
Chief Rating Officer

This is a system generated document. No signature is required.

Annexures: A. Details of the Rated Instrument

Annexure A. Details of the rated instrument			
Instruments	**Scale**	**Amt. (Rs. Cr)**	**Rating Assigned (Outlook) | Rating Action**
Proposed Bond	Long-term	50.00	ACUITE Provisional AA (Stable) | Reaffirmed
Total Quantum Rated		**50.00**	-

DISCLAIMER

An Acuit® rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy , sell or hold any security. Acuit® ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuit® , in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuit® is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings.Acuit® ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuit® , Acuit® is rating scale and its definitions.

Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.

Rating Revalidation Letter

Acuité RATINGS & RESEARCH

Letter Issued on: February 11, 2025
Letter Expires on: February 19, 2025
Fees Valid till: September 26, 2025

Scan this QR Code to verify authenticity of this rating

PRAYAGRAJ NAGAR NIGAM
1, SAROJINI NAIDU MARG,
CIVIL LINES,
ALLAHABAD 211001
UTTAR PRADESH

Kind Attn.: - Mr. RAJ KUMAR SHARMA, CHIEF FINANCE AND ACCOUNTS OFFICER (Tel. No. 9653046684)

Sir / Madam,

Sub.: Credit Rating of Bond Issued by PRAYAGRAJ NAGAR NIGAM aggregating to Rs. 50.00 Cr

Acuité Ratings & Research Limited has an outstanding rating of **'Provisional ACUITE AA | Assigned'** read as [**Provisional ACUITE double A**] with a **'Stable'** outlook for the mentioned debt instrument [see annexure 1].

Acuité reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies. Hence lenders / investors are advised to visit https://www.acuite.in/ to confirm the current outstanding rating(s). Acuité ratings are not recommendations to buy, sell or hold any security.

Kindly inform us the details of the bonds being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. Cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors

Yours truly,

For Acuité Ratings & Research Limited

Antony Jose
Chief Rating Officer

ANNEXURE – 1

Instrument	Scale	Amount (Rs. Cr)	Ratings
Proposed Bond	Long-term	50.00	Provisional ACUITE AA (Stable) | Assigned

DISCLAIMER

An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Acuité 's rating scale and its definitions. Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.

Rating Letter - Intimation of Rating Action

Scan this QR Code to verify authenticity of this rating

Letter Issued on : February 20, 2024
Letter Expires on : September 27, 2024
Annual Fee valid till : September 27, 2024

PRAYAGRAJ NAGAR NIGAM
1, SAROJINI NAIDU MARG,
CIVIL LINES,
Allahabad 211001
UTTAR PRADESH

Kind Attn.: Mr. RAJ KUMAR SHARMA, CHIEF FINANCE AND ACCOUNT OFFICER (Tel. No.9653046684)

Sir / Madam,

Sub.: Rating(s) Assigned - Debt Instruments of PRAYAGRAJ NAGAR NIGAM

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	50.00	0.00
Quantum of Enhancement (Rs. Cr.)	0.00	0.00
Rating(s)	ACUITE Provisional AA	Not Applicable
Outlook	Stable	Not Applicable
Most recent Rating Action(s)	Assigned	Not Applicable
Date of most recent Rating Action(s)	February 20, 2024	Not Applicable
Rating Watch	Not Applicable	Not Applicable

Acuit® reserves the right to revise the rating(s), along with the outlook, at any time, on the basis of new information, or other circumstances which Acuit® believes may have an impact on the rating(s). Such revisions, if any, would be appropriately disseminated by Acuit® as required under prevailing SEBI guidelines and Acuit® ís policies.

This letter will expire on **September 27, 2024** or on the day when Acuit® takes the next rating action, whichever is earlier. It may be noted that the rating(s) is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit https://www.acuite.in/ OR scan the QR code given above to confirm the current outstanding rating(s).

Acuit® will re-issue this rating letter on **September 28, 2024** subject to receipt of surveillance fee as applicable. If the rating(s) is reviewed before **September 27, 2024**, Acuit® will issue a new rating letter.

Please note that under extant SEBI regulations and as per the terms of the rating agreement, once a rating is accepted and outstanding, the issuer is required to promptly furnish the íNo Default Statemení on the first working day of every month.

Sd/-
Chief Rating Officer

This is a system generated document. No signature is required.

Annexures: A. Details of the Rated Instrument

Annexure A. Details of the rated instrument			
Instruments	Scale	Amt. (Rs. Cr)	Rating Assigned (Outlook) | Rating Action
Proposed Bond	Long-term	50.00	ACUITE Provisional AA (Stable) | Assigned
Total Quantum Rated		**50.00**	-

DISCLAIMER

An Acuit® rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy , sell or hold any security. Acuit® ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuit® , in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuit® is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings.Acuit® ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuit® , Acuit® ís rating scale and its definitions.

Any inadvertent omission or error in the rating letter which is discovered or brought to the notice of Acuite shall be rectified as soon as reasonably practicable not later than 48 hours of such discovery or notice. Such error or omission shall not render Acuite liable to any person for any kind of loss or damage including, but not limited to, any special, incidental, indirect or consequential damages caused by errors or omissions, provided such omission or error is rectified as soon as possible after discovery/notice.

Press Release
PRAYAGRAJ NAGAR NIGAM
February 18, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
BOND	50.00	Provisional | ACUITE AA | Stable | Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale
Acuite has reaffirmed the long term rating of **'Provisional ACUITE AA' (read as Provisional ACUITE double A)** on the Rs.50.00 Crore Bond of Prayagraj Nagar Nigam(PNN). The Outlook is **'Stable'**.
The rating on the Rs.50.00 Cr proposed Bond is provisional and the final rating is subject to receipt of pending documentation:

- Final NCD term sheet
- Executed agreement with debenture trustee and trust deed
- Any other document relevant to the issue.

Rationale for Rating
The reaffirmation in the rating takes into consideration that bonds havent placed yet and are expected to be placed in short term. Further, the consistent support from both the state and central government towards development of the city, it's stable revenue income and healthy cash surplus. Uttar Pradesh continues to solidify its position on the global tourism map, with the number of tourists visiting UP in 2022 was 31.85 crores. After Varanasi, Prayag Raj attracted the highest number of tourists in Uttar Pradesh last year. The rating futher factus Prayagraj's status as Judicial capital of Uttar Pradesh. Also, rating derives comfort from the structured payment mechanism including DSRA, Interest Payment Account and Sinking Fund Account. However, the rating to be constrained by the elevated level of receivables of PNN.

About the Company
Prayagraj Nagar Nigam (PNN) is the chief municipal body of Prayagraj city. Its Jurisdiction encompasses an area of approximately 365 sq. km and it has a population of about 1.2 million as per the 2011 Census. PNN is one of the largest corporations in the state of Uttar Pradesh. Prayagraj Nagar Nigam (PNN) established in 1994. The company is responsible for the civic infrastructure and administration of the city. Shri Gaurav Kumar is the Chief Development Officer, Shri Vijay Vishwas Pant is the Divisional Commissioner, Shri Navneet Singh Chahal is the District Magistrate and Shri Chandra Mohan Garg is the Commissioner of the city. The registered office of the company is in Uttar Pradesh.

Unsupported Rating
ACUITE A/Stable.

Analytical Approach
Acuité has considered the standalone business and financial risk profiles of Prayagraj Nagar Nigam (PNN) to

arrive at the rating.

Key Rating Drivers

Strengths

Benefits from Prayagraj's status as the Judicial Capital of Uttar Pradesh

PNN is a governing civic body and provides civic services to Prayagraj city, it is responsible for the civic infrastructure and administration of the city. As of 2011, Prayagraj is the seventh most populous city in the state,

thirteenth in Northern India and thirty-sixth in India, with an estimated population of 1.2 million in the city. In 2011, it was ranked the world's 40th fastest-growing city. The city, in 2016, was also ranked the third most liveable urban agglomeration in the state (after Noida and Lucknow) and sixteenth in the country. The administrative section of PMC is headed by the Municipal Commissioner under whom currently three Additional Municipal Commissioners are deputed. The political section of the PMC is constituted of an elected mayor and 100 ward members for a term of five years. The city is divided into wards according to its population, and representatives are elected from each ward. The significant employment opportunities, generated as a result of the economic activities in and around Prayagraj, has led to higher per capita income that augurs well with the cash flows Product Quantum. Besides being one of the largest city of Uttar Pradesh, Prayagraj has been identified as one of the cities under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) mission. The purpose of AMRUT is to ensure every household has access to tap water and sewerage connection, increase the amenity value of cities, and reduce pollution in the city. Acuité believes that adequate financial and non-financial support from State and Central Government will be made available to PNN for maintaining civic infrastructure at healthy levels under AMRUT mission. The operating income of PNN stood at Rs.785.80 Cr. for FY2024 against Rs.708.77 Cr. for FY2023. PNN has access to revenue grants and capital Grants from State Government and Central Government. The entity's surplus stood at Rs.102.66 Cr. in FY2024 against Rs.90.59 Cr. for FY2023.

Structured Payment Mechanism

PNN has access to various income sources out of which Property tax shall be deposited every month in a separate no-lien Escrow account for debt servicing of the bonds. The funds should be first utilized to meet the Minimum Balance in Escrow Account which entails maintenance of a Debt Service Reserve Account (DSRA), Sinking fund Account(SFA) and Interest Payment Account (IPA) The minimum balance shall not be used for any purpose other than transfer to the DSRA, IPA and SFA.

Terms of the NCDs

- The DSRA shall be created in an any event prior to seven days with an amount equivalent to the four coupon payments (2 years' interest) need to be maintained.
- The funds (Owned Revenue) received in the Escrow Account will be transferred to IPA and SFA on a monthly basis as per the terms of the bond.
- As regards the interest payments (expected to be half yearly), the IPA will be funded on a monthly basis.
- SFA, which shall be funded monthly equivalent to the amount as per the terms of bond issuances.

IPA (Interest Payment Account)

An amount, as specified in the terms of bonds/loans agreements, will be transferred to IPA from Escrow Account on a monthly basis. The debenture trustee shall check the amount in IPA at least 25 (T-25) days prior to the interest payment date. In case of any shortfall in the amount the trustee shall intimate the PNN of the shortfall and PNN shall cover the shortfall prior to 10 days (T-10 days) of the interest payment day. If the corporation fails to cover the shortfall at 09 days (T-09 days) prior to interest servicing day, then the trustee will instruct the bank to transfer the deficit from DSRA to IPA at 08 days (T-08 days) prior to the interest servicing day. 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 DSRAAmount 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 notice in writing to the Issuer (and the GoUP shall be informed of the same, by the Debenture Trustee marking a copyof such notice to the GoUP).

SFA (Sinking Fund Account)

The debenture trustee shall check the amount in SFA at least 25 (T-25) days prior to end of each 12-month block. In case of any shortfall in the amount the trustee shall intimate the PNN of the shortfall and PNN shall cover the shortfall prior to 15 days (T-15 days) prior to end of each 12 months' block. If the corporation fails to cover the shortfall at 14 days (T-14 days) prior to end of each 12 months' block, then the trustee shall trigger the payment mechanism and issue a notice to the Issuer (and the GoUP shall be informed by marking a copy to the GoUP). On the issuance of such notice, the GoUP shall remit funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T). The redemption shall be made by the Issuer on the relevant Redemption Dates.

Weaknesses

Significant buildup of receivables

The debtors position as on 31 March, 2024 stood at Rs. 281.70 Cr. i.e.471 days against Rs.298.43 Cr. as on 31 March, 2023 i.e. 501 days for FY23. Acuité believes that any significant build-up in receivables beyond existing levels will be a key rating sensitivity factor.

Rating Sensitivities

- Significant improvement in collection efficiency.

- Significant improvement in civic coverage indicators.

All Covenants

- The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 2 (Two) times of the Annual Payments Amount.
- For the purpose of this term sheet, the term 'Annual Payments' shall, in respect of any financial year, mean the aggregate of:

1. the Coupon payable in such year (in relation to the present bond issue and any further borrowings); and
2. the portion of principal amount of the Debentures which are required to be deposited by the Issuer into the Sinking Fund Account in such financial year (in relation to the present bond issue and any further borrowings), in terms hereof.

- So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of the debenture trustee.
- For the purpose of this term sheet, the term 'Eligibility Conditions' shall mean the following conditions:

1. the Annual Payments Ratio is maintained by the Issuer;
2. 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;
3. no Event of Default has occurred.

Liquidity Position

Adequate

PNN has adequate liquidity marked by healthy net cash accruals of Rs.111.91 crore for FY2024. Currently, PNN does not have any major repayment in near to medium term. PNN's cash and bank balances of PNN stood at Rs.590.39 crore as on March 31, 2024. Further, it had investments in fixed deposits of about Rs.58.90 Crore as on 31st March 2024 against Rs.3.54 Crore as on 31st March 2023. PNN did not avail any borrowings. However, the city requires huge investments to improve the quality of its civic services. PNN has cash buffers, which can be utilized to fund capex for the betterment of the city. Acuite expects the liquidity to be adequate considering the PNN has not availed any external debt.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	785.80	708.77
PAT	Rs. Cr.	22.64	13.02
PAT Margin	(%)	2.88	1.84
Total Debt/Tangible Net Worth	Times	0.75	0.42
PBDIT/Interest	Times	2755.22	3835.98

Status of non-cooperation with previous CRA (if applicable)

Not applicable.

Any other information

Supplementary disclosures for Provisional Ratings

Risks associated with the provisional nature of the credit rating In case there are material changes in the terms of the transaction after the initial assignment of the provisional rating and post the completion of the issuance (corresponding to the part that has been issued) Acuité will withdraw the existing provisional rating and concurrently assign afresh final rating in the same press release, basis the revised terms of the transaction.

Rating that would have been assigned in absence of the pending steps/documentation

The structure would have become null and void for the instrument. The rating of the instrument would have been equated to the Unsupported rating of the issuer (ACUITE A).

Timeline for conversion to Final Rating for a debt instrument proposed to be issued

The provisional rating shall be converted into a final rating within 90 days from the date of issuance of the proposed debt instrument. Under no circumstance shall the provisional rating continue upon the expiry of 180 days from the date of issuance of the proposed debt instrument

Applicable Criteria

- Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
- Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
- Urban Local Bodies: https://www.acuite.in/view-rating-criteria-57.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Feb 2024	Proposed Bond	Long Term	50.00	ACUITE Provisional AA | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Bond	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	Provisional | ACUITE AA | Stable | Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company Name
1	Government of Uttar Pradesh

Contacts

Mohit Jain Senior Vice President-Rating Operations Depanshi Mittal Lead Analyst-Rating Operations	**Contact details exclusively for investors and lenders** Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit https://www.acuite.in/faqs.htm to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.

ANNEXURE - IV

Resolutions and Approvals

Office of Secretary Council, Nagar Nigam, Prayagraj

Letter No. D-565 / Council / 2023

Dated 05 September/2023

Special meeting of the Municipal Corporation Executive Committee on 05.07.2023 at 11:00 am, Corporation Assembly Presence of the injured in the building-

	Shri Umesh Chandra Ganesh Kesharwani	Chairman
1.	Mrs. Deepika Jaisal	Member
2.	Mr. Shiv Kumar	Member
3.	Mr. Amit Singh	Member
4.	Mrs. Saras alias Sunita Darbari	Member
5.	Mr. Bal Raj	Member
6.	Mr. Umesh Chandra	Member
7.	Shri Shiv Sevak Singh	Member
8.	Mr. Ajay Yadav	Member
9.	Mr. Mayank	Member
10.	Mr. Sumit Nishad	Member
11.	Mr. Neeraj Kumar Gupta	Member
12.	Mr. Sarfaraz Ahmed	Member

Other presence-

1	Shri Chandra Mohan Garg	Municipal Commissioner
2	Mr. Ambrish Kumar Bind	Additional Municipal Commissioner
3	Mr. Arvind Kumar Rai	Additional Municipal Commissioner
4	Mr. Satish Kumar	Chief engineer
5	Dr. Abhishek Singh	City health officer
6	Mr. Rajkumar Sharma	Chief Executive & Accounts Officer
7	Mr. Kumar Gaurav	General Manager Jalkal
8	Shri Balendu Nishar	Chief City Auditor
9	Shri P.K. Dwivedi	Secretarial council
10	Mr. Uttam Verma	Environmental engineer
11	Dr. Vijay Amrit Raj	Animal Welfare Officer
12	Mr. Madan Gopal	Zonal Officer-01
13	Mr. Sanjay Mamangai	Zonal Officer-02-04
14	Mr. Dilip Srivastava	Zonal Officer-05
15	Mr. Amarjeet Yadav	Zonal Officer-03-07
16	Mr. Akshay Kumar Singh	Accounting officer
17	Shri Radhakrishna Lal	Executive Engineer (Electrical/Mechanical)
18	Mr. Satish Chandra	License Superintendent
19	Mr. Vinod Kumar Mishra	Executive Engineer
20	Shree Sangh Bhushan	Executive Engineer
21	Shri Ashwani Kumar Bhaskar	Principal Executive Engineer
22	Mr. Shivam Mishra	Principal Executive Engineer

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

23	Mr. Sujit Kumar	Accountant Jalkal
24	Mr. Umesh Prasad	Executive Engineer
25	Mr. Pradeep Yadav	Executive Engineer
26	Mr. Jitendra Sharma	Executive Engineer

Hon'ble Chairman said that the Municipal Commissioner has presented a proposal that-

Under the powers to take loan vested in Section 154 of Uttar Pradesh Municipal Act 1959, the Urban Development Department, Government of Uttar Pradesh has directed the Municipal Corporation, Prayagraj to issue municipal bonds by Government Order No.-1960/Ni-9-22-58 H/18 TC dated 28.09.2022. Compliance with the Acts and Conditions of SEBI issued by the Central Regulatory Body under Municipal Bonds helps in capacity building of employees, increases financial discipline and transparency as well as helps in bringing good governance. To smoothly implement the process of issuing municipal bonds and to comply with post issue compliance till the maturity of the bond, a bond committee has been constituted on 13.12.2022 under the chairmanship of the Municipal Commissioner himself, in which the following members (members by designation) are currently included:-

1. Shri Chandra Mohan Garg - Municipal Commissioner - Chairman
2. Mrs. Ratnapriya - Additional Municipal Commissioner - Member
3. Shri Arvind Kumar Rai - Additional Municipal Commissioner - Member
4. Shri Raj Kumar Sharma - Chief Finance and Accounts Officer - Nodal officer
5. Mr. Satish Kumar - Chief engineer (construction) - Member
6. Shri Kumar Gaurav - General Manager, Jalkal - Member
7. Mr. PK Dwivedi - Tax Inspector/Principal Property Officer - Member

On behalf of the Municipal Corporation, the Chairman of the Committee, the Municipal Commissioner, will have the authority to sign all the necessary documents and enter into necessary contracts. The Municipal Commissioner can also delegate these powers to any other officer of the Municipal Corporation, who is not below the rank of Additional Municipal Commissioner. In case of transfer or retirement of any member of the Bond Committee, the Municipal Commissioner will have the authority to nominate a new officer of that rank in the Bond Committee.

The funds from the Municipal Bond will be used for the purpose of economic implementation of the proposed project as follows.

- **Proposed project-**

- (Amount in crores)

Sr. No.	Details of Projects	Total proposed expenditure	ULB Share 30%	Funds to be borne by the Municipal Corporation	Amount of money borrowed through bonds

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

1	Work of laying pipeline for water supply in Naini extended area (Amrit 2.0)	385.32	115.59	79.63	35.96
2	Work of setting up solar power plant in Khusro Bagh and Karela Bagh.	17.55	-	03.51	14.04
	Total Amount	402.87	115.59	83.14	50.00

Brief description of Project No. 1-

(1) A project for drinking water supply to the public in Naini extended area in Prayagraj at a cost of Rs.385.32 crore, in which gap funding of Rs.35.96 crore is proposed through municipal bonds.

- Under this project, 81 MLD water will be supplied to the general public in Naini extended area by treating the water of Yamuna River.
- The above project will reduce dependence on tube wells and ground water depletion can be prevented.
- The Municipal Corporation will receive an incentive amount of 6.50 crores from the Government of India, which will help in other development works can be done by the Municipal Corporation to provide basic facilities to the people of the city.

Brief description of Project No.2-

In order to ensure smooth operation of 02 water treatment plants at Khusro Bagh and Karela Bagh under Municipal Corporation Prayagraj, it is proposed to set up 02 solar panel plants at a cost of Rs. 17.55 crore for power supply, in which Rs. 14.04 crore of municipal bond money is to be invested.

- By setting up solar panel plant by the Municipal Corporation, the system of self-generation of electricity will be implemented and there will be savings of about Rs. 3.00 crore annually.
- The Municipal Corporation will also be able to generate carbon credits through the above project which will be sold in the near future and will increase the income of the Corporation.

All the above projects come under Green Municipal Bond. Hence, the Municipal Corporation will also receive incentive amount of approximately Rs. 6.50 crore from the Government of India for issuing Green Municipal Bond, so that the Municipal Corporation can get other development works done to provide basic facilities to the people of the city.

According to SEBI guidelines, about 40 percent of the cost of both the projects can be obtained through municipal bonds. In the said schemes, out of the desired body share of Rs. 133.14 crore, an amount of about Rs. 50.00 crore is proposed to be obtained by issuing municipal bonds and in this regard, the Urban Development Department, Government of Uttar Pradesh

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

has directed through its letter No. 1960/9-22-58 H/18 TC dated 28.09.2022 and the progress is also being reviewed in various meetings.

In this regard, preliminary preparations have been made by the Municipal Corporation in which consultants, merchant bankers cum transaction advisors etc. have been selected to work as per SEBI guidelines for due diligence and fund collection. By issuing the above municipal bonds, the Municipal Corporation will get the following benefits:

1. Prayagraj Municipal Corporation will be the second institution to issue Green Bond.
2. The process of issuing the bonds would be as per the SEBI Regulation Act which would be mandatory for the municipal corporations issuing the bonds to comply with it.
3. Compliance with the above rules will help in financial discipline in the Municipal Corporation along with better project monitoring and making the Municipal Corporation self-reliant.
4. By issuing municipal bonds, the attention of international investors will be attracted towards Prayagraj city.
5. By investing the funds received through bonds in schemes, the income received by the Municipal Corporation from its own sources will be easily available for other internal development works.

Municipal bonds will open up options for the city to undertake other major projects that normally would not have been possible in the past due to limited financial resources.

The DPR of the said project is attached for the approval of the House after the approval of the Hon'ble Executive. The Hon'ble Executive/House is expected to approve the issuance of municipal bonds of the above mentioned approximately Rs. 50.00 crores, approval of these projects, their cost and the attached DPR, and the above-mentioned bond committee for issuing, listing and allocating bonds on behalf of the corporation and taking all decisions for compliance after the issuance of bonds. This bond committee will ensure action under the advice and instructions of the Government of Uttar Pradesh issued from time to time.

According to Section 154 of Chapter VIII of the Uttar Pradesh Municipal Corporation Act 1959, a municipal corporation can take loan by issuing debentures/bonds with the approval of the state government. The approval required from the state government includes the purpose and amount of the loan and other conditions, including the duration of the bond and the period for repayment of the bond loan.

In addition, under Section 154 of the Municipal Corporation Act, the Municipal Corporation can issue bonds/debentures on mortgage of any immovable property vested in it and all taxes, duties etc. levied by the Municipal Corporation can be used for security coverage of the said loan as per rules. Under the provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations 2015, it is mandatory for the municipal borrower to have at least 100 percent asset cover of the loan amount. Therefore, the consent/approval of the Hon'ble Executive/House is also required for mortgaging any such immovable property of the Municipal Corporation in favour of the Bond Trustee/Investors. The Bond Committee will identify such immovable property at the appropriate time and mortgage it in favour of the Bond

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Trustee/Investors. Apart from this, permission is also required for various institutions required in the process of issuing bonds such as stock exchange, trustee, RTA, CRA and other advisors etc. to be selected/appointed on nomination basis by the bond committee as has been done by various municipal corporations, mainly Lucknow and Ghaziabad Municipal Corporations. In order to obtain approval from the State Government for issuing municipal bonds, the said proposal has to be sent to the State Government after getting approval from the Hon'ble Executive/House.

If the honorable members agree, then this proposal should be passed unanimously and forwarded to the honorable House for its approval. The honorable members present expressed their consent.

Resolution Nos: 31 Date:
05.07.2023

It was decided unanimously by the Municipal Corporation Executive Committee that under the powers to take loan vested in Section 154 of the Uttar Pradesh Municipal Act 1959, the Municipal Corporation, Prayagraj has been directed to issue municipal bonds by the Government Order No. 1960/9-9-22-58J/18TC dated 28.09.2022 of the Urban Development Department, Government of Uttar Pradesh. Compliance with the Acts and conditions of SEBI issued by the central regulatory body under the Municipal Bond helps in capacity building of employees, increases financial discipline and transparency as well as helps in bringing good governance. For smooth implementation of the process of issuing municipal bonds and compliance of post issue compliance till maturity, the Municipal Commissioner has constituted a bond committee on 13.12.2022 under his own Chairmanship, which at present consists of the following members (Members by Designation):-

1. Shri Chandra Mohan Garg - Municipal Commissioner – Chairman
2. Mrs. Ratnapriya - Additional Municipal Commissioner – Member
3. Mr. Arvind Kumar Rai - Additional Municipal Commissioner – Member
4. Shri Raj Kumar Sharma - Chief Finance and Accounts Officer - Nodal Officer
5. Mr. Satish Kumar - Chief engineer (construction) – Member
6. Mr. Kumar Gaurav - General Manager, Waterworks Dept. – Member
7. Shri PK Dwivedi - Tax free/PR property – Member

On behalf of the Municipal Corporation, the Chairman of the Committee, the Municipal Commissioner, will have the authority to sign all the necessary documents and enter into necessary contracts. The Municipal Commissioner can also delegate these powers to any other officer of the Municipal Corporation, who is not below the rank of Additional Municipal Commissioner. In case of transfer or retirement of any member of the Bond Committee, the

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Municipal Commissioner will have the authority to nominate a new officer of that rank in the Bond Committee.

The funds from the Municipal Bond will be used for the purpose of economic implementation of the proposed project as follows.

- **Proposed project-**

(Amount in crores)

	Details of Projects	Total proposed expenditure	ULB Share 30%	Funds to be borne by the Municipal Corporation	The amount of money borrowed through bond
	Work of laying pipeline for water supply in Naini extended area (Amrit 2.0)	385.32	115.59	79.63	35.96
	Work of setting up solar power plant in Khusro Bagh and Karela Bagh.	17.55	-	03.51	14.04
	Total Amount	**402.87**	**115.59**	**83.14**	**50.00**

Brief description of Project No. 1-

(1) A project for drinking water supply to the public in Naini extended area in Prayagraj at a cost of Rs.385.32 crore, in which gap funding of Rs.35.96 crore is proposed through municipal bonds.

- Under this project, 81 MLD water will be treated from Yamuna River and supplied as drinking water to general public in Naini extended area.
- The above project will reduce dependence on tube wells and ground water depletion will be prevented.
- The Municipal Corporation will receive an incentive amount of 6.50 crores from the Government of India, so that the Municipal Corporation can get other development works done to provide basic facilities to the people of the city.

Brief description of Project No.2-

In order to ensure smooth operation of 02 water treatment plants at Khusro Bagh and Karela Bagh under Municipal Corporation Prayagraj, it is proposed to set up 02 solar panel plants at a cost of Rs.17.55 crore for power supply, in which Rs.14.04 crore of municipal bond money is to be invested.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

- By setting up solar panel plant by the Municipal Corporation, the system of self-generation of electricity will be implemented and there will be savings of about Rs. 3.00 crore annually.

- The Municipal Corporation will also be able to generate carbon credits through the above project which will be sold in the near future and will increase the income of the Corporation.

All the above projects come under Green Municipal Bond. Hence, the Municipal Corporation will also receive incentive amount of approximately Rs. 6.50 crore from the Government of India for issuing Green Municipal Bond, so that the Municipal Corporation can get other development works done to provide basic facilities to the people of the city.

According to SEBI guidelines, about 80 percent of the cost of both the projects can be obtained through municipal bonds. In the said schemes, out of the desired body share of Rs. 133.14 crore, an amount of about Rs. 50.00 crore is proposed to be obtained by issuing municipal bonds and in this regard, the Urban Development Department, Government of Uttar Pradesh has directed through its letter No. 1960/Ni-9-22-58 J/18 TC dated 28.09.2022 and the progress is also being reviewed in various meetings.

In this regard, preliminary preparations have been made by the Municipal Corporation, in which consultants, merchant bankers cum transaction advisors etc. have been selected to carry out due diligence and to raise funds as per SEBI guidelines. By issuing the above Municipal Bond, the Municipal Corporation will get the following benefits:

1. Prayagraj Municipal Corporation will be the second institution to issue Green Bond.
2. The process of issuing the bonds would be as per the SEBI Regulation Act which would be mandatory for the municipal corporations issuing the bonds to comply with it.
3. By complying with the above rules, financial discipline in the Municipal Corporation will improve along with monitoring, it will also help in making the Municipal Corporation self-reliant.
4. By issuing municipal bonds, the attention of international investors will be attracted towards Prayagraj city.
5. By investing the funds received through bonds in schemes, the income received by the Municipal Corporation from its own sources will be easily available for other internal development works.
6. Municipal bonds will open up options for the city to undertake other major projects that would normally not have been possible in the past due to limited financial resources.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

The DPR of the said project is attached for the approval of the House after the approval of the Indian Executive. The Hon'ble Executive/House is requested to issue municipal bonds of the above mentioned approximately Rs. 50.00 crores, to approve these projects, their cost and the attached DPR and to issue, list and allot bonds on behalf of the Corporation to the above mentioned Bond Committee and to take all decisions for compliance after the issuance of bonds.

Approval is required from the Hon'ble Executive/House. This Bond Committee will ensure action under the advice and instructions issued by the Government of Uttar Pradesh from time to time.

According to Section 154 of Chapter VIII of the Uttar Pradesh Municipal Corporation Act, 1959, a municipal corporation can take loan by issuing debentures/bonds with the approval of the state government. The approval required from the state government includes the purpose and amount of the loan and other conditions, including the tenure of the bond and the period for repayment of the bond loan.

In addition, under Section 154 of the Municipal Corporation Act, the Municipal Corporation can issue bonds/debentures on the mortgage of any immovable property vested in it and all taxes, duties etc. levied by the Municipal Corporation can be used for security coverage of the said loan as per the rules. Under the provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations 2015, it is mandatory for the municipal borrower to have at least 100 percent asset cover of the loan amount. Therefore, the consent/approval of the Hon'ble Executive/House is also required for mortgaging any such immovable property of the Municipal Corporation in favour of the Bond Trustee/Investors. The Bond Committee will identify such immovable property at the appropriate time and mortgage it in favour of the Bond Trustee/Investors. Apart from this, permission is also required for various institutions required in the process of issuing bonds such as stock exchange, trustee, RTA, CRA and other advisors etc. to be selected/appointed on nomination basis by the bond committee as has been done by various municipal corporations, mainly Lucknow and Ghaziabad Municipal Corporations. The said proposal is approved to obtain approval from the state Government in order to issue municipal bonds. This proposal should be presented for consideration/approval in the next meeting of the Hon'ble Municipal Corporation House.

(Umesh Chandra Ganesh Kesharwani)
Chairman

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Secretary Council Office, Nagar Nigam, Prayagraj

Letter No. D-550/Council/2023 Dated: 23 August 2023.

A special meeting of the Municipal Corporation House was called in the Corporation House Building on 23.07.2023 at 11:00 am.

Presence

	Shri Umesh Chandra Ganesh Kesharwani	Chairman
1	Mrs. Ruby	Member
2	Smt. Taravati Devi	Member
3	Smt. Geeta Devi	Member
4	Mrs. Deepika Jaisal	Member
5	Mrs. Sujata Saroj	Member
6	Shri Bhaskar	Member
7	Smt. Maya Devi	Member
8	Mr. Kanhai Lal	Member
9	Mrs. Anara Devi	Member
10	Mrs. Momina Siddiqui	Member
11	Mr. Akash Sonkar	Member
12	Shri Ram Kumar	Member
13	Mr. Deepak Kumar Kushwaha	Member
14	Mrs. Tara Devi	Member
15	Mr. Anup Kumar	Member
16	Mr. Shiv Kumar	Member
17	Mr. Rakesh Jaiswal	Member
18	Mr Shah Fahed Ahmed	Member
19	Mr. Sanjay Kumar	Member
20	Mr. Gyanendra Mishra	Member
21	Mr. Mehit Kumar	Member
22	Mr Siyaram	Member
23	Mr. Amit Singh	Member
24	Mr. Raju Shukla	Member
25	Mrs. Saras alias Sunita Darbari	Member
26	Mr. Bal Raj	Member
27	Mr. Mukesh Kumar	Member

In addition, under Section 154 of the Municipal Corporation Act, the Municipal Corporation can issue bonds/debentures on mortgage of any immovable property vested in it and all taxes, duties etc. levied by the Municipal Corporation can be used for security coverage of the said loan as per rules. Under the provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations 2015, it is mandatory for the municipal borrower to have at least 100

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

percent asset cover of the loan amount. Therefore, the consent/approval of the Hon'ble Executive/House is also required for mortgage of any such immovable property of the Municipal Corporation in favour of the bond trustee/investors. The Bond Committee will identify such immovable property at the appropriate time and mortgage it in favour of the bond trustee/investors. Apart from this, various institutions such as stock exchange, trustee, RTA etc. are required in the process of issuing bonds. Permission is also required for CRA and other advisors etc. to be selected/appointed on nomination basis by the bond committee as has been done by various municipal corporations, mainly Lucknow and Ghaziabad Municipal Corporations. In order to obtain approval from the State Government for issuing municipal bonds, the said proposal has to be sent to the State Government after getting approval from the Hon'ble Executive Committee/House.

Therefore, after the approval of the Executive Committee, the above proposal is presented before the Municipal Corporation House for consideration and decision. If the Hon'ble members agree, then this proposal should be passed unanimously, and permission should be granted to send it to the State Government. The Hon'ble members present agreed.

Resolution numbers 16 **Dated: 23.07.2023**

It was decided unanimously by the Municipal Corporation House that under the powers to take loan vested in Section 154 of the Uttar Pradesh Municipal Act 1959, the Municipal Corporation, Prayagraj has been directed to issue municipal bonds by the Government Order No. 1960/9-9-22-58J/18TC dated 28.09.2022 of the Urban Development Department, Government of Uttar Pradesh. Compliance with the Acts and Conditions of SEBI issued by the Central Regulatory Body under Municipal Bonds helps in capacity building of employees, increases financial discipline and transparency as well as helps in bringing good governance. In order to smoothly implement the process of issuance of Municipal Bonds and to comply with post issue compliance till the maturity of the bond, a Bond Committee has been constituted on 13.12.2022 under the chairmanship of the Municipal Commissioner himself, which currently includes the following members (members by designation):-

1. Shri Chandra Mohan - Municipal Commissioner - Chairman
2. Mrs. Ratnapriya - Additional Municipal Commissioner - Member
3. Shri Arvind Rai - Additional Municipal Commissioner - Member
4. Shri Raj Kumar Sharma - Chief Finance and Accounts Officer - nodal officer
5. Mr. Satish Kumar - chief engineer (construction) - Member
6. Mr. Kumar Gaurav - General Manager, Waterworks - Member
7. Shri P.K.Dwivedi - M.Tax Inspector/P.A. Property - Member

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

On behalf of the Municipal Corporation, the Chairman of the Committee, the Municipal Commissioner, will have the authority to sign all the necessary documents and enter into necessary contracts. The Municipal Commissioner can also delegate these powers to any other officer of the Municipal Corporation, who is not below the rank of Additional Municipal Commissioner or Chief Finance and Accounts Officer. In case of transfer or retirement of any member of the Bond Committee, the Municipal Commissioner will have the authority to nominate a new officer of that rank in the Bond Committee.

The funds from the Municipal Bond will be used for the purpose of economic implementation of the proposed project as follows.

- Proposed Project-

(Amount in crores)

	Details of Projects	Total proposed expenditure	ULB Share 30%	Funds to be borne by the Municipal Corporation	The amount of money borrowed through bond
	Work of laying pipeline for water supply in Naini extended area (Amrit 20)	385.32	115.59	79.63	35.96
	Solar in Khusro Bagh and Karela Bagh worj of setting up solar plant.	17.55	-	03.51	14.04
	Total amount	**402.87**	**115.59**	**83.14**	**50.00**

Brief description of Project No. 1-

(1) A project worth Rs.385.32 crore for drinking water supply to the public in Naini extended area in Prayagraj, in which gap funding of Rs.35.96 crore is proposed through municipal bonds.

• Under this project, 81 MLD water will be supplied to the general public in Naini extended area by treating the water of Yamuna River.

• The above project will reduce dependency on tube wells and prevent ground water depletion.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

• The Municipal Corporation will receive an incentive amount of Rs. 6.50 crore from the Government of India, so that the Municipal Corporation can undertake other development works to provide basic amenities to the people of the city.

Brief description of Project No.2-

In order to ensure smooth operation of 02 water treatment plants at Khusrubag and Karelabag under Prayagraj Municipal Corporation, it is proposed to install 22 solar panel plants at a cost of Rs. 17.55 crore for power supply, in which Rs. 60-14.04 crore of municipal bond money is to be invested.

• By setting up a solar panel plant by the Municipal Corporation, the system of self-generation of electricity will be implemented and there will be a saving of about Rs 50-300 crore annually.

• The Municipal Corporation will also be able to generate carbon credits through the above project which will be sold in the near future and will increase the income of the Corporation.

All the above projects come under Green Municipal Bond. Hence, the Municipal Corporation will also receive incentive amount of approximately Rs. 6.50 crore from the Government of India for issuing Green Municipal Bond, so that the Municipal Corporation can get other development works done to provide basic amenities to the people of the city.

According to SEBI guidelines, about 80 percent of the cost of both the projects can be obtained through municipal bonds. In the said schemes, out of the desired body share of 50-133.14 crores, it is proposed to obtain an amount of about Rs. 50.00 crore by issuing municipal bonds and in this regard, the Urban Development Department, Government of Uttar Pradesh has directed through its letter No. 1960/9-22-58 H/18 TC dated 28.09.2022 and the progress is also being reviewed in various meetings.

In this regard, preliminary preparations have been made by the Municipal Corporation in which consultants, merchant bankers cum transaction advisors etc. have been selected to work as per SEBI guidelines for due diligence and fund collection. By issuing the above municipal bonds, the Municipal Corporation will get the following benefits:

1. Prayagraj Municipal Corporation will be the second institution to issue Green Bond.

2. The process of issuing the bonds will be as per the SEBI Regulation Act which is mandatory for the municipal corporations issuing the bonds to comply with it.

3. Compliance with the above rules will help in improving financial discipline in the Municipal Corporation along with Project 3 monitoring as well as making the Municipal Corporation self-reliant.

4. By issuing municipal bonds, the attention of international investors will be attracted towards Prayagraj city.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

5. By investing the funds received through bonds in schemes, the income received by the Municipal Corporation from its own sources will be easily available for other internal development works.

6. Municipal bonds will open up options for the city to undertake other major projects that would normally not have been possible in the past due to limited financial resources.

The DPR of the said project is attached for the approval of the House after the approval of the Hon'ble Executive. The Hon'ble Executive/House is expected to approve the issuance of municipal bonds of the above mentioned approximately Rs. 50.00 crores, approval of these projects, their cost and the attached DPR, and the above-mentioned bond committee for issuing, listing and allocating bonds on behalf of the corporation and taking all decisions for compliance after the issuance of bonds. This bond committee will ensure action under the advice and instructions of the Government of Uttar Pradesh issued from time to time.

According to Section 154 of Chapter VIII of the Uttar Pradesh Municipal Corporation Act 1959, the Municipal Corporation can take loan by issuing debentures/bonds with the approval of the State Government.

The approval required from the Government includes the purpose and amount of the loan and other terms and conditions, including the tenure of the bond and the period by which the bond loan is repaid.

In addition, under Section 154 of the Municipal Corporation Act, the Municipal Corporation can issue bonds/debentures on mortgage of any immovable property vested in it and all taxes, duties etc. levied by the Municipal Corporation can be used for security coverage of the said loan as per rules. Under the provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations 2015, it is mandatory for the municipal borrower to have at least 100 percent asset cover of the loan amount. Therefore, the consent/approval of the Hon'ble Executive/House is also required for mortgaging any such immovable property of the Municipal Corporation in favour of the Bond Trustee/Investors. The Bond Committee will identify such immovable property at the appropriate time and mortgage it in favour of the Bond Trustee/Investors. Apart from this, permission is also required for appointment of various institutions required in the process of issuing bonds such as stock exchange, trustee, RTA, CRA and other advisors etc. on nomination basis, to be decided by the bond committee as has been done by various municipal corporations, mainly Lucknow and Ghaziabad Municipal Corporations. In order to obtain approval from the State Government for issuing municipal bonds, the said proposal has been sent to the State Government after getting approval from the Hon'ble Executive Committee and is placed before the Hon'ble House for approval and is hence approved. It can be forwarded to the State Government for seeking approval.

(Umesh Chandra Ganesh Kesharwani)
Chairman.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Secretary, Council Office, Nagar Nigam, Prayagraj

Letter No. D-216/Council/2024

Date October 19, 2024

The meeting of the Municipal Corporation House was called in the Corporation House Building on 23:08 2024 at 12:30 pm

Presence-

	Shri Umesh Chandra Ganesh Kesharwani	Chairman
1	Mrs. Ruby	Member
2	Smt. Taravati Devi	Member
3	Smt. Geeta Devi	Member
4	Mrs. Deepika Jaisal	Member
5	Shri Bhaskar	Member
6	Smt. Maya Devi	Member
7	Mr. Kanhai Lal	Member
8	Mr Subedar	Member
9	Mrs. Anara Devi	Member
10	Mrs. Momina Siddiqui	Member
11	Mr. Akash Sonkar	Member
12	Shri Ram Kumar	Member
13	Mr. Deepak Kumar Kushwaha	Member
14	Mr. Anup Kumar	Member
15	Mr. Shiv Kumar	Member
16	Shri Ram Milan	Member
17	Mr. Rakesh Jaiswal	Member
18	Mr. Sanjay Kumar	Member
19	Mr. Gyanendra Mishra	Member
20	Mr. Mehit Kumar	Member
21	Mr Siyaram	Member
22	Mr. Amit Singh	Member
23	Mr. Raju Shukla	Member
24	Mrs. Saras alias Sunita Darbari	Member
25	Mr. Bal Raj	Member
26	Mr. Mukesh Kumar	Member
27	Mr. Ranvijay Singh	Member
28	Mrs. Preeti Gupta	Member
29	Mrs. Anuradha Singh	Member
30	Mr. Kamlesh Tiwari	Member
31	Mrs. Preeti Gupta	Member
32	Shri Krishna Kumar Pathak	Member
33	Mrs. Aarti Devi	Member
34	Mrs Pooja	Member
35	Mr. Vijay Vishwas Rawat	Member
36	Mr. Heera Lal	Member
37	Mr. Ritesh Mishra	Member
38	Mrs. Jahanara	Member
39	Shri Shiv Narayan	Member

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

40	Shri Vinay Kumar Mishra Sintu	Member
41	Mrs. Sarita Devi	Member
42	Mr. Umesh Chandra	Member
43	Mrs. Babita	Member
44	Mrs. Kamini Kushwaha	Member
45	Mr. Khwaja Khuda Dad Khan	Member
46	Mrs. Roma	Member
47	Mr. Mithlesh Kumar Singh	Member
48	Mrs. Asha Devi	Member
49	Mrs. Nisha Gupta	Member
50	Mr. Satish Kesharwani	Member
51	Shri Santosh Kumar Singh alias Bablu Raghuvanshi	Member
52	Smt. Deepu Devi alias Deepika Singh Patel	Member
53	Mr. Anand Ghildiyal alias Anu	Member
54	Mrs. Kiran Jaiswal	Member
55	Mrs. Sonika Aggarwal	Member
56	Mrs. Meenu Tiwari	Member
57	Mr. Ashish Kumar Dwivedi	Member
58	Mr. Dilip Kumar	Member
59	Mr. Pankaj Jaiswal	Member
60	Shri Shiv Sevak Singh	Member
61	Mr. Prem Shankar	Member
62	Mr. Gulab Singh	Member
63	Mrs Neelam	Member
64	Mrs. Supriya Das	Member
65	Mr. Digvijay Kushwaha	Member
66	Mr. Neeraj Tandon	Member
67	Mr. Ajay Yadav	Member
68	Mrs. Sunita Singh	Member
69	Mrs. Kusum Lata	Member
70	Mr. Sumit Nishad	Member
71	Mrs. Vidya Dwivedi	Member
72	Mr. Sahil Arora	Member
73	Mr. Neeraj Kumar Gupta	Member
74	Mrs. Anupama Pandey	Member
75	Mrs. Sabreen Bano	Member
76	Mr. Rameez Ahsan	Member
77	Mr. Abdul Samad	Member
78	Mr. Rudra Sen Jaiswal	Member
79	Mr. Nem Kumar Yadav	Member
80	Mrs. Sunita Chopra	Member
81	Mrs. Mumtaz Ansari	Member
82	Mrs. Nazish Parveen	Member
83	Mr. Sarfaraz Ahmed	Member
84	Shri Harshvardhan Bajpai	Hon'ble MLA / Ex-officio Member

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Other presence-

1	Shri Chandra Mohan Garg	Municipal Commissioner
2	Mr. Deependra Yadav	Additional Municipal Commissioner
3	Mr. Arvind Kumar Rai	Additional Municipal Commissioner
4	Mr. Satish Kumar	Chief Engineer (Civil)
5	Mr. Sanjay Katiyar	Chief Engineer(Engineering/Engineering)
6	Mr. Mahesh Kumar	City health officer
7	Dr. Abhishek Singh	City health officer
8	Mr. Rajkumar Sharma	Chief Executive & Accounts Officer
9	Mr. Kumar Gaurav	General Manager Jalkal
10	Shri Balendu Nishar	Chief City Auditor
11	Shri P.K. Dwivedi	Secretarial council
12	Mr. Uttam Verma	Environmental engineer
13	Dr. Vijay Amrit Raj	Animal Welfare Officer
14	Mr. Ashok Kumar	Zonal Officer Zone-01
15	Mr Navneet Sankhwar	Zonal Officer-03
16	Mr. Sanjay Marmagai	Zonal Officer-04
17	Mr. Akhilek Tripathi	Zonal Officer-05
18	Mr. Rampujan Srivastava	Zonal Officer-06
19	Mr. Sudarshan Chandra	Zonal Officer-08
20	Mr. Akshay Kumar Singh	Accounting officer
21	Shri Radhakrishna Lal	Executive Engineer(Electrical / Mechanical)
22	Shri Sanghbhushan	Executive Engineer
23	Shri Ashwani Kumar Bhaskar	Principal Executive Engineer
24	Mr. Shivam Mishra	Principal Executive Engineer
25	Mr. Sujit Kumar	Accountant Jalkal
26	Mr. Prafulla Kumar Singh	Assistant Public Prosecutor Jal Nigam (Urban)
27	Mr. Jitendra Sharma	Executive Engineer
28	Mr. Umesh Prasad	Executive engineer
29	Mr. Manoj Kumar	Executive Engineer
30	Mr. Sudhir Kumar Verma	Assistant Engineer
31	Mr. Pradeep Yadav	Executive Engineer
32	Shri Ganga Sagar Sonkar	Executive engineer

Hon'ble Chairman said that the Chief Engineer has proposed that the resolution which was passed regarding laying of underground pipeline in the extended area of Naini is cancelled. Because this work was to be done under Amrit Yojana, the money for which did not come, it is being done by Jal Nigam (Urban). By cancelling it, another proposal has been brought.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

The Chief Engineer said that please inform that DPR has been prepared for the construction of super-specialty hospital on the vacant land of the Municipal Corporation in Naini area under the Municipal Corporation, on which the estimated expenditure is about Rs. 7654 lakh (including GST). It is proposed to finance this work through municipal bonds. The construction of super-specialty hospital will greatly facilitate the treatment of the general public and local people and after the implementation of this proposal, the Municipal Corporation will have regular income. Since the final cost of the project can be determined only after the tender. Therefore, it is requested to authorize the Bond Committee to determine the final cost / financing of the project. Apart from the above, all the proposals related to municipal bonds passed earlier by the Hon'ble House will remain unchanged.

Therefore, the said proposal for sanctioning of approximately Rs. 7654 lakh (including GST) for marking under Municipal Bond is presented before the Hon'ble House for consideration for approval.

Resolution Number: 113

Dated: 23.08.2024

It was unanimously decided by the Hon'ble Municipal Corporation House that the above proposal for construction of Super-specialty Hospital on the vacant land of the Municipal Corporation in Naini Area under Municipal Corporation is approved by marking under Municipal Bond at the rate of approximately Rs. 7654 Lakh (including GST).

(Umesh Chandra Ganesh Kesharwani)

Chairman

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Number- 1342/NO-9-2024-58J/18T.C.-E-1820120

From,

Arun Prakash,

Special Secretary,

Government of Uttar Pradesh.

To,

Municipal Commissioner,

Municipal Corporation,

Prayagraj, Varanasi and Agra.

Urban Development Section-9 **Lucknow: Dated 14th November, 2024**

Subject- Regarding issuance of Municipal Bonds in Municipal Corporation Prayagraj, Varanasi and Agra.

Sir,

Kindly take the reference of letter No. 105/C.F.O./24 dated 05.09.2024 of Municipal Corporation, Prayagraj, letter No. 218/12Account/2024-25, dated 30.07.2024 of Municipal Corporation, Varanasi and letter No. 549/D./N.A/2024 dated 05.09.2024 of Municipal Corporation, Agra regarding the above subject, through which, while forwarding proposal/DPR regarding the projects financed by Municipal Bonds in the said Municipal Corporations, it has been requested to grant approval to the following projects under Section 154 of Uttar Pradesh Municipal Corporation Act, 1959 :-

(Amount in Rs. Crore)

Sr. No.	Name of Municipal Corporation	Name of the project to be partially funded by bonds	Estimated project cost	Proposed amount of bonds
1	Prayagraj	Project for construction of Super Specialty Hospital on Municipal Corporation land at Naini on the basis of PPP mode or Management Contract.	76.54	50.00

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

2	Agra	1. Solar plant project for internal use of the Municipal Corporation. 2. Co-working Space and Recreation Centre with Citizen Facilitation Centre. 3. Project of Working Women Hostel at Loha Mandi, Agra.	36.35 20.68 13.45	29.00 15.00 6.00 Total: 50.00
3	Varanasi	1. Construction of underground parking, hotel and market complex on the land near Dr. Sampurnanand Stadium at Sigra. 2. Construction of market complex and underground parking on Lahuraveer Road.	40.52 34.00	25.00 25.00 Total: 50.00

2. In this regard, I am directed to say that the above proposals made available to the Government regarding the projects financed by municipal bonds have been approved by the Government after due consideration. Please be aware of the above situation and take further necessary action in the matter.

Sincerely,

Signed by

(Arun Prakash)

Special Secretary

G O – s Udhog

Date: 13-11-2024 15:13:29

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Important/Urgent
Number- 158/9-9-2025-58J/18 TC-1

From,

Amrit Abhijat,
Principal Secretary,
Government of Uttar Pradesh.

To,

Municipal Commissioner,
Municipal Corporation,
Prayagraj, Varanasi and Agra.

Urban Development Section-9 **Lucknow: Date: 06 February, 2025**

Subject: Regarding issuing of Municipal Bonds for Municipal Corporation, Prayagraj, Varanasi and Agra and providing funds from Infrastructure Development Fund for Credit Rating Enhancement.

Sir,

This is to kindly inform that the Government of India has given incentive to issue Municipal Bonds for development of better infrastructure facilities, strong fiscal management, market orientation and to enhance credit worthiness in urban bodies.

2. In continuation of the above, a proposal has been made available for granting permission from the Government regarding issuance of long term municipal bonds for various projects of Municipal Corporation, Prayagraj, Varanasi and Agra vide letter No. 105/CFO/2024, dated 05.09.2024 of Municipal Commissioner, Municipal Corporation, Prayagraj, letter No. 218/12 Accounts/2024-25, dated 30.07.2024 of Municipal Commissioner, Municipal Corporation, Varanasi and letter No. 149/D/NA/2024, dated 05.10.2023, letter No. 549/D/NA/2024, dated 05.09.2024 and letter No. 589/D/NA/2024, dated 20.09.2024 of Municipal Commissioner, Municipal Corporation, Agra. The details of the amounts of municipal bonds in the above mentioned municipal corporations are as follows:-

(1) Municipal Corporation, Prayagraj	-	50 crores
(2) Municipal Corporation, Varanasi	-	50 crores
(3) Municipal Corporation, Agra	-	50 crores

3. It is to be informed that the project proposals made available through the above-mentioned letters of Municipal Corporation, Prayagraj, Varanasi and Agra have been approved vide Government letter No. 1342/9-9-2024-58J/18TC-E-1820120 dated 14.11.2024 as per the provisions of Section-136 of the UP Municipal Corporation Act, 1959.

4. In this connection, I am directed to say that under the powers conferred in Section-154 of the Uttar Pradesh Municipal Corporation Act, 1959 and under the

provisions of Section-31 of the Reserve Bank of India Act, 1934, on the above proposals received from the Municipal Corporations of Prayagraj, Varanasi and Agra, the Government, after due consideration, has decided for issuing municipal bonds as per the amount in question, subject to the following conditions and restrictions:-

i. The Municipal Corporation concerned will be solely responsible for repayment/repayment of principal/interest of the Municipal Bond loan and the loan will be serviced by escrowing the property taxes and/or user charges.

ii. The concerned Municipal Corporations shall be provided an amount equivalent to one year's interest on the Municipal Bond in the Debt Service Reserve Account (DSRA which is kept in the interest payment account under SEBI rules) from the funds of the Infrastructure Development Fund. This amount shall remain in DSRA for the entire tenure of the bond.

iii. In the unavoidable situation of shortage of funds in Escrow Account including Sinking Fund and Interest Payment Account and DSRA in the payment of instalment of interest and principal amount to be paid against Municipal Bond, the said gap will be fulfilled from the funds of Infrastructure Development Fund. This provision shall remain available for the full tenure of the Municipal Bond.

iv. In unavoidable circumstances, for example, in the event of shortage in Sinking Fund, Interest Payment Account and DSRA, funds from the Infrastructure Development Fund can be directly made available at the Government level for meeting the due payments (principal and interest) against Municipal Bonds.

v. This incentive shall be only be available to those bodies which issues municipal bonds in accordance with the latest guidelines prescribed by SEBI.

vi. Escrow Account, Interest Payment Account, Sinking Fund Account, Debt Service Reserve Account shall be opened by the urban local bodies.

vii. From the revenue stream received in the Escrow Account, a minimum prescribed amount shall be transferred on monthly basis to the Interest Payment Account and Sinking Fund Account on the transfer date as per the timeline of the Structured Payment Mechanism.

viii. In respect of municipal bonds issued by urban bodies, an amount equivalent to interest for two consecutive half years shall be made available to the concerned bodies in DSRA from the amount collected as additional stamp duty available for urban bodies in the Infrastructure Development Fund established, as per the timeline of Structured Payment Mechanism, as per the relevant rules and regulations.

ix. In the event of short fall in the Interest Payment Account at the time of payment of interest, the amount equivalent to the short fall will be transferred from DSRA to the Interest Payment Account as per the timeline of Structured Payment Mechanism.

x. The amount equivalent to the DSRA amount shall be transferred to DSRA by the concerned urban body as soon as the revenue is received by them.

xi. In the event of short fall at the time of redemption of principal amount from the Sinking Fund Account, an equivalent amount shall be transferred from the Escrow Account as per the timeline of Structured Payment Mechanism.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

xii. The municipal bodies (Municipal Corporations of Prayagraj, Varanasi and Agra) issuing Municipal Bonds shall comply with the relevant provisions of the Uttar Pradesh Municipal Corporation Act, 1959 and SEBI (Issue & Listing of Municipal Debt Securities) Regulations-2015 (as amended).

xiii. The concerned Municipal Corporation shall ensure that regular repayment of loan will be ensured from the revenue obtained by taking appropriate action/provisions regarding Revenue Augmentation/Revenue Realisation and Revenue Utiliziation.

xiv. The funds available in the Infrastructure Development Fund shall be used only in case of contingency and unavoidable circumstances when the bodies find it difficult to return the principal amount/interest to the investor.

xv. After issuance of Municipal Bonds, interest shall be payable on half-yearly basis and principal amount shall be payable on yearly basis.

xvi. The concerned Municipal Corporations shall ensure that all escrow accounts relating to the bonds are always maintained with required funds.

xvii. The Revenue Cell constituted at the Urban Local Body Directorate level shall monitor the tax and non-tax revenue receipts and analyse the receipts etc. and ensure that the revenue receipts are remitted to the escrow account of the concerned Municipal Corporations.

xviii. Before issuing municipal bonds, a tripartite agreement shall be executed between the Government, Municipal Corporation and the Bond Trustee regarding provision of necessary funds from the Infrastructure Development Fund, a draft of which shall be made available to the Government by the body.

5. To monitor the progress of the projects selected under Municipal Bond and to ensure the process of timely repayment of interest/principal under the bond, a committee is constituted under the chairmanship of the concerned Municipal Commissioner, Municipal Corporation as follows-

(1) Additional Municipal Commissioner	-	Member
(2) Senior-most officer of the Finance Controller/Finance & Accounts cadre	-	Member
(3) Engineer concerned with the project/Chief Engineer	-	Member
(4) Special Invitee nominated by Municipal Commissioner	-	Member

The monthly progress report will be provided by the said committee to the government through the Director, Urban Body Directorate. The responsibility of providing the said report shall be of the Finance Controller/Senior most officer of Finance and Accounts cadre posted in the Municipal Corporation.

6. The financial and physical progress of the projects related to municipal bonds will be monitored on a monthly basis through the committee constituted at the ULB level and from time to time by the committee constituted at the State level under the Chairmanship of Special Secretary, Urban Development Department vide Government Order No.-373/9-2023-58J/18TC, dated-03.03.2023.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Please ensure necessary action as mentioned above.

Sincerely,
Sd/-
(Amrit Abhijat)
Principal Secretary.

Number and date such.

Copy - Sent to the following for information and necessary action:

1- Divisional Commissioner, Prayagraj, Varanasi and Agra, Uttar Pradesh.

2- Director, Urban Bodies Directorate, Uttar Pradesh, Lucknow.

3- District Magistrate, Prayagraj, Varanasi and Agra, Uttar Pradesh.

4- Accountant General, Prayagraj, Uttar Pradesh.

5- Finance (Expenditure Control) Section-9/Finance (Income-Expenditure) Section-4.

6- Guard file/Web master for uploading it on the website.

By order,
Sd/-
(Arun Prakash)
Special Secretary.

मुख्य वित्त एवं लेखाधिकारी
नगर निगम प्रयागराज

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

AUTHORIZATION FOR ISSUANCE OF BONDS AND CONFIRMATION OF MEMBERS OF THE BOND ISSUE COMMITTEE

Sub: Authorization for issue of up to 1,250 (One Thousand Two Hundred Fifty Only) secured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of debentures of face value of Rs. 4,00,000 (Rupees Four Lakhs only) per NCD comprising of 4 (Four) STRPPs (i.e., 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRPP D) with face value of Rs. 1,00,000 (Rupees One Lakh Only) each amounting up to Rs. 50 Crores (Rupees Fifty Crores only) through private placement (the "Issue") by Prayagraj Nagar Nigam ("Issuer") and for confirmation of members of the Bonds Issue Committee.

Ref:

1. Executive Committee, Resolution No. 31 dated July 05, 2023, in relation to issue of bonds and authorizing Municipal Commissioner to do all activities related to the Issue.
2. House Resolution No. 16 dated July 23, 2023, in relation to issue of bonds and authorizing Municipal Commissioner to do all activities for the Issue.
3. Urban Development Section-9, Government of Uttar Pradesh resolution numbering 158/9-9-2025-58J/18TC-1dated February 6, 2025, approving the bond issuance by Issuer for issuing bonds in form of debenture up to Rs. 50 crores (Fifty Crores Only) under section 154 of the Uttar Pradesh Municipal Act, 1959.

In view of the aforesaid, the following actions to be carried out by the Issuer in relation to the Issue are being hereby approved by the undersigned:

1. In furtherance to the approval from the State Government, the Issuer, proposes to issue secured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of debentures (hereinafter referred to as "**Bonds**") on a private placement basis for an amount aggregating up to Rs. 50 Crores, including green shoe option, if any in one or more tranche(s) (hereinafter referred to as "**Issue**") which shall be listed on the stock exchange(s) as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("**SEBI Municipal Debt Regulations**"), Securities Contracts (Regulation) Act, 1956, 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 as may be amended, clarified or updated from time to time. ("**SEBI Master Circular**") read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DF1/60/2017 dated June 19, 2017 and as amended vide SEBI Circular numbering SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard.

2. For the purposes of the Issue, the bond issue committee ("**Bond Issue Committee**") currently comprises of the following officials of the Issuer:

S. No.	Designation	Name
1.	Municipal Commissioner	Shri Chandra Mohan Garg
2.	Additional Municipal Commissioner -1	Shri Deependra Yadav
3.	Additional Municipal Commissioner -2	Shri Arvind Rai
4.	Chief Finance & Accounts Officer	Shri Raj Kumar Sharma

प्रयागराज नगर निगम
PRAYAGRAJ NAGAR NIGAM

PRAYAGRAJ NAGAR NIGAM
1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

5.	Chief Engineer	Position is currently vacant
6.	General Manager – Jalkal	Shri Kumar Gaurav
7.	Chief Tax Assessment Officer	Shri Pramod Kumar Dwivedi

3. The members of Bond Issue Committee be, and are hereby authorized to decide the terms of the bond issue including quantum, time and nature of bonds, mode of issuance, ratification of already appointed and appointment of any/ all agencies and intermediaries, including but not limited to merchant banker, credit rating agencies, registrar to the issue, trustee, legal advisors, depositories, stock exchange(s), escrow banks, consortium members, debenture trustee, etc, and also to decide matters like minimum subscription, retention of oversubscription, extension of the Issue and/or early closure of the Issue, etc.

4. Either the Additional Municipal Commissioners (who are the members of Bond Issue Committee) or the Chief Finance & Accounts Officer are hereby authorized to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/ undertakings/ agreements/ deeds/instruments/applications and writings incidental thereto as it may, at its discretion, deem necessary and desirable. Amongst other things, the Bond Issue Committee shall be authorized to do the following:

   i. finalize and approve appointment and ratification of already appointed agencies/intermediaries including but not limited to merchant banker, credit rating agencies, trustee, registrar, legal counsel, depositories, stock exchange(s), bankers to the issue, escrow bank, etc. to be involved in such offerings of Bonds and to remunerate all such persons/agencies including payment of fees, commissions, brokerage etc. as may be decided mutually, on such terms and conditions as mentioned in their individual appointment letters;

   ii. negotiate, modify and approve the terms of the Issue including the actual size, timing, pricing, coupon payment frequency, coupon type, minimum subscription if any, etc, and to accept any amendments, modifications, variations or alterations thereto;

   iii. draw-up, finalize and sign, the Financial Statements/ Abridged Balance Sheet, Income and Expenditure and Receipts and Payments Accounts, Preliminary Placement Memorandum/ Placement Memorandum and other documents/agreements for the Issue and file the same with SEBI and Stock Exchanges, in the manner and as may be required and execute all other necessary documents/ agreements/ contracts/ deeds/ MoUs/ certificates/ affidavits/declarations/undertaking, etc., 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 to or related to the issue and allotment of Bonds with due compliances of the SEBI/Stock Exchange(s) or any other applicable Acts or rules for the issue of said Bonds;

   iv. approve the financial statements/re-formatted financial statements/ abridged 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, Accounting standards/policies, applicable to Issuer, as specified in their constitution document to be incorporated in the Preliminary Placement Memorandum/ Placement Memorandum for the issue of Bonds;

   v. approve the materiality policy for the litigations, material creditors and material contracts to be disclosed in the Preliminary Placement Memorandum and Placement Memorandum;

प्रयागराज नगर निगम
PRAYAGRAJ NAGAR NIGAM

PRAYAGRAJ NAGAR NIGAM
1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

vi. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;

vii. seeking, if required, any approval, consent or waiver from the Issuer's lenders, and/or parties with whom the Issuer has entered into various agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the Issue, offer and allotment of the Bonds;

viii. granting of powers of attorney / authority, if required, to such officers / employees of the Issuer or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the Bonds;

ix. appointing the debenture trustee and execution of the trust deed and other transaction documents in connection with the Issue, in accordance with the provisions of the SEBI Municipal Debt Regulations;

x. authorization of the maintenance of a register of holders of the Bonds;

xi. open such banks accounts, demat accounts, escrow accounts including sub-accounts with scheduled commercial banks, institutions or agencies as may be required for the Issue;

xii. finalization of the date of allotment and to approve and to issue and allot the Bonds and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, issuing debenture certificates/ allotment advice cum intimation, credit the Bonds to the beneficiary accounts and do all such acts, deeds, matters and things in relation to the allotment of the Bonds;

xiii. make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;

xiv. to appoint independent Chartered Accountant(s), Statutory Auditors to issue and to obtain such certificates, reports including financial reports/statements for the purpose of Issue;

xv. to approve translations of all the documents in English wherever and whenever necessary for the purpose of the Issue;

xvi. to approve projects for which funds are to be raised and information related to the said projects;

xvii. to apply and follow-up to seek all required approvals from the concerned authorities/regulatory bodies/agencies such as execution and submission of listing application and listing agreement with the Stock Exchange i.e. BSE Limited ("BSE") for listing of the Bonds, appointment of and execution of 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 Issuer/ Municipal Commissioner in relation to the issue of Bonds as required by any statutory authority;

प्रयागराज नगर निगम
PRAYAGRAJ NAGAR NIGAM

PRAYAGRAJ NAGAR NIGAM
1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

xviii. to apply and follow-up to seek all required approvals from the concerned authorities/regulatory bodies/agencies such as execution and submission of listing application and listing agreement with the Stock Exchange, i.e BSE listing of the Bonds, appointment of and execution of agreement(s) with the Registrar, NSDL and CDSL for dematerialization of Bonds, and execute other necessary document(s)/agreement(s) on behalf of the Administrator/ Corporation in relation to the issue of Bonds as required by any statutory authority;

xix. to designate and appoint one or more banker(s) for collection of application monies against subscription for the bonds;

xx. finalize the term sheet, structure of bonds, as well as structured payment mechanism/escrow mechanism/waterfall mechanism/sinking fund mechanism/interest payment mechanism/DSRA mechanism or any other terms/mechanism as may be required for structuring of bonds and timely servicing of bond obligations;

xxi. to open one or more no-lien Escrow Accounts with banks for the Issue and operate the same for remittance of the Issue proceeds received from investors in the issuance of Bonds as well as for the operation of structured payment mechanism/escrow mechanism/waterfall mechanism/Sinking Fund mechanism/Interest payment mechanism (including DSRA) or any other terms/mechanism as may be required for timely repayment of Bond obligations;

xxii. to prepare, sign, file and execute the Master Creation Form, Corporate Action Form and other necessary documents/agreements with NSDL and CDSL and the Registrar for dematerialization of Bonds, ISIN creation and credit of Bonds;

xxiii. to establish a separate project implementation cell and designate a project office not below the rank of Additional Commissioner, to monitor the progress of the Project and ensure that the funds raised are utilised only for the Project(s) for which the Bonds are issued as disclosed in the Preliminary Placement Memorandum/Placement Memorandum;

xxiv. to designate a Compliance Officer and Officer in-charge of dealing with Investor Grievances for compliance with related regulatory/statutory issues and for redressal of any pre-issue/post-issue investor problems/grievances including unblocking of funds, non-credit of letters of allotment/ Bonds certificates in Demat Account, non-receipt of letters of allotment/bond certificates in the DEMAT account, non-receipt of refund orders, interest warrants, etc;

xxv. to allot Bonds under DEMAT facilities and to provide DEMAT facilities by entering into necessary agreement with NSDL/CDSL, Registrar and Transfer Agents in this regard;

xxvi. to affix the stamp of the Issuer as may be required for the proposed issue of Bonds, dematerialization, and listing thereof;

xxvii. delegate all or some of the powers vested in them by the Municipal Commissioner to any executive of the Issuer as may be deemed necessary;

xxviii. to pay stamp duty as per the applicable Acts, laws and regulations;

प्रयागराज नगर निगम
PRAYAGRAJ NAGAR NIGAM

PRAYAGRAJ NAGAR NIGAM
1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

xxix. to take decisions on any other matter(s) relating to the proposed issue(s) of Bonds by the Issuer and to generally do any other act or deed incidental to the proposed Issue.

Chandra Mohan Garg, IAS
Municipal Commissioner
Prayagraj Nagar Nigam
Place: Prayagraj
Date: March 04, 2025

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF THE PRAYAGRAJ NAGAR NIGAM HELD ON MARCH 11, 2025 AT PRAYAGRAJ

CONSIDERATION AND APPROVAL OF PRELIMINARY PRIVATE PLACEMENT MEMORANDUM FOR RAISING OF SECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS.4 LAKH EACH ("BONDS", "NCDs", "DEBENTURES"), COMPRISING OF 4 (FOUR) SEPARATEY TRANSFERABLE AND REDEEEMABLE 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, 1 STRPP C OF FACE VALUE OF RS 1,00,000 AND 1 STRPP D OF FACE VALUE OF RS 1,00,000) FOR CASH, AGGREGATING TOTAL ISSUE SIZE OF UPTO RS. 50 CRORES (RUPEES FIFTY CRORES ONLY) ("BONDS"/"DEBENTURES"/ "NCDS") ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY PRAYAGRAJ NAGAR NIGAM ("PNN" OR THE "ISSUER" OR THE "CORPORATION"), PROPOSED TO BE LISTED ON BSE LIMITED.

"**RESOLVED FURTHER THAT** pursuant to the authority provided by the Municipal Commissioner vide their letter dated March 04, 2025 the preliminary placement memorandum dated March 11, 2025 in relation to the Issue, which has been tabled before the Bond Issue Committee be and is hereby approved"

"**RESOLVED FURTHER THAT** the Bond Issue Committee hereby accords its approval for filing of the preliminary placement memorandum dated March 11, 2025 with the Securities and Exchange Board of India, BSE Limited and any other regulatory/statutory authority as required under the law."

"**RESOLVED FURTHER THAT** the Bond Issue Committee be and is hereby authorised to create and perfect (a) exclusive first charge by way of mortgage over land admeasuring 23.050 square meters located at at Mauza Jahangirabad Uparhar, Pargana Arail, Tehsil Karchana, District Prayagraj (U.P) with Latitude: 25°25'4.24"N and Longitude: 81°51'54.96"E of the Municipal Corporation with minimum security cover of one time of the Outstanding Secured Obligations ("**Minimum Security Cover**"); (b)exclusive first ranking floating charge by way of hypothecation over present and future receivables of Property tax (or any other tax levied in place of Property tax as per Section 173 of the Act). (c) First and exclusive charge by way of hypothecation over the Escrow Account and the account(s) where the Property tax (or any other tax levied in place of Property tax as per Section 173 of the Act) is collected and/ or pooled by Prayagraj Nagar Nigam in each case to the extent of the Property tax (or any other tax levied in place of Property tax as per Section 173 of the Act), collected and/ or pooled in each of such accounts; (d) First and exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account, the funds lying in each such account and any investment(s) made from these account(s); (e) First and exclusive charge by way of hypothecation over the investments made in terms of provisions of 'Structured Payment Mechanism' in the Term Sheet and the investments made by utilising the AMRUT Incentive lying in the Escrow Account as per the Permitted Investments, in such manner and upon such terms and conditions as may be agreed with the Debenture Trustee and execute such writings, documents and evidences and do all such acts, deeds and things as may be required, in that regard including without limitation execution of the debenture trust deed, deed of hypothecation, memorandum of deposit of title deeds and filing of the relevant forms as may be required under applicable law from time to time in this regard."

PRAYAGRAJ NAGAR NIGAM

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

"RESOLVED FURTHER THAT the aforesaid resolution shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by the Chief Finance & Accounts Officer may be furnished to the concerned parties and other regulatory and statutory authorities/bodies as may be required."

CERTIFIED TO BE TRUE COPY

FOR PRAYAGRAJ NAGAR NIGAM

Raj Kumar Sharma
Chief Finance & Accounts Officer

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

To,
A.K. Capital Services Limited,
Unit No. 603, 6th floor,
Windsor, Off CST Road,
Kalina, Santacruz-(East),
Mumbai- 400 098, India.

Dated:March 28, 2025

Subject: Private Placement of Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Municipal Bonds in the nature of Debentures of Face Value of Rs. 4 Lakh Each, comprising of 4 (Four) Separately Transferable and Redeemable Principal Parts ("STRPP") namely 1 STRPP A of Face Value of Rs. 1 Lakh, 1 STRPP B of Face Value of Rs. 1 Lakh, 1 STRPP C of Face Value of Rs. 1 Lakh and 1 STRPP D of Face Value of Rs. 1 Lakh, for Cash, Aggregating Total Issue Size not exceeding Rs. 50 Crores ("Bonds" or "Debentures").

Dear Sir/Ma'am,

I, Chandra Mohan Garg (I.A.S), hereby confirm the following:

The Urban Development Section-9, Government of Uttar Pradesh vide its reference no.1342/9-9-2024-58J/18TC-E-1820120 dated November 14, 2024, had approved the proposed bond issuance by Issuer for issuing Taxable Bonds in form of debenture up to Rs. 50 crores (Fifty Crores Only) under section 154 of the Uttar Pradesh Municipal Corporation Act, 1959("**State Approval**").

The Executive Committee vide its Resolution No. 31 dated July 5, 2023 and the House vide its Resolution No. 16 dated July 23, 2023, had approved the issuance of bonds and formation of Bond Issue Committee and has authorised the Municipal Commissioner for various decisions, activities and signing documents/ appointments/ agreements related to the bond issuance process

The Bond Issue Committee currently consists of the following members:

S. No.	Designation	Name
1.	Municipal Commissioner	Shri. Chandra Mohan Garg (I.A.S)
2.	Additional Municipal Commissioner 1	Shri. Deependra Yadava
3.	Additional Municipal Commissioner 2	Shri. Arvind Kumar Rai
4.	Chief Engineer	The post is currently vacant.
5.	Chief Tax Assessment Officer	Shri. Pramod Kumar Dwivedi
6.	Chief Finance & Accounts Officer	Shri. Raj Kumar Sharma
7.	General Manager (Jalkal)	Shri. Kumar Gaurav

Yours sincerely,

Chandra Mohan Garg (I.A.S)
Municipal Commissioner

Copy to:
MV Kini, Law Firm
Kini House
6/39, Jangpura B
New Delhi-110014

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

Dated:23 April, 2025

To,
A.K. Capital Services Limited,
Unit No. 603, 6th floor,
Windsor, Off CST Road,
Kalina, Santacruz-(East),
Mumbai- 400 098, India.

Subject: Private Placement of Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Municipal Bonds in the nature of Debentures of Face Value of Rs. 4 Lakh Each, comprising of 4 (Four) Separately Transferable and Redeemable Principal Parts ("STRPP") namely 1 STRPP A of Face Value of Rs. 1 Lakh, 1 STRPP B of Face Value of Rs. 1 Lakh, 1 STRPP C of Face Value of Rs. 1 Lakh and 1 STRPP D of Face Value of Rs. 1 Lakh, for Cash, Aggregating Total Issue Size not exceeding Rs. 50 Crores ("Bonds" or "Debentures").

Dear Sir/Ma'am,

I, Seelam Sai Teja (I.A.S), hereby confirm the following:

The Urban Development Section-9, Government of Uttar Pradesh vide its reference no. 158/9-9-2025-58J/18TC- 1 dated February 06, 2025, had approved the proposed bond issuance by Issuer for issuing Taxable Bonds in form of debenture up to Rs. 50 crores (Fifty Crores Only) under section 154 of the Uttar Pradesh Municipal Corporation Act, 1959 ("**State Approval**").

The Executive Committee vide its Resolution No. 31 dated July 5, 2023 and the House vide its Resolution No. 16 dated July 23, 2023, had approved the issuance of bonds and formation of Bond Issue Committee and has authorised the Municipal Commissioner for various decisions, activities and signing documents/ appointments/ agreements related to the bond issuance process

The Bond Issue Committee currently consists of the following members:

S. No.	Designation	Name
1.	Municipal Commissioner	Shri. Seelam Sai Teja (I.A.S)
2.	Additional Municipal Commissioner	Shri. Deependra Yadava
3.	Additional Municipal Commissioner	Shri. Arvind Kumar Rai
4.	Chief Engineer	The post is currently vacant.
5.	Chief Tax Assessment Officer	Shri. Pramod Kumar Dwivedi
6.	Chief Finance & Accounts Officer	Shri. Raj Kumar Sharma
7.	General Manager (Jalkal)	Shri. Kumar Gaurav

Yours sincerely,

Shri Seelam Sai Teja (I.A.S)
Municipal Commissioner

Copy to:
MV Kini, Law Firm
Kini House
6/39, Jangpura B
New Delhi-110014

PRAYAGRAJ NAGAR NIGAM

1, Sarojini Naidu Marg, Civil Lines, Prayagraj-211001

CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF THE PRAYAGRAJ NAGAR NIGAM HELD ON April 23, 2025

CONSIDERATION AND APPROVAL FOR THE PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO 1,250 (ONE THOUSAND, TWO HUNDRED AND FIFTY) RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES, OF FACE VALUE OF ₹ 4,00,000/- EACH COMPRISING OF 4 (FOUR) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPP") NAMELY 1 STRPP A OF FACE VALUE OF ₹ 1,00,000, 1 STRPP B OF FACE VALUE OF ₹ 1,00,000, 1 STRPP C OF FACE VALUE OF ₹ 1,00,000 AND 1 STRPP D OF FACE VALUE OF ₹ 1,00,000) ("BONDS"/ "NCDS"/"DEBENTURES") FOR CASH, FOR AN AMOUNT AGGREGATING UP TO ₹ 50 CRORES (FIFTY CRORES ONLY) ("ISSUE") BY PRAYAGRAJ NAGAR NIGAM.

"**RESOLVED THAT** pursuant to the authorisation by Municipal Commissioner dated March 04, 2025, for issuance of Secured, Non-Convertible, Listed, Rated, Redeemable, Taxable Bonds in the nature of Debentures ("Bonds"/"Debentures"/ "NCDS") of Face Value of Rs. 1 Lakh Each, **comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000, 1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000)** amounting to Rs. 50 Crores by Prayagraj Nagar Nigam, proposed to be listed on BSE Limited, the Placement Memorandum dated April 23, 2025 in relation to the Issue, which has been tabled before the Bond Issue Committee, be and is hereby, approved and the Placement Memorandum may be filed with Securities Exchange Board of India and BSE Limited on its EBP platform and/or with any other regulatory authority, as may be required."

"**RESOLVED FURTHER THAT** in consideration of the aforesaid resolutions the approval of the Bond Issue Committee is also accorded for the following dates/details in respect to the Issue:

Issue/Bid Opening Date: April 30, 2025
Issue/Bid Closing Date: April 30, 2025
Pay-in Date/ Deemed Date of Allotment: May 2, 2025
Coupon Payment Dates: May 2, 2025

"**RESOLVED FURTHER THAT** the aforesaid resolution shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by Raj Kumar Sharma, Chief Finance & Accounts Officer may be furnished to such parties including BSE, and any regulatory authority/body, as may be required."

CERTIFIED TO BE TRUE COPY

FOR PRAYAGRAJ NAGAR NIGAM

Raj Kumar Sharma
Chief Finance & Accounts Officer

ANNEXURE - V
Debenture Trustee Consent Letter

39601/CL/MUM/23-24/BT/273
Date: 11/03/2025

Prayagraj Nagar Nigam,
1, Sarojini Naidu Marg,
Civil Lines, Uttar Pradesh - 211001

Dear Ma'am/Sir,

Subject: Private placement of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds, in the nature of debentures, of face value of ₹ 4,00,000/- each("Bonds"/"NCDs"/"Debentures"), (comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000, 1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000) for an amount aggregating up to ₹ 50 crores (Rupees Fifty Crores only) (the "Issue") by Prayagraj Nagar Nigam ("Issuer").

We, the undersigned, do hereby consent to act as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the preliminary placement memorandum and placement memorandum to be filed with the Securities and Exchange Board of India **("SEBI")** and the stock exchange where the NCDs are proposed to be listed **("Stock Exchange")** and also in all related advertisements and communications sent pursuant to the Issue, subject to execution of the Debenture Trustee Agreement as per regulation 13 of SEBI (Debenture Trustee) Regulations, 1993.

1. The following details with respect to us may be disclosed:

Logo:	BEACON
Name:	Beacon Trusteeship Limited
Address:	5W, 5th Floor, The Metropolitan, E-Block, Bandra Kurla Complex, Bandra (E),Mumbai-400051
Telephone:	022-46060278
Fax:	-
Email:	compliance@beacontrustee.co.in
Investor Grievance Email:	investorgrievances@beacontrustee.co.in
Website:	https://beacontrustee.co.in/
Contact Person:	Mr. Kaustubh Kulkarni
Compliance Officer:	Mr. Kaustubh Kulkarni
Tel. (Compliance Officer)	022-46060278
Email (Compliance Officer):	kk@beacontrustee.co.in
SEBI Registration No.:	IND000000569
CIN:	L74999MH2015PLC271288

BEACON TRUSTEESHIP

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 is 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 *except as disclosed in **Annexure C***, from the time of our registration.

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. This letter may be relied upon by you, the lead Managers and the legal advisor to the Issue in respect of the Issue.

6. We undertake that we shall immediately intimate the Issuer and Merchant Banker to the Issue of any changes in the aforementioned details until the listing and trading of the NCDs 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 bankers and the legal advisors to the Issue.

Sincerely,
For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Bhagyashree Korpade
Relationship Manager
Authorised Signatory

CC:

A.K Capital Services Limited
Unit No. 603, 6th floor,
Windsor,
off CST Road, Kalina,
Santacruz- (East),
Mumbai- 400 098

MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

BEACON TRUSTEESHIP

Annexure A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000281

(विनियम 8)
(Regulation 8)

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

Beacon Trusteeship Limited,
5W, 5th floor, The Metropolitan,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051

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 **IND000000569**

This certificate of registration shall be valid till it is suspended or cancelled by the Board.

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

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 : September 12, 2024

RACHNA ANAND
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

BEACON TRUSTEESHIP

Annexure B

39601/CL/MUM/23-24/BT/273
Date: 11/03/2025

Prayagraj Nagar Nigam,
1, Sarojini Naidu Marg,
Civil Lines, Uttar Pradesh - 211001

Dear Ma'am/Sir,

Subject: Private placement of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds, in the nature of debentures, of face value of ₹ 4,00,000/- each("Bonds"/"NCDs"/"Debentures"), (comprising of 4 (four) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000, 1 STRPP B of face value of ₹ 1,00,000, 1 STRPP C of face value of ₹ 1,00,000 and 1 STRPP D of face value of ₹ 1,00,000) for an amount aggregating up to ₹ 50 crores (Rupees Fifty Crores only) (the "Issue") by Prayagraj Nagar Nigam ("Issuer").

1. We refer to our consent letter dated 11/03/2025 **("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:

1.	Registration Number	IND000000569
2.	Date of Registration/Renewal of Registration	12th September 2024
3.	Date of expiry of registration	Permanent Certificate
4.	If applied for renewal, date of application	NA
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	Nil
6.	Any enquiry/investigation being conducted by SEBI	As disclosed in **Annexure C**
7.	Details of any penalty imposed by SEBI	As disclosed in **Annexure C**

2. We shall immediately intimate the Issuer 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 NCDs 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 NCDs on the Stock Exchange.

Sincerely,
For Beacon Trusteeship Limited

Bhagyashree Korpade
Relationship Manager
Authorised Signatory

CC:

A.K Capital Services Limited
Unit No. 603, 6th floor,
Windsor,
off CST Road, Kalina,
Santacruz- (East),
Mumbai- 400 098

MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

BEACON TRUSTEESHIP

Annexure C

I. Any disciplinary action taken by SEBI or any other regulatory authority (including overseas regulators, if any):

Regulator	Securities Exchange Board of India (SEBI)
Order No. & Date	Order/AN/RG/2023-24/30183 Dated: March 27, 2024
Findings	Violation with respect to Reg. 59 of SEBI LODR Regulations and Reg. 15(r) & (s), 16 of SEBI Debenture Trustee Regulations.
Penalty	INR 3,00,000/-
Current Status	The order was passed on March 27, 2024. We have paid the applicable penalty under protest on May 10, 2024.

Regulator	Securities Exchange Board of India (SEBI)
Order No. & Date	Order/BM/RK/2024-25/31013-31014 Dated: November 28, 2024
Findings	Violation of Clause 3 (b) of Schedule IV of the AIF Regulations regarding the Code of Conduct for the trustee of the Regulations and Clause 13.2.2 (ii) of Master Circular dated July 31, 2023, read with Regulation 20(1) and Regulation 20(2) of AIF Regulations.
Penalty	INR 5,00,000/-
Current Status	The order was passed on November 28, 2024. The Company has filed an appeal vide Appeal no. 0036/2025 on January 10, 2025 under section 15T of SEBI Act, 1992, against the said Order before the Hon'ble Securities Appellate Tribunal ("SAT"). The Appeal has been admitted by Hon'ble SAT and is pending for decision.

II. For Ongoing proceedings:

NIL

III. Operational actions such as advisory letter / administrative warning / deficiency letter.

The Trustee, in its capacity as a debenture trustee, has received communications dated October 24, 2019, May 31, 2022, September 5, 2022, September 8, 2023, October 26, 2023, September 2, 2024, & November 14, 2024, from SEBI in the nature of advisory letter, administrative warning and / or deficiency letter. The company has taken the necessary corrective actions to remedy the said deficiencies / non-compliances and reported the same to SEBI from time to time.

Notes:

The Trustee has no other litigation against or for in its beneficiary capacity. However, the Trustee is acting in a fiduciary capacity as trustee to various transactions where the Trustee is representing/defending the interest of the claimant/beneficiary. Hence, in these matters, there is no direct claim or liability as such on the Trustee and accordingly not disclosed.

Sincerely,
For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Bhagyashree Korpade
Relationship Manager
Authorised Signatory

BEACON TRUSTEESHIP

CC:

A.K Capital Services Limited
Unit No. 603, 6th floor,
Windsor,
off CST Road, Kalina,
Santacruz- (East),
Mumbai- 400 098

MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

ANNEXURE – VI
Illustration of Bond Cash Flow

STRPP A- Tenure 4 Years	
Company	Prayagraj Nagar Nigam
Face Value per STRPP A (in Rs.)	100000
Number of STRPP A held	1
Deemed date of allotment (assumed)	May 2, 2025
Tenor	4 Years
Coupon Rate for all Categories of Investors (p.a)	[●]%
Redemption Date/Maturity Date	May 2, 2029
Frequency of interest payment	Semi-Annually
Effective Yield for all Categories of Investor	[●]%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (INR)
Date of allotment	Friday, 2 May, 2025	Friday, 2 May, 2025		-100000
Coupon/Interest Payment 1	Sunday, 2 November, 2025	Monday, 3 November, 2025	184	[●]
Coupon/Interest Payment 2	Saturday, 2 May, 2026	Saturday, 2 May, 2026	181	[●]
Coupon/Interest Payment 3	Monday, 2 November, 2026	Monday, 2 November, 2026	184	[●]
Coupon/Interest Payment 4	Sunday, 2 May, 2027	Monday, 3 May, 2027	181	[●]
Coupon/Interest Payment 5	Tuesday, 2 November, 2027	Tuesday, 2 November, 2027	184	[●]
Coupon/Interest Payment 6	Tuesday, 2 May, 2028	Tuesday, 2 May, 2028	182	[●]
Coupon/Interest Payment 7	Thursday, 2 November, 2028	Thursday, 2 November, 2028	184	[●]
Coupon/Interest Payment 8	Wednesday, 2 May, 2029	Wednesday, 2 May, 2029	181	[●]
Principal	Wednesday, 2 May, 2029	Wednesday, 2 May, 2029		100000
Coupon Payments falling on working Saturdays will be made on same day				

STRPP B- Tenure 5 Years	
Company	Prayagraj Nagar Nigam
Face Value per STRPP B (in Rs.)	100000
Number of STRPP B held	1
Deemed date of allotment (assumed)	May 2, 2025
Tenor	5 Years
Coupon Rate for all Categories of Investors (p.a)	[●]%
Redemption Date/Maturity Date	May 2, 2030
Frequency of interest payment	Semi-Annually
Effective Yield for all Categories of Investor	[●]%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (INR)
Date of allotment	Friday, 2 May, 2025	Friday, 2 May, 2025		-100000
Coupon/Interest Payment 1	Sunday, 2 November, 2025	Monday, 3 November, 2025	184	[●]
Coupon/Interest Payment 2	Saturday, 2 May, 2026	Saturday, 2 May, 2026	181	[●]
Coupon/Interest Payment 3	Monday, 2 November, 2026	Monday, 2 November, 2026	184	[●]
Coupon/Interest Payment 4	Sunday, 2 May, 2027	Monday, 3 May, 2027	181	[●]
Coupon/Interest Payment 5	Tuesday, 2 November, 2027	Tuesday, 2 November, 2027	184	[●]
Coupon/Interest Payment 6	Tuesday, 2 May, 2028	Tuesday, 2 May, 2028	182	[●]
Coupon/Interest Payment 7	Thursday, 2 November, 2028	Thursday, 2 November, 2028	184	[●]
Coupon/Interest Payment 8	Wednesday, 2 May, 2029	Wednesday, 2 May, 2029	181	[●]
Coupon/Interest Payment 9	Friday, 2 November, 2029	Friday, 2 November, 2029	184	[●]
Coupon/Interest Payment 10	Thursday, 2 May, 2030	Thursday, 2 May, 2030	181	[●]
Principal	Thursday, 2 May, 2030	Thursday, 2 May, 2030		100000
Coupon Payments falling on working Saturdays will be made on same day				

STRPP C- Tenure 6 Years	
Company	Prayagraj Nagar Nigam
Face Value per STRPP C (in Rs.)	100000
Number of STRPP C held	1
Deemed date of allotment (assumed)	May 2, 2025
Tenor	6 Years
Coupon Rate for all Categories of Investors (p.a)	[●]%
Redemption Date/Maturity Date	May 2, 2031
Frequency of interest payment	Semi-Annually
Effective Yield for all Categories of Investor	[●]%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (INR)
Date of allotment	Friday, 2 May, 2025	Friday, 2 May, 2025		-100000
Coupon/Interest Payment 1	Sunday, 2 November, 2025	Monday, 3 November, 2025	184	[●]
Coupon/Interest Payment 2	Saturday, 2 May, 2026	Saturday, 2 May, 2026	181	[●]
Coupon/Interest Payment 3	Monday, 2 November, 2026	Monday, 2 November, 2026	184	[●]
Coupon/Interest Payment 4	Sunday, 2 May, 2027	Monday, 3 May, 2027	181	[●]
Coupon/Interest Payment 5	Tuesday, 2 November, 2027	Tuesday, 2 November, 2027	184	[●]
Coupon/Interest Payment 6	Tuesday, 2 May, 2028	Tuesday, 2 May, 2028	182	[●]
Coupon/Interest Payment 7	Thursday, 2 November, 2028	Thursday, 2 November, 2028	184	[●]
Coupon/Interest Payment 8	Wednesday, 2 May, 2029	Wednesday, 2 May, 2029	181	[●]
Coupon/Interest Payment 9	Friday, 2 November, 2029	Friday, 2 November, 2029	184	[●]
Coupon/Interest Payment 10	Thursday, 2 May, 2030	Thursday, 2 May, 2030	181	[●]
Coupon/Interest Payment 11	Saturday, 2 November, 2030	Saturday, 2 November, 2030	184	[●]
Coupon/Interest Payment 12	Friday, 2 May, 2031	Friday, 2 May, 2031	181	[●]
Principal	Friday, 2 May, 2031	Friday, 2 May, 2031		100000
Coupon Payments falling on working Saturdays will be made on same day				

STRPP D- Tenure 7 Years	
Company	Prayagraj Nagar Nigam
Face Value per STRPP D (in Rs.)	100000
Number of STRPP D held	1
Deemed date of allotment (assumed)	May 2, 2025
Tenor	7 Years
Coupon Rate for all Categories of Investors (p.a)	[●]%
Redemption Date/Maturity Date	May 2, 2032
Frequency of interest payment	Semi-Annually
Effective Yield for all Categories of Investor	[●]%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (INR)
Date of allotment	Friday, 2 May, 2025	Friday, 2 May, 2025		-100000
Coupon/Interest Payment 1	Sunday, 2 November, 2025	Monday, 3 November, 2025	184	[●]
Coupon/Interest Payment 2	Saturday, 2 May, 2026	Saturday, 2 May, 2026	181	[●]
Coupon/Interest Payment 3	Monday, 2 November, 2026	Monday, 2 November, 2026	184	[●]
Coupon/Interest Payment 4	Sunday, 2 May, 2027	Monday, 3 May, 2027	181	[●]
Coupon/Interest Payment 5	Tuesday, 2 November, 2027	Tuesday, 2 November, 2027	184	[●]
Coupon/Interest Payment 6	Tuesday, 2 May, 2028	Tuesday, 2 May, 2028	182	[●]
Coupon/Interest Payment 7	Thursday, 2 November, 2028	Thursday, 2 November, 2028	184	[●]
Coupon/Interest Payment 8	Wednesday, 2 May, 2029	Wednesday, 2 May, 2029	181	[●]
Coupon/Interest Payment 9	Friday, 2 November, 2029	Friday, 2 November, 2029	184	[●]
Coupon/Interest Payment 10	Thursday, 2 May, 2030	Thursday, 2 May, 2030	181	[●]
Coupon/Interest Payment 11	Saturday, 2 November, 2030	Saturday, 2 November, 2030	184	[●]
Coupon/Interest Payment 12	Friday, 2 May, 2031	Friday, 2 May, 2031	181	[●]
Coupon/Interest Payment 13	Sunday, 2 November, 2031	Monday, 3 November, 2031	184	[●]
Coupon/Interest Payment 14	Sunday, 2 May, 2032	Saturday, 1 May, 2032	182	[●]
Principal	Sunday, 2 May, 2032	Saturday, 1 May, 2032		100000

Coupon Payments falling on working Saturdays will be made on same day

Assumptions:

• The Deemed Date of Allotment is assumed to Friday, May 2, 2025. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.

• The above-mentioned bond cash flows are illustrative and indicative. The scheduled Due Dates and bond cash flows will be as stipulated under the row titled 'Business Day Convention' in Summary Term Sheet in this Placement Memorandum.

• The amount of coupon payment on each Due Date will be incorporated above once the final coupon rate payable on these bonds is finalised after the bidding on the electronic bidding platform of BSE.

ANNEXURE - VII
Budget Documents

NAGAR NIGAM PRAYAGRAJ

REVISED INCOME- EXPENDITURE BUDGET

FINANCIAL YEAR 2021-2022

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Municipal Corporation, Prayagaraj
Form - B
Census 2011 - 11.43 lakhs
Statement regarding Actual Income & expenditure (Budget)
(Financial year 2021-2022)
Estimated income

Head of Account	Discription of Income	Actual amount of year 2020-21 (12 MONTHS)	BY MUNICIPAL HOUSE Assumption of Restructured	Actual amount of year 2021-22 (06 MONTHS)	Department Assumption of Revised Budget 2021-22	BY KARYAKARINI Assumption of Revised Budget 2021-22	BY MUNICIPAL HOUSE Assumption of Revised Budget 2021-22
	Initial Remaining Municipal Corporation: - revenue account-	1407390471	640000000	1616454870	1616454870	1616454870	1616454870
1	General tax-						
	1-House Tax	628069875	900000000	278210380	900000000	900000000	900000000
	2-Tax on articles of real estate	0	100000000	0	100000000	100000000	100000000
	Income from (2. stamp fee)						
	3-Auditorium tax	54820	200000	6290	200000	200000	200000
	4-Passenger tax (from railway, roadways)	1968411	3000000	0	3000000	3000000	3000000
	5 Taxes on dogs/animals	157330	200000	70350	200000	200000	200000
	Total	630250436	1003400000	278287019.9	1003400000	1003400000	1003400000
2	**Receipts from municipal property and other means**						
	Land rent, parking fees, bicycle stand, ferry policy, auction of assets like machine equipment etc	25660167	45200000	8055873	45200000	45200000	45200000
	2 (a) - Fees from educational institutions and other revenue-	10228	70000	11178	70000	70000	70000
	2 (b) - Income from parks (income from Bhardwaj Park)	0	1000000	0	1000000	1000000	1000000
	2 (c) - Birth discharge, medicine, ice cream, mitigation fee-health department	1444944	8702000	420433	8702000	8702000	8702000
	2 (d) - Panjian (Registration Fee) Tax Department	17657812	23000000	7867300	23000000	23000000	23000000
	2 (e) - Income of Animal Welfare Department	1866306	2100000	828114	2100000	2100000	2100000
	2 (f) - submission fee (license fees)	17843733	69625000	12200289	73625000	73625000	73625000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम

	2 (g) - Other charges etc. (Raked, Tander Farm Sale, Electricity Carcassadah House, User Charge, Manure Sale)	4683338	5315000	1835845	5315000	5315000	5315000
	Total	**69166528**	**155012000**	**31219032**	**159012000**	**159012000**	**159012000**
3	Receipts under special Acts-	7020	650000	0	650000	650000	650000
4	Recovery of advance loan for construction of Ghurids (Officer/Employee)	6646895	4500000	7309880	17000000	17000000	17000000
5	Income from Adjustment (Power Corporation / Water Institute)	0	55000000	0	55000000	55000000	55000000
6	Interest (other income/establishment)	17140568	20250000	3126415	20250000	20250000	20250000
7	Government grants received for the following purposes from capital purposes- (State Finance Commission)	2250661472	3120000000	977279236	2870000000	2870000000	2870000000
8	1- Government grant/contribution for urban road improvement scheme	0	17000000	0	17000000	17000000	17000000
	2-Chief Minister Mass Marriage Scheme	0	6000000	0	6000000	6000000	6000000
	3-Urban Drainage Scheme	0	100000000	0	100000000	100000000	100000000
	4- Divine calamity and epidemic	0	10000000	0	10000000	10000000	10000000
9	Other benefits (Malaya Shulya, Life Insurance Service, Sewer Machine, Road Cutting, Secured Mobile Toilet, Installed Colony)	219406303	338600000	63500376	318600000	318600000	318600000
	Total receipts of revenue account :-	**3193279222**	**4830412000**	**1360721959**	**4576912000**	**4576912000**	**4576912000**
	capital account-						
10	Loan from Government (Revolving Fund / Naya Savera)	0	50000000	0	50000000	50000000	50000000
11	Grants from Government for Vikatta works Malin Basti JNNU AU M, Atal Mission, 15th Vita, Smart City NGABA, Namami Ganga, Swachh Bharat Mission, Animal Slaughterhouse, Solar Puj Yojana, Kantha Gaushala Construction/Bhusa Detu CM Grid Yojana, for flood disaster in urban areas.	889869310	3400000000	658975152	3330000000	3330000000	3330000000
12	Received from K-Amrit/14th/15th/Kumna Mela/Smart City etc	26426042	27500000	1643395	27500000	27500000	27500000
13	Development works under MP/MLA/Purvanchal Development Fund	0	5000000	0	5000000	5000000	5000000
14	Mahakumm Mela 2025 Tetu Government Grant	0	5000000	0	5000000	5000000	5000000
	Total balance of Capital Account, Loans+Grants+Interest	**916295352**	**3487500000**	**660618547**	**3417500000**	**3417500000**	**3417500000**
	Receipts excluding opening balance	**4109574574**	**8317912000**	**2021340506**	**7994412000**	**7994412000**	**7994412000**
	What are the receipts including the opening balance?	**5516965045**	**8957912000**	**3637795377**	**9610866870**	**9610866870**	**9610866870**

मुख्य वित्त एवं लेखा.....
नगर निगम-प्रयागराज

Estimated Expenditure

Head of Account	Discription of Income	Actual amount of year 2020-21 (12 MONTHS)	BY MUNICIPAL HOUSE Assumption of Restructured	Actual amount of year 2021-22 (06 MONTHS)	Department Assumption of Revised Budget 2021-22	BY KARYAKARINI Assumption of Revised Budget 2021-22	BY MUNICIPAL HOUSE Assumption of Revised Budget 2021-22
	Revenue account-						
1	Establishment of office bearers and head office, outsourcing	64063568	84600000	30742193	86100000	86100000	86100000
	1 (a) - Journals (Record Department), Establishment	332446 00	3400000.00	1033355 00	3400000.00	3400000 00	3400000 00
	1 (b) - Establishment of Chief Municipal Auditor and his office	6138214 00	10050000.00	2837356.00	10050000.00	10050000 00	10050000 00
	1 (c) -Central Accounting and Restoring Department - Computer Purchasing, Dual Accounting System, Income Tax, Business Tax etc.	29068989	36745000	14117381	38245000	38245000	38245000
	1 (d) - anesthesia of revenue (tax department) - establishment expenditure etc.	70784642	92050000	42278860	97050000	97050000	97050000
	1 (e) - Limit, Path-Tax and Inauguration expenditure of the department, etc.	9802321	18525000	4853717	18525000	18525000	18525000
	1 (f) - expenditure of fixed establishment etc.	38467661	45500000	15482324	45500000	45500000	45500000
	1 (g) - Purchase of store item, general store establishment etc.	5653270 00	2275000.00	676892 00	2275000.00	2275000 00	2275000 00
	1 (h) - Department of License (License) Establishment etc.	7632758 00	11620000.00	5259715 00	11620000.00	11620000 00	11620000 00
	Total	**231943869**	**304765000**	**117281793**	**312765000**	**312765000**	**312765000**
2	Cleanliness and hygiene (Health Department) establishment, sewer cleaning, contracts etc.	1150743471	1486600000	668484865	1515100000	1515100000	1515100000
	B-Carmor Installation etc.	109487754	125600000	50271513	131847000	131847000	131847000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

	Expenditure on C-Health Department (Plant and Cleaning Goods etc.), Woolen Cotton Uniform, Tipping Fees, User Charges, Cleaning Equipment, Cleaning Goods etc.	27866388	83300000	20268258	83300000	83300000	83300000
	Expenditure on D-Carm (Plants and Vehicles and Contingency Expenses), Diesel, Petral, Mobil, Repair and Maintenance, Rental Vehicles etc.	141191986	207325000	63639780	247325000	247325000	247325000
	Large-level form nanny-installation etc.	1944543	2300000	1119198	2800000	2800000	2800000
	F-water circulation, water preservation, cleaning of wells	95428	0	0	0	0	0
	Temporary construction of six toilets, urinals and bathrooms @ repair	0	10000000	0	10000000	10000000	10000000
	Expenditure on J-Gar Corporation Seamantargat Assets Survey @ G0I0S0	0	3000000	12258	3000000	3000000	3000000
	Total	**1431329570**	**1918125000**	**803795872**	**1993372000**	**1993372000**	**1993372000**
3	A- Medical establishment expenses, medicines, expenses on health care during epidemics and floods	17076981	23505000	13940418	51505000	51505000	51505000
	B- Establishment expenses of Public Health Health Inspector, Vaccinator, etc.	26539817	28650000	15349399	37150000	37150000	37150000
	C- Establishment expenses of Public Health Health Inspector, Vaccinator, etc.	8502259	9000000	3937288	9000000	9000000	9000000
	D-Animal and Animal Welfare Department Expenses for catching and establishment of monkeys	19175571	27430000	8534920	27430000	27430000	27430000
	E-Treatment of de-shoes / medicines for stray animals	230155	1000000	152400	1200000	1200000	1200000
	F-Slaughterhouses-Javistan children and conservation expenditure	1978875	3015000	955162	3015000	3015000	3015000
	G-Qaji concentrate on that established animal stream	5675269	5715000	3431248	17515000	17515000	17515000
	H-Construction of H-Pig Slaughter House	0	2600000	0	2600000	2600000	2600000
	Total	**79178927**	**100915000**	**46300835**	**149415000**	**149415000**	**149415000**
4	A -Public safety and convenience (route lighting), installation expenses etc.	55459537	73020000	30283086	68020000	68020000	68020000
	B-Purchasing of electrical goods-solar @ L0E0D0light, House Hetu Mike, Polar sealing fan, An0C0, power wiring, power light expansion	67413425	276200000	18464201	262700000	262700000	262700000
	C-Expenditure on K-Power Karant - Electricity Bill, Cremation Wharf, Cemetery, Dhobighat, Lighting and Repairing	27651686	33300000	10931798	35000000	35000000	35000000
	D-Expenditure on C-Telephone-Internet Lejaline, Intercom, C0U0G0	1624744	4000000	550088	4000000	4000000	4000000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

	E-Social Welfare Sambandhi Kam-Kalap-Paushala, Cemetery, Cremation Ghat Repair and Construction	0.00	5050000.00	0.00	5050000.00	5050000.00	5050000.00
	F-Basic facilities of urban poor and female uplift (road and other work) Development Fund	333015	10000000	0	10000000	10000000	10000000
	G-Park, Open Space, Dhabighat and Tree-Savadhan (Environmental Department), Establishment expenditure gardener, plantation, maintenance of park, construction and repair of dhobighat	24838744	67050000	25777059	73550000	73550000	73550000
	H-Expenditure on various development works under the six-establishment fund	51402152	100000000	29209966	116245000	116245000	116245000
	Total	**228723303**	**568620000**	**115216198**	**574565000**	**574565000**	**574565000**
5	A-Urban Road Improvement Plan relative to 1-State Grant @ Contribution	0	17000000	0	17000000	17000000	17000000
	B-Chief Minister Collective Marriage Scheme	0	6000000	0	6000000	6000000	6000000
	C-Kanha Goshala Hetu Bhusa Purchasing	8803908	20000000	0	20000000	20000000	20000000
	D-Suburban drainage scheme	0	100000000	0	100000000	100000000	100000000
	E-Public Works Department - Aptianta, Employees, Road Argang, Saverier and Khalasi Establishment etc.	128143846	188045000	64990433	180045000	180045000	180045000
	Cantin (Operation and Maintenance)	146117199	650000000	64375936	665000000	665000000	665000000
	G-building (construction @ repair), changes, additions, dyeing-panting etc.	0	97000000	2436323	102000000	102000000	102000000
	Total	**283064953**	**1078045000**	**131802692**	**1090045000**	**1090045000**	**1090045000**
6	A-Expenditure on K-nursery school establishment etc.	6145340	8515000	3616965	8515000	8515000	8515000
	B-Shashheed Chandra Shekhar Azad Library Establishment Expenditure, Newspaper Purchasing, Return of Kashan Money	1616066	2218000	773999	2718000	2718000	2718000
	C-women craft building installation etc.	2897673	4948000	1575289	4948000	4948000	4948000
	D-Exhibition, Sports, Recreation and Cultural Activities, Organizing National Feasts, Publication of Municipal Corporation magazine	208725	870000	152185	870000	870000	870000
	E-Ganges sanitation campaign under the protection of the beginning	0	60000000	8647759	60000000	60000000	60000000
	F-Method Relationship Acronym Law Department Establishment, Sue, Purchasing of Books	5918284	11180000	3227725	11180000	11180000	11180000
	G-Municipal Corporation Impository and other expenditure	2820895	4561000	1307447	4561000	4561000	4561000
	H-Jansampark Department @ Media Advertising & Other Expenses	42960907	20050000	3681630	20050000	20050000	20050000
	Total	**62567890**	**112342000**	**22982999**	**112842000**	**112842000**	**112842000**

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

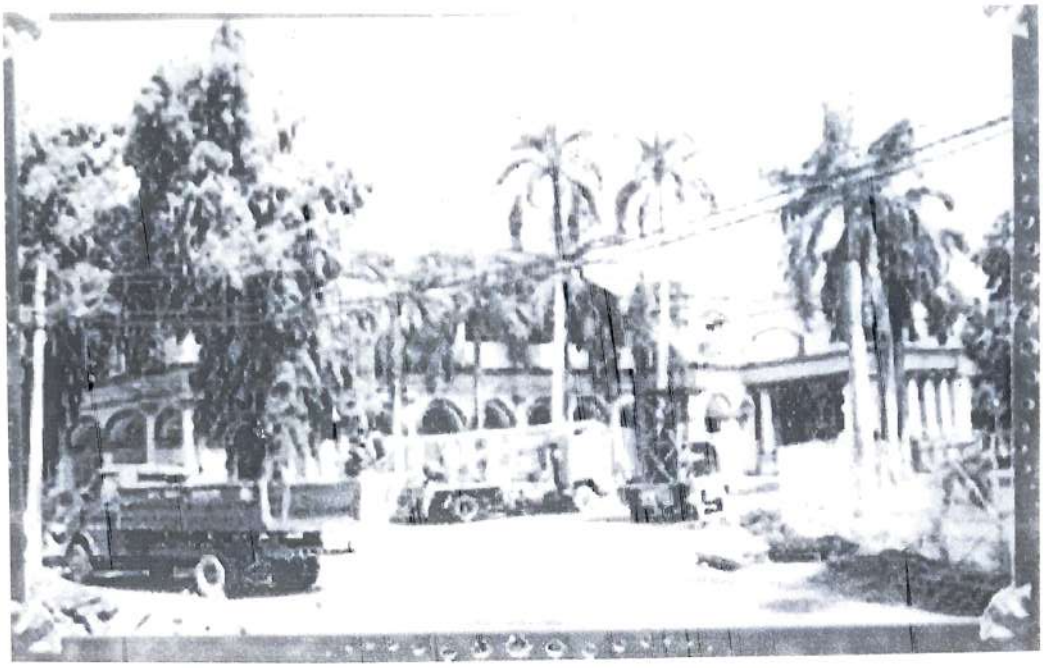
7	Contractors' securities withdrawal, expenditure on bonfire	21577529	40000000	5875084	40000000	40000000	40000000
8	A-Officers and employees	614460	2000000	1200000	3586000	3586000	3586000
	B-Pension @ Upadan payable to retired employees	601965228	865049000	343250000	874549000	874549000	874549000
	C-Payment of claims of employee collective life insurance	4991056	11000000	1001987	14031000	14031000	14031000
	D-Payment of d-accounting fees	0	12500000	0	12500000	12500000	12500000
	Total	**607570744**	**890549000**	**345451987**	**904666000**	**904666000**	**904666000**
9	A-narrow (material store) - paper and stationery (jildbandi), furniture, alumari, guard file, woolen to the sweeper ' - cotton uniform and method purchase	3334444	5890000	2231334	5890000	5890000	5890000
	B-Expenditure from the self-respect of the honorable mayor	0	1500000	0	1500000	1500000	1500000
	C-Adjustment from local @ government funds, water institute, power corporation	0	52500000	0	52500000	52500000	52500000
	D-Other items-narrow (other) expenditure, expenditure on maintenance of signed colonies, wending zone, body shaping, samvilin jhansi town area less (regular @ contract)	79594879	285000000	106079908	337908000	337908000	337908000
	Total	**82929323**	**344890000**	**108311242**	**397798000**	**397798000**	**397798000**
	Total revenue accounting expenditure	**3028886108**	**5358251000**	**1697018702**	**5575468000**	**5575468000**	**5575468000**
	Capital accounting						
10	Out of Revenue Accounting - Revolving Fund @ Naya Savera, Capital Accounting Remnants	0	23005000	0	23005000	23005000	23005000
11	From local @ government funds - MP @ Legislative Fund	365000	5000000	0	5000000	5000000	5000000
12	Sanitation-Mallin Basti Reform-Government Grant	0	5000000	0	5000000	5000000	5000000
13	J0N0N0U0R0M0 Scheme	0	0	0	139131000	139131000	139131000
14	A-Intermittent expenditure of the National Ganges Rever Vesin Atharity Project;Dadd	9536688	10000000	0	10000000	10000000	10000000
	B-National Clean Ganges Mission @ Namami Gange Scheme	20304654	15000000	0	15252000	15252000	15252000
	C-Clean India Mission Plan	39138125	700000000	13875704	650238000	650238000	650238000
	D-Ghat Cleaning Grant Expenditure	11015385	10000000	0	10000000	10000000	10000000
15	Expenditure for modernization of Kareli-based Veeksharam	13651583	35000000	13508600	17152000	17152000	17152000
	Construction of Ka-Kanha Gaushala	44071391	70000000	0	70000000	70000000	70000000

नगर निगम-प्रयागराज

16	D0APP0J0Abdul Kalam Urban Solar Punj Scheme Hetu Expenditure	0	20000000	0	33959000	33959000	33959000
17	A-Atal Mission for Resubation and Urban Transformation (Amrit Scheme)	37308557	200000000	6180188	200000000	200000000	200000000
	B-smart city mission plan	27484674	1000000000	36938125	1000000000	1000000000	1000000000
	C-Expenditure relative to Kh-Magh Mela Hetu Government Grant	54187462	5000000	0	5000000	5000000	5000000
18	Expenditure incurred on various developments under the 14th Finance Commission	348493146	0	0	0	0	0
	B-15th Finance Commission's expenditure on various developments	266067402	1500000000	173375279	1849578000	1849578000	1849578000
	Total of Capital Accounting Expenditure-	**871624067**	**3598005000**	**243877896**	**4033315000**	**4033315000**	**4033315000**
	Uchant accounting-						
19	Renewal of routes relative to the funds received from the intermittent road Katting of J0N0N0U0R0M (relic based)	0.00	1500000.00	0.00	1500000.00	1500000.00	1500000.00
	Total of Uchant Accounting Expenditure:	**0.00**	**1500000.00**	**0.00**	**1500000.00**	**1500000.00**	**1500000.00**
	Revenue @ Capital @ Total of accounting expenditure:	**3900510175**	**8957756000**	**1940896598**	**9610283000**	**9610283000**	**9610283000**
	Final Balance	**1616454870**	**156000**	**1696898778**	**583870**	**583870**	**583870**
	Grant Total	**5516965045**	**8957912000**	**3637795377**	**9610866870**	**9610866870**	**9610866870**

Accountant **Account Officer** **Chief Finance & Account Officer** **Nagar Ayukt**

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज



प्रयागराज नगर निगम
प्रयागराज

NAGAR NIGAM PRAYAGRAJ

REVISED INCOME- EXPENDITURE BUDGET

FINANCIAL YEAR 2022-2023

Municipal Corporation, Prayagaraj

Form - B

Census 2011 - 11.43 lakhs

Revised Income-Expenditure (Budget) Symbolic Statement Letter

(Financial year 2022-2023)

Estimated income

Serial No.	Statement of income	Actual figures for the last year 2021-22	Current Year Original Estimates 2022-23	First 6 Mass Actual Assessment Year 2022-23	Departmental Estimates of Revised Budget 2022-23	Revised budget estimate by Mo Executive year 2022-23	Revised budget estimates by Mo House 2022-23
1	**Initial Remaining Municipal Corporation: -**	**1537818728**	**1506492729**	**1122973333**	**1122973333**	**1122973333**	**1122973333**
	revenue accounting-						
	General tax-						
	1-House Tax	686894693	900000000	372943431	900000000	900000000	900000000
	2-Tax on articles of real estate Income from (2: stamp fee)	7746498	100000000	0	100000000	100000000	100000000
	3-Auditorium tax	155020	200000	72130	200000	200000	200000
	4-Passenger tax (from railway, roadways)	679283	1500000	1010808	1500000	1500000	1500000
	5. Taxes on dogs/animals	191760	200000	564990	700000	1000000	1000000
	Total	**695667254**	**1001900000**	**374591359**	**1002400000**	**1002700000**	**1002700000**
2	**Receipts from municipal property and other means**						
	Land rent, parking fees, bicycle stand, ferry policy, auction of assets like machine equipment etc.	15510936	43650000	5061161	43650000	43650000	43650000
	2 (a) - Fees from educational institutions and other revenue-	18774	70000	11819	70000	70000	70000
	2 (b) - Income from parks (income from Bhardwaj Park)	0	1000000	0	1000000	1000000	1000000
	2 (c) - Birth discharge, medicine, ice cream, mitigation fee-health department	1396763	6700000	2056904	6700000	6700000	6700000
	2 (d) - Panjian (Registration Fee) Tax Department	17675900	23000000	12961000	23000000	23000000	23000000
	2 () - Income of Animal Welfare Department	1848514	3000000	1774260	3000000	3000000	3000000
	2 (f) - submission fee (license fees)	25623855	73525000	16390963	73800000	73800000	73800000
	2 (g) - Other charges etc. (Raked, Tander Farm Sale, Electricity Carcassadah House, User Charge, Manure Sale)	3537623	5815000	9494465	13015000	13515000	13515000
	Total	**65612365**	**156760000**	**47750572**	**164235000**	**164735000**	**164735000**

मुख्य वित्त एवं लेखाधिकारी
प्रयागराज निगम-प्रयागराज

3		2500	450000	0	450000	450000	450000
4	Construction of houses, recovery of foreign debt (officer @ employee)	18021586	102500000	31856949	102500000	102500000	102500000
5	Income from Adjustment - (Power Corporation @ Water-Institute)	0	55000000	0	55000000	55000000	55000000
6	Interest-(Other Accounts @ Establishment)	3696960	10000000	21328	10000000	10000000	10000000
7	Government grants received for purposes other than capital purposes - (State Finance Aayog)	2158320830	3125000000	1399882866	3125000000	3125000000	3125000000
8	1-Suburban Road Improvement Scheme Hetu Government Grant @ Contribution	0	17000000	0	17000000	17000000	17000000
	2-Chief Minister Collective Marriage Scheme	0	5000000	936000	5000000	5000000	5000000
	3-Suburban drainage scheme	0	100000000	0	100000000	100000000	100000000
	4-divine disaster and epidemic	0	10000000	0	10000000	10000000	10000000
9	Other receipts - (Malwa fee, life insurance, carcass, sewer machine, road cutting, securities, movable toilet, signed colony)	197309927	121100000	44388725	121100000	121100000	121100000
	Sum of total receipts of revenue articles:	**3138631422**	**4704710000**	**1899427799**	**4712685000**	**4713485000**	**4713485000**
	Capital accounting						
10	Debt from Government- (Revolving Fund @ Naya Savera)	0	20000000	0	20000000	20000000	20000000
11	Development works Hetu Grant-to-Government-Malin Basti, J0N0N0U0R0M0, Atal Mission, 15th Finance, Smart City, N0G0R0B0A0, Namami Gange, Clean India Mission, Animal Slaughterhouse, Solar Puj Scheme, Kanha Gaushala Construction @ Bhanusa Hetu	1097367754	1910000000	252276271	1960000000	1960000000	1960000000
12	Received from Ka-Amrit @ 14th @ 15th @ Kumbh @ Magh Fair @ Smart City etc.	25839711	22500000	7904615	22500000	22500000	22500000
13	MP @ Legislative @ Prevanchal Development Fund's interstate development work	0	5000000	0	5000000	5000000	5000000
14	ek?k esyk gsrq 'kkldh; vuqnku	0	5000000	0	5000000	5000000	5000000
	Total income of capital accounting, loan $ grant $ interest etc.	**1123207465**	**1962500000**	**260180886**	**2012500000**	**2012500000**	**2012500000**
	Total receipts excluding initial balance	**4261838887**	**6667210000**	**2159608685**	**6725185000**	**6725985000**	**6725985000**
	Total receipts by including initial balance	**5799657615**	**8173702729**	**3282582018**	**7848158333**	**7848958333**	**7848958333**

Estimated expenditure

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

A - 100

serial No.	Statement of expenditure	Actual figures for the last year 2021-22	Current Year Original Estimates 2022-23	First 6 Mass Actual Assessment Year 2022-23	Departmental Estimates of Revised Budget 2022-23	Revised budget estimate by Mo Executive year 2022-23	Revised budget estimates by Mo House 2022-23
1	**revenue accounting-**						
	Establishment of office bearers and head office, outsourcing	60925841	92100000	34442184	83800000	83100000	83100000
	1 (a) - Journals (Record Department), Establishment	1365758.00	2000000.00	721192.00	2000000.00	2000000.00	2000000.00
	1 (b) - Establishment of Chief Municipal Auditor and his office	5891605.00	8050000.00	3146956.00	7550000.00	7550000.00	7550000.00
	1 (c) -Central Accounting and Restoring Department - Computer Purchasing, Dual Accounting System, Income Tax, Business Tax etc.	27078216	36825000	13537531	34825000	38995000	38995000
	1 (d) - anesthesia of revenue (tax department) - establishment expenditure etc.	83259420	97050000	40553089	97000000	97000000	97000000
	1 (Close) - Limit, Path-Tax and Inauguration expenditure of the department, etc.	9116984	18025000	3953707	13525000	13525000	13525000
	1 (f) - expenditure of fixed establishment etc.	31597422	45630000	17986910	40630000	40630000	40630000
	1 (g) - Purchase of store item, general store establishment etc.	2112347.00	2275000.00	784848.00	2275000.00	2275000.00	2275000.00
	1 (h) - Department of License (License) Establishment etc.	9802342.00	12620000.00	3850983.00	12620000.00	12620000.00	12620000.00
	Total	**231149935**	**314575000**	**118977400**	**294225000**	**297695000**	**297695000**
2	Cleanliness and hygiene (Health Department) establishment, sewer cleaning, contracts etc.	1331032678	1633600000	682301941	1596600000	1626600000	1626600000
	B-Carmor Installation etc.	106946111	125600000	60580592	125600000	125600000	125600000
	Expenditure on C-Health Department (Plant and Cleaning Goods etc.), Woolen Cotton Uniform, Tipping Fees, User Charges, Cleaning Equipment, Cleaning Goods etc.	39646469	142500000	28019128	135500000	137500000	137500000
	Expenditure on D-Carm (Plants and Vehicles and Contingency Expenses), Diesel, Petral, Mobil, Repair and Maintenance, Rental Vehicles etc.	176188131	275325000	88684433	269825000	269825000	269825000
	Large-level form nanny-installation etc.	2003450	2800000	614070	2800000	2800000	2800000
	F-water circulation, water preservation, cleaning of wells	0	0	0	0	0	0
	Temporary construction of six toilets, urinals and bathrooms @ repair	9036449	15000000	247624	15000000	15000000	15000000
	Expenditure on J-Gar Corporation Seamantargat Assets Survey @ G0I0S0	12258	3000000	3600	3000000	3000000	3000000

वित्त एवं लेखाधिकारी

	Total	**1664865546**	**2197825000**	**860451388**	**2148325000**	**2180325000**	**2180325000**
3	A-medical-installation expenditure, purchase of drugs, expenditure on epidemic and flood healthcare	38030676	53005000	5434759	51005000	51005000	51005000
	B-Public Health-Health Inspector, Vaccinator, Farrash's installation expenditure etc.	27184927	37150000	13188953	31950000	31950000	31950000
	C-free medical aid-serving @ retired employees	8781019	14000000	1647780	11000000	11000000	11000000
	Livestock and Animal Welfare Department - Catchment and Establishment Expenditure of Bandaro	25313474	29530000	12916280	28530000	28530000	28530000
	Medicine of animals @ purchasing of animal medicines	638060	1200000	352883	1200000	1200000	1200000
	Maintenance, installation, repair and maintenance expenses	1299283	2515000	328438	2115000	2115000	2115000
	Expenditure on Chh-Kanji House-Oprosy, Panchara	14052743	30915000	13181834	30915000	30915000	30915000
	Construction of J-Pig Slater House	0	2600000	0	2600000	2600000	2600000
	Total	**115300182**	**170915000**	**47050927**	**159315000**	**159315000**	**159315000**
4	Public safety and convenience (route lighting), installation expenses etc.	56233292	65520000	25623876	64520000	64520000	64520000
	Purchasing of electrical goods-solar @ L0E0D0light. House Hetu Mike, Polar sealing fan, An0C0, power wiring, power light expansion	71447171	216200000	19825998	176200000	176200000	176200000
	Expenditure on K-Power Karant - Electricity Bill. Cremation Wharf, Cemetery, Dhobighat, Lighting and Repairing	13501202	49000000	5525941	79000000	79000000	79000000
	Expenditure on C-Telephone-Internet Lejaline, Intercom, C0U0G0	1158201	3600000	869146	3600000	3600000	3600000
	D-Social Welfare Sambandhi Kam-Kalap-Paushala. Cemetery, Cremation Ghat Repair and Construction	0.00	5050000.00	0.00	5050000.00	5050000.00	5050000.00
	Basic facilities of urban poor and female uplift (road and other work) Development Fund	0	5000000	0	5000000	5000000	5000000
	Ch-Park, Open Space, Dhabighat and Tree-Savadhan (Environmental Department). Establishment expenditure gardener, plantation, maintenance of park, construction and repair of dhobighat	65453444	127500000	33239576	131500000	134500000	134500000
	Expenditure on various development works under the six-establishment fund	32790348	100000000	7597308	100000000	100000000	100000000
	Total	**240583958**	**571870000**	**92681845**	**564870000**	**567870000**	**567870000**

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

serial No.	Statement of expenditure	Actual figures for the last year 2021-22	Current Year Original Estimates 2022-23	First 6 Mass Actual Assessment Year 2022-23	Departmental Estimates of Revised Budget 2022-23	Revised budget estimate by Mo Executive year 2022-23	Revised budget estimates by Mo House 2022-23
5	Urban Road Improvement Plan relative to 1-State Grant @ Contribution	0	17000000	0	17000000	17000000	17000000
	2-Chief Minister Collective Marriage Scheme	0	5000000	871811	5000000	5000000	5000000
	3-Kanha Goshala Hetu Bhusa Purchasing	0	35950000	0	35950000	35950000	35950000
	4-Suburban drainage scheme	0	100000000	0	100000000	100000000	100000000
	A-Public Works Department - Aptianta, Employees, Road Argang, Saverier and Khalasi Establishment etc.	124987909	161920000	61993050	147820000	132520000	132520000
	Kh-Sadrak, Gali, Drain (Repair and Renewal) Development Fund, Annapurna Cantin (Operation and Maintenance)	254231506	670354000	98216165	637554000	680354000	680354000
	C-building (construction @ repair), changes, additions, dyeing-panting etc.	13600415	155000000	3044251	125000000	140000000	140000000
	Total	**392819830**	**1145224000**	**164125277**	**1068324000**	**1110824000**	**1110824000**
6	Expenditure on K-nursery school establishment etc.	6751402	8525000	3206648	8525000	8525000	8525000
	Kh-Shashheed Chandra Shekhar Azad Library Establishment Expenditure, Newspaper Purchasing, Return of Kashan Money	1591497	2918000	1328006	2918000	2918000	2918000
	C-women craft building installation etc.	3064371	4948000	1638619	4348000	4348000	4348000
	Exhibition, Sports, Recreation and Cultural Activities, Organizing National Feasts, Publication of Municipal Corporation magazine	209585	870000	179437	870000	870000	870000
	Ganges sanitation campaign under the protection of the beginning	10066617	60000000	15384728	60000000	60000000	60000000
	F-Method Relationship Acronym Law Department Establishment, Sue, Purchasing of Books	6599648	10680000	3579715	10680000	10680000	10680000
	Chh-Municipal Corporation Impository and other expenditure	2623857	4661000	1707150	4661000	4661000	4661000
	J-Jansampark Department @ Media Advertising & Other Expenses	19103945	30050000	5563730	30050000	30050000	30050000
	Total	**50010922**	**122652000**	**32588033**	**122052000**	**122052000**	**122052000**
7	Contractors' securities withdrawal, expenditure on bonfire	23835732	40000000	15039815	40000000	40000000	40000000
8	Officers and employees	2800000	3500000	1350000	3500000	3500000	3500000
	Pension @ Upadan payable to retired employees	612250000	867500000	275950000	790000000	728000000	728000000

मुख्य वित्त एवं लेखाधिकारी

	Payment of claims of employee collective life insurance	4782038	12500000	4014134	12500000	12500000	12500000
	Payment of d-accounting fees	0	12500000	0	12500000	12500000	12500000
	Total	**619832038**	**896000000**	**281314134**	**818500000**	**756500000**	**756500000**
9	A-narrow (material store) - paper and stationery (jildbandi), furniture, alumari, guard file, woolen to the sweeper ` - cotton uniform and method purchase	5300533	9415000	2539042	9415000	9415000	9415000
	Expenditure from the self-respect of the honorable mayor	0	1500000	0	1500000	1500000	1500000
	Adjustment from local @ government funds, water institute, power corporation	0	52500000	0	52500000	52500000	52500000
	D-Other items-narrow (other) expenditure, expenditure on maintenance of signed colonies, wending zone, body shaping, samvilin jhansi town area less (regular @ contract)	216372761	161000000	36079448	139100000	140930000	140930000
	Total	**221673294**	**224415000**	**38618490**	**202515000**	**204345000**	**204345000**
	Total revenue accounting expenditure	**3560071437**	**5683476000**	**1650847309**	**5418126000**	**5438926000**	**5438926000**
	Capital accounting						
10	Out of Revenue Accounting - Revolving Fund @ Naya Savera, Capital Accounting Remnants	0	23010000	0	23010000	23010000	23010000
11	From local @ government funds - MP @ Legislative Fund	0	5000000	210854	5000000	5000000	5000000
12	Sanitation-Mallin Basti Reform-Government Grant	0	5000000	0	5000000	5000000	5000000
13	J0N0N0U0R0M0 Scheme	0	139131000	0	139131000	139131000	139131000
14	Intermittent expenditure of the National Ganges Rever Vesin Atharity Project;Dadd	0	10000000	0	10000000	10000000	10000000
	A-National Clean Ganges Mission @ Namami Gange Scheme	0	15300000	2509593	15300000	15300000	15300000
	Kh-Clean India Mission Plan	16920551	530000000	0	570000000	550000000	550000000
	G-Ghat Cleaning Grant Expenditure	6843136	11500000	0	11500000	11500000	11500000
15	Expenditure for modernization of Kareli-based Veeksharam	16616475	10000000	0	10000000	10000000	10000000
	Construction of Ka-Kanha Gaushala	10541122	70000000	0	70000000	70000000	70000000
16	D0APP0J0Abdul Kalam Urban Solar Punj Scheme Hetu Expenditure	3427199	35000000	0	35000000	35000000	35000000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

serial No.	Statement of expenditure	Actual figures for the last year 2021-22	Current Year Original Estimates 2022-23	First 6 Mass Actual Assessment Year 2022-23	Departmental Estimates of Revised Budget 2022-23	Revised budget estimate by Mo Executive year 2022-23	Revised budget estimates by Mo House 2022-23
17	Atal Mission for Resubation and Urban Transformation (Amrit Scheme)	10153918	210000000	17532711	210000000	210000000	210000000
	Ka-smart city mission plan	161198235	110000000	44266293	110000000	110000000	110000000
	Expenditure relative to Kh-Magh Mela Hetu Government Grant	0	5000000	0	5000000	5000000	5000000
18	Expenditure incurred on various developments under the 14th Finance Commission	556851	0	0	0	0	0
	B-15th Finance Commission's expenditure on various developments	890355358	1310000000	141591706	1210000000	1210000000	1210000000
	Total of Capital Accounting Expenditure-	**1116612845**	**2488941000**	**206111157**	**2428941000**	**2408941000**	**2408941000**
	Uchant accounting-						
19	Renewal of routes relative to the funds received from the intermittent road Katting of J0N0N0U0R0M (relic based)	0.00	0.00	0.00	0.00	0.00	0.00
	Total of Uchant Accounting Expenditure:	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Revenue @ Capital @ Total of accounting expenditure:	**4676684282**	**8172417000**	**1856958466**	**7847067000**	**7847867000**	**7847867000**
	Last remaining	**1122973333**	**1285729**	**1425623552**	**1091333**	**1091333**	**1091333**
	Mahayoga	**5799657615**	**8173702729**	**3282582018**	**7848158333**	**7848958333**	**7848958333**

Accountant

Accountant

Chief Finance and Auditor General

Municipal commissioner

मुख्य वित्त एवं लेखा अधिकारी
नगर निगम, प्रयागराज।

A - 105

NAGAR NIGAM PRAYAGRAJ

REVISED INCOME- EXPENDITURE BUDGET

FINANCIAL YEAR 2023-2024

Municipal Corporation Prayagraj

Form-B

A - 106

Census 2011, 15-36 Lacs

Statement regarding revised Income & expenditure (Budget)

Financial Year 2023&2024

Estimated Earnings

लेखे का शीर्षक Head of Account	Discription of Income	Actual amount of year 2022-23 (12 MONTHS)	BY MUNICIPAL HOUSE Assumption of Restructured Budget 2023-24	Actual amount of year 2023-24 (06 MONTHS)	Department Assumption of Revised Budget 2023-24	BY KARYAKARINI Assumption of Revised Budget 2023-24	BY MUNICIPAL HOUSE Assumption of Revised Budget 2023-24
	Initial Residual	1122973331.59	1815017127.48	1815017127.48	1815017127.48	1815017127.48	1815017127.48
1	Revenue Accounts--						
	General Tax						
	1– House tax	790986807	1200000000	372120090	1200000000	1200000000	1200000000
	2 Income from tax (2% Stamp Tax) on Accounts of Immovable properties	126838884	130000000	0	130000000	130000000	130000000
	3–Auditorium	141750	200000	101120	200000	200000	200000
	4– Travel Tax / Railway , Roadways	1067769	1100000	252791	1100000	1100000	1100000
	5–Taxes of Dogs / Animal	748782	1000000	323055	1000000	1000000	1000000
	Total	919783992	1332300000	372797056	1332300000	1332300000	1332300000
2	Receiving from Properties of Nagar Nigam and other sources						
	2–Utilization of Propaerties like land rent, Parking Fees, Bicycle stand, feri police, machine Tools ect.	14662334	25150000	4762274	25150000	25150000	25150000
	2(A) Fee from Educational Institution and Revenue from others)	19990	65000	11118	65000	65000	65000
	2(B) (Income from Parks (Bharadwaj Parks)	0	1000000	0	1000000	1000000	1000000
	2(C) (Registration Fee , Health Department)	3736798	5800000	1807925	5800000	5800000	5800000
	2(D) Registration Fee , Tax Department)	25446700	53000000	15533402	53000000	53000000	53000000
	2(E) (Income of Animal Welfare Department)	3719148	5000000	1710510	5000000	5000000	5000000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

	2(F) License Fee)	37786641	96370000	23344851	98070000	98070000	98070000
	2(G) Other charges (Road Tendar From Sales Electricity Bill mystreious user chargees sale of fertilizers	9371024	14220000	2374217	14220000	14220000	14220000
	Total	**94742634**	**200605000**	**49544297**	**202305000**	**202305000**	**202305000**
3	Receipts under special Acts-	0	450000	0	450000	450000	450000
4	Recovery of advance loan for construction of Ghurids (Officer/Employee)	64841241	102500000	30625828	102500000	102500000	102500000
5	Income from Adjustment (Power Corporation / Water Institu	106344640	55000000	0	55000000	55000000	55000000
6	Interest (other income/establishment)	6625268	8000000	2123044	8000000	8000000	8000000
7	Government grants received for the following purposes from capital purposes-(State Finance Commission)	2992814438	3325000000	1719537242	3825000000	3825000000	3825000000
8	1- Government grant/contribution for urban road improveme	0	50000000	0	50000000	50000000	50000000
	2-Chief Minister Mass Marriage Scheme	936000	2000000	0	2000000	2000000	2000000
	3-Urban Drainage Scheme	0	120000000	0	120000000	120000000	120000000
	4- Divine calamity and epidemic	0	10000000	0	10000000	10000000	10000000
9	Other benefits (Malaya Shulya, Life Insurance Service, Sewer Machine, Road Cutting, Secured Mobile Toilet, Installed Colony)	71300557	110500000	50416240	140500000	140500000	140500000
	Total receipts of revenue account :-	**4257388770**	**5316355000**	**2225043707**	**5848055000**	**5848055000**	**5848055000**
	capital account-						
10	Loan from Government (Revolving Fund / Naya Savera)	0	10000000	0	10000000	10000000	10000000
11	Grants from Government for Vikatta works Malin Basti JNNU AU M, Atal Mission, 15th Vita, Smart City NGABA, Namami Ganga, Swachh Bharat Mission, Animal Slaughterhouse, Solar Puj Yojana, Kantha Gaushala Construction/Bhusa Detu CM Grid Yojana, for flood disaster in urban areas.	1592092715	2820000000	1663117064	5190000000	5190000000	5190000000
12	Received from K-Amrit/14th/15th/Kumna Mela/Smart City etc	32194782	35000000	2505789	35000000	35000000	35000000
13	Development works under MP/MLA/Purvanchal Development Fund	0	0	0	0	0	0
14	Mahakumm Mela 2025 Tetu Government Grant	0	700000000	22650000	1500000000	3000000000	3000000000
	Total balance of Capital Account, Loans+Grants+Interest	**1624287496.50**	**3565000000.00**	**1688272853.00**	**6735000000.00**	**8235000000.00**	**8235000000.00**
	Receipts excluding opening balance	**5881676266.56**	**8881355000.00**	**3913316560.08**	**12583055000.00**	**14083055000.00**	**14083055000.00**
	What are the receipts including the opening balance?	**7004649598.15**	**10696372127.48**	**5728333687.56**	**14398072127.48**	**15898072127.48**	**15898072127.48**

मुख्य वित्त एवं लेखाधिकारी
नगर निगम, [illegible]

Estimated Expenditure

Head of Account	Discription of Expenditure	Actual amount of year 2022-23 (12 MONTHS)	BY MUNICIPAL HOUSE Assumption of Restructured Budget 2023-24	Actual amount of year 2023-24 (06 MONTHS)	Department Assumption of Revised Budget 2023-24	BY KARYAKARINI Assumption of Revised Budget 2023-24	BY MUNICIPAL HOUSE Assumption of Revised Budget 2023-24
	Revenue Account-			s			
1	Establishment of office bearers and principal function	78578605	110200000	40674597	119500000	119500000	119500000
	1 (a) Press (Records Department), Jadhisthana	1263400.00	2300000.00	550780.00	2300000.00	2300000.00	2300000.00
	1(b) Establishment of Chief City Auditor and his offic	6436018.00	9600000.00	2739656.00	9600000.00	9600000.00	9600000.00
	1 (c) Central Accounting and Cash Management Computer Purchases Unitary Accounting System Trade Taxes etc.	23371275	28160000	9875230	22360000	22360000	22360000
	1 (d) State Collection (Tax Department) Establishment, etc.	82055971	102050000	43601049	102050000	102050000	102050000
	1(5)-Customs tax, toll tax and octroi, establishment expenditure etc.	7198109	10005000	4382517	10005000	10005000	10005000
	1(n) Claim for Tehbazari Establishment, etc. (Nazul)	40306556	56830000	17491514	48830000	48830000	48830000
	1(G) Purchase Department of Store Goods)	2183884.00	2925000.00	1005299.00	2775000.00	2775000.00	2775000.00
	1(H) Licensing Department (License)	7624520.00	8910000.00	2880881.00	8910000.00	8910000.00	8910000.00
	Total	**249018338**	**330980000**	**123201523**	**326330000**	**326330000**	**326330000**
2	**City Cleaning and Sanitization (Health Department)**	1377484209	1722650000	728750283	1922650000	1922650000	1922650000
	B -Workshop establishment etc.	124066639	135650000	69196222	165650000	165650000	165650000
	C- Expenses on health department (plant and cleaning staff etc.), woollens, cotton uniforms, tipping fees, user charges, cleaning equipment, cleaning articles etc.	63960955	158500000	21578749	185500000	185500000	185500000
	D-Expenditure on workshop (water and button and sink expenses), diesel, Pendra Gorilla repair and maintenance, rental expenses etc.	210723559	282430000	101443576	278430000	278430000	278430000
	D-Sale Farm Naini Jadishthan Jadi	1214300	2800000	506268	2000000	2000000	2000000
	17- Permanent construction/repair of public toilets, toilets and bathrooms	2538761	10000000	1648647	10000000	10000000	10000000
	On Survey/GIS of properties within Jaggar Corporation boundary	3600	3000000	0	3000000	3000000	3000000
	Total	**1779992023**	**2315030000**	**923123745**	**2567230000**	**2567230000**	**2567230000**

मुख्य लेखा एवं लेखापरीक्षक
नगर निगम-प्रयागराज

3	A- Medical establishment expenses, medicines, expenses on health care during epidemics and floods	11502748	29005000	6351646	30505000	30505000	30505000
	B- Establishment expenses of Public Health Health Inspector, Vaccinator, etc.	24950812	30650000	12351443	44750000	44250000	44250000
	C- Establishment expenses of Public Health Health Inspector	10255255	11000000	4878529	11000000	11000000	11000000
	D-Animal and Animal Welfare Department Expenses for catching and establishment of monkeys	25235867	39035000	15976331	44035000	44035000	44035000
	E-Treatment of de-shoes / medicines for stray animals	1154143	1500000	581564	1500000	1500000	1500000
	F-Slaughterhouses-Javistan children and conservation expen	2058898	2208000	301664	1408000	1408000	1408000
	G-Qaji concentrate on that established animal stream	30607500	34815000	1733894	34815000	34815000	34815000
	H-Construction of H-Pig Slaughter House	0	2600000	0	2600000	2600000	2600000
	Total	**105765223**	**150813000**	**42175071**	**170613000**	**170113000**	**170113000**
4	Public Safety and Convenience (Street Lighting	50763317	68050000	22800595	68050000	68050000	68050000
	A- Purchase of electrical goods- sober/aelight, 1 mic for the house, power ceiling fan, AC electrical wiring, extension of electric light	59215740	227400000	36141383	227400000	227400000	227400000
	Electricity bill for expenditure on current, crematorium, canteen, dhobighat, lighting and repairing	29487110	70000000	12590798	70000000	70000000	70000000
	c-Expense on television, internet, BGAIN, intercon, CUG d-Social welfare related activities, Poushala, cemetery,	1351711	5500000	997676	5500000	5500000	5500000
	Construction and repair of crematorium	0.00	5050000.00	61309.00	5050000 00	5050000 00	5050000 00
	D Infrastructure (roads and other works) development fund for urban poor and women empowerment	0	0	0	0	0	0
	Park, open space, Dhobi Ghat and bridge improvement (Environment Department), establishment expenses, gardener plantation, maintenance of park, construction and repair of Bobi Ghat	42510208	106000000	8205735	106000000	106000000	106000000
	Expenditure on various development works under establishment fund	7597848	258400000	4000000	254400000	254400000	254400000
	Total	**190925934**	**740400000**	**84797496**	**736400000**	**736400000**	**736400000**
5	Urban Road Sumar Scheme in relation to Government Grant/Janshayan	0	50000000	0	50000000	50000000	50000000
	2- Chief Minister Samutika Vivat Yojana	871811	2700000	1704870	2700000	2700000	2700000
	3-Bhusa purchase for Kanha Gaushala	7070960	43000000	12627000	45000000	45000000	45000000
	4-City Drainage Scheme	0	120000000	0	120000000	120000000	120000000
	Server and cleaner establishment etc.- Public Works Department- land, employee road gang	124152653	157620000	62865071	158145000	158145000	158145000

मुख्य नगर एवं लेखाधिकारी
नगर निगम

	Jamnapurna Canteen (Operation and Maintenance) b-Road, Street Drain (Repair and Renovation) Development Fund,	251580634	910000000	231230853	1150000000	1150000000	1150000000
	C- Building (construction/repairs, alterations, additions, painting etc.)	12249645	155000000	865237	45000000	45000000	45000000
	Total	**395925703**	**1438320000**	**309293031**	**1570845000**	**1570845000**	**1570845000**
6	A- Arrangement for Nursery School Establishment etc.	6519056	9025000	3411532	6025000	6025000	6025000
	B- Shaheed Chandra Shekhar Jaya Library Sweets Newspaper Purchase Refund of Caution Money	1893077	3818000	463636	3318000	3318000	3318000
	C-Mahila Shilp Bhavan Jadhishthan Jadi	3322070	4948000	1719241	4613000	4613000	4613000
	D- Exhibition, jump, entertainment and cultural activities, organization of national festivals, publication of municipal magazine	265882	2630000	63815	5120000	5120000	5120000
	E- For Ganga cleanliness campaign under environmental protection	42592955	60000000	8885890	60000000	60000000	60000000
	F-VV related expenditure Law Department Javistan, lawuit, books	7058536	12180000	4784637	12180000	12180000	12180000
	G- Municipal Press (Expenditure on Establishment) & Contijency	3320224	4581000	1463623	4081000	4081000	4081000
	H- (Public Relations Department / Media)	18186871	25050000	8997537	25050000	25050000	25050000
	Total	**83158671**	**122232000**	**29789911**	**120387000**	**120387000**	**120387000**
7	Securities and Deposits of Thekedars and refund of the Deposit Amount	26721254	70000000	14038087	70400000	70400000	70400000
	Total	**26721254**	**70000000**	**14038087**	**70400000**	**70400000**	**70400000**
8	Advance loans to Officers and Employee	1350000	3500000	837114	3500000	3500000	3500000
	Pension / Gratuity Payable to retired employees of Municipal Corporation and other liabilities	576950000	720000000	365000000	750000000	750000000	750000000
	Payment of Claims for Employee Group Life Insurance	6526290	10000000	1872340	9200000	9200000	9200000
	For the payment of Audit Fees	0	0	0	0	0	0
	Total	**584826290**	**733500000**	**367709454**	**762700000**	**762700000**	**762700000**
9	Miscellaneous (Goods Store Purchase of Municipal form Paper and Stationery & In addition to the Sweeper other class IV Employees and for them purchase of Woolen and Cotton Uniforms	6347535	12165000	5735511	18165000	18165000	18165000
	To be spent with the consent of the Honorable Mayor	0	1500000	0	1500000	1500000	1500000
	Adjustments from Local Government Funds	106344640	50000000	0	50000000	50000000	50000000
	Other Items-- (Miscellaneous (Other) Expenditure) & (Samvilin Jhusi Town Area employee (Contractual)	82745293	228800000	76815061	221700000	221700000	221700000
	Total	**195437467**	**292465000**	**82550572**	**291365000**	**291365000**	**291365000**

मुख्य वित्त एवं लेखाधिकारी
नगर निगम

	Grand Total of Revenue Account Expenditure	3611770903.25	6193740000.00	1976678890.00	6616270000.00	6615770000.00	6615770000.00
	Capital Account						
10	Government Loan (Revolving Fund / Naya Sawera	0	78000000	0	78000000	78000000	78000000
11	Expenditure for Devlopment work from MP / MLA funds	210854	700000	0	700000	700000	700000
12	Expenditure from the amount of Government Grant Received for Slum Improvement Scheme	0	9000000	0	9000000	9000000	9000000
13	JNNURM Schemes	0	147000000	0	147000000	147000000	147000000
14	Expenditure under National Ganga River Basin Authority Project (NGRBA)	0	11500000	0	11500000	11500000	11500000
	National Mission for Clean Ganga / Namami Gange Scheme	6989280	30000000	5724300	24000000	24000000	24000000
	Swach Bharat Mission scheme 2.0	472145399	740000000	182514069	670000000	670000000	670000000
	Ghat cleaning Grant)	0	10000000	0	10000000	10000000	10000000
15	National Clean Air Program	4791000	25000000	0	25000000	25000000	25000000
	Construction of Kanha Gaushala	12174920	30000000	8143658	30000000	30000000	30000000
16	Expenditure for APJ Abdul Kalam Nagariya Solar Punj Yoj	0	26000000	3756375	22500000	22500000	22500000
17	Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Scheme / Jal Jeevan mission , Urban	23569968	240000000	0	240000000	240000000	240000000
	Smart City Mission plan	62274794	250000000	64742382	290000000	290000000	290000000
	For Expenditure related to Government Grant for Mahakumb	0	700000000	0	1500000000	3000000000	3000000000
18	Expenses to be made on various devlopment under 14th Finance Commision	0	0	0	0	0	0
	[k&15oka foRr vk;ksx ds vUrxZr fofHkUu fodkl ij fd;s tkus gsrq O;:	993033674	1110000000	411739680	2000000000	2000000000	2000000000
19	(Mukhya Mantri Nagar Srijan Yojna)	2671678	530000000	84827004	450000000	450000000	450000000
20	Expenditure of Municipal Bond	0	500000000	0	500000000	500000000	500000000
21	(C.M. GRID)	-	-	-	750,000,000.00	750,000,000.00	-
22	(Storm Water Drainage (Urban Flooding))	-	-	-	500,000,000.00	500,000,000.00	-
	Grand Total of Capital Account Expenditure	**1577861567.42**	**4437200000.00**	**761447468.00**	**7257700000.00**	**8757700000.00**	**7507700000.00**
	Total Revenue/Capital Account Expenditure	**5189632470.67**	**10630940000.00**	**2738126358.00**	**13873970000.00**	**15373470000.00**	**14123470000.00**
	Final Balance	**1815017127.48**	**65432127.48**	**2990207329.56**	**524102127.48**	**524602127.48**	**1774602127.48**
	Grant Total	**7004649598.15**	**10696372127.48**	**5728333687.56**	**14398072127.48**	**15898072127.48**	**15898072127.48**

सहा0 लेखाकार लेखाधिकारी मुख्य वित्त एवं लेखाधिकारी नगर आयुक्त

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

NAGAR NIGAM PRAYAGRAJ

ORIGINAL INCOME- EXPENDITURE BUDGET

FINANCIAL YEAR

2024-2025

A - 113

Municipal Corporation Prayagraj

Form-B

Census 2011, 15-36 Lacs

Statement regarding Actual Income & expenditure (Budget)

Financial Year 2024&2025

Estimated Earnings

Head of Account	आय का विवरण / Discription of Income	Actual amount of year 2022- 23 (12 MONTHS)	Department Assumption of Revised Budget 2023-24	Actual amount of year 2023- 24 (08 MONTHS)	Department Assumption of mool Budget 2024-25	BY KARYAKARINI Assumption of mool Budget 2024-25	BY MUNICIPAL HOUSE Assumption of mool Budget 2024-25
	Initial Residual	1122973331.59	1815017127.48	1815017127.48	1815017127.48	1815017127.48	1815017127.48
	Revenue Accounts--						
1	General Tax						
	1– House tax	790986807	1200000000	506844477	1350000000	1300000000	1300000000
	2 Income from tax (2% Stamp Tax) on Accounts of Immovable properties	126838884	130000000	0	130000000	130000000	130000000
	3–Auditorium	141750	200000	119390	200000	200000	200000
	4– Travel Tax / Railway , Roadways	1067769	1100000	289068	1100000	1100000	1100000
	5–Taxes of Dogs / Animal	748782	1000000	418070	1000000	1000000	1000000
	Total	919783992	1332300000	507671005	1482300000	1432300000	1432300000
2	Receiving from Properties of Nagar Nigam and other sources						
	2–Utilization of Propaerties like land rent, Parking Fees, Bicycle stand, feri police, machine Tools ect.	14662334	25150000	5437838	25150000	25150000	25150000
	2(A) Fee from Educational Institution and Revenue from others)	19990	65000	14545	65000	65000	65000
	2(B) (Income from Parks (Bharadwaj Parks)	0	1000000	0	1000000	1000000	1000000
	2(C) (Registration Fee , Health Department)	3736798	5800000	2345369	5700000	5700000	5700000
	2(D) Registration Fee , Tax Department)	25446700	53000000	32059690	63000000	63000000	103000000
	2(E) (Income of Animal Welfare Department)	3719148	5000000	2414410	5000000	5000000	5000000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम प्रयागराज

A - 114

	2(F) License Fee)	37786641	98070000	26299102	98070000	98070000	98070000
	2(G) Other charges (Road Tendar From Sales Electricity Bill mystreious user chargees sale of fertilizers	9371024	14220000	7054895	14220000	14220000	14220000
	Total	**94742634**	**202305000**	**75625849**	**212205000**	**212205000**	**252205000**
3	Receipts under special Acts-	0	450000	0	450000	450000	450000
4	Recovery of advance loan for construction of Ghurids (Officer/Employee)	64841241	102500000	42094557	102500000	102500000	102500000
5	Income from Adjustment (Power Corporation / Water Instit	106344640	55000000	0	55000000	55000000	55000000
6	Interest (other income/establishment)	6625268	8000000	2123044	8000000	8000000	8000000
7	Government grants received for the following purposes from capital purposes-(State Finance Commission)	2992814438	3825000000	2327563355	4325000000	4325000000	4325000000
8	1- Government grant/contribution for urban road improvem	0	50000000	0	50000000	50000000	50000000
	2-Chief Minister Mass Marriage Scheme	936000	2000000	0	2000000	2000000	2000000
	3-Urban Drainage Scheme	0	120000000	0	120000000	120000000	120000000
	4- Divine calamity and epidemic	0	10000000	0	10000000	10000000	10000000
9	Other benefits (Malaya Shulya, Life Insurance Service, Sewer Machine, Road Cutting, Secured Mobile Toilet, Installed Colony)	71300557	140500000	61603981	140500000	140500000	140500000
	Total receipts of revenue account :-	**4257388770**	**5848055000**	**3016681791**	**6507955000**	**6457955000**	**6497955000**
	capital account-						
10	Loan from Government (Revolving Fund / Naya Savera)	0	10000000	0	10000000	10000000	10000000
11	Grants from Government for Vikatta works Malin Basti JNNU AU M, Atal Mission, 15th Vita, Smart City NGABA, Namami Ganga, Swachh Bharat Mission, Animal Slaughterhouse, Solar Puj Yojana, Kantha Gaushala Construction/Bhusa Detu CM Grid Yojana, for flood disaster in urban areas.	1592092715	5190000000	1940393954	5200000000	5200000000	5200000000
12	Received from K-Amrit/14th/15th/Kumna Mela/Smart City etc	32194782	35000000	2505789	35000000	35000000	35000000
13	Development works under MP/MLA/Purvanchal Development Fund	0	0	0	0	0	0
14	Mahakumm Mela 2025 Tetu Government Grant	0	3000000000	253550000	3000000000	4500000000	4500000000
	Total balance of Capital Account, Loans+Grants+Interest	**1624287496.50**	**8235000000.00**	**2196449743.00**	**8245000000.00**	**9745000000.00**	**9745000000.00**
	Receipts excluding opening balance	**5881676266.56**	**14083055000.00**	**5213131534.33**	**14752955000.00**	**16202955000.00**	**16242955000.00**
	What are the receipts including the opening balance?	**7004649598.15**	**15898072127.48**	**7028148661.81**	**16567972127.48**	**18017972127.48**	**18057972127.48**

मुख्य वित्त एवं लेखाधिकारी
नगर निगम, प्रयागराज

Estimated Expenditure

A - 115

1	**Revenue Account-**						
	Establishment of office bearers and principal functiona	78578605	119500000	55005589	119500000	119500000	119500000
	1 (a) Press (Records Department), Jadhisthana	1263400.00	2300000.00	748932.00	3400000.00	3400000.00	3400000 00
	1(b) Establishment of Chief City Auditor and his offic	6436018.00	9600000.00	3740917.00	9600000.00	9600000.00	9600000 00
	1 (c) Central Accounting and Cash Management Computer Purchases Unitary Accounting System Trade Taxes etc.	23371275	22360000	15384004	23360000	23360000	23360000
	1 (d) State Collection (Tax Department) Establishment, etc.	82055971	102050000	59450747	102050000	102050000	102050000
	1(5)-Customs tax, toll tax and octroi, establishment expenditure etc.	7198109	10005000	5674827	10005000	10005000	10005000
	1(n) Claim for Tehbazari Establishment, etc. (Nazul)	40306556	48830000	23823657	49830000	49830000	49830000
	1(G) Purchase Department of Store Goods)	2183884.00	2775000.00	1287951.00	2775000.00	2775000.00	2775000.00
	1(H) Licensing Department (License)	7624520.00	8910000.00	4121378.00	8910000.00	8910000.00	8910000.00
	Total	**249018338**	**326330000**	**169238002**	**329430000**	**329430000**	**329430000**
2	**City Cleaning and Sanitization (Health Department)**	1377484209	1922650000	1005092590	1932650000	1932650000	1932650000
	B -Workshop establishment etc.	124066639	165650000	94790760	173600000	173600000	173600000
	C- Expenses on health department (plant and cleaning staff etc.), woollens, cotton uniforms, tipping fees, user charges, cleaning equipment, cleaning articles etc.	63960955	185500000	38700450	172500000	172500000	172500000
	D-Expenditure on workshop (water and button and sink expenses), diesel, Pendra Gorilla repair and maintenance, rental expenses etc.	210723559	278430000	147080984	290830000	290830000	290830000
	D-Sale Farm Naini Jadishthan Jadi	1214300	2000000	721148	2000000	2000000	2000000
	17- Permanent construction/repair of public toilets, toilets and bathrooms	2538761	10000000	2486495	15000000	15000000	15000000
	On Survey/GIS of properties within Jaggar Corporation boundary	3600	3000000	0	3000000	3000000	3000000
	Total	**1779992023**	**2567230000**	**1288872427**	**2589580000**	**2589580000**	**2589580000**
3	A- Medical establishment expenses, medicines, expenses on health care during epidemics and floods	11502748	30505000	7757458	30505000	30505000	30505000
	B- Establishment expenses of Public Health Health Inspector, Vaccinator, etc.	24950812	44250000	17312720	39250000	39250000	39250000
	C- Establishment expenses of Public Health Health Inspecto	10255255	11000000	6598126	11000000	11000000	11000000
	D-Animal and Animal Welfare Department Expenses for catching and establishment of monkeys	25235867	44035000	21896108	44035000	44035000	44035000
	E-Treatment of de-shoes / medicines for stray animals	1154143	1500000	761356	1500000	1500000	1500000
	F-Slaughterhouses-Javistan children and conservation exper	2058898	1408000	429968	1408000	1408000	1408000
	G-Qaji concentrate on that established animal stream	30607500	34815000	2373666	34815000	34815000	34815000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

	H-Construction of H-Pig Slaughter House	0	2600000	0	2600000	2600000	2600000
	Total	**105765223**	**170113000**	**57129402**	**165113000**	**165113000**	**165113000**
4	Public Safety and Convenience (Street Lighting	50763317	68050000	33221397	71050000	71050000	71050000
	A- Purchase of electrical goods- sober/aelight, 1 mic for the house, power ceiling fan, AC electrical wiring, extension of electric light	59215740	227400000	73269758	227400000	357400000	357400000
	Electricity bill for expenditure on current, crematorium, canteen, dhobighat, lighting and repairing	29487110	70000000	14584208	73000000	73000000	73000000
	c-Expense on television, internet, BGAIN, intercon, CUG	1351711	5500000	1182646	5500000	5500000	5500000
	d-Social welfare related activities, Poushala, cemetery, Construction and repair of crematorium	0.00	5050000.00	61309.00	5050000.00	5050000.00	5050000.00
	D Infrastructure (roads and other works) development fund for urban poor and women empowerment	0	0	0	0	0	0
	Park, open space, Dhobi Ghat and bridge improvement (Environment Department), establishment expenses, gardener plantation, maintenance of park, construction and repair of Bobi Ghat	42510208	106000000	18792783	173000000	173000000	173000000
	Expenditure on various development works under establishment fund	7597848	254400000	4000000	254400000	254400000	254400000
	Total	**190925934**	**736400000**	**145112101**	**809400000**	**939400000**	**939400000**
5	Urban Road Sumar Scheme in relation to Government Grant/Janshayan	0	50000000	0	50000000	50000000	50000000
	2- Chief Minister Samutika Vivat Yojana	871811	2700000	1704870	2700000	2700000	2700000
	3-Bhusa purchase for Kanha Gaushala	7070960	45000000	22031736	45000000	45000000	45000000
	4-City Drainage Scheme	0	120000000	0	120000000	120000000	120000000
	Server and cleaner establishment etc.- Public Works Department- land, employee road gang,	124152653	158145000	81429982	181145000	181145000	181145000
	Jamnapurna Canteen (Operation and Maintenance) b-Road, Street Drain (Repair and Renovation) Development Fund.	251580634	1150000000	321823352	1230000000	1230000000	1230000000
	C- Building (construction/repairs, alterations, additions, painting etc.)	12249645	45000000	1710283	45000000	45000000	45000000
	Total	**395925703**	**1570845000**	**428700223**	**1673845000**	**1673845000**	**1673845000**
6	A- Arrangement for Nursery School Establishment etc.	6519056	6025000	4691211	8525000	8525000	8525000
	B- Shaheed Chandra Shekhar Jaya Library Sweets Newspaper Purchase Refund of Caution Money	1893077	3318000	660864	3318000	3318000	3318000
	C-Mahila Shilp Bhavan Jadhishthan Jadi	3322070	4613000	2398354	5113000	5113000	5113000

मुख्य वित्त एवं लेखा अधिकारी
नगर निगम-

	D- Exhibition, jump, entertainment and cultural activities, organization of national festivals, publication of municipal magazine	265882	5120000	205125	5120000	5120000	[illegible]
	E- For Ganga cleanliness campaign under environmental protection	42592955	60000000	8885890	60000000	60000000	60000000
	F-VV related expenditure Law Department Javistan, lawuit, books	7058536	12180000	5957979	12180000	12180000	12180000
	G- Municipal Press (Expenditure on Establishment) & Contijency	3320224	4081000	1941363	4081000	4081000	4081000
	H- (Public Relations Department / Media)	18186871	25050000	14474510	25050000	25050000	25050000
	Total	**83158671**	**120387000**	**39215296**	**123387000**	**123387000**	**123387000**
7	Securities and Deposits of Thekedars and refund of the Deposit Amount	26721254	70400000	18203934	60000000	60000000	60000000
	Total	**26721254**	**70400000**	**18203934**	**60000000**	**60000000**	**60000000**
8	Advance loans to Officers and Employee	1350000	3500000	1116152	3500000	3500000	3500000
	Pension / Gratuity Payable to retired employees of Municipal Corporation and other liabilities	576950000	750000000	480000000	800000000	800000000	800000000
	Payment of Claims for Employee Group Life Insurance	6526290	9200000	1872340	9200000	9200000	9200000
	For the payment of Audit Fees	0	0	0	0	0	0
	Total	**584826290**	**762700000**	**482988492**	**812700000**	**812700000**	**812700000**
9	Miscellaneous (Goods Store Purchase of Municipal form Paper and Stationery & In addition to the Sweeper other class IV Employees and for them purchase of Woolen and Cotton Uniforms	6347535	18165000	8450281	25280000	26280000	26280000
	To be spent with the consent of the Honorable Mayor	0	1500000	0	1500000	1500000	1500000
	Adjustments from Local Government Funds	106344640	50000000	0	50000000	50000000	50000000
	Other Items-- (Miscellaneous (Other) Expenditure) & (Samvilin Jhusi Town Area employee (Contractual)	82745293	221700000	94204669	221700000	221700000	221700000
	Total	**195437467**	**291365000**	**102654950**	**298480000**	**299480000**	**299480000**
	Grand Total of Revenue Account Expenditure	**3611770903.25**	**6615770000.00**	**2732114826.79**	**6861935000.00**	**6992935000.00**	**6992935000.00**
	Capital Account						
10	Government Loan (Revolving Fund / Naya Sawera	0	78000000	0	78000000	78000000	78000000
11	Expenditure for Devlopment work from MP / MLA funds	210854	700000	0	700000	700000	700000
12	Expenditure from the amount of Government Grant Received for Slum Improvement Scheme	0	9000000	0	9000000	9000000	9000000
13	JNNURM Schemes	0	147000000	0	147000000	147000000	147000000
14	Expenditure under National Ganga River Basin Authority Project (NGRBA)	0	11500000	0	11500000	11500000	11500000

मुख्य वित्त एवं लेखाधिकारी
नगर निगम

	National Mission for Clean Ganga / Namami Gange Scheme	6989280	24000000	5724300	24000000	24000000	24000000
	Swach Bharat Mission scheme 2.0	472145399	670000000	215920176	670000000	670000000	670000000
	Ghat cleaning Grant)	0	10000000	0	10000000	10000000	10000000
15	National Clean Air Program	4791000	25000000	0	25000000	25000000	25000000
	Construction of Kanha Gaushala	12174920	30000000	11497801	30000000	30000000	30000000
16	Expenditure for APJ Abdul Kalam Nagariya Solar Punj Yoj	0	22500000	3756375	22500000	22500000	22500000
17	Atal Mission for Rejuvenation and Urban Transformation (AMRUT) Scheme / Jal Jeevan mission , Urban	23569968	240000000	12376095	240000000	240000000	240000000
	Smart City Mission plan	62274794	290000000	101513541	290000000	290000000	290000000
	For Expenditure related to Government Grant for Mahakum	0	3000000000	22650000	3000000000	4500000000	4500000000
18	Expenses to be made on various devlopment under 14th Finance Commision	0	0	0	0	0	0
	[k&15oka foRr vk;ksx ds vUrxZr foHkUu fodkl ij fd;s tkus gsrq O;:	993033674	2000000000	614241756	2000000000	2000000000	2000000000
19	(Mukhya Mantri Nagar Srijan Yojna)	2671678	450000000	99722504	450000000	450000000	450000000
20	Expenditure of Municipal Bond	0	500000000	0	500000000	500000000	500000000
21	(C.M. GRID)	-	750,000,000.00	-	750,000,000.00	750,000,000.00	750,000,000.00
22	(Storm Water Drainage (Urban Flooding))	-	500,000,000.00	-	500,000,000.00	500,000,000.00	500,000,000.00
	Grand Total of Capital Account Expenditure	**1577861567.42**	**8757700000.00**	**1087402547.64**	**8757700000.00**	**10257700000.00**	**10257700000.00**
	Total Revenue/Capital Account Expenditure	**5189632470.67**	**15373470000.00**	**3819517374.43**	**15619635000.00**	**17250635000.00**	**17250635000.00**
	Final Balance	**1815017127.48**	**524602127.48**	**3208631287.38**	**948337127.48**	**767337127.48**	**807337127.48**
	Grant Total	**7004649598.15**	**15898072127.48**	**7028148661.81**	**16567972127.48**	**18017972127.48**	**18057972127.48**

सहा0 लेखाकार लेखाधिकारी मुख्य वित्त एवं लेखाधिकारी नगर आयुक्त

मुख्य वित्त एवं लेखाधिकारी
नगर निगम-प्रयागराज

Annexure VIII
Indicative Covenants

An indicative list of covenants is set forth below:

1. Affirmative Covenants

The Issuer shall, at all times until the Final Settlement Date:

1.1 utilise the funds raised through the Issue solely towards the Purpose, subject to fulfilling the requirements set out in the Debenture Trust Deed;

1.2 comply with all Applicable Laws which are applicable to the Issuer (including, without limitation, the Act, the SEBI Municipal Debt Regulations, and the circulars and rules issued in terms thereof including, any laws which become applicable as a result of this Issue or as a result of using the proceeds hereof for the Purpose and shall keep in full force and effect all consents, authorisations, Government Approvals for entry into and performance of its obligations under the Transaction Documents;

1.3 keep proper books of account as required by Applicable Law and make true and proper entries therein of all dealings and transactions of and in relation to the Debentures and keep the said books of account and all other books, registers and other documents relating to the affairs of the Issuer at its office and the Issuer will ensure that the same shall at reasonable times be open for inspection by the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, in writing for that purpose appoint;

1.4 discharge and perform all its obligations and covenants as undertaken by it in terms of any of the other Transaction Documents and shall ensure that its obligations under the Transaction Documents shall rank above and prior to all its other present and future obligations, in terms of the Debenture Trust Deed;

1.5 carry on and conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel and duly and punctually pay any rent, rate, cess, revenue impost, duty, tax, premium, payables and outgoings which become lawfully payable by the Issuer including in respect of the assets of the Issuer or any part thereof;

1.6 promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders and shall be registered on the SEBI Complaints Redress System (SCORES) platform or such other electronic platform or system as may be prescribed from time to time in order to handle investor complaints electronically. The Issuer further undertakes that it shall promptly comply with the suggestions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

1.7 ensure all amounts deposited in the Collection Accounts are transferred to the Escrow Account;

1.8 ensure that the accounts of the Issuer are prepared in accordance with the National Municipal Accounts Manual or such other similar municipal accounts manual adopted by the GoUP and that the accounts of the Issuer are audited by the persons appointed by the Issuer, as permissible under the Act;

1.9 ensure that the bank account of the Issuer wherein the proceeds of the Issue have been received and the payment accounts are audited by persons appointed by the Issuer within 90 (Ninety) days of the end of each financial year and the reports generated in respect of such audit shall be promptly shared with the Debenture Trustee;

1.10 the Issuer shall ensure that the payment accounts are maintained with a scheduled commercial bank which has been assigned a credit rating of at least AA+ by 2 (Two) rating agencies ("Rating Criteria"). 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

1.11 the Issuer shall create and maintain a reserve to be called the Recovery Expense Fund as per the provisions of and in the manner provided in the SEBI (Debenture Trustee) Regulations, 1993, the SEBI Master Circular on Debenture Trustees and any guidelines and regulations issued by SEBI, as applicable. The Issuer shall submit to the trustee certificate duly certified by the statutory auditors/independent chartered accountant/letter from designated stock exchange certifying creation and the form of such Recovery Expense Fund by the Issuer, as per the Applicable Law. The balance in the Recovery Expense Fund shall be refunded to the Issuer on repayment of obligations to the debenture holders for which a 'no objection certificate (NOC)' shall be issued by the debenture trustee(s) to the designated stock exchange. The debenture trustee(s) shall satisfy that there is no 'default' on any other listed debt securities of the Issuer before issuing the said NOC.

1.12 The Issuer shall furnish to the Debenture Trustee all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI Master Circular on Debenture Trustee bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024.

1.13 The Issuer shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests) half yearly un-audited financial results within forty five (45) days of the end of the first half year and the audited financial statements for the financial year (including statutory auditors report, directors' annual report, profit and loss accounts and a balance sheet) by no later than 60 (sixty) days from the end of the relevant financial year;

1.14 The Issuer shall ensure that the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act) is collected / pooled in the Collection Accounts.

2. Information Covenants

The Issuer hereby covenants with the Debenture Trustee that (except as may be previously agreed in writing by the Debenture Trustee):

2.1 the Issuer shall ensure that the Property Tax (or any other tax levied in place of property tax as per Section 173 of the Act), collected by the Issuer shall be transferred on daily basis except on the last Business Day of every month to the Escrow Account and shall inform to the Debenture Trustee on such transfer being made to the Escrow Account every month. On the last Business Day of the Month, the amounts as required are to be transferred to the IPA and SFA. However, the Issuer, with the prior written consent of the Debenture Trustee, can transfer the Minimum Balance maintained in Escrow Account to the IPA and SFA on any day prior to the Transfer Date.The Issuer shall provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created. The Issuer shall submit the following reports/ certification within the timelines mentioned below (as applicable):

Reports/Certificates	Timelines for submission requirements by Issuer to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
Security cover certificate	Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 75 days from end of each quarter or within such timelines as prescribed under Applicable Law. For the last quarter in a financial year, the timeline for
A statement of value of pledged securities		
A statement of value for Debt Service Reserve Account or		

Reports/Certificates	Timelines for submission requirements by Issuer to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
any other form of security offered		submission shall be 90 (ninety) days from the end of the quarter.
Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within 60 days from end of each half-year or within such timelines as prescribed under Applicable Law	Half yearly basis within 75 days from end of each half-year or within such timelines as prescribed under Applicable Law.
Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor(secured by way of corporate guarantee)	Once in 3 (three) years within 45 (forty five) days from the end of the Financial Year or within such timelines as prescribed under Applicable Law.	Annual basis within 75 days from end of each financial year.
Valuation report and title search report for the immovable/movable assets, as applicable		Once in 3 (three) years within 45 (forty five) days from the end of the Financial Year or within such timelines as prescribed under Applicable Law.

2.2 the Issuer shall furnish a report to the Debenture Trustee on a quarterly basis, within 30 (Thirty) days from the end of each quarter, containing the following particulars:

a. Updated list of names and addresses of the Debenture Holder(s);

b. Details of Coupon due but unpaid and reasons for non-payment thereof; and

c. The number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Issuer and those grievances not yet resolved and the reasons for the same;

2.3 the Issuer shall furnish a report to the Debenture Trustee, the Rating Agencies and BSE on a half-yearly basis within 30 (Thirty) days from the end of each half-year, containing the following particulars:

a. Certificate from the statutory auditor of the Issuer on the utilisation of the proceeds of the Issue for the execution of the Projects;

b. A report containing status of implementation of the ongoing Projects which are being financed by the proceeds of the Issue along with reasons for delay, if any and the amount of utilisation of issue proceeds related to such Projects as stated in the Placement Memorandum;

c. Details with respect to the development of the Projects along with certifications from the relevant project engineers, as applicable;

d. The occurrence of any event which constitutes a Material Adverse Change;

e. Any proposal for prepayment of the Debentures, valuation of the Debentures in case of sale/purchase before the Maturity Dates etc;

f. Compliance of the Issuer with the financial covenants set out in the Debenture Trust Deed;

g. The half yearly returns of the Issuer on the servicing of the Debentures, the credit enhancement facilities and the number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Issuer and those grievances not yet resolved and the reasons for the same (including details of the number of complaints pending at the beginning of the half year, the number of complaints received during the half year, the number of complaints disposed of during the half year and the number of complaints pending at the end of the half year); and

h. A certificate issued by the statutory auditor certifying that the Issuer is servicing the Debentures timely and on the relevant Due Dates;

i. A certificate from the statutory auditor of the Issuer giving the Value of Security including compliance with the covenants of the Debenture Trust Deed

2.4 the Issuer shall submit to the Debenture Trustee, for every successive period of 1 (One) year from the date of the first credit rating letters from the Rating Agencies, a fresh credit rating letter assigning a credit rating to the Debentures;

2.5 the Issuer shall submit to the Debenture Trustee and the Debenture Holders the soft copies of full annual reports to the Debenture Holders who have registered their e-mail address for such purpose and the hard copy of the full annual reports to those Debenture Holders who request for the same;

2.6 the Issuer shall submit a certificate to the Debenture Trustee and to BSE, within 1 (One) Working Day of each Due Date, intimating the status of payment of the Secured Obligations on the relevant Due Date;

2.7 the Issuer shall provide a written intimation to BSE of atleast 7 (Seven) Working days (excluding the date of intimation and the Record Date) of the Record Date, specifying the purpose of the Record Date;

2.8 the Issuer shall disclose the balances in the payment accounts and the general fund account(s) of the Issuer along with notes pertaining to transfers made to/from these accounts, to the Debenture Trustee and BSE within 45 (Forty Five) calendar days from end of each financial quarter;

2.9 the Issuer shall submit to the Debenture Trustee and BSE, its unaudited financial results and the comparative information for the immediately preceding corresponding half year which have been taken on record by the relevant committee/ general board of the Issuer on a half-yearly basis, forthwith when the same are available but in any event within 45 (Forty Five) days from end of first half-year;

2.10 the Issuer shall submit to the Debenture Trustee and BSE, its duly audited annual financial statements along with the annual report of the Issuer and the comparative information for the immediately preceding financial year which have been taken on record by the relevant committee/ general board of the Issuer, forthwith upon completion of such audit and in any event within 60 (Sixty) days from end of the financial year along with audit report. The comparative information required to be submitted by the Issuer and the annual report shall consist of all the details required in terms of Applicable Law (including, without limitation, the circular issued on 'Continuous disclosures and compliance by issuers under SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 by SEBI dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular on Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 issued by SEBI dated November 13, 2019 and bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended from time to time;

2.11 the Issuer shall promptly provide a written notice to the Debenture Trustee on the occurrence of any event which constitutes a Material Adverse Change;

2.12 the Issuer shall promptly provide a written notice to the Debenture Trustee on any change in the composition of the Issuer;

2.13 the Issuer shall provide written notice to the Debenture Trustee and BSE, of its intention to raise funds through debt securities (either through a public issue or on private placement basis) prior to the meeting of the standing committee/ general board of the Issuer wherein the proposal to raise funds through new debt securities shall be considered;

2.14 the Issuer shall provide written notice to the Debenture Trustee and BSE, of all events or information having a bearing on the performance/ operation of the Issuer, material or price sensitive information or any action that shall affect the payment of Coupon or redemption of debt securities including, without limitation, the events set out in the Annexure I to the circular issued by SEBI dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular issued by SEBI dated November 13, 2019 and bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended from time to time, as soon as reasonably possible but in any event no later than 24 (Twenty Four) hours from the occurrence of such event or information;

2.15 in the event that the credit rating assigned by any rating agency is revised due to any reason, the Issuer shall intimate the Debenture Trustee, the BSE and each of the Debenture Holders, in writing of such revision, the reasons for such revision and the steps proposed to be taken for recovering the rating in case of a downgrade of the credit rating, promptly;

2.16 the Issuer shall provide to the Debenture Trustee such information as may be required by the Debenture Trustee for the effective discharge of the duties and obligations of the Debenture Trustee, from time to time; and

2.17 upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or redemption amount or both, or there is a breach of any covenants, terms or conditions by the Issuer in relation to the Debentures under any Transaction Documents.

2.18 In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges:

a. the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and

b. final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management, if any

2.19 The Issuer shall, whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of the Mortgaged Property and Hypothecated Property *(as defined in the Debenture Trust Deed)* and shall furnish and verify all statements, reports, certificates and information from time to time as reasonably required by the Debenture Trustee in relation to the Mortgaged Property and Hypothecated Property and make, furnish and execute all necessary documents for creation and perfection of security.

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.

3. Negative Covenants

At all times until the Final Settlement Date, the Issuer shall not, without the prior written consent of the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders):

3.1 create any encumbrance over the Mortgaged Property and Hypothecated Property;

3.2 enter into any agreement or commitment of any sort, the terms of which conflicts with the pro visions of the Transaction Documents;

3.3 Close the Collection Accounts and/or collect property tax (or any other tax levied in place of property tax as per Section 173 of the Act) in any other account;

3.4 Abolish , alter or reduce the Property tax levied by the Issuer.

3.5 undertake or enter into any transaction of merger, de-merger, consolidation, re-organisation, or compromise with its creditors.