

Private & Confidential – For Private Circulation Only

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

Dated: December 20 2018



GREATER VISAKHAPATNAM MUNICIPAL CORPORATION

(Constituted under Visakhapatnam Municipal Corporation Act, 1979 & wherever this act is silent, the provisions of the Hyderabad Municipal Corporation Act 1955 shall apply in Toto)

Tenneti Bhavan, Ram Nagar, Visakhapatnam Andhra Pradesh, India.

Contact Person cum Compliance Officer: Sri Vijay Manohar, Additional Commissioner (Finance);
Tel: + 91 8912746310.

E-mail: adcf.gvmc@gov.in; adcfgvmc@gmail.com; Website: www.gvmc.gov.in

PRIVATE PLACEMENT OF SECURED, TAXABLE NON-CONVERTIBLE, REDEEMABLE BONDS IN THE NATURE OF DEBENTURES ("BONDS") OF FACE VALUE OF RS. 10 LAKHS EACH AT PAR AGGREGATING TO RS. 80 CRORES ("ISSUE") BY GREATER VISAKHAPATNAM MUNICIPAL CORPORATION PROPOSED TO BE LISTED ON BSE LIMITED

GENERAL RISK
For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer & this Information Memorandum including the risks involved as mentioned in this Information Memorandum. The Bonds have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum.

CREDIT RATING
The Bonds proposed to be issued by the Greater Visakhapatnam Municipal Corporation have been assigned a rating of CARE AA(SO); Stable (Double A (Structured Obligation: Outlook Stable)) by CARE vide its letter dated December, 06, 2018 and Provisional IND AA(SO)/Stable (Double A (Structured Obligation: Outlook Stable)) by IRRPL vide its dated December 12, 2018. 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-II.

Transaction Advisor for Bonds	Trustee for the Bonds	Registrar for the Issue	Arranger for Bonds
 SPA Capital Advisors Ltd. 25, C Block Community Centre, Janakpuri, New Delhi – 110058 Tel: +91 11 45675500 Facsimile: +91 11 2557 2763 Contact Person: Mr. Anurag Arun Email: anurag@spagroupindia.com Website: www.spacapital.com SEBI Registration No.: INM000010825	 Apeejay House, 6 th floor, 3, West Wing, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 Tel: +91 22 4302 5555 Facsimile: +91 22 2204 4065 Contact Person: Mr. Ajit Joshi Email: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com SEBI Registration No.: IND000000536	 Karvy Selenium Tower B, Plot No. 31-32, Gachibowli Financial District Nanakramiguda, Hyderabad Tel: +91 40 6716 2222 Facsimile: +91 40 2343 1151 Contact Person: Sh. S. P. Venugopal, DGM (Corp. Reg.) Email: venu.sp@karvy.com Website: www.karvycomputershare.com SEBI Registration No.: INR000000221	 SPA Capital Advisors Ltd. 25, C Block Community Centre, Janakpuri, New Delhi – 110058 Tel: +91 11 45675500 Facsimile: +91 11 2557 2763 Contact Person: Mr. Anurag Arun Email: anurag@spagroupindia.com Website: www.spacapital.com SEBI Registration No.: INM000010825

Issue Opens on	Issue Closes on	Deemed Date of Allotment
December 21, 2018	December 21, 2018	December 21, 2018

Listing: The Bonds are proposed to be listed on Wholesale Debt Market segment of BSE Limited.

The Issuer reserves its sole and absolute right to modify (pre-pono/postpone) the above issue schedule without giving any reasons or prior notice. The Issuer also reserves its sole and absolute right to change the Deemed Date of Allotment of the above issue without giving any reasons or prior notice.

Additional Commissioner (Finance)
Greater Visakhapatnam Municipal Corporation
Visakhapatnam

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Commissioner
Greater Visakhapatnam
Municipal Corporation

TABLE OF CONTENTS

DISCLAIMERS	1
FORWARD LOOKING STATEMENTS	4
DEFINITIONS AND ABBREVIATIONS	5
GENERAL INFORMATION ABOUT THE ISSUER	8
Head office/quarters of the Issuer	8
Chief Finance Officer and Compliance Officer of the Issuer	8
Trustee of the Issue.....	8
Registrar to the Issue	8
Credit rating agency(ies) of the Issue.....	9
Auditors of the Issuer	9
Transaction Advisor cum Arranger of the Issuer.....	9
Legal Counsel to the Issue.....	10
The relevant Act under which the Issuer is incorporated and governed.....	10
RISK FACTORS	11
ORGANIZATION STRUCTURE	16
Details of the Corporation.....	16
Mayor/Deputy Mayor	17
Details of Commissioner/Deputy Commissioner/Additional Commissioner	17
Details of any reorganization or reconstruction in the last 1 year.....	18
Details of the members of the committee approving the project/ various standing committees relating to taxation/finance/accounts/audit/ infrastructure.....	18
Details of the Auditor	18
Details of Trustee	19
A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND THE PROJECT FOR WHICH FUNDS ARE TO BE RAISED	20
Overview of the Issuer	20
History of GVMC.....	21
Constitution of Corporation	23
Functions of the Corporation	23
Strengths of GVMC.....	25
Awards	25
Management structure	26
Department issuing bonds	26
Details of all the projects undertaken or proposed in terms of cost and means of financing.....	27
Details of the Projects for which funds are being raised	28
Details and status of the regulatory approval (if required)	32
KEY FINANCIAL AND OPERATIONAL PARAMETERS	34
Abridged Balance Sheet	34
Income Expenditure Statement	36
Cash Flow Statement	37
Link to the web page for accessing financials of the Municipal Corporation	39
Financial Parameters	39
Operational Parameters.....	41
Details of top 5 revenue sources for last 3 years	41
Details of property tax collection	41

H/o

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam




Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Status of reforms with respect to e-governance, cost recovery on water supply & solid waste management (SWM), property tax, double entry accounting and others	41
DETAILS OF ISSUER'S OUTSTANDING BORROWING.....	44
Details of borrowings of the Issuer, as on the latest quarter end	44
Details of Secured Loan Facilities:-.....	44
Details of Unsecured Loan Facilities:-	44
Details of bonds.....	44
List of top 10 debenture holders.....	44
Details of charge created along with name of the counterparty (like name of the project etc.)	44
Details of commercial paper	45
Details of rest of borrowings	45
Estimated scenarios of asset liability mis-matches	45
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	45
An undertaking that the issuer has obtained lenders consent for creating charges on assets in case of issuance of Secured Bonds	45
Details of change in terms and conditions of debt securities issued in past 5 years	45
Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash	45
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 investor's decision to invest/ continue to invest in the debt securities.....	45
Rating and detailed Rating Rationale.....	45
Credit enhancement mechanisms, if any.....	46
The security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed.....	46
Escrow mechanism for the repayment of the interest/principal.....	46
Name of the Trustee and Consent thereof	46
Stock exchanges where the debt securities are proposed to be listed	47
Penal interest payable by Municipal Corporation in case of delay in execution of Trust Deed and charge document.....	47
Additional interest to be paid, above the Coupon Rate, in case of default in payment of interest and/or principal redemption on due dates.....	47
Penal interest payable by the Municipal Corporation in case of delay in listing of Bonds from Deemed date of Allotment.....	47
Future Borrowing	47
Other Details	48
DRR/Sinking Fund	48
Issue/Instrument Specific Regulations.....	48
Application Process	48
Terms of Payment	50
Deemed date of allotment.....	51
Credit to Demat Account.....	51
Issue of Bond Certificate(s)	51
Depository Arrangements.....	51
Procedure for applying for Demat Facility	52

HO

**Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam**



**Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam**

Fictitious Applications	52
Market Lot.....	52
Trading of Bonds	52
Mode of Transfer of Bonds	53
Basis of Allocation / Allotment.....	53
Common form of Transfer.....	53
Interest on Application Money	53
Interest on the Bonds.....	53
Computation of Interest.....	54
Record Date.....	54
Deduction of tax at source.....	54
Put & Call Option.....	54
Redemption.....	54
Additional Covenants	54
Settlement/Payment on Redemption	55
List of beneficial owners.....	55
Succession	55
Who can apply.....	55
Who are not eligible to apply for bonds	56
Documents to be provided by investors	56
How to Apply.....	57
Force Majeure	58
Applications under power of attorney.....	58
Application by mutual funds	58
Acknowledgements.....	58
Right to accept or reject Applications	59
PAN	59
Signatures.....	59
Nomination Facility	59
Right of Bondholder(s)	59
Modification of Rights	59
Future Borrowings.....	59
Notices	60
Joint Holders	60
Disputes & Governing Law	60
Procedure for deciding and adjusting payment dates	61
List of documents which have been executed/ will be executed in relation to the issue	61
Investor Grievances Mechanism.....	61
Any other details for investors.....	62
Summary term Sheet	62
DECLARATION	69
Schedule-I	71
Annexure-I Structured Payment Mechanism	75
Annexure-II Cash flow illustration	79
Annexure-III Rating Letters from CARE and IRRPL.....	80
Annexure -IV Consent of the trustee	85
Annexure-V In principle approval for listing	86
Annexure- VI State Government approval for borrowing	87
Annexure -VII Application Form and payment Details	

HNO

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

DISCLAIMER

1. Disclaimer of the Greater Visakhapatnam Municipal Corporation ("GVMC" or "Corporation"):

This Information 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 Debt Securities by Municipalities) Regulations, 2015 issued vide notification No. SEBI/LAD-NRO/GN/2015-16/006 dated July 15, 2015, as amended from time to time. This Information Memorandum does not constitute an offer to the public in general to subscribe for or otherwise acquire the Bonds to be issued by Greater Visakhapatnam Municipal Corporation. This Information 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). This Issue is being made strictly on a private placement basis. Apart from this Information Memorandum, no other offer document has been prepared in connection with the offering of this Issue or in relation to the Bonds.

This Information 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 Information Memorandum has been prepared to give general information regarding Greater Visakhapatnam Municipal Corporation 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. Greater Visakhapatnam Municipal Corporation believes that the information contained in this Information Memorandum is true and correct as of the date hereof.

Greater Visakhapatnam Municipal Corporation does not undertake to update this Information Memorandum to reflect any subsequent events and thus prospective subscribers must confirm the accuracy and relevance of any information contained herein with Greater Visakhapatnam Municipal Corporation. However, Greater Visakhapatnam Municipal Corporation reserves its right for providing the information at its absolute discretion. Greater Visakhapatnam Municipal Corporation accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility. 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 make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscribers to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Information Memorandum should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers 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, along with interest payable on such application money, if any.

The Corporation, its Officers and employees do not take any responsibility for the investments made by the investors in this bond issue


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Disclaimer of the Securities & Exchange Board of India ("SEBI"):

This Information Memorandum has not been filed with SEBI. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. It is to be distinctly understood that this Information Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Information Memorandum. The Issue of Bonds being made on private placement basis, filing of this Information Memorandum with SEBI is not required. However, SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Information Memorandum.

2. Disclaimer of the Stock Exchanges

As required, a copy of the Information Memorandum shall be filed with the WDM segment of BSE in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) 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 Information Memorandum to the Stock Exchange should not in any way be deemed or construed to mean that the Information Memorandum has been cleared or approved by BSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, 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.

3. Disclaimer of the Rating Agencies:

A CARE rating reflects CARE's current opinion on the likelihood of timely payment of the obligation under rated instrument and does not contribute an audit of the rated entity by CARE. CARE ratings are based on the information provided by the Issuer or obtained by CARE from sources it considers reliable. CARE does not guarantee the completeness or accuracy of the information on which the rating is based. A CARE rating is not a recommendation to buy, sell or hold the rated instrument, it does not comment on the market price or suitability for a particular investor. All CARE ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CARE is not responsible for any errors and especially, states that it has no financial liability whatsoever to the subscribers/users/transmitters/distributors of this product. CARE Ratings rating criteria are available without charge to the public on the CARE website www.care.com.

An India Ratings and Research's rating reflects IRRPL's current opinion on the likelihood of timely payment of the obligation under rated instrument and does not contribute an audit of the rated entity by India Ratings and Research. India Ratings and Research's ratings are based on the information provided by the Issuer or obtained by India Ratings and Research from sources it considers reliable. India Ratings and Research does not guarantee the completeness or accuracy of the information on which the rating is based. An India Ratings and Research's Rating is not a recommendation to buy, sell or hold the rated instrument, it does not comment on the market price or suitability for a particular investor. Ratings are revised as and when circumstances so warrant. India Ratings and Research is not responsible for any errors and especially, states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. India Ratings and Research's rating criteria are available without charge to the public on the India Ratings and Research website www.indiaratings.co.in.

4. Disclaimer of the Trustee:

Investors should carefully read and note the contents of the Information 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



Commissioner
Greater Visakhapatnam
Municipal Corporation



Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

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.

5. Disclaimer of the Legal Counsel:

The role of the Legal Counsel in present transaction is limited to advising the Issuer in relation to applicable laws in respect of the Bonds. The Legal Counsel has not done any independent verification of the information provided and relied on the information provided by Issuer. Legal Counsel cannot guarantee the accuracy of the information provided in this document. It is the responsibility of the Issuer to obtain all necessary approvals for issuance of the Bonds.

The Issuer has prepared this information on the basis of publicly available information and its own resources, use of which is not restricted by any law and is solely liable for contents of this document. No representation or warranty is made directly or indirectly, is or will be made by employees, representatives, associates or partners of the Legal Counsel, for accuracy, completeness of the information contained in this document and Legal Counsel disclaims any responsibility or liability to fullest extent for contents of this document. Neither the employees nor the representatives or partners of the Legal Counsel shall be liable for any damage direct or indirect if any suffered by any person, any loss of profit or any other loss, direct or indirect, that may arise by use of this document. By accepting this document investor accepts the disclaimer of the Legal Counsel, which forms an integral part of this document and agrees that Legal Counsel will not have any liability. This Information Memorandum does not form any advice or suggestion and eligible investors shall not construe contents of this information Memorandum as any sort of advice legal, regulatory or tax related and eligible investors shall consult their own advisors before investing in these Bonds.

Please note that:

The Legal Counsel may have been associated with Issuer or entities related to Issuer or may be associated with them in future. As a result of such relation Legal Counsel may come to know about information that may be relevant. However same may not be disclosed under client attorney relationship. Legal Counsel is not acting as trustee or in fiduciary duty for the investors.

Issuer declares that it has made necessary due diligence to ensure complete compliance regarding disclosure norms for the information as per applicable law and Legal Counsel is not responsible

- for any information supplied by the Issuer or any other person, written or oral, in relation to this document;
- for accuracy, completeness, adequacy, effectiveness of the information contained in this document; and
- for any determination as to any information provided in this document is public information or not, use of which may be prohibited by some law.

6. Disclaimer of the Transaction Advisor cum Arranger:

Role of the Transaction Advisor cum Arranger in present transaction is limited to advising the Issuer in relation to market scenarios, coordination with the external agencies, assisting in framing of the credit rating enhancement, etc., in respect of the Bonds and marketing of the bonds. The Transaction Advisor cum Arranger has not done any independent verification of the information provided and relied on the information provided by Issuer. Transaction Advisor cum Arranger cannot guarantee the accuracy of the information provided in this document. It is the responsibility of the Issuer to obtain all necessary approvals for issuance of the Bonds and comply with the applicable guidelines/regulations. The Issuer has prepared this Information Memorandum and the Issuer is solely responsible and liable for its contents.

Neither Arranger and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. By accepting this Information Memorandum, the Eligible Investor accepts this disclaimer of the Arranger, which forms an integral part of this Information Memorandum and agrees that the Arranger will not have any such liability.

Please note that: a) the Transaction Advisor cum Arranger and/or their affiliates may, now and/or in the future, have other investment and commercial banking, trust and any other relationships with the Issuer and other entities related to the Issuer;


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

FORWARD LOOKING STATEMENTS

All statements in this Information Memorandum that are not statements of historical facts constitute "forward looking statements". Readers can identify forward-looking statements by terminology like "aim", "anticipate", "intend", "believe", "continue", "estimate", "expect", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would" or other words or phrases of similar import. All statements regarding the issuer's expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Information 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 Information Memorandum are based on the beliefs of the management of the issuer, as well as the assumptions made by and information available to management as at the date of this Information 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.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Information Memorandum have been obtained from market research, publicly available information and industry publications. Industry publications generally state that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and market research while believed to be reliable have not been independently verified and the issuer does not make any representation as to the accuracy of that information.



Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

General Terms

TERM	DESCRIPTION
"GVMC" or "Issuer" or "Corporation"	Greater Visakhapatnam Municipal Corporation (Constituted under Visakhapatnam Municipal Corporation Act, 1979 & wherever this act is silent, the provisions of the Hyderabad Municipal Corporation Act 1955 shall apply in Toto), having its Head Office at Tenneti Bhavan, Ram Nagar, Visakhapatnam, Andhra Pradesh, India.
"we", "us", "our"	Unless the context otherwise requires, the Corporation

Issuer related Terms

TERM	DESCRIPTION
Act/VMC Act	Visakhapatnam Municipal Corporation Act, 1979 & wherever this act is silent, the provisions of the Hyderabad Municipal Corporation Act 1955 shall apply in Toto), as amended from time to time
Commissioner	Commissioner, Greater Visakhapatnam Municipal Corporation
Committee Member	Member of the Standing Committee or any other duly constituted committee of the Corporation
Committee	Standing Committee or any other committee as mentioned in this Information Memorandum
CARE	Credit Analysis & Research Limited.
EBS	Online E-business Suite
HRMS	Human Resources Management System
Head Office	Head Office of GVMC at Tenneti Bhavan, Ram Nagar, Visakhapatnam, Andhra Pradesh, India.
IRRPL	India Ratings and Research Private Limited
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
MoUD / MoHUA	Ministry of Urban Development / Ministry of Housing & Urban Affairs

Issue Related Terms

TERMS	DESCRIPTION
AY	Assessment Year
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 this Information 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
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

TERMS	DESCRIPTION
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)
Bond(s)	Secured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value Rs. 10 lakhs each, at par to be issued by GVMC proposed to be listed on BSE Limited through private placement route under the terms of this Information Memorandum
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Coupon/Interest Payment Date	As mentioned in the Summary Term Sheet
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 cut-off date declared by the Corporation with effect from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s).
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in present case, being NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act.
Information Memorandum	Information Memorandum dated December 20, 2018 for private placement of Secured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value Rs. 10 Lakhs each, at par aggregating to Rs. 80 Crores by GVMC.
DP	Depository Participant
DRR	Bond / Debenture Redemption Reserve
Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year
GIR	General Index Registration Number
Gol	Government of India/ Central Government
I. T. Act	The Income Tax Act, 1961, as amended from time to time
IT	Information Technology
MF	Mutual Fund
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Rs./INR	Indian National Rupee
RTGS	Real Time Gross Settlement
Record Date	As mentioned in the Summary Term Sheet
Registrar	Registrar to the Issue, in this case being, Karvy Computershare Private Limited
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 Municipal Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, as amended from time to time
TDS	Tax Deducted at Source


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

TERMS	DESCRIPTION
The Issue/the Offer/ Private Placement	Private Placement of Secured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value of Rs. 10 lakhs each, at par aggregating to Rs. 80 crore by GVMC.
Trustee/Bond Trustee	Trustees for the Bondholders, in this case being, SBICAP Trustee Company Limited

H/O

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

CHAPTER-I
GENERAL INFORMATION ABOUT THE ISSUER

i) Name of the Issuer: **Greater Visakhapatnam Municipal Corporation**

ii) Name and Address of the following:

i) Head Office of the Issuer:

Greater Visakhapatnam Municipal Corporation

Tenneti Bhavan, Ram Nagar,
Visakhapatnam, Andhra Pradesh, India.
Ph: +91891 2746310.
Website: www.gvmc.gov.in

ii) **Chief Finance Officer and Compliance Officer of the Issuer:**

Sri Vijay Manohar,

Additional Commissioner, Finance
Greater Visakhapatnam Municipal Corporation
Tenneti Bhavan, Ram Nagar, Visakhapatnam, Andhra Pradesh, India.
Ph: +91891 2746310; 7729995960 / 9182298223
E-mail: adcf.gvmc@gov.in; adcf.gvmc@gmail.com

(Compliance Officer shall be the official in charge of dealing with investor grievances related to the Bonds)

iii) **Trustee to the Issue:**

SBICAP Trustee Company Limited

Apeejay House, 6th floor,
3, West Wing, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020
Tel: +91-22-4302 5555
Facsimile: +91-22-2204 0456
Contact Person: Mr. Ajit Joshi (Company Secretary and Compliance Officer)
E-mail: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com

iv) **Registrar to the Issue:**

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District Nanakramguda, Hyderabad
Tel: +91 40 6716 2222
Facsimile: +91 40 2343 1551
Contact Person: Sh. S.P. Venugopal, DGM (Corp. Reg.)
Email: venu.sp@karvy.com
SEBI Registration No.: INR000000221



Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Special Officer
Greater Visakhapatnam
Municipal Corporation

v) **Credit Rating Agencies for the Issue:**

1. **India Ratings and Research Private Limited**
601-9, Prakash Deep Building, 7, Tolstoy Marg,
New Delhi – 110 001
Tel: +91 -11 4165 7230
Facsimile: +91-11-4356 7231
E-mail: investor.services@indiaratings.co.in
Website: www.indiaratings.co.in;
2. **Credit Analysis & Research Ltd**
4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), Mumbai - 400 022.
Tel: +91-022- 6754 3456
Facsimile: +91-022- 6754 3457
E-mail: care@careratings.com
Website: www.careratings.com

vi) **Auditors of the Issuer:**

Regional Deputy Director - Zone 1, State Audit Department
Directorate of State Audit,
Near Zilla Parishad Office, Visakhapatnam, Andhra Pradesh
Tel: 08912706614
E-mail: rddzoneivsp@gmail.com
Website: http://www.dsa.ap.gov.in

vii) **Transaction Advisor cum Arranger of the Issuer:**

SPA Capital Advisors Ltd.
25, C Block Community Centre, Janakpuri,
New Delhi - 110058
Tel: +91 11 45675500
Facsimile: +91 11 25572763
Contact Person: Mr. Anurag Arun
Email: anurag@spagroupindia.com;
SEBI Registration No.: INM000010825

viii) **Legal Counsel to the Issue:**

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: delhi@mvkini.com


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

ix) **The relevant Act under which the Issuer is incorporated and governed**

Greater Visakhapatnam Municipal Corporation is incorporated under and governed by the Visakhapatnam Municipal Corporation Act, 1979 & wherever this act is silent, the provisions of the Hyderabad Municipal Corporation Act 1955 shall apply in Toto.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

RISK FACTORS

The prospective investors should consult their own tax, financial and legal advisors about the risks associated with investment in bonds 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 bonds if the bonds are not held till or for any reason sold before their maturity. For taking an investment decision, investors must rely on their own examination of the Issue, the issuer and this Information 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 Information Memorandum.

1. Credit Risk

The credit rating assigned to us may be downgraded.

This is the first issue by the Issuer since 2010. The Bonds have been given a rating of Provisional IND AA(SO)/Stable by IRRPL and CARE AA(SO)/Stable by CARE which is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk as well. 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, 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. However, to safeguard the interest of the Bondholders, a structured payment mechanism has been formulated to prioritize the revenues earned by the Corporation towards a timely payment of interest and repayment of the principal, besides giving adequate fixed assets as collateral or security.

2. Project Risk


The Sewerage System Including Wastewater Treatment System and Supply of Recycled Water to various industries in Visakhapatnam Project is a revenue generating Project however we may not be able to adhere to timelines.

This is a project to provide better water management facilities to citizens of GVMC by providing the recycled water to the industries in the vicinity and preserving the ground water for the drinking and similar works for the citizens of GVMC. As the recycled water is supposed to be sold to the nearby industrial units, this is a revenue generating project.

The Project, which is being undertaken in the Smart City SPV, is proposed to be financed through bonds (towards the contribution of GVMC) and bank loan in the SPV. A funding gap due to cost overruns, should it develop, could pose a contingent budgetary risk for GVMC / SPV, or result in a request to the Standing Committee/corporation for additional borrowing authority for these Project. There is also a possibility that the implementation of the Project might get delayed due to workforce issues or due to contractor issues.

GVMC has obtained the requisite approvals for various works for this Project. However, the Project is susceptible to policy risk by the State & cost overruns, however, these will not affect the payment of debt service for the bonds, which are backed by the appropriate revenues of GVMC, to be collected & remitted to the escrow agent for payment of debt service for the tenure of the bonds.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

3. **Financial Risk including Liquidity Risk**

GVMC may not be able to pay interest accrued on the Bonds and/ or the principal amount outstanding from time to time

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.

GVMC's ability to 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 GVMC's financial condition, profitability, revenue generation and the general economic conditions prevailing in India and in the global financial markets. GVMC cannot assure that GVMC would be able to repay the principal amount outstanding from time to time on the Debentures and/ or the interest accrued thereon in a timely manner, or at all. GVMC will create an appropriate escrow account in favour of the Bond Trustee for the Bondholders to ensure sufficient funds for repayment of principal and interest accrued thereon along with sufficient fixed assets to be pledged as security. The realizable value of the Bonds may be lower than the outstanding principal and/ or interest accrued thereon and consequently, the potential investor may not be able to recover on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Bonds.

Inconsistent Revenue Collections

Generally, our revenue collection through property tax, vacant land tax, Surcharge on Stamp Duty, Professional Taxes and other income sources are not consistent throughout the year and may be higher in certain parts of the financial year.

Financial Statements

The audited financial statements through FY 2015-16 and derived ratios there from contained in the Information Memorandum have been prepared / computed as per the permissible practices. The audited accounts for FY 2016-2017, FY 2017-2018 and provisional figures for quarter ending 30.06.2018 are also provided in this Information Memorandum. While due care has been taken to reflect the true economic reality regarding the financials of the Corporation as far as possible, the investors may want to make their own adjustments to the same before arriving at an investment decision in this Bond issue.

5. **General Risk**

5.1 **External factors like natural calamities, terrorism etc. may affect our operation and may delay the Project implementation.**

Natural calamities like Sea Storm, Flash floods, etc. could hamper the Project implementation.

Sea Storm and Flash Floods: Visakhapatnam is situated on the banks of Bay of Bengal and has been prone to cyclones caused due to the low pressure in the nearby sea area. In recent times, Visakhapatnam has seen severe rain falls due to landfall of the Cyclone HUDHUD (October 2014), resulting in submergence of large areas of Visakhapatnam under water and massive destruction along with depletion of the green cover of the city due to uprooting of trees caused by strong winds. Such conditions may result in hampering the functioning of GVMC due to additional cost burden for retrieving the city back to normalcy.



Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

5.2 Terrorism and Maoist Terror:

Visakhapatnam has been lucky to not have any major incidents of terrorism attacks in the last 10 years. However, a possibility cannot be ruled out as the city is house to several key defense installations and huge presence of Industries / MNCs. Arrests of some probable terrorists from the city limits have increased the fear.

The nearby jungles of Visakhapatnam has seen presence of Maoist terror and the city has witnessed some brutal attacks also in the past. However, the city administration does prepare a safety plan and by and large, the plan has been successful.

5.3.1 Disaster Management :

UNDP-Gol (USAID) Project

Visakhapatnam is one of the project city selected under the UNDP-Gol project entitled "Climate Risk Management in Urban areas through Disaster Preparedness and Mitigation" (2014-16) which is a part of major project on "Enhancing Institutional and Community Resilience to Disasters and Climate Change (2013-17)" at state level. Phase two of this project is "Developing Resilient Cities through Risk Reduction in the Context of Disasters and Climate Change", aided by UNDP-Gol-USAID.

The following are key objectives of the project phase-II.

- Reduce disaster risk in urban areas by enhancing institutional capacities to
- Integrate climate risk reduction measures in development programs,
- Undertake mitigation activities based on scientific risk assessment.
- Enhance capacities of local governments and urban communities, including private sector stakeholders, to manage Disaster and Climate Risk.

The core components of the project are:

- Hazard Risk & Vulnerability Assessment
- Preparation of Disaster Management Plans
- Capacity building of institutions and community
- Strengthening Early Warning system
- Mainstreaming Disaster Risk Reduction (DRR) & Climate Change Adaptation (CCA) in development programs
- Knowledge Management
- Public Private Partnership (PPP) projects for Disaster Risk Reduction (DRR)

A City Operations Centre (COC) was established under Smart City project. In COC disaster management is one of the main feature. The COC is responsible for triggering alerts, dissemination of information and coordination during disasters.

However, the level of preparedness needs to be adequately scaled up for tackling any unforeseen emergencies.

5.4 Decentralization and Municipal Corporations

GVMC 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 GVMC


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

(positive and negative), should those changes result in devolution of power, of revenues or of spending mandates. Recent examples include investment and institutional reform initiatives by the MoUD under the JNNURM program and under its successor, the Smart Cities program, and the adoption of the GST by the Government of India and by the states. The GST may result in discontinuation of some of the existing revenue sources like entertainment tax. Although it is provisioned that the State Government would be making good any losses to GVMC, however, the extent and the timings of disbursement of such amount is not fixed, thus may result in some financial losses or delay in receipt of the amount by GVMC.

Additionally, being a government organization, GVMC 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 GVMC.

5.5 GVMC Policy Focus

Periodic elections and/ or rotation of the Commissioner and other officers can result in changes in policy focus for the municipal corporation, which can affect the distribution of resources devoted to both operating services and capital projects. While such changes in policy focus might affect the relative priority of capital expenditures for the Project, this will not affect the payment of debt service on the bonds, which are secured by escrow on Property Tax, Vacant Land Tax and Bulk Water Supply Charges revenues (parts which are free from any lien or charges) to be collected and remitted to the escrow agent for payment of debt service for the life of the bonds along with exclusive charge on fixed assets of GVMC to the tune of minimum 1.1 times of the outstanding borrowed amount.

6. We are involved in large number of litigations and adverse decisions in the same may impact our functions

As on September 30, 2018, it is estimated that the GVMC is involved in approximately 663 pending cases with the aggregate amount being approx. Rs. 526 Crores in the Local Tax Matters. These cases, if decided against us, can have an impact on the financial position of the Issuer. There are other cases relating to administrative issues etc. also but they do not involve any/much amount. However, as the working for servicing of the bonds have been done on actual cash basis, the servicing of bonds does not seem to be a problem.

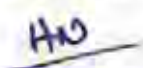
It may be noted that the number of proceedings in which GVMC is involved is not unusual for a corporation of its size in the context of functioning as a municipal body of one of the major industrial cities in India.

7. Risk in relation to the Bonds

7.1 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 rates, 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


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

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 rates 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.

8. **Any downgrading in credit rating of the Bonds may affect the value of Bonds and thus the Issuer's ability to raise further debts.**

The Bonds proposed to be issued under this Issue have been rated Provisional AA(SO)/Stable by IRRPL vide its dated December 12, 2018, CARE AA(SO); Stable (Double A: Outlook Stable) by CARE vide its letter dated December 06, 2018. The Issuer cannot guarantee that these Credit ratings will not be downgraded by the rating agencies in future. The ratings provided by these Credit Rating Agencies may be suspended, withdrawn or revised at any time. 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.

9. **There is no guarantee that the Bonds issued pursuant to this Issue will be listed on the stock exchanges 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 this Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the stock exchange. However, the Corporation shall do all necessary actions for listing of the bond in timely manner.

10. **There may be a delay in making refunds to applicants**

The Issuer cannot assure that the monies refundable to applicants on account of (a) withdrawal applications, (b) withdrawal of the issue, or (c) failure to obtain the final approval from the exchanges for listing of Bonds, (d) non-allotment due to technical rejections or over subscriptions will be refunded to the applicants in a timely manner.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

ORGANISATION STRUCTURE

1. Details of the Corporation

The Greater Visakhapatnam Municipal Corporation has been established under Section 3 of the Visakhapatnam Municipal Corporation Act, 1979 & wherever the provisions of the said act is silent, the provisions of the Hyderabad Municipal Corporation Act 1955 shall apply in Toto. In accordance with Section 5 of the Act, the Corporation shall consist of such number of elected members as may be notified from time to time. Presently, the Corporation does not have any elected body as the elections have not yet taken place.

The Vizag (Visakhapatnam) Municipality was set up as early as in 1858. The Vizag (Visakhapatnam) Municipality was formed in order to full fill the basic infrastructural needs of the people of the city and was converted in to Municipal Corporation in 1979. GVMC came into existence after the Government of Andhra Pradesh released the **Government Order (GO) on November 21, 2005.**

The Greater Visakhapatnam Municipal Corporation (GVMC) is the chief governing body of Visakhapatnam city. Its jurisdiction encompasses an area of 689 Sq Km. It is also part of the planning body of the Visakhapatnam Metropolitan Region Development Authority. Sri M. Hari Narayanan, IAS, is the present municipal commissioner of the city.

Today, GVMC is the largest Corporation in the State of Andhra Pradesh.

Every member of the legislative assembly of the State and every Member of the House of the People representing a constituency of which the Corporation or a portion thereof forms part and every Member of the Legislative Council of the State registered as an elector within the area of the Corporation as on the date of filing of nomination for becoming Member of Legislative Council or on the date of nomination by the Governor, as the case may be shall be ex-officio members of the Corporation.

Municipal Authorities charged with carrying out the provisions of the VMC Act are:-

- (i) a Corporation;
- (ii) a Standing Committee;
- (iii) a Commissioner;
- (iv) the Wards Committee;
- (v) Special Committees

Elected members of the Corporation are required to select the Mayor and Deputy Mayor from amongst themselves. **Since there is no elected body as of now, the district collector acts as the special officer and along with the Municipal Commissioner, taking the final decisions on behalf of the Corporation.**

Elected representatives in GVMC

The city is divided into 8 Zones (Madhurawada, Asilmetta, Suryabagh, Gnanapuram, Gajuwaka and Pendurti, Anakapalli and Bhimunipatnam) and 74 Wards with a total no. of 74 corporators as elected members. These councilors and co-opted members comprise the general body and are headed by the Mayor. The governance is distributed in terms of responsibilities as follows (i) policy making as a responsibility of the General Body (ii) financial decision making as a responsibility of the Standing Committee and (iii) The Commissioner as a Chief Executive of the GVMC. The number of wards may change once the election is proposed to be held as any prospective delimitation exercise might alter the same.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Standing Committee is the most powerful body in GVMC as per the Municipal Act, and is responsible for all the decisions pertaining to municipal finance matters. The Mayor or in his absence, the Deputy Mayor of the Corporation shall be the ex-Officio Chairperson of the Standing Committee: While preparation of the civic budget is one of the significant functions, it is a stake holder in almost all financial decisions such as approval of the project tenders etc.

In the elected wing, the Mayor is the head. Councilors are elected representatives of the electoral wards of the city, who are elected every 5 years, if elections are delayed due to any unforeseen reasons, then the councilors' term is not extended and the Commissioner takes care of the proceedings of GVMC and the meeting of the councilors is held once in a month. However, as of now, under the GoAP rules, the Special Officer is the in-charge of the functions of the corporation along with the Commissioner.

The Mayor, the first citizen of the city, is elected by the councilors and holds office till he resigns or is removed in accordance with provisions of the governing Act. The Mayor presides over the General Body Meetings of the councilors. Along with the General Body there are different committees which work in the city. Wards are represented by the Wards Committees, whose main function is to approve the cost of works for the wards, incorporate the expenses in the budget etc.

Administrative Cadre in GVMC

The Administrative wing of the GVMC works under the command of the Commissioner who heads a team of officials of Zonal Commissioner, Additional Commissioner, Deputy Commissioner and other officials who administer their respective domains. The Administrative wing is responsible for all the development works in the city, maintenance of infrastructure, collection of taxes, preparation of development plans and budgets. Other than the contractual and outsourced personnel, GVMC has more than 3200 permanent employees in several cadres.

2. Details of Mayor/Deputy Mayor

Sl. No.	Particulars	Designation	Date of appointment
1.	NA	Mayor	NA
2.	NA	Deputy Mayor	NA
3.	Sri Pravin Kumar, IAS	Special Officer and Collector	22.07.2016

3. Details of Commissioner/Deputy Commissioners

Sl. No.	Designation	Name of the Officer	Date from which Officer is working
1.	Commissioner	Sri. M. Hari Narayanan, I.A.S.,	27.07.2016
2.	Additional Commissioner (General)	Sri. G. V. V. S. Murthy	14.02.2014
3.	Additional Commissioner (Finance)	Sri. V. Vijay Manohar	28.09.2018
4.	Additional Commissioner (Projects)	Sri. T. Sakala Reddy	26.10.2017
5.	Deputy Commissioner (Revenue)	Sri. R. Somannarayana	22.01.2018
6.	Chief Engineer	Sri. N. Durga Prasad	22.05.2017
7.	Chief City Planner	Smt. R. Vidyullatha	14.06.2017


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Sl. No.	Designation	Name of the Officer	Date from which Officer is working.
8.	Chief Medical Officer	Sri. A. Hemonth	23.11.2016
9.	Project Director (UCD)	Sri. D. Srinivasan	05.10.2015
10.	Secretary	Sri. K. Sai Ram	29.05.2017
11.	Asst. Director of Horticulture	Sri. M. Damodar Rao	GVMC Born Employee
12.	Zonal Commissioner-I	Sri. B. Sanyasi Naidu	19.06.2018
13.	Zonal Commissioner-II	Sri. P. Nallanayya	13.12.2014
14.	Zonal Commissioner-III	Sri. D. Chittibabu	05.02.2018
15.	Zonal Commissioner-IV	Sri. P. Ramana Murthy	18.09.2016
16.	Zonal Commissioner-V	Sri. V. Chakradhara Rao	22.01.2018
17.	Zonal Commissioner-VI	Sri. Ch. Satyanarayana Rao	25.05.2018
18.	Zonal Commissioner (Anakapalli)	Sri. B. Ramu	19.06.2018
19.	Zonal Commissioner (Bhimunipatnam)	Sri. P. Durga Prasad	19.06.2018

4. Details of any Reorganization or Reconstruction in the last 1 year

Issuer has not undergone any reorganization or reconstruction in last one year.

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

Standing Committee

Standing Committee comprises of members chosen by Corporation amongst themselves. Standing Committee shall comprise of 6 members. The Mayor or in his absence, the Deputy Mayor of the Corporation shall be the ex-Officio Chairperson of the Standing Committee. The Standing 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 Standing Committee. The Standing Committee has to prepare & approve budget estimate of the income expenditure of Corporation.

Presently, there is no standing committee and the functions are being carried out by the Special Officer and the Commissioner

6. Details of the Auditor

Name	Address	Auditor Since
State Audit Department	Regional Deputy Director - Zone 1 Directorate of State Audit, Near Zilla Parishad Office, Visakhapatnam Andhra Pradesh Ph: 08912706614 Email: rddzoneivsp@gmail.com	State Audit Department has been designated as auditor of the Issuer under the governing Act.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

7. Details of Trustee

Name	Address	Contact person
SBICAP Trustee Company Limited	Apeejay House, 6th floor, 3, West Wing, Dinshaw Wachha Road, Churchgate, Mumbai 400 020 Tel: +91-22-4302 5555 Facsimile: +91-22-2204 0456 E-mail: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com	Mr. Ajit Joshi (Company Secretary and Compliance Officer)


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND THE PROJECT

I. Overview of the Issuer

About Visakhapatnam

Visakhapatnam is the largest city of the southern Indian state of Andhra Pradesh and also the financial and industrial capital of Andhra Pradesh. Occupying 689 square kilometers along the banks of the Bay of Bengal, it has a population of about 2 million, making it the fourteenth most populous agglomeration in India and 9th most populous metropolitan area in India. At an average altitude of 42 meters, much of Visakhapatnam is situated on a semi hilly terrain. The city is also called by the nick names of **The City of Destiny and The Jewel of the East Coast.**

Visakhapatnam's history stretches back to the 6th century B.C.E. and the city finds mention in ancient texts such as the 4th century B.C.E. writings of Pāṇini and Katyayana. Historically considered part of the Kalinga region, it was ruled by the Vengi kingdom and the Pallava and Eastern Ganga dynasties during medieval times. Archaeological records suggest that the present city was built around the 11th and 12th centuries C.E. by the Chola Dynasty king Kulothunga I. Control over the city fluctuated between the Chola Dynasty of Tamil Nadu and the Gajapati Kingdom of Odisha until its conquest by the Vijayanagara Empire in the 15th century. In the 16th century it was conquered by the Mughals. European powers eventually set up trading interests in the city and Visakhapatnam came under French rule at the end of the 18th century.

The city was ruled by Andhra Kings of Vengi and Pallavas. The city is named after Sri Vishaka Varma. Legend has it that Radha and Visakha were born on the same day and were equally beautiful. Sri Vishaka Sakhi is the second most important gopi of the eight main gopis. She carries messages between Radha and Krishna and is the most expert gopi messenger. Local residents believe that an Andhra king built a temple to pay homage to his family deity Visakha. This is now inundated under sea water near R. K. Beach. Later it was ruled by Qutb Shahis, Mughal Empire (between 1689 and 1724), Nizam (1724–1757) and France (1757–1765) before being captured by the British in 1765.

Visakhapatnam is one of the 100 fastest growing cities in the world, which has a GDP of \$43.5 billion. It is also the 10th largest city in India by GDP numbers of 2017 (Source: Business World Article dated 28th June 2017). For the FY 2015–16, the per capita income estimates of the city stood at ₹283816 and it tops among other cities in the state. The fishing harbor is one of the oldest and largest in the city, which was established in 1926, provides livelihood for approximately 50,000 people. The usual seafood exporting capacity of the harbor is 115,000 t (127,000 tons) and during the FY 2015, it topped seafood exports in terms of value among other ports. Visakhapatnam Port and Gangavaram Port are the two ports of the city and the former one topped charts which handled 60,000,000 tons of cargo during the financial year 2016–17. The Hindustan Shipyard undertakes building and repairing of Naval fleet and has future orders of ₹2,000 crore (US\$280 million).

The growth in the IT sector in the recent times boosting the local economy. In 2016–17, the IT industry in Vizag witnessed an increase in its turnover which recorded as ₹5,400 crore (US\$750 million) with more than 350 firms, in contrast to 2013–14 figures of ₹1,450 crore (US\$200 million).

There are many national and multi-national IT/ITes and fintech firms such as IBM, Wipro, TechMahindra, Kenexa, Infotech, Conduent, Cyient, Paytm, Concentrix, Sutherland, H SBC, etc. The Brandix India Apparel City is the largest textile park in the country and holds the record

for employing more than 15,000 women employers at a single location. The Jawaharlal Nehru Pharma City (JNPC) developed at Parawada near Visakhapatnam in 2,400 acres has major pharma companies like, Hospira, Mylan, Eisai, Reddy's Lab, Aurobindo Pharma, Torrent pharma, Divis Lab, etc. Andhra Pradesh Medtech Zone Limited, is the India's first Ultra Modern Medical Equipment Manufacturing & Testing Facility, open to Manufacturers & Innovators.

The prevalence of ferroalloy plants is due to the availability of manganese ore near Visakhapatnam. Aluminium refineries such as Anrak Aluminium and Jindal Aluminium are developing because of the bauxite reserves around the city. Visakhapatnam is a part of the Petroleum, Chemical and Petrochemical Investment Region (PCPIR), proposed between Visakhapatnam and Kakinada. The PCPIR is expected to generate 1.2 million jobs and a projected investment of Rs 34,30,000 million. Simhadri Super Thermal Power Plant of NTPC Limited is expanding from 1,000 to 2,000 MW at a cost of ₹50 billion (US\$696 million). Hindujas has begun construction of a 1,070-MW thermal power plant in Visakhapatnam district at a cost of ₹70 billion (US\$975 million), NTPC is establishing 4x1,000 MW imported coal-based thermal power plant in Visakhapatnam district in Andhra Pradesh, which will come up at an investment of Rs 20,000 crore. Vizag Steel Plant and refineries of various OMCs are the major industries of Visakhapatnam

Visakhapatnam is the headquarters of the Eastern Naval Command, the Naval Science and Technological Laboratory (a DRDO Lab), a Chief Quality Assurance Establishment (CQAE), an EFS office, a Naval Dockyard (established in 1949) and Naval Bases including INS Virbahu, INS Karna, INS Kalinga, INS Samudrika, INS Satavahana, and INS Dega. A new base at INS Rambilli is being built on 5,000 acres (20 km²) with an investment of ₹15 billion (US\$209 million), as the first dedicated submarine base in India. India's first nuclear submarine INS Arihant was launched in the Naval Dockyard, and Bharat Dynamics has begun manufacturing torpedoes. Visakhapatnam also has presence of the Indian Coast Guard including ships and offices.

History of GVMC

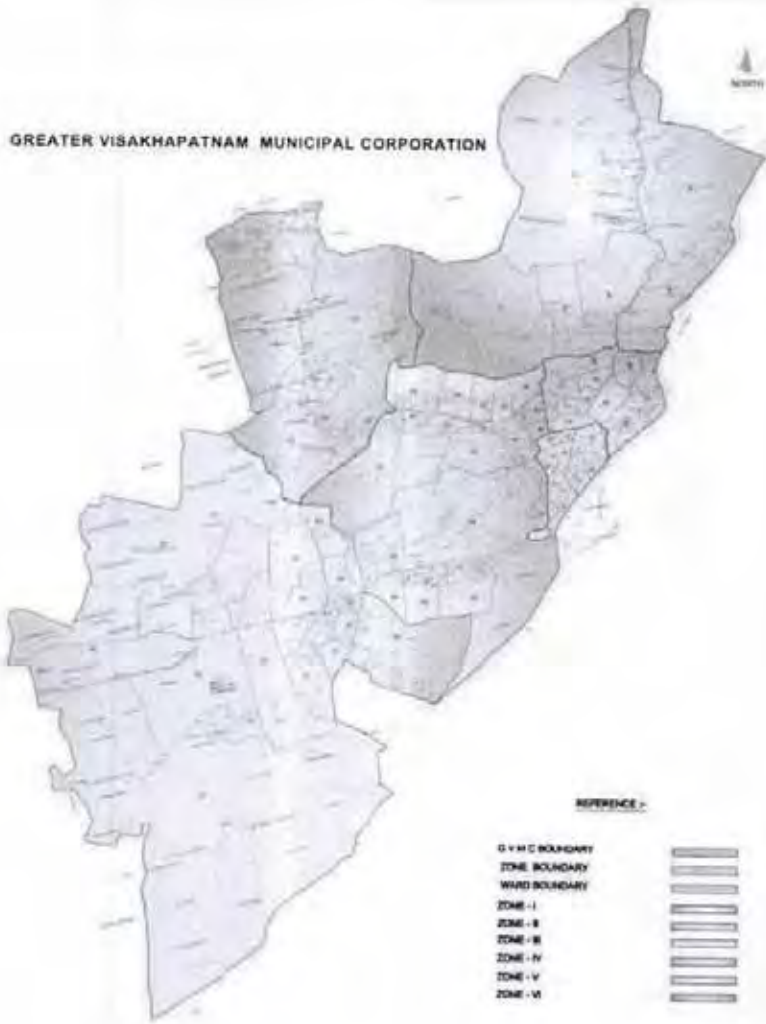
The Greater Visakhapatnam Municipal Corporation (GVMC) is the chief governing body of Visakhapatnam city. Its jurisdiction encompasses an area of approx. 689 Sq Km. It is also part of the planning body of the Visakhapatnam Metropolitan Region Development Authority. Sri M. Hari Narayanan, IAS, is the present municipal commissioner of the city.

Visakhapatnam is one of the earliest municipality in the region. It was setup as a municipality in 1858 and later upgraded as corporation in 1979. In 21 November 2005, Government of Andhra Pradesh has released a GO to create a Greater Municipal Corporation and it was first Greater Municipal Corporation in the state of Andhra Pradesh. The Anakapalle and the Bhimilli mandals were merged in to GVMC in the year 2013.

Today, GVMC is the largest Corporation in the State of Andhra Pradesh. Presently, the GVMC area is divided into 8 Zones and 74 Wards however since municipal elections have not taken place, the number of wards may change once the elections are proposed due to any prospective delimitation exercise then.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



H/O

**Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam**

**Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam**

Constitution of Corporation

GVMC has been Constituted under Visakhapatnam Municipal Corporation Act, 1979 & wherever this act is silent, the provisions of the Hyderabad Municipal Corporation Act 1955 shall apply in Toto and in accordance with the Sections of the Act, following municipal authorities have been entrusted with the functions of carrying the functions of the Corporation are:-

- (a) a Corporation;
- (b) a Standing Committee;
- (c) a Commissioner;
- (d) the Wards Committee;
- (e) Special Committees

Corporation is a general body of all elected members.

Functions of the Corporation

The Act has entrusted GVMC with the responsibility for the maintenance, operation and development of certain public utilities in the city. Various services being provided by various departments are as follows:

The Municipal Corporation of Visakhapatnam is divided into 11 departments. These are:

GVMC Departments – Functions	
Departments	Services
Revenue & Accounts	Tax, Non-Tax, Assigned and other revenue collection and budgetary control
City Planning	Master Planning of Urban Infrastructural Development through CDP & other allied services
Sports	Maintenance of Sports complexes and stadium for indoor and outdoor games
General Administration	All employee service matters and other administrative aspects
HRD	Capacity and Institutional Building, Research & Reference besides Institutional Coordination
Public Health	Sanitation Solid Waste Management and Other Health Services
Engineering	Water Supply, Lighting, Public Works and all execution works
UCD	Community Development and Poverty alleviation programs
Education	Pre-primary, Primary, Upper primary & High school education besides Balyam & Swekaram
IT & E-Governance	Online services & Network facilities of Tax collection & other citizen services including CRM
Horticulture	Creation and maintenance of Parks, Maintenance of Burial Grounds etc

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

- (1) Roads, Bridges including flyovers, culverts, subways, etc;
- (2) Widening and Improvements of Roads and Junctions;
- (3) Traffic and Transportation Facilities;


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

- (4) Storm Water Drainage and Flood Control;
- (5) Street Lighting and maintenance;
- (6) Maintenance of a municipal office and of all public monuments and open spaces and other property vesting in the Corporation;
- (7) Creation and maintenance of Parks, Playgrounds, Swimming Pools, Stadiums, etc;
- (8) Rain Water Harvesting and Water Conservation;
- (9) Maintaining, charging and regulating places for the disposal of the dead and the provision of new places for the said purpose;
- (10) Construction or acquisition and maintenance of public markets and slaughter houses and the regulation of all markets and slaughter houses;
- (11) City Planning including Zoning and building regulations;
- (12) Public vaccination in accordance with the provisions of the Andhra Pradesh Vaccination Act, 1951;
- (13) Slum Improvement;
- (14) Registration of births and deaths;
- (15) Construction, maintenance, alteration and improvement of streets, bridges, sub-ways, culverts, cause ways or the like;
- (16) Prevention of food adulteration;
- (17) Preventing the spread of infectious diseases and creation and maintenance of Hospitals, Dispensaries and other medical welfare centers;
- (18) Securing or removal of dangerous buildings and places;
- (19) Improvement of the City;
- (20) Fulfilling any obligation imposed by or under the Act or any other law for the time being in force;
- (21) Subject to abovementioned obligations making adequate provision for providing relief to destitute persons in the City in times of famine and scarcity and the establishment and maintenance of relief works in such times.
- (22) Planning economic and social development;
- (23) Providing for urban forestry, protection of the environment and promotion of ecological aspects;
- (24) Safeguarding the interests of weaker sections of society including the disabled and mentally retarded;
- (25) Promoting cultural, educational and aesthetic aspects;

There are several other functions being carried out by GVMC, which includes discretionary and non-discretionary functions, as provided for under the governing act.

Strengths of GVMC

GVMC is known for and is characterized by several comprehensive strengths including but not limited to the following:

- It is the largest corporation of the State
- It has an excellent connectivity with all leading metro cities
- The Financial and Industrial Capital of AP
- It has an established and wide presence of Multinationals
- It is a major hub of information technology & allied services
- It has had reliable and consistent financial performance
- The head office of the Eastern Naval Command
- It has a healthy industrial climate
- There is a healthy availability of technical manpower
- It has a reliable water supply
- There are no major Law & Order issues
- It is a known academic and cultural center

Awards

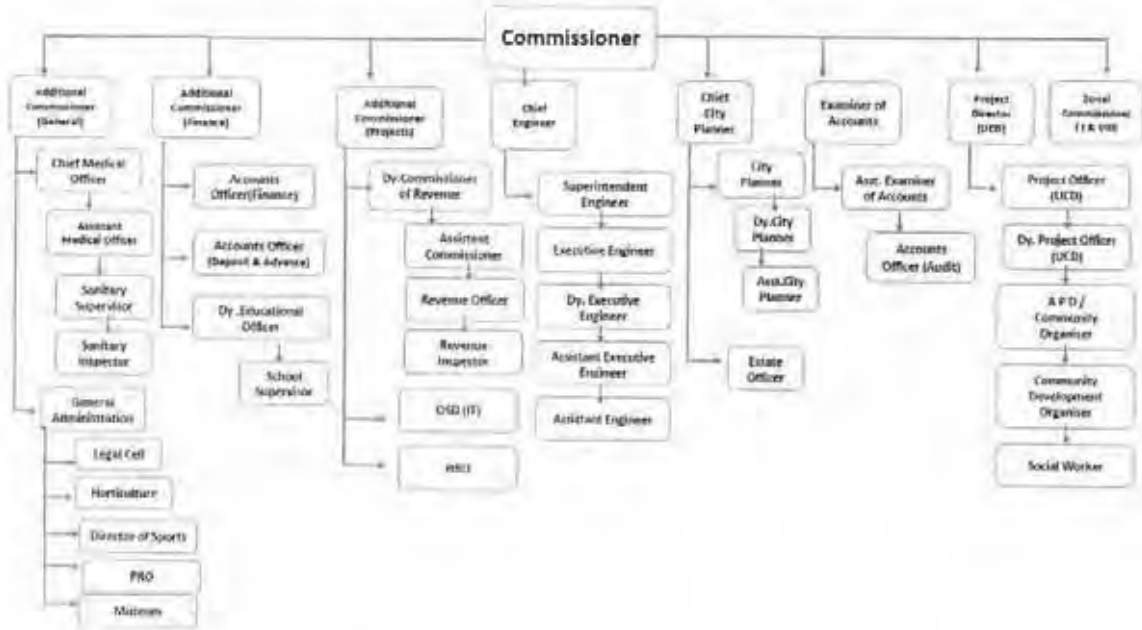
GVMC has been the recipient of several prestigious awards for its achievements and continued work. Some of which are enlisted below:

- Best Municipal Corporation Award by Government of Andhra Pradesh.
- Cleanest Religious city Award by India Today (2015).
- Smart Campus Award (2018).
- Basic Services for Urban Poor (BSUP) (2011).
- Smart City Project Award (social aspects) (2018).
- 7th Cleanest City of India by Swachh Survekshan 2018.
- 1st place in Andhra Pradesh Green Awards-2017.

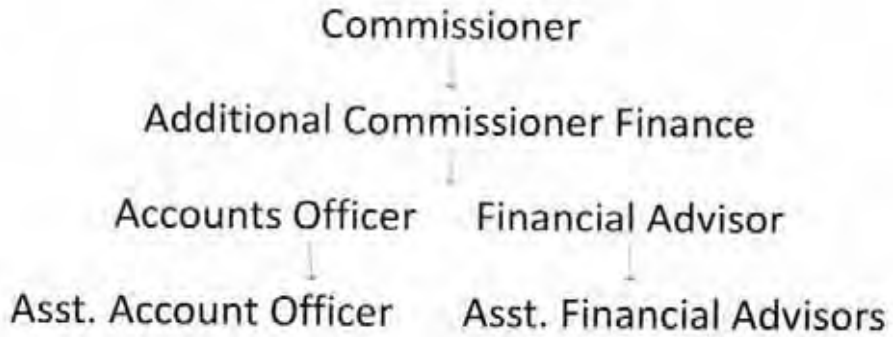

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

MANAGEMENT STRUCTURE of GVMC



DEPARTMENT ISSUING THE BONDS




Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

DETAILS OF SOME OF THE MAJOR PROJECTS BEING UNDERTAKEN

- A) **Name of the work:** Investigation, survey, Design and Execution of the following prioritized projects for the 1st year investment plan under 6A & 6B Components of AMRUT. A) Providing water supply House Service Connections wherever Network, Reservoir & Source are available. B) Providing water supply House service connections & Distribution lines wherever Reservoir & sources are available with 2 year's defect liability period under EPC system.

Project Cost (including O&M): 153.18 Cr.

Agency: M/s. NCC Limited, Hyderabad.

LOA Date: 14-11-2017;

Target date of Completion: 13-06-2019

Components:

- 1) Gravity main: 6.900 Kms, Procured: 6.899 Kms, Laid: 4.670 Kms, Tested: Nil.
- 2) Distribution network: 308.909 Kms, Procured: 250.000 Kms, Laid: 214.808 Kms, Tested: 5.820 Kms.
- 3) HSC: 78,024 Nos, Procured: 31,000 Nos of Connections Given: 21,104Nos.

(Rs. In Crores)

Project	LOA Date	O&M Phase	Status of Completion (in %)	Project cost including O&M	GOI Share	GoAP Share	ULB Share includes O & M		Expenditure
							14 th Fin Commission	ULB Fund	
AMRUT Water Supply	14-11-17	07 years	40	153.18	37.83	22.7	70	22.65	38.5

- B) **Name of the work:** Investigation, Survey, Design and Execution of "Replacement of pipelines and proposed house service connections for water supply project for the 2nd year investment plan under AMRUT with 2 year's defect liability period under EPC system.

Project Cost (including O&M): 75.16Cr.

Agency: M/s. NCC Limited, Hyderabad.

LOA Date: 18-11-2017,

Target date of Completion: 13-12-2019

Components:

- 1) Gravity main: 1000 DI K7 - 5.820 Kms, Procured: 5.820 Kms, Laid: 4.766 Kms, Tested: 0.582 Kms.
- 2) Gravity main: 800 DI K7 - 4.575 Kms, Procured: 4.575 Kms, Laid: 4.419 Kms, Tested: Nil.
- 3) Distribution network: 37.917 Kms, Procured: 28.000 Kms, Laid: 25.936 Kms, Tested: Nil.
- 4) HSC's: 24,892 Nos, Procured: Nil, No's Given: Nil.

(Rs. In Crores)

Project	LOA Date	O & M Phase	Status of Completion (in %)	Project cost including O&M	GOI Share	GoAP Share	ULB Share includes O & M		Expenditure
							14 th Fin Commission	ULB Fund	
AMRUT Water Supply	18-11-2017		74	75.16	16.85	9.88	25	23.43	45


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

DETAILS OF THE PROJECTS FOR WHICH FUNDS ARE BEING RAISED

A. Background

1. Visakhapatnam, also known as VIZAG, is the largest city of Andhra Pradesh in India, both in terms of area and population. It is the administrative headquarters of Visakhapatnam district. The total area of the city at present is about 625 sq.km. Visakhapatnam is being developed as a Smart City under the Smart Cities Mission of Government of India.
2. The city has the advantage of connectivity, infrastructure and demographics. Visakhapatnam is considered as the economic and industrial capital of the state. The City has evolved into a major port city over the decades. The City is rapidly developing due industrialization, employment and education opportunities.
3. The Greater Visakhapatnam Municipal Corporation (GVMC) consists of the Municipal Corporation of Visakhapatnam, 32 peripheral areas and the erstwhile Gajuwaka, Bheemunipatnam and Anakapalli Municipalities.

B. Urban Water and Sewerage Scenario in Visakhapatnam

1. GVMC is responsible for providing basic municipal services to the City. This includes supply of potable water and treatment of wastewater for the city.
2. The existing surface major sources of raw water to GVMC are River Godavari and various reservoirs in vicinity of city. GVMC is supplying about 305 MLD water to Visakhapatnam, which includes an agreed quantity to Bulk Consumers (including industries). The City faces water stress considering the decreasing water availability in its major sources, thereby impacting the availability and frequency of water supply for domestic consumption. On the other hand, the sewerage system covers majorly old Vishakhapatnam city area. The city thus requires sewerage infrastructure to improve the services in uncovered areas.
3. There are Sewage Treatment Plants (STP) and Mini STP's existing in the city. The prominent STPs include:

a) Appughar	- 25 MLD
b) Laxmi Talkies	- 38 MLD
c) Mudasarlova	- 13 MLD
d) Narava	- 108 MLD
4. It is proposed to cover the uncovered areas of Pendurthi, Gajuwaka and Malkapuram under the present Project. These areas need to be served by sewerage infrastructure comprising of sewerage system including household service connections.

C. Development of Sewerage System and Waste Water Treatment System for supply of recycled water to industries in Visakhapatnam:

1. The Project is structured to create value from the urban sewage / waste water by further treatment that can satisfy appropriate water demands, and thus can free considerable amounts of water and thus form a sustainable approach for smart urban development.
2. As the economic significance of Visakhapatnam lies in the presence of many Industries, and their respective water requirements for routine operations, it is proposed to treat and reuse Recycled Water for usage by industries in the vicinity. This would bring in social, economic and environmental sustainability in development of the City.
3. An integrated development approach is thus considered in project planning and development. The project aims for the following:
 - a) Enhancing the sewerage infrastructure cover area in the city
 - b) Increase in sewage disposal in GVMC area


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

- c) Usage of Recycled Water by Industries
- 4. The Project considers laying sewerage infrastructure covering the following areas in the City:
 - a) Pendurthi
 - b) Gajuwaka
 - c) Malkapuram
- 5. It is expected to treat about 108 MLD sewage / waste water in the existing Sewage Treatment Plant (STP) at Narava.
- 6. Upon further treatment, it is expected to cater about 70-80 MLD Recycled Water requirement of the Industries for their usage.
- 7. The project comprise of the following:
 - a) About 700 km of sewerage collection network and providing 60,000 House Service Connections in Pendurthi, Gajuwaka and Malkapuram areas.
 - b) Construction of sewerage pumping station (SPS) and conveyance mains for sewage to treatment plant
 - c) Treatment of about 108 MLD sewage collected from the catchment areas.
 - d) Construction of Waste Water Treatment Plant along with additional treatment facility for production of required quality of water and conveyance mains of Recycled Water to industries
 - e) The overall project scheme is provided in figure below:

D. Project Implementation:

1. It is proposed to carry out the overall development of the project in a period of about 3-3.5 years in a packaged manner.
2. The Package – 1 of the project comprises of the following:
 - a) 226 km sewerage collection network to be laid in Pendurthi
 - b) About 15,000 House Service Connections (HSCs) to be provided
 - c) Restoration of Trenches/Roads
 - d) Operationalizing existing 108 MLD Narava STP
 - e) Construction and Operationalizing of Waste Water Treatment Plant (WWTP) and additional treatment required for producing about 46 MLD RO Water, with O&M for 15 years
 - f) Conveyance of Recycled Water to Industries viz., Rashtriya Ispat Nigam Limited RINL (Visakhapatnam Steel Plant) and Hindustan Petroleum Corporation Limited (HPCL) i.e. Door step delivery

The Package-1 is proposed to be implemented in a period of about 2.5 years.

The estimated project cost of package – 1 is about Rs. 412 Crore.

3. The balance works including sewerage system and conveyance system for Malkapuram and Gajuwaka, additional modules of Wastewater Treatment Plant and Recycled Water Conveyance mains to industries would be carried out successively in Package-2.
4. The Project would be implemented by the Smart City Special Purpose Vehicle (SPV) of GVMC i.e. Greater Visakhapatnam Smart City Corporation Limited (GVSCCL). This SPV is owned by the Government of Andhra Pradesh and the GVMC in 50:50 ratio and is governed by it's board of directors.

E. Project Impacts:

The following impacts of the Project are envisaged:


 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

1. Integrated Development Approach in planning and development provides a holistic solution to the City
2. The water saved by usage of Recycled Water by industries will be used to meet the freshwater requirements of the city for various purposes
3. Usage of Recycled Water would ease Water Management mechanism at City level and thereby may result in enhanced provision of water to various industries
4. Reduction in Water Stress due to ready availability of assured Recycled Water to the industries
5. Provision of adequate sewerage infrastructure in GVMC area i.e. Pendurthi, Malkapuram & Gajuwaka
6. Substantial increase in safe sewage disposal in GVMC area
7. Conservation of water due to reuse of treated sewage
8. Serve Civic requirements for Total Sanitation and meeting "Swachh Bharat" Goals
9. Leveraging environmental sustainability by utilization of waste water
 - a. Improvement of surface and ground water quality
 - b. Reduction in Health Cost

Estimated cost and Funding Pattern:

Package – 1 project cost is Rs. 412 Crs. This project cost will be financed with Rs. 150 Cr from GVMC to GVSCCL and the balance Rs.262 Cr will be obtained as term loans from bank(s) by GVSCCL.

Proceeds from issue of Municipal Bonds will be used towards meeting Rs. 150 Cr contribution from GVMC to GVSCCL as Equity/Equity Equivalent. In this regard Government of Andhra Pradesh has issued its approval vide G.O. Ms. No. 130 of MA&UD (UBS) Department dated April 18, 2018.

An investment plan for the Project components indicating phasing as well as financing approved by the local authority or the agency as the case may be:

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

GENERAL ABSTRACT OF COST		
S.No.	Component	Amount (Rs. Cr)
A	Base Engineering Cost including 1st year O & M	339
	Soft Cost incl. IDC, DSRA and TA fee	73
	Total Project Cost	412

Financing of the Project and Capital structure relating to Projects for which funds are proposed to be mobilized:

S. No.	Description	Total Amount (Rs. in Crores)
1)	Capital Expenditure including 1 st year O & M	412.00
2)	GVMC Contribution	150.00
3)	External Borrowing (Loans)	262.00
	Total Outflow	412.00

The program manager for the project is Andhra Pradesh Urban Infrastructure Asset Management Ltd.


Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

Schedule of Implementation of Project: Tender Awarded on 24/10/2018 to TATA Projects Ltd., starting the ZERO Date for Project

Task Name		Duration	Month																																	
ID	Task Name	Duration	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				
1	Transfer of land, Geotechnical investigations, Design and Erection, Approval of the same from Competent Authority.	5	█																																	
2	Procurement of Pumps	15		█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
3	Laying of Pipes through construction of Manholes, man manholes, water shafts, etc. (demerits in terms of laying of construction etc. complete)	28			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
4	Final Rectification	24																																		
5	Flow / Pressure Testing of Sewer Mainline	21																																		
6	Repeating Manhole Inside Connections (MIC)	10																																		
7	Commissioning of Manhole Calculation Station	20																																		
8	Installation of Electric Metering Works, installation of electrical panel, Supply and installation of pumps at 10 locations, laying of submersible, installation of submersible pumps at 10 locations etc.	25																																		
9	Manhole CIP - Completion of Construction work	5																																		
10	Manhole CIP (completion) Completion of finishing work of existing 100 nos CIP and structural works of structural construction etc.	20																																		
11	Construction of 60 Nos Modular Water Treatment Plant (60 nos 100 gpd)	28																																		
12	Construction of - internal main, storm water main, street lighting, Plantation etc. in 10 nos STP	22																																		
13	Construction of - plant building, Administration block, laboratory etc. 10 nos STP	22																																		
14	Construction of Product water tanks, Aeration tank and laying of Concrete Main for 10 nos STP including slurry channel and higher crossing	38																																		
15	Final installation and commissioning of Product Water Purge plant (10 nos Internal tanks)	35																																		
16	Finalization of Project Main from Executive Board Installation to Manhole CIP including necessary structural arrangements in STP, Installation and commissioning of Plantation	30																																		
17	Commissioning and Trial Run of WTP, 10 & 60 Nos Internal Water Purging Subunits	5																																		
18	Start of Product Water supply to industries by pipeline																																			

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

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

There is no capital grant for the Project and the amount required for the Project is proposed to be met from GVMC contribution and external borrowings by GVSCCL as mentioned above.

Details of State Finance Commission Grant on annual basis:

There is no State Finance Commission Grant available for this project.

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

As mentioned in schedule of implementation of Project.

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

S. No.	Name of works	Approvals	G.O. Details	Tendering Approval
1	Investigation, Survey, Design, Construction & Commissioning of sewerage collection and conveyance system in Pendurthi area including construction and commissioning of Waste Water Treatment Plant Tertiary treatment of output capacity of 46 MLD on open technology with operation and maintenance for 15 years (including DLP of 2 years) in Visakhapatnam under Engineering procurement and construction (EPC) Turnkey for Package – 1 of the project	Administrative Sanction accorded by Chairman, GVSCCL on 16.03.2018 The technical sanction has been accorded by Chief Engineer, GVMC on 17.03.2018 The approval of Technical Committee – 1 for Scope, Deliverables, Internal Benchmark (IBM) received on 21.03.2018	G.O.Rt.No.546 MA&UD (UI) Dept., Dt: July 26, 2017	G.O.Ms.No.130 MA&UD (UBS) Dept., Dt: April 18, 2018
Approval for Borrowing				
1.	Administrative Sanction dated 16.03.2018			
3.	The Government of Andhra Pradesh vide its order G.O. Ms. No. 255 of MA&UD (UBS) Department date August 06, 2018 approved to raise Municipal Bonds for the project			

Financial viability of the Project showing the stage wise cost and revenue flows for the Project:

The Project is of a revenue generating nature and is expected to start earning revenues from 36 months from the project work start date.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Revenue generation/ resources and sufficiency for timely servicing and redemption:

The bonds issued under this Information Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism of Free Property tax, Vacant Land Tax and Bulk Water Supply Charges revenue (Free from any charge) collected by and due to GVMC will be deposited every month in a separate no-lien escrow account for debt serving of bonds. Please refer to Annexure I for detailed Structured Payment Mechanism.

In order to ensure timely servicing and redemption, the GVMC shall establish three accounts solely for the purpose of servicing the debt. The Debt Service Reserve Account shall be established with a deposit such that at any point of time the DSRA holds an amount equivalent to 2 semi-annual interest payments. The Interest Payment Account shall be opened where GVMC shall deposit an amount mentioned in Schedule I towards interest every month. To ensure adequacy of funds for redemption of bonds, a Sinking Fund Account shall be opened where an amount mentioned in Schedule-I shall be deposited.

Details of the independent trustee of the escrow account:

Not applicable.

Latest Audit report of the escrow and Project account by a firm of chartered accountants appointed by the concerned State Urban Development Departments from a panel of CA's approved by the C& AG:

Not applicable.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

KEY FINANCIAL AND OPERATIONAL PARAMETERS

ABRIDGED BALANCE SHEET

(Rs. in crores)

Particulars	Financial year (Audited)			
	2014-15	2015-16	2016-17	2017-18
LIABILITIES				
Reserve & Surplus				
Municipal (General) Fund	1619.26	1539.20	1313.43	1215.59
Earmarked Funds	6.17	7.23	7.32	6.19
Reserves	13.06	21.18	928.58	949.13
Total Reserves & Surplus	1638.50	1567.61	2249.34	2170.90
Grants, Contributions for specific purposes	1145.67	1319.86	554.45	589.67
Loans				
Secured Loans	347.73	322.07	247.81	230.28
Unsecured Loans	0.00	0.00	0.00	0.00
Total Loans	1493.40	1641.92	802.26	819.95
Current Liabilities and Provisions				
Deposits Received	69.12	77.32	95.96	108.84
Deposit works	4.55	4.69	4.69	4.69
Other Liabilities (Sundry Creditors)	360.57	400.70	465.42	419.47
Provisions	0.00	0.00	0.00	0.00
Total Current Liabilities and Provisions	434.24	482.72	566.07	533.00
TOTAL LIABILITIES	3566.13	3692.24	3617.67	3523.86
ASSETS				
Fixed Assets				
Gross Block	2464.21	3071.93	3653.75	3769.17
Less: Accumulated Depreciation	0.00	0.00	0.00	0.00
Net Block	-1235.94	-1379.17	-1648.82	-1916.72
Capital Work-in-Progress	0.00	0.00	0.00	0.00
Total Fixed Assets	2731.23	2751.96	2725.98	2607.98
Investments				
Investment – General Fund	36.37	15.13	2.40	54.99
Investments – Other Funds	0.00	0.00	0.00	0.00
Total Investments	36.37	15.13	2.40	54.99
Current Assets, Loans and Advances				
Stock in Hand (Inventories)	0.00	0.00	0.00	0.00
Sundry Debtors (Receivables)	474.13	542.49	608.14	637.58
Gross amount outstanding	0.00	0.00	0.00	0.00
Less: Accumulated provision against bad & doubtful Receivables	0.00	0.00	0.00	0.00
Net amount outstanding	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	0.00	0.00
Cash and Bank Balances	305.22	365.00	257.35	166.97

H/O
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Particulars	Financial year (Audited)			
	2014-15	2015-16	2016-17	2017-18
Loans, advances and deposits	12.35	0.00	14.86	34.11
Less: Accumulated provision against Loans	0.00	10.74	0.00	0.00
<i>Net Amount outstanding</i>	0.00	0.00	0.00	0.00
Total Current Assets, Loans & Advances	791.70	918.24	880.35	838.67
Other Assets	6.82	6.91	8.93	22.23
Miscellaneous Expenditure (to the extent not written off)	0.00	0.00	0.00	0.00
TOTAL ASSETS	3566.13	3692.24	3617.67	3523.86

** Total Loan includes grant amount also.


 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

INCOME & EXPENDITURE ACCOUNT

(Rs. in crores)

Major Head of Account Particulars	Financial year (audited)			
	2014-15	2015-16	2016-17	2017-18
Income				
Tax Revenue	244.58	263.95	285.67	265.73
Assigned Revenues & Compensation	72.47	113.16	75.24	102.59
Rental Income from Municipal Properties	7.20	7.58	8.96	8.32
Fees & User Charges	220.49	209.86	320.77	358.49
Sale & Hire Charges	0.05	0.01	0.01	0.01
Revenue Grants, Contributions & Subsidies	3.36	0.00	0.00	0.00
Income from Investments	11.87	33.56	11.28	5.53
Interest Earned	14.09	16.37	15.80	25.94
Other Income	5.96	6.58	17.95	77.21
Total – Income	580.08	651.06	735.68	843.83
Expenditure				
Establishment Expenses	175.88	198.97	228.80	243.19
Administrative Expenses	14.93	21.18	24.13	25.72
Operations & Maintenance	265.49	330.46	377.91	365.58
Interest & Finance Charges	40.97	30.91	28.03	21.10
Programme Expenses	5.12	6.38	15.27	18.18
Revenue Grants, Contributions & subsidies	0.00	0.00	0.00	0.00
Provisions & Write off	0.00	0.00	0.00	0.00
Miscellaneous Expenses	0.00	0.00	17.66	0.00
Depreciation	119.15	143.23	269.65	267.90
Total – Expenditure	502.38	587.90	674.14	673.78
Gross surplus/(deficit) of income over expenditure before depreciation and Prior Period Items	77.69	63.17	61.54	170.04
Add: Prior period Items (Net)	0.00	0.00	0.00	0.00
Gross surplus/ (deficit) of income over expenditure after Prior Period Items	77.69	63.17	61.54	170.04
Depreciation	119.15	143.23	269.65	267.89
Less: Transfer to Reserve Funds	0.00	0.00	0.00	0.00
Net balance being surplus/ deficit carried over to Municipal Fund	-41.45	-80.06	-225.76	-97.85

H.O

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature]


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

CASH FLOW STATEMENTS

(In Rs.)

Particulars	Financial Years			
	2014-15	2015-16	2016-17	2017-18
A. Cash flows from Operating Activities:				
Gross surplus/(deficit) over expenditure	(4145,37,371.00)	(8006,44,537.00)	(22576,42,971.00)	(9813,83,074.50)
Add:				
Depreciation/ Misc Exp Written Off	11914,72,896.00	14323,06,433.00	28730,80,434.00	26789,56,157.05
Interest & finance expenses & Misc Exp	4096,80,528.00	3090,76,580.00	2802,88,929.00	2110,49,173.00
Less:				
Interest Earned	1408,94,557.00	1636,86,212.00	1580,19,287.00	2594,09,034.00
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	10457,21,496.00	7770,52,264.00	7377,07,105.00	16492,13,221.55
Changes in current assets and current liabilities				
(Increase) / decrease in Sundry debtors	(4199,23,031.00)	(6836,57,244.82)	(6564,66,062.00)	(2944,02,930.00)
(Increase) / decrease in other current assets	3214,86,399.00	152,56,952.00	(614,23,428.00)	(3254,43,625.00)
(Decrease)/ increase in Deposits received	349,36,406.60	819,98,464.00	1864,48,191.00	1287,80,893.00
(Decrease)/ increase in other current liabilities	13171,23,027.40	4028,04,665.04	6471,14,587.00	(4594,62,349.00)
Net cash generated	22993,44,298.00	5934,55,100.22	8533,80,393.00	6986,85,210.55


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Particulars	Financial Years			
	2014-15	2015-16	2016-17	2017-18
from/ (used in) operating activities (A)				
B. Cash flows from Investing Activities				
(Purchase) of fixed assets & CWIP	(10589,08,310.00)	(2073,22,994.44)	2598,12,156.00	11800,21,114.30
(Increase)/ Decrease in Investments	134,95,027.00	2123,91,249.95	1273,25,484.00	(5258,78,634.00)
Increase / (Decrease) in Special Funds/Grants/ Loans	17316,56,949.00	14851,91,648.00	(83966,12,462.00)	1769,08,436.00
Increase / (Decrease) in Reserves & Capital Contributions	(20817,73,839.00)	(13405,65,557.40)	62018,74,425.00	(24848,03,192.05)
Net cash generated from/ (used in) investing activities (B)	(13955,30,173.00)	1496,94,346.11	(18076,00,397.00)	(16537,52,275.75)
C. Cash flows from Financing Activities				
Add:				
Interest Earned	1408,94,557.00	1636,86,212.00	1580,19,287.00	2594,09,034.00
Less:				
Finance expenses	4096,80,528.00	3090,76,580.00	2802,88,929.00	2110,49,173.00
Net cash generated from (used in) financing activities (C)	(2687,85,971.00)	(1453,90,368.00)	(1222,69,642.00)	483,59,861.00
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	6350,28,154.00	5977,59,078.33	(10764,89,646.00)	(9067,07,204.20)
Cash and cash equivalents at beginning of period	24172,20,587.05	30522,48,741.05	36500,07,819.38	25735,18,173.38
Cash and cash equivalents at end of period	30522,48,741.05	36500,07,819.38	25735,18,173.38	16668,10,969.18

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

The financial information regarding the Corporation can be obtained from following link;

<http://www.gvmc.gov.in/wss/thirdlevel.htm>

FINANCIAL PARAMETERS

(Rs. in crores)

Key Financial Figures	FY 15-16	FY 16-17	FY 17-18
(A) Revenue Income	633.96	732.01	843.32
(B) Revenue expenditure(Excl. Interest & Depreciation)	556.72	644.53	652.41
(C) Operating revenue Surplus -(A-B)	77.24	87.48	190.91
(D) Interest expense	30.90	28.03	21.10
(E) Principal repayment (outside sinking Fund)	-	-	-
(F) Contribution to Sinking fund	71.74	78.23	55.02
(G) Revenue Surplus-(C+D-E-F)	36.40	37.28	156.99
(H) Capital Income	35.70	(72.29)	(283.38)
(I) Capital Expense	(20.73)	25.98	118.00
(J) Capital Surplus- (H+I)	56.43	(98.27)	(401.38)
(K) Overall Surplus -(G+J)	92.83	(60.99)	(244.39)
(L) Deposits and Advances (net)	8.20	18.64	12.88
(M) Initial Cash/Bank balance	305.22	365.00	257.35
(N) Change in Cash/Bank balance	59.78	(107.65)	(90.75)
(O) Final Cash / Bank Balance-(M+N)	365.00	257.35	166.60
(P) Loan repayment from sinking fund	44.44	113.13	27.66
(Q) Initial Sinking fund Balance	107.69	106.14	17.36
(R) Change in sinking fund	(1.55)	(88.78)	0.04
(S) Final sinking fund balance-(Q+R)	106.14	17.36	17.40
(T) Total Debt	322.07	247.81	230.28
(U) Total Expenditure	587.62	672.56	673.51
(V) Total Revenue	633.96	732.01	843.32
(W) Ratio of Total Expenditure/ Total Revenue	0.93	0.92	0.80
(X) Cash Surplus / Total Revenue-	0.15	(0.08)	(0.29)
(Y) Ratio of Debt Service / Total Revenue	0.07	0.15	0.03


Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

THE GREATER VISAKHAPATNAM MUNICIPAL CORPORATION
RECEIPTS & PAYMENTS ABSTRACT
FOR THE PERIOD FROM 01.04.2018 TO 30.06.2018

(Amount in Rs.)

SL.NO.	HEAD OF ACCOUNT	ORDINARY			
		OPENING BALANCE	RECEIPTS	EXPENDITURE	CLOSING BALANCE
	Opening Balance	2,219,618,918			
A.	General Account		1,570,168,129	163,687,771	
B.	Deposits & Advances		-	188,708,669	
C.	City Planning		467,496,467	20,934,688	
D.	City Engineering		32,724,816	310,438,823	
E.	City Project		-	10,934,061	
F.	City Lighting		-	162,956,020	
G.	Vizag Public Health		65,673,286	591,488,480	
H.	Vizag Water		522,665,222	392,740,242	
I.	Parks Leisure and Cemeteries		-	18,000,611	
J.	U C D Project		-	12,531,369	
K.	Education		-	24,496,708	
GRAND TOTAL			2,658,727,920	1,896,917,442	
SL.NO.	HEAD OF ACCOUNT	CAPITAL			
		OPENING BALANCE	RECEIPTS	EXPENDITURE	CLOSING BALANCE
	Opening Balance	-			
A.	General Account		-	36,714,915	
B.	Deposits & Advances		463,433,930	367,122,673	
C.	City Planning		10,762,060	5,506,238	
D.	City Engineering		362,211,350	505,511,893	
E.	City Project		-	538,089,731	
F.	City Lighting		-	37,957,375	
G.	Vizag Public Health		-	6,424,348	
H.	Vizag Water		38,570,852	22,362,753	
I.	Parks Leisure and Cemeteries		-	8,673,594	
J.	U C D Project		371,993,015	364,986,040	
K.	Education		-	7,036,315	
GRAND TOTAL			1,246,971,207	1,900,385,875	2,328,014,728
ABSTRACT					
OPENING BALANCE		2,219,618,918			
	RECEIPTS	AMOUNT	EXPENDITURE	AMOUNT	CLOSING BALANCE
	ORDINARY	2,658,727,920	ORDINARY	1,896,917,442	
	CAPITAL	1,246,971,207	CAPITAL	1,900,385,875	
	Grand Total	3,905,699,127		3,797,303,317	2,328,014,728

HNO

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature]

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Operational Parameters

Details of top 5 revenue sources for last years

(In Rs.)

Revenue Receipts Type	Actual	Actual	Actual
	FY 2015-16	FY 2016-17	FY 2017-18
Tax Revenue	263,95,13,993	285,66,67,316	265,72,72,169
Fees and User Charges	209,52,55,030	320,77,22,654	357,99,96,700
Assigned Revenues & Compensations	113,15,93,320	75,23,89,029	102,58,81,897
Interest Earned	16,36,86,212	15,80,19,287	25,94,09,034
Rental Income from Municipal Properties	7,57,56,666	8,95,66,073	8,31,94,386

Details of property tax collection

(Rs. in crores)

Particulars	Demand Raised			Collections (Cash Basis)	Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Total		
Financial Year 2016	186.07	188.72	374.80	179.24	47.82	73.12
Financial Year 2017	195.55	201.05	396.61	175.90	44.35	75.54
Financial Year 2018	220.70	221.34	442.04	185.40	41.94	71.11

Note: Demand includes private properties, State Government properties, State/Central PSU's and Railways

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 MoUD and authorities concerned


GVMC has taken various steps to provide better governance to people making / adopting Information Technology as one of the means. People can now use online platform of the GVMC for various functions including self-assessment of property tax, applying for new trade license, applying for no objection certificates, etc. Use of IT in providing various services not only provides better and timely services to citizens but also enhances transparency, reduces need to visit municipal offices. GVMC also has official twitter handle to update citizens about various developments. Under e-governance, GVMC has developed various web and mobile applications like GVMC App. Details of the major e-governance initiative are provided below:

i) GVMC Mobile App

GVMC has launched its Mobile App (Smart Vizag App) for registering citizen's grievances, which is linked to the Grievance Management portal of GVMC, where grievances can also be registered through Web (<https://gvmc.gov.in>).

A fast and user-friendly interface has been provided for registering and tracking of grievance through mobile phones. Each grievance will be provided a unique reference number. Citizen can use this reference number to track progress of grievances, send reminders & also for giving feedback after disposal. After successful registration, the reference will be automatically forwarded to the concerned officer for redressal.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation 41
Visakhapatnam

(ii) **GVMC Corporate Social Responsibility (CSR)**

BALYAM

GVMC AS A PART OF CORPORATE SOCIAL RESPONSIBILITY HAD IMPLEMENTED BALYAM-CHILDHOOD DEVELOPMENT PROGRAMME AND THE DETAILS OF THE PROGRAM ARE AS FOLLOWS.

It is a school readiness programme for 3 to 5 years age children. The Child is given freedom to do and to learn what he likes. As far as Balyam is concerned, "love is the language and play is the method". Hence the Balyam should be called as the Second home of the Child. The programme was targeted to implement in all the 72 division of the city one per each ward and so far, 61 Centers were started.

A total No. of 61 Centers consisting 1952 children and functioning well in progress, each center accommodated by one Teacher and one Aaya. Out of Six Zones Five Supervisors are Working.

The above Students were admitted into the First Standards in the respective G.V.M.C. Primary Schools. This is a significant achievement which would not have been happened without these centers. So far, 6058 children have been enrolled in to our G.V.M.C. Primary Schools from G.V.M.C. Balyam Centers. There is an ample evidence demonstrating the Quality Improvement at the Primary Level among the students who have had Pre School Education at Balyam Centers

Per Month Expenses on Salaries: Rs 8,30,138/-

Per Year as on Dt: 06/12/2018 : Rs.99,61,656/-

No of Balyam Students – 1952,

Mid-day Meal cost (varies as per the attendance) Rs.4,00,000/-

VIDYAA SHREE

FURTHER GVMC AS A PART OF CORPORATE SOCIAL RESPONSIBILITY HAD ALSO IMPLEMENTED VIDYAA SHREE (STUDENT MENTORING PROGRAMME) AND THE DETAILS OF THE PROGRAM ARE AS FOLLOWS.

"VIDYAA SHREE" Support to Poor and Meritorious Students for further college education to the underprivileged students, who are studying in Greater Visakhapatnam Municipal Corporation Schools & who have higher aims and aspirations, dreaming about a promising future. This Programme is dedicated to bring socio economic change in the underprivileged families through education. It provides free education to the Intermediate / Polytechnic course with the help of the donors.

"Vidyaa Shree Programme provides Intermediate /Polytechnic Education to the Poor and Meritorious Students of GVMC. These are all Economically Poor but Educationally Meritorious students who displayed Zeal and enthusiasm for pursuing higher Education to build their career.

(iii) **e-OFFICE,**

GVMC was one of the earlier civic body in the country to have implemented the e-Office in a comprehensive manner. The GVMC has become important contributor to the National e-Government Programme through eOffice. The eOffice has facilitated enhanced transparency, accountability, assured data security and data integrity, and above all provided a platform for reinventing and re-engineering the government. It brought in accountability and reduced indecisiveness. Status of documents / files can be checked over net by authorities concerned even when the concerned person holding them is on leave which used to be long pending in earlier times.

H/o
Commissioner
Greater Visakhapatnam
Municipal Corpor.
- Visakhapatnam

[Signature]
Special Officer⁴²
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

(iv) **Digitalization of physical files/records in GVMC,**

GVMC has digitized most of the old & new files in electronic mode. Due to digitalization of most of the files, the GVMC has become the one of the earliest Civic Body in the country to have implemented eOffice and become important contributor to the National e-Government Programme through Digitization. Post digitization of the files their disposal rate has increased. Digitization of all new and old physical files have also helped GVMC in is implementing eOffice successfully.

(v) **REFORMS ON DOUBLE ENTRY ACCOUNTING SYSTEM**


The Accrual Based Double Entry System of Accounting in GVMC is introduced with effect from 01.04.2009. The Opening Balance Sheet of GVMC as on 01.04.2009 is prepared as per the AP Municipal Accounting Manual. The Financial Statements of GVMC from the Financial Year 2009-10 are being prepared as per Accrual Based Double Entry System of Accounting. The Budget of GVMC is also being prepared as per AP Municipal Accounting Manual which is in line with National Municipal Accounting Manual.

REFORMS ON PROPERTY TAX COLLECTION

- As a part of major innovations and initiatives like Swacha Bharat, Digital India and Smart Cities etc. of the Government of India, the GVMC has taken up the Research and Development Project on Generation of Digital Data and GIS Base Maps on Urban Property and Settlements in Zone-2 of GVMC initially as a model and later the Govt. of Andhra Pradesh has also been taken of GIS Survey in all Urban Local Bodies.
- 100% Survey of Properties for un-assessed & under assessed
- Cross Verification with EPDCL Data, Commercial Water supply Connections, and D& O Trade licensed properties, for improvement of revenue resources
- Special drive for levy of VLT by collecting information from the Registration Department
- Revision of Monthly rental values: A Survey has been conducted to gather 20% of rental values from different localities and different categories of usages and structures, and proposal were already submitted to the Municipal Tax Board, Govt. of Andhra Pradesh to accord permission to proceed further.

Solid Waste management programs are as below:

GVMC has started to segregate the wet waste from dry waste. Wet waste is being used for conversion to compost which is in turn used by horticulture dept. Currently, Dry waste is being dumped in the designated dump yards. GVMC is also constructing a 30 TPD plant for Production of Bio-Gas at Kapuluuppada. Waste to electricity plant for 15 MW is also under construction. All these efforts and other continuous activities are likely to yield good results in the near future.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

DETAILS OF ISSUER'S OUTSTANDING BORROWING

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

Total borrowings of the Issuer as on November 30, 2018 was approx. Rs. 208.48 crores.

II. Details of Secured Loan Facilities:-

There is a Rs. 50 Crore of Secured loan from ICICI bank, repayment of which is to start after one year from the disbursement date of September 2018.

Rs. in crores, as on 30th November 2018

Lender's Name	Type of facilities	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/schedule	Security
ICICI Bank	Secured	Rs. 50.00 crores amount Sanctioned and Rs. 30 Crores disbursed till now.	50.00	2.78% X 36 Quarterly Instalments with last instalment of 2.70% of the borrowed amount	Exclusive charge on land located at Narava and in Block 15 of Market Wards in GVMC limits
HUDCO	Secured	Rs. 100.00 crores amount Sanctioned and disbursed.	53.80	3.85 X 26 Half years	a)106.08 Acres of MGR WS Scheme, at Narava (V) b)3.00 Acres of Main Sewerage Form, GVMC
HUDCO	Secured	Rs. 70.00 crores amount Sanctioned and disbursed.	45.93	1.24 X 56 Quarterly	25 Ac of Water Works Land at Mudasara Lova
HUDCO	Secured	Rs. 70.00 crores amount Sanctioned and disbursed.	58.75	1.25 X 56 Quarterly	

III. Details of Unsecured Loan Facilities : NIL

IV. Details of NCDs/Bonds: -

Nil. The last bond issuance by GVMC was undertaken in 2010 for Rs. 30.00 Crores and it is completely redeemed. Since redemption of the previous bond issue, this is first issue of debentures by GVMC.

V. List of Top 10 Debenture Holders

Not Applicable.

**VI. The amount of charge created along with name of the counterparty (like name of the project etc.)
As per Point No. II in the page above**

Hro

**Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam**

[Signature]

Special Officer 44
**Greater Visakhapatnam
Municipal Corporation
Visakhapatnam**

VII. **Details of Commercial Paper:-** The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:-

Nil

VIII. **Details of Rest of Borrowings**

Nil

IX. **Estimated Scenarios of Asset Liability Mis-matches,**

As there is sufficient tax collection there does not seem to be any scenario of asset liability mismatch.

With respect to the repayment of debt and revenue generation, the Bonds are to be paid from the collection of Free Property Tax, Vacant Land Tax and Bulk Water Supply Charges Revenues of the GVMC. The current collections are sufficient to ensure the redemption of the Bonds. The Structured Payment Mechanism as mentioned in Annexure-I shall ensure that the funds deposited over period will be sufficient to service the Bonds.

X. **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 .**

Nil

XI. **An undertaking that the issuer has obtained lenders consent for creating escrow on revenues:**

Consent Taken.

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

There was no change in the terms and conditions of any issued any debt securities in the past 5 years.

XIII. **Details of any outstanding borrowings taken/ 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


XIV. **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 investor's decision to invest/ continue to invest in the debt securities.**

There does not seem to be any material event or development which will affect the investors' decisions to invest in these Bonds.

XV. **Rating and detailed Rating Rationale.**

For rating rationale and credit rating letters of IRRPL and CARE, please refer to Annexure II.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

XVI. Credit Enhancement Mechanisms, if any.

Please refer to Annexure I for structured payment mechanism.

XVII. The security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

The Bonds are not backed by a guarantee or letter of comfort from state government or any other party. However, the bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal along with exclusive charge on fixed assets of GVMC to the tune of 1.1 times of the borrowed amount. Please refer Annexure I for details structured payment mechanism.

XVIII. Escrow 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 Annexure-I for details of structured payment mechanism through escrow account.

XIX. Name of the Trustee and Consent thereof:

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, GVMC has appointed SBICAP Trustee Company Limited to act as Bond Trustee ("Bond Trustee") for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustee are as under:



SBICAP Trustee Company Limited

Apeejay House, 6th floor, 3, West Wing, Dinshaw Wachha Road,
Churchgate, Mumbai 400 020

Tel: +91-22-4302 5555

Facsimile: +91-22-2204 0456

Contact Person: Mr. Ajit Joshi (Company Secretary and Compliance Officer)

E-mail: corporate@sbicaptrustee.com

Website: www.sbicaptrustee.com

A copy of letter from SBICAP Trustee Company Limited conveying their consent to act as Bond Trustee for the current issue of Bonds is attached as Annexure III.

GVMC hereby undertakes that the rights of the Bondholders will be protected as per the governing Act, agreement/deed executed/to be executed between GVMC and the Bond Trustee. The Bond Trustee Agreement/Deed shall contain such clauses as may be prescribed under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further the Bond Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Bond Trustee or GVMC 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 GVMC for loss or damage caused by their act of negligence or commission or omission.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the 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 Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustees on behalf of the Bondholder(s) shall discharge the Issuer pro-tanto to the Bondholder(s). No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.

The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the 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 Trustees. The 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.

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

The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) segment of BSE Ltd. BSE shall be the designated stock exchange.

XXI. Penal interest payable by Municipal Corporation in case of delay in execution of Trust Deed and charge documents

In case of delay in execution of Trust Deed and Charge documents, the corporation will refund the subscription with agreed rate of interest or will pay penal interest of at least 2 % p.a. over the coupon rate till these conditions are complied with at the option of the investor.

XXII. 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.


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


In case of delay in listing of the Bonds no penal interest will be payable.

XXIV. Future Borrowings

The Issuer shall, as long as the financial covenants are met, be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds/ debentures or other securities in any manner with ranking on pari passu basis or otherwise, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

It is clarified that as long as both the financial covenants are met, the Issuer shall be entitled to borrow such further amounts against the Structured Payment Mechanism as necessary without any consent of the Bondholder(s). Further, in case the Issuer complies with financial covenant related to DSCR on Operating Surplus but does not comply with the other financial covenant, the Issuer shall without the consent of the Bondholder(s) be allowed to borrow further amount without recourse to the Structured Payment Mechanism.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Provided, however, no amount shall be borrowed by the GVMC without the consent of the Trustees, in case such borrowing is likely to result in breach of any covenant mentioned in Information Memorandum.

XXV. Other details

N.A.

XXVI. DRR/Sinking Fund

The Issuer shall create a Sinking Fund as mentioned in the Structured Payment Mechanism for redemption of the Bonds. Please refer to Annexure I for details.

XXVII. Issue/instrument specific regulations - relevant details

The governing Act provides borrowing powers to GVMC. The issue of Bonds is being made pursuant to Section 149 of the HMC Act, 1955. The present issue of Bonds is being made pursuant to Administrative Sanction dated 16.03.2018 and Government's order dated 06.08.2018. The Issuer can undertake the present issue of Bonds in light of above approvals and no further approval is required.

Section 149 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) making good any deficit in budget estimate, framed under Section 184;
- (d) Generally, carrying out the purposes of this Act.

Further in accordance with Section 168, any money borrowed by the Corporation from the Government, whether before or after the commencement of this Act, or any interest or costs due in respect thereof, be not repaid according to the conditions of the loan, the Government may attach the Municipal fund or any part thereof.

XXVIII. APPLICATION PROCESS

1. Who Can Apply

The categories of investors who are eligible to apply for the Bonds are mentioned in the Term Sheet of this Information Memorandum. However, the prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, RBI or any other statutory body from time to time.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer ⁴⁸
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

However, out of the aforesaid class of investors eligible to invest, this Information Memorandum is intended solely for the use of the persons to whom it has been sent by the Issuer for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Information Memorandum from the Issuer).

2. Documents to be provided by Investors

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

- Memorandum and Articles of Association/ Constitution/ Bye-laws/ Trust Deed;
- 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;
- Government Notification (in case of Primary Co-operative Bank and Regional Rural Banks);
- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

3. How to Apply

4. Who can bid / invest / apply?

This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at any of the designated collection centers, accompanied by details of remittance of the application money. The original Applications Forms (along with all necessary documents as detailed in this Information Memorandum), payment details and other necessary documents should be sent to the Corporate Office of the Bank directly/through respective Arrangers on the same day.

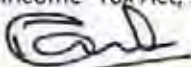
The payment should be made by electronic transfer of funds through RTGS mechanism for credit as per details given hereunder.

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.

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


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer 49
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

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 Summary Term Sheet and the Application Form.

XXIX. SETTLEMENT MECHANISM THROUGH CLEARING CORPORATION (TERMS OF PAYMENT)

- Payment shall be made in accordance with operational guidelines issued by BSE for, regarding 'Electronic Bidding Platform for Issuance of Debt Securities on Private Placement Basis'.
- Successful bidders must do the funds pay-in to the designated bank account of ICCL up to "Pay-In Time" in accordance with operational guidelines of BSE. Successful bidders should ensure to do the funds pay in from their same bank account which is updated by them in the BSE BOND - EBP Platform while placing the bids. In case of mismatch in the bank account details between BSE BOND – EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned back. Payment Bank Details are given in the Application Form.
- Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the ICCL's Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to the successful bidder.

Funds Settlement:

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL) by 10:30 am on T+1 day. The participants must ensure to do the funds pay-in from their same bank account which is updated by them in the BSE BOND (EBP) platform while placing the bids.

The Designated Bank Accounts of ICCL are as under:

- **ICICI Bank :**
Beneficiary Name: INDIAN CLEARING CORPORATION LTD
Account Number: ICCLEB
IFSC Code : ICIC0000106
Mode: NEFT/RTGS
- **YES Bank :**
Beneficiary Name: INDIAN CLEARING CORPORATION LTD
Account Number: ICCLEB
IFSC Code : YESBOCMSNOC
Mode: NEFT/RTGS


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer 50
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

➤ **HDFC Bank :**
 Beneficiary Name: INDIAN CLEARING CORPORATION LTD
 Account Number: ICCLEB
 IFSC Code : HDFC0000060
 Mode: NEFT/RTGS

For each issue, separate funds payment instructions should be given by the participants. Funds payment for each issue has to be initiated separately. The funds should not be clubbed for two different issues settling on the same day.

XXX. DATE OF ALLOTMENT

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including date of allotment, December 21, 2018, which shall be the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-pond/ postponed) by the Issuer at its sole and absolute discretion.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs. 10 lakhs	1 Bond and in multiples of 1-Bond thereafter	Face Value

XXXI. CREDIT TO DEMAT ACCOUNT

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant shall be done as per operational guidelines of BSE on EBP

XXXII. 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/ Depository Participants from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

XXXIII. DEPOSITORY ARRANGEMENTS

The Issuer has appointed Karvy Computershare Private Limited as the Registrar to the present Bond Issue. The Issuer will enter 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 thereunder. In this context, the Issuer will sign 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.


 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

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

Investors can hold the Bonds only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

XXXIV. PROCEDURE FOR APPLYING FOR DEMAT FACILITY

- a. Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- b. The applicant(s) must specify their beneficiary account number and Depository Participant's ID in the relevant columns of the Application Form.
- c. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.
- d. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrar to the Issue but the confirmation of the credit of the Bonds to the applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.
- e. 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 Issuer as on the Record Date. In case, the Beneficial Owner is not identified by the Depository on the Record Date due to any reason what so ever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the Beneficial Owner is identified by the Depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- f. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

XXXV. FICTITIOUS APPLICATIONS

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


XXXVI. MARKET LOT

The market lot will be one Bond ("Market Lot"). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

XXXVII. TRADING OF BONDS

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs.10 lakhs each. Trading of Bonds would be permitted in demat mode only in standard


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

denomination of Rs.10 lakhs 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.

XXXVIII. MODE OF TRANSFER OF BONDS

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his Depository Participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

XXXIX. BASIS OF ALLOCATION / ALLOTMENT

The Issuer reserves the right to reject any/all applications at its sole discretion, without assigning any reason whatsoever. The decision of GVMC in this regard will be final and binding on all the applicants and shall not be called into question, whatsoever.

XL. COMMON FORM OF TRANSFER

The Issuer undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Information Memorandum.

XLI. INTEREST ON APPLICATION MONEY

Not Applicable

No interest on Application Money will be paid in respect of applications which are rejected due to any reason.

XLII. 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 Depository Participant 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 at the sole risk of the Bondholders. 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 Depository Participant to the Registrar as on the Record Date.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam 53
Municipal Corporation
Visakhapatnam

XLIII. 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, interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

XLIV. 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 Bonds, the trading in the Bonds 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.

XLV. DEDUCTION OF TAX AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source out of Interest payable on Bonds.

Tax exemption certificate/declaration of non-deduction of tax at source, if applicable, on interest on Bonds or interest on application money should be submitted along with the Application Form. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s). In case of tax deducted at source, the Corporation will issue the TDS certificate to the investors.

XLVI. 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.

XLVII. REDEMPTION

The face value of the Bonds shall be redeemed at par, on the respective Redemption Dates. The Bonds will not carry any obligation, for interest or otherwise, after the Redemption Date. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered 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 on the Bonds until but excluding the date of such payment.

XLVIII. 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.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

XLIX. 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/Depository Participant 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/Depository Participant shall be adjusted.

The Issuer's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Issuer will not be liable to pay any interest or compensation from the Redemption Date. On the Issuer's dispatching/crediting the amount to the Beneficiary(ies) as specified above in respect of the Bonds, the liability of the Issuer shall stand extinguished.

L. 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.

LI. 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, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

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.

LII. WHO CAN APPLY

The following categories of investors are eligible to apply for this Issue of Bonds. However, the prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer 55
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Eligible Investors	Qualified Institutional Buyers ("QIBs")
	▪ Mutual Funds registered with SEBI;
	▪ Public Financial Institutions as defined in Section 2(72) of the Companies Act, 2013;
	▪ Scheduled Commercial Banks;
	▪ State Industrial Development Corporations;
	▪ Multilateral and Bilateral Development Financial Institutions;
	▪ Insurance Companies registered with the Insurance Regulatory and Development Authority;
	▪ Provident Funds ;
	▪ Pension Funds ;
	▪ National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
	▪ Insurance Funds set up and managed by army, navy or air force of the Union of India
	▪ Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013;
	▪ Statutory Bodies/ Corporations;
	▪ Cooperative Banks;
	▪ Regional Rural Banks;
	▪ Limited Liability Partnerships;
	▪ Trusts including Public/Private/Charitable/Religious Trusts;
	▪ Societies registered under the applicable laws in India and authorized to invest in Bonds;
	▪ Any other legal entities authorized to invest in Bonds, subject to compliance with the relevant regulations applicable to such entities.

LIII. WHO ARE NOT ELIGIBLE TO APPLY FOR BONDS

This Issue is not being offered to the following categories of investors and any application from such investors will be deemed an invalid application and rejected:

Non-Eligible classes of Investors	
	▪ Venture Capital Funds;
	▪ Foreign Nationals;
	▪ Minors without a guardian name;
	▪ Persons resident outside India;
	▪ Overseas Corporate Bodies;
	▪ Person ineligible to contract under applicable statutory/regulatory requirements;
	▪ Resident Individual Investors, Hindu Undivided Families through Karta, Non-Resident Indians

LIV. DOCUMENTS TO BE PROVIDED BY INVESTORS

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

- i) Memorandum and Articles of Association/Constitution/ Bye-laws/ Trust Deed;
- ii) Board Resolution authorizing the investment and containing operating instructions;

H/O

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature]

Special Officer 56
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

- iii) Power of Attorney/ relevant resolution/authority to make application;
- iv) Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- v) Government Notification (in case of Primary Co-operative Bank and RRBs);
- vi) Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- vii) Copy of a cancelled cheque for ECS payments;
- viii) Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

IV. HOW TO APPLY

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds issued by the Corporation. The document is for the exclusive use of the institution(s) to whom it is delivered and it should not be circulated/ distributed to third parties. This being a private placement issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at any of the designated collection centres, accompanied by the application money by way of cheque(s)/ demand draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. The original Applications Forms (along with all necessary documents as detailed in this Information Memorandum), pay-in slip and other necessary documents should be sent to the head office of the Issuer through respective arrangers on the same day.

Cheque(s)/ demand draft(s) will not be accepted. Money orders/postal orders will also not be accepted. The entire amount of issue price per Bond i.e. Face Value + Premium, if any on Issue) is payable on application. Applicants may make remittance of application money only by way of electronic transfer of funds only through RTGS/ fund transfer.

The payment to be made for subscription to securities shall be made from the bank account of the person/entity subscribing to such securities and the Corporation shall keep the record of the Bank account from where such payments for subscriptions have been received.


Provided that monies payable on subscription to securities to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application.

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.

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 Summary Term Sheet and the Application Form.


 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 Special Officer 57
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

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

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

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income -Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. Application Forms without this information will be considered incomplete and are liable to be rejected.

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

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

LVII. 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.

LVIII. APPLICATIONS 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 authorized signatories and the tax exemption certificate/ document, 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 the Registrar 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.

LIX. APPLICATION BY MUTUAL FUNDS

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

LX. ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money. However, the Arranger to the Issue receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

LXI. RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of funds till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to;

- a) Number of bonds applied for is less than the minimum application size;
- b) Applications exceeding the issue size;
- c) Bank account details not given;
- d) Details for issue of Bonds in electronic/ dematerialized form not given;
- e) PAN not given;
- f) In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

LXII. PAN

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

LXIII. 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.

LXIV. NOMINATION FACILITY

As per extant provisions of law, only individuals holding the Bonds as Sole/Joint holder of Bond can nominate, in the prescribed manner, a person to whom his/ their Bonds shall vest in the event of his/ their death. Non-individuals including holders of Power of Attorney cannot nominate.

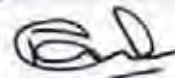
LXV. RIGHT OF BONDHOLDER(S)

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 provisions of VMC Act, the terms of this Information Memorandum and other terms and conditions as may be incorporated in the Bond/ Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

LXVI. MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

LXVII. FUTURE BORROWINGS

The Issuer shall, as long as the financial covenants are met, be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds/ debentures or other securities in any manner with ranking on pari passu basis or otherwise, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

It is clarified that as long as both the financial covenants are met, the Issuer shall be entitled to borrow the such further amounts against the Structured Payment Mechanism as necessary without any consent of the Bondholder(s). Further, in case the Issuer complies with financial covenant related to DSCR on Operating Surplus but does not comply with the other financial covenant, the Issuer shall without the consent of the Bondholder(s) be allowed to borrow further amount without recourse to the Structured Payment Mechanism.

Provided, however, no amount shall be borrowed by the GVMC without the consent of the Trustees, in case such borrowing is likely to result in breach of any covenant mentioned in Information Memorandum.

LXVIII. 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 ordinary post/ courier to the original/ sole/ first allottee of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

LXIX. JOINT-HOLDERS

Notwithstanding anything in Section 45 of the Indian Contract Act, 1872, when any debenture issued under the municipal 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 municipal 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.

LXX. 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 court of Visakhapatnam/Hyderabad, India.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

LXXI. PROCEDURE FOR DECIDING AND ADJUSTING PAYMENT DATES.

If the interest payment date falls on a holiday, the payment may be made on the following working day. However, the calculation of payment of interest will be only till the day prior to that holiday. Also, the dates of the future coupon payments would be as per the schedule stipulated in the Information Memorandum/ Term Sheet in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Please refer to Annexure-IV for an illustration for guidance in respect of the day count convention and effect of holidays on payments. Investors should note that this example is solely for illustrative purposes. We have not considered the effect of public holidays as it is difficult to ascertain for future dates.

LXXII. List of documents which have been executed/ will be executed in relation to the issue

- a) Copy of letter appointing Registrars
- b) Copy of letter appointing Trustees to the Bondholders.
- c) Copy of the Visakhapatnam Municipal Corporation Act, 1979 & the Hyderabad Municipal Corporation Act 1955)
- d) Administrative Sanction dated 16.03.2018,
- e) Government order dated August 8, 2018 authorizing GVMC to issue Bonds.
- f) Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.
- g) Application made to the BSE for grant of in-principle approval for listing of Bonds.
- h) Letter from BSE conveying their in-principle approval for listing of Bonds.
- i) Letter from CARE conveying the credit rating for the Bonds.
- j) Letter from IRRPL conveying the credit rating for the Bonds.
- k) Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialized form.
- l) Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.

LXXIII. INVESTOR RELATIONS AND GRIEVANCE REDRESSAL

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor's grievance within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection center where the Application was submitted, may be addressed to the Compliance Officer at head office of the Issuer. 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 are given elsewhere in this Information Memorandum. The Corporation has already got itself registered with the SCORES platform of SEBI for the convenience of the investors for filing of any complaint.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer 61
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

LXXIV. ANY OTHER DETAILS FOR THE INVESTORS

Nil

LXXV. Issue Details**DRAFT SUMMARY TERM SHEET**

Security Name	10% Greater Visakhapatnam Municipal Corporation 2028
Issuer	Greater Visakhapatnam Municipal Corporation (GVMC)
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, rated, listed, taxable, redeemable Non-Convertible Bonds
Issue size	Rs. 80 crore
Mode of Issue	Private placement of Municipal Bonds under SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015
Eligible Investors	Have been detailed in the Disclosure Document/ Invitation letter for the private placement made to the investor under section "Who Can Apply".
Listing	Proposed to be listed on the WDM Segment of Bombay Stock Exchange. The final listing approval shall be taken from the respective stock exchange within a maximum period of 15 (Fifteen) days from Deemed Date of Allotment.
Proposed Rating of Instrument	CARE AA(SO); Stable (Double A (Structured Obligation: Outlook Stable) by CARE and Provisional IND AA(SO) /Stable (Double A (Structured Obligation: Outlook Stable) by IRRPI.
Option to retain oversubscription	NA
Objects of the Issue	General obligation bonds for funding the GVMC contribution for the project of Development of Sewerage System in Visakhapatnam (Gajuwaka, Malkapuram and Pendurthi areas) and Supply of Treated Water to various industries in Visakhapatnam, to be undertaken by GVMC/GVSCCL.
Details of the utilization of the Proceeds	General obligation bonds for incurring Capital Expenditure (Capex) on projects by GVMC/GVSCCL as detailed above.
Coupon Rate	Fixed rate structure, Coupon will be decided as per investors' appetite based on Credit Rating, Structure, Security and the market scenario and shall be finalized near to the issue launch.
Step Up/Step Down Coupon Rate	N.A., fixed rate structure except the following Step up clause will be applicable in case of default/delay or rating downgrade or delay in adhering to various covenants, as may be decided
Coupon Payment Frequency	Half yearly from the Deemed Date of Allotment
Coupon payment dates	June 21 and December 21 every year
Coupon Type	Fixed
Coupon Reset Process	Reset clause will be applicable in case of defaults/delays or rating downgrade or delay in adhering to various covenants, as may be decided
Day Count Basis	Actual/ Actual
Interest on Application Money	At Coupon rate, will be paid to investors at coupon from date of realization of subscription money up to one day prior to Deemed date of Allotment.

Handwritten Signature
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Handwritten Signature
Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Tenor	10 years
Redemption Date	Staggered Redemption of 25% each of the Face Value, at the end of the 7 th , 8 th , 9 th and 10 th Year
Redemption Amount	At Par Value of 25% each at the end of the 7 th , 8 th , 9 th and 10 th Year
Rating downgrade Event	Lowering of the long term credit rating of the Debentures at any point of time during the currency of the NCDs.
Rating downgrade Interest	On occurrence of a Rating Downgrade Event, an additional coupon on the Debentures will be paid to the extent of 0.25% p.a., for every notch below assigned rating over & above the Coupon payable on Debentures.
Redemption premium	Nil
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per NCD
No. of NCD(s)	800 (Eight Hundred only)
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	N.A.
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	Rs.10,00,000/- (Rupees Ten Lakhs only) per NCD
Minimum Application size	Rs.10,00,000/- (Rupees Ten Lakhs only) (Minimum application is of 1 Debentures of face value of Rs.10 lakhs each and thereafter in multiple of 1 Debenture)
Proposed Issue Timing	Issue Opening Date: 21 st December 2018 Issue Closing Date: 21 st December 2018 Pay-in Date: 21 st December 2018 Deemed Date of Allotment: 21 st December 2018
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement Mode of the Instrument	Through ICCL Channel
Depositories	NSDL and CDSL
Business Days	Means a day (other than a Saturday, Sunday or a Bank holiday) on which banks are open for general business in Andhra Pradesh. If the due date for payment falls on a day that is not a Business Day, then the due date in respect of such payment shall be succeeding Business Day in case of interest payment and preceding day in case of redemption payment. In such a case, Interest shall be paid inclusive of such days falling as holidays.
Record Date	15 days prior to interest payment, staggered redemption date, and maturity date.
Security	Legally enforceable and tenable exclusive first charge over Fixed Assets (details mentioned in Annexure 3 hereunder) of the municipal corporation with minimum cover of 1.10 times of the total amount borrowed.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


	<p>The said security shall be created in favor of the Debenture Trustee within the regulatory time framework, the Deemed Date of Allotment of issue or such extended period as may be permitted by the relevant authority (ies). The security will be created by the Corporation as aforesaid in favor of the Debenture Trustee on such of the assets for which the Corporation obtains, after all due diligence and efforts, the requisite consents and permissions applicable under laws or in accordance with conditions of holding of such assets for creating the above mentioned charge. The creation of such security shall be sufficient compliance of the Corporation's obligation to create security.</p> <p>The Corporation will be at liberty from time to time during the continuance of the security to issue at such future dates and in such denomination as it considers advisable, to further issue convertible and/or non-convertible debentures and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks, &/or any other persons or entities without diluting the existing security.</p> <p>The Corporation shall, till any of the Debentures are outstanding, maintain a security cover equivalent to 1.10 (One Point One Zero) times of the outstanding Debentures;</p>
<p>Nature of credit enhancement (Escrow account, DSRA etc.)</p>	<p>1. Escrow Collection Account – The Issuer would be required to open a designated escrow account – “GVMC Bonds Escrow Collection Account” exclusively for timely service of interest and payment of redemption amount in terms of proposed scheme for the benefit and charged to the Debenture Trustee (on behalf of the Bond holders).</p> <p>Collection under the Revenue Heads Property Tax and Vacant Land Tax Revenue and Bulk Water Supply Charges (Only Those which are free from any Charge) for at least 1.5 times the borrowed amount (provisioned for), under all Zones of GVMC shall be credited to the above referred Escrow Account – GVMC Bonds Servicing Account. Funds in the Escrow account will be under 100% charge/control of the Debenture Trustee.</p> <p>2. Debt Service Reserve Account (DSRA): Issuer shall fund designated Debt Service Reserve Account on the day prior to the pay-in date with an amount equivalent to TWO half year interest payment due under bond. The amount lying in this account is to be kept in the form of Fixed Deposit with any Scheduled Commercial Banks /Govt. of India dated Securities (G-Sec)/ State Development Loans (SDL), AAA/AA+ rated PSU/Bank Bonds having fixed coupon. Such investments (DSRA) shall be place under lien/ earmarked in favour of Debenture Trustee & shall remain valid during the tenure of Bonds on rolling basis.</p> <p>3. Debt Service Account (DSA) : All the designated funds collected in the Escrow Account will be transferred to the DSA</p>

H/O
 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

[Signature]
 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

	<p>account, to the tune of the defined monthly liability for servicing of the debt, including the interest portion and the portion for the DRR, on the day of fulfilling of the monthly liability.</p> <p>The account is meant for funding of Interest Service account and Debenture Redemption Account.</p> <p>4. GVMC Interest Service Account: As half yearly payment of interest on bonds is proposed to be serviced from a separate GVMC Interest Servicing Account, the Corporation shall build up the amount in this Account for service of interest – 100% is to be built up within a period of first five months (equally) so that on T-30 days, an amount equivalent to the first interest payment due is build up. From there on, all the future half yearly interest payment, 100% is to be built up within a period of first six months (equally) so that on any T-30 days, an amount equivalent to the next interest payment due is fully funded up.</p> <p>This amount to be kept in the form of fixed deposit with any scheduled commercial Banks and shall be earmarked in favour of Debenture trustee and shall remain valid till its credit in Interest Payment Account. At the time of interest servicing, such fixed deposits shall be redeemed and transferred to the Interest Servicing Escrow Account on T-5 days. The monthly liability for this account would be met from the DSA account and transferred from DSA to ISA account on the first working day of the next month of transfer of the amount into DSA from the main Escrow account.</p> <p>Debenture Redemption Reserve (DRR or Sinking Fund):- Corporation shall create Debenture Redemption Reserve (DRR) by transferring 10% yearly (to be funded in 11 months so that on T-30 day, the trustee can see the full amount for the year in the account), of the amount of total borrowing from the Bond Servicing Escrow Account on monthly basis – to be transferred from the DSA on the first working day of the next month of transfer of the amount into DSA from the main Escrow account, as per the cash flow waterfall.</p> <p>This Reserve shall be kept in the form of Fixed Deposit with any Scheduled Commercial Banks/Govt. of India Dated Securities (G-Sec)/ State Development Loans (SDL), AAA/AA+ rated PSU/Bank Bonds having fixed coupon. Such fixed deposits/Dated Securities/SDL/Bonds shall be exclusively utilized for debenture redemption from the deemed date of allotment</p> <p>Such Fixed deposit/Dated Securities/SDL/Bonds shall be earmarked in favour of Debenture Trustee and the lien shall remain valid during the tenure of the Bonds.</p>
Escrow Payment Mechanism:-	All collection from Zone-wise dedicated Bank accounts for collection of Property Tax, Vacant Land Tax Revenue and Bulk Water Supply

H/O
 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 65
 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

Charges (free from all charges) shall be transferred to the escrow account – GVMC Bonds Escrow Collection Account on daily basis. GVMC to provide a minimum Escrow cover of at least 1.5 times of the monthly liability including that of Interest and Principle amounts.

In term of Tripartite Agreement amongst GVMC, Debenture Trustee and Bank, funds in the above Escrow collection account shall first be utilized for buildup of any shortfall in DSRA, built up funds in the GVMC Debt Service Account and thereafter for payment of other expenses/ obligation. After meeting the monthly obligations of the bonds, funds may stop coming to the escrow account and directly go to the Municipal Fund Account, however, GVMC promises to route at least 1.5 times of the borrowed amount through the Escrow Account in every year.

DSRA equivalent to two times the amount of half yearly interest payable on Bonds shall be created on the day prior to the pay in date fixed for Issuance of the Bonds and kept in a Fixed Deposit with AAA/AA+ rated Bank, lien marked in favour of the trustees.

Servicing of half yearly interest, as and when due, shall be made from the **Interest Servicing Account**. For this purpose, the Corporation to build up the amount in the Debt Service Escrow Account for service of interest – 100% is to be built up within a period of first five months so that on T-30 days, an amount equivalent to the first interest payment due is build up. From there on, all the future half yearly interest payment, 100% is to be built up within a period of first six months (equally) so that on any T-30 days, an amount equivalent to the next interest payment due is fully funded up.

Debenture Trustee shall independently monitor adequacy of funds in all above five accounts on monthly basis.

On T-30th day, in case there is any shortfall in the Interest Service Account an account of non-transfer/shortage in transfer of funds from GVMC Bond Escrow Collection Account and DSA, as envisaged above, the Debenture Trustee to take up the matter with the Commissioner Greater Visakhapatnam Municipal Corporation for immediate credit of the shortfall amount in Interest Service Escrow Account within T-23 days.

In case shortfall still persist, payment of interest from DSRA funds Mechanism get triggered and Debenture Trustee to issue suitable instructions to the bank maintaining DSRA to make good the short fall by partially taking premature (or as much required for full payment) payment of DSRA fixed deposits/redeeming the investments in Dated Securities (G-Sec)/ State Development Loans (SDL) so that funds equivalent to next half year interest payment is ensured on T-15 days.,


Withdrawal so made from DSRA account shall be recouped from balance available in the above said Debt Servicing Escrow Account/or any other accounts of GVMC within a period next 21 working days. In case of use of DSRA for funding of the interest payments, ALL the free collections of Property Taxes, Vacant Land Taxes and Bulk Water

H/O
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature] 66
Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

	<p>Supply Charges would flow in to the escrow account till the time the deficit is fully funded (full 150% escrow provisioning would be triggered here).</p> <p>Debenture Trustee shall also monitor adequacy of funds in the DRR account on monthly basis and in case of shortfall in DRR account because of non-availability of funds in Bond Serving Escrow account and DSA, the matter be immediately taken up with the Commissioner for ensuring sufficiency of funds in DRR account in terms of framework, as envisaged above. In case of shortfall still persisting, ALL the free collections of Property Taxes, Vacant Land Taxes and Bulk Water Supply Charges would flow in to the escrow account till the time the deficit is fully funded (full 150% escrow provisioning would be triggered here).</p> <p>If any of the milestone days mentioned in the T-structure above happens to be a holiday/bank's closing day, the immediate preceding bank working day would be the deemed date for execution of the relevant action.</p>
Cash flow Waterfall	<p>The collection from Property Tax, Vacant Land Tax and Bulk Water Supply Charges (Free from all charges) collected from different Zones and credited to Escrow account "GVMC Bonds Escrow Collection Account". GVMC to provide a minimum Escrow cover of at least 1.5 times of the monthly liability including that of Interest and Principle amounts. It is proposed to be utilized in the following order of priority:</p> <ol style="list-style-type: none"> 1. To build up shortfall in DSRA account (at all times the DSRA should be maintained as two time half yearly interest payment) 2. To build up amount in Interest Service Account for half yearly interest service amount - 100% is to be built up within a period of first five months so that on T-30 days, an amount equivalent to the first interest payment due is build up. From there on, all the future half yearly interest payment, 100% is to be built up within a period of first six months (equally) so that on any T-30 days, an amount equivalent to the next interest payment due is fully funded up. 3. To Transfer to Redemption Reserve Account on monthly basis equivalent to one eleventh of yearly 10% redemption amount of the total Bond issue size every year. 4. Balance shall be release to the issuer for transfer to other account for other operational & administrative expenses on daily basis
Financial covenants	<p>The Corporation hereby covenants with the Debenture Trustee that it shall comply with each of the financial conditions more particularly set out in detailed term sheet.</p>
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI Guidelines in this regard:</p> <ol style="list-style-type: none"> 1. Rating letters from two credit rating agencies not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the NCD holder(s);


Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 67
Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

	3. Letter from BSE conveying its in-principle approval for listing of NCDs.
Conditions Subsequent to Disbursement	<p>Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of Demat account(s) of the allottee(s) by number of NCDs allotted on the date of the pay in; 2. Making application to BSE within 15 days from the Deemed Date of Allotment to list the NCDs and seeking listing permission within 20 days from the Deemed Date of allotment. 3. Security creation as per the terms of disclosure document. 4. And in compliance with other Regulatory Guidelines as applicable.
Events of Default	<ol style="list-style-type: none"> 1. Delay in security creation 2. Default in payment of interest and /or principal redemption
Consequences of Events of Default	<ol style="list-style-type: none"> 1. <u>Security Creation</u> In case of delay in execution of Trust Deed and Charge documents, the corporation will refund the subscription with agreed rate of interest or will pay penal interest of at least 2 % p.a. over the coupon rate till these conditions are complied with at the option of the investor. 2. <u>Default in payment of interest and /or principal redemption</u> Default in Payment In case of default in payment of Interest and /or principal redemption on the due dates, additional interest of at least @2% p. a. over the coupon rate will be payable by the Corporation for the defaulting period.
Provisions related to Cross Default Clause	NA
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for & on behalf of the Debenture Holders as customary for transaction of a similar nature & Size and roles & responsibilities as prescribed under the Companies Act 1956 or Companies Act 2013, whichever is applicable & rules made there under and relevant Guidelines / Regulations/ Rules of SEBI, RBI, BSE/ NSE, etc.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by & construed in accordance with the laws of India & the parties submit to exclusive jurisdiction of courts & tribunals in Visakhapatnam / Hyderabad.
Settlement Mechanism	Through Clearing Corporation of BSE i. e. ICCL

The Issuer also reserves its sole and absolute right to change the Deemed Date of Allotment of the above issue without giving any reasons or prior notice.

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Declaration

The Issuer undertakes that this Information Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, issued vide No. SEBI/ LAD-NRO/GN/2015-16/006 dated 15th July, 2015 as amended from time to time.

The Issuer also confirms that to the best of its knowledge and beliefs this Information 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 Information Memorandum also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Information Memorandum or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

The Issuer undertakes that the Issuer would, till the redemption of the debt securities, submit the details relating to the financials of the issuer to the Trustee within the timelines prescribed by SEBI for furnishing /publishing its half yearly/ annual result. The Issuer shall execute the Trust Deed within the time frame prescribed in the relevant regulations/act/rules etc. and upload the same on the website of the BSE, within five working days of execution of the same.

For Greater Visakhapatnam Municipal Corporation

Commissioner
Place: Visakhapatnam
Date: December 10, 2018


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Declaration

The Issuer undertakes that this Information Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, issued vide No. SEBI/ LAD-NRO/GN/2015-16/006 dated 15th July, 2015 as amended from time to time.

The Issuer also confirms that to the best of its knowledge and beliefs this Information 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 Information Memorandum also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Information Memorandum or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

The Issuer undertakes that the Issuer would, till the redemption of the debt securities, submit the details relating to the financials of the issuer to the Trustee within the timelines prescribed by SEBI for furnishing /publishing its half yearly/ annual result. The Issuer shall execute the Trust Deed within the time frame prescribed in the relevant regulations/act/rules etc. and upload the same on the website of the BSE, within five working days of execution of the same.

For Greater Visakhapatnam Municipal Corporation



Special Officer on behalf of the Corporation

Place: Visakhapatnam

Date: December 20, 2018

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



SCHEDULE-I

Name of the Issuer	Greater Visakhapatnam Municipal Corporation
Issue Amount	Rs. 80 crores
Deemed Date of Allotment	21 December 2018
Pay-in Date	21 December 2018
Redemption Date	21 December 2028
Tenor	10 Years
Interest Payment Frequency	Semi Annual
Interest Payment Date	21 December & 21 June every year till redemption
Coupon	10.00%

Amount to be transferred to DSRA Account, Interest Payment Account and Sinking Fund Account
Amount in Rs. Crores

Date/Month	Debt Service Reserve Account			Interest Payment Account			Sinking Fund Account		
	Amount	Transfer to Escrow	Cumulative Amount	Amount	Transfer to Escrow	Cumulative Amount	Amount	Transfer to Escrow	Cumulative Amount
20 December 2018	8.0000		8.0000						
31 December 2018	0.0000		8.0000	0.8000		0.8000	0.7273		0.7273
31 January 2019	0.0000		8.0000	0.8000		1.6000	0.7273		1.4545
28 February 2019	0.0000		8.0000	0.8000		2.4000	0.7273		2.1818
31 March 2019	0.0000		8.0000	0.8000		3.2000	0.7273		2.9091
30 April 2019	0.0000		8.0000	0.8000		4.0000	0.7273		3.6364
31 May 2019	0.0000		8.0000	0.6667		4.6667	0.7273		4.3636
21 June 2019				-4.0000		0.6667			4.3636
30 June 2019	0.0000		8.0000	0.6667		1.3333	0.7273		5.0909
31 July 2019	0.0000		8.0000	0.6667		2.0000	0.7273		5.8182
31 August 2019	0.0000		8.0000	0.6667		2.6667	0.7273		6.5455
30 September 2019	0.0000		8.0000	0.6667		3.3333	0.7273		7.2727
31 October 2019	0.0000		8.0000	0.6667		4.0000	0.7273		8.0000
30 November 2019	0.0000		8.0000	0.6667		4.6667	0.7273		8.7273
21 December 2019				-4.0000		0.6667			8.7273
31 December 2019	0.0000		8.0000	0.6667		1.3333	0.7273		9.4545
31 January 2020	0.0000		8.0000	0.6667		2.0000	0.7273		10.1818
29 February 2020	0.0000		8.0000	0.6667		2.6667	0.7273		10.9091
31 March 2020	0.0000		8.0000	0.6667		3.3333	0.7273		11.6364
30 April 2020	0.0000		8.0000	0.6667		4.0000	0.7273		12.3636
31 May 2020	0.0000		8.0000	0.6667		4.6667	0.7273		13.0909
21 June 2020				-4.0000		0.6667			13.0909
30 June 2020	0.0000		8.0000	0.6667		1.3333	0.7273		13.8182
31 July 2020	0.0000		8.0000	0.6667		2.0000	0.7273		14.5455
31 August 2020	0.0000		8.0000	0.6667		2.6667	0.7273		15.2727

HNO
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature]
Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

30 September 2020	0.0000		8.0000	0.6667		3.3333	0.7273		16.0000
31 October 2020	0.0000		8.0000	0.6667		4.0000	0.7273		16.7273
30 November 2020	0.0000		8.0000	0.6667		4.6667	0.7273		17.4545
21 December 2020				-4.0000		0.6667			17.4545
31 December 2020	0.0000		8.0000	0.6667		1.3333	0.7273		18.1818
31 January 2021	0.0000		8.0000	0.6667		2.0000	0.7273		18.9091
28 February 2021	0.0000		8.0000	0.6667		2.6667	0.7273		19.6364
31 March 2021	0.0000		8.0000	0.6667		3.3333	0.7273		20.3636
30 April 2021	0.0000		8.0000	0.6667		4.0000	0.7273		21.0909
31 May 2021	0.0000		8.0000	0.6667		4.6667	0.7273		21.8182
21 June 2021				-4.0000		0.6667			21.8182
30 June 2021	0.0000		8.0000	0.6667		1.3333	0.7273		22.5455
31 July 2021	0.0000		8.0000	0.6667		2.0000	0.7273		23.2727
31 August 2021	0.0000		8.0000	0.6667		2.6667	0.7273		24.0000
30 September 2021	0.0000		8.0000	0.6667		3.3333	0.7273		24.7273
31 October 2021	0.0000		8.0000	0.6667		4.0000	0.7273		25.4545
30 November 2021	0.0000		8.0000	0.6667		4.6667	0.7273		26.1818
21 December 2021				-4.0000		0.6667			26.1818
31 December 2021	0.0000		8.0000	0.6667		1.3333	0.7273		26.9091
31 January 2022	0.0000		8.0000	0.6667		2.0000	0.7273		27.6364
28 February 2022	0.0000		8.0000	0.6667		2.6667	0.7273		28.3636
31 March 2022	0.0000		8.0000	0.6667		3.3333	0.7273		29.0909
30 April 2022	0.0000		8.0000	0.6667		4.0000	0.7273		29.8182
31 May 2022	0.0000		8.0000	0.6667		4.6667	0.7273		30.5455
21 June 2022				-4.0000		0.6667			30.5455
30 June 2022	0.0000		8.0000	0.6667		1.3333	0.7273		31.2727
31 July 2022	0.0000		8.0000	0.6667		2.0000	0.7273		32.0000
31 August 2022	0.0000		8.0000	0.6667		2.6667	0.7273		32.7273
30 September 2022	0.0000		8.0000	0.6667		3.3333	0.7273		33.4545
31 October 2022	0.0000		8.0000	0.6667		4.0000	0.7273		34.1818
30 November 2022	0.0000		8.0000	0.6667		4.6667	0.7273		34.9091
21 December 2022				-4.0000		0.6667			34.9091
31 December 2022	0.0000		8.0000	0.6667		1.3333	0.7273		35.6364
31 January 2023	0.0000		8.0000	0.6667		2.0000	0.7273		36.3636
28 February 2023	0.0000		8.0000	0.6667		2.6667	0.7273		37.0909
31 March 2023	0.0000		8.0000	0.6667		3.3333	0.7273		37.8182
30 April 2023	0.0000		8.0000	0.6667		4.0000	0.7273		38.5455
31 May 2023	0.0000		8.0000	0.6667		4.6667	0.7273		39.2727
21 June 2023				-4.0000		0.6667			39.2727
30 June 2023	0.0000		8.0000	0.6667		1.3333	0.7273		40.0000
31 July 2023	0.0000		8.0000	0.6667		2.0000	0.7273		40.7273
31 August 2023	0.0000		8.0000	0.6667		2.6667	0.7273		41.4545

H/O
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Special Officer 72
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

30 September 2023	0.0000		8.0000	0.6667		3.3333	0.7273		42.1818
31 October 2023	0.0000		8.0000	0.6667		4.0000	0.7273		42.9091
30 November 2023	0.0000		8.0000	0.6667		4.6667	0.7273		43.6364
21 December 2023				-4.0000		0.6667			43.6364
31 December 2023	0.0000		8.0000	0.6667		1.3333	0.7273		44.3636
31 January 2024	0.0000		8.0000	0.6667		2.0000	0.7273		45.0909
29 February 2024	0.0000		8.0000	0.6667		2.6667	0.7273		45.8182
31 March 2024	0.0000		8.0000	0.6667		3.3333	0.7273		46.5455
30 April 2024	0.0000		8.0000	0.6667		4.0000	0.7273		47.2727
31 May 2024	0.0000		8.0000	0.6667		4.6667	0.7273		48.0000
21 June 2024				-4.0000		0.6667			48.0000
30 June 2024	0.0000		8.0000	0.6667		1.3333	0.7273		48.7273
31 July 2024	0.0000		8.0000	0.6667		2.0000	0.7273		49.4545
31 August 2024	0.0000		8.0000	0.6667		2.6667	0.7273		50.1818
30 September 2024	0.0000		8.0000	0.6667		3.3333	0.7273		50.9091
31 October 2024	0.0000		8.0000	0.6667		4.0000	0.7273		51.6364
30 November 2024	0.0000		8.0000	0.6667		4.6667	0.7273		52.3636
21 December 2024				-4.0000		0.6667			52.3636
31 December 2024	0.0000		8.0000	0.6667		1.3333	0.7273		53.0909
31 January 2025	0.0000		8.0000	0.6667		2.0000	0.7273		53.8182
28 February 2025	0.0000		8.0000	0.6667		2.6667	0.7273		54.5455
31 March 2025	0.0000		8.0000	0.6667		3.3333	0.7273		55.2727
30 April 2025	0.0000		8.0000	0.6667		4.0000	0.7273		56.0000
31 May 2025	0.0000		8.0000	0.6667		4.6667	0.7273		56.7273
21 June 2025				-4.0000		0.6667			56.7273
30 June 2025	0.0000		8.0000	0.6667		1.3333	0.7273		57.4545
31 July 2025	0.0000		8.0000	0.6667		2.0000	0.7273		58.1818
31 August 2025	0.0000		8.0000	0.6667		2.6667	0.7273		58.9091
30 September 2025	0.0000		8.0000	0.6667		3.3333	0.7273		59.6364
31 October 2025	0.0000		8.0000	0.6667		4.0000	0.7273		60.3636
30 November 2025	0.0000		8.0000	0.6667		4.6667	0.7273		61.0909
20 December 2025				-4.0000		0.6667		-20.0000	41.0909
31 December 2025	0.0000		8.0000	0.5000		1.1667	0.7273		41.8182
31 January 2026	0.0000		8.0000	0.5000		1.6667	0.7273		42.5455
28 February 2026	0.0000		8.0000	0.5000		2.1667	0.7273		43.2727
31 March 2026	0.0000		8.0000	0.5000		2.6667	0.7273		44.0000
30 April 2026	0.0000		8.0000	0.5000		3.1667	0.7273		44.7273
31 May 2026	0.0000		8.0000	0.5000		3.6667	0.7273		45.4545
21 June 2026				-3.0000		0.6667			45.4545
30 June 2026	0.0000		8.0000	0.5000		1.1667	0.7273		46.1818
31 July 2026	0.0000		8.0000	0.5000		1.6667	0.7273		46.9091
31 August 2026	0.0000		8.0000	0.5000		2.1667	0.7273		47.6364

HO
Commissioner
Greater Visakhapatnam
Municipal Corporation
 Visakhapatnam

SO
Special Officer
Greater Visakhapatnam
Municipal Corporation
 Visakhapatnam

30 September 2026	0.0000		8.0000	0.5000		2.6667	0.7273		48.3636
31 October 2026	0.0000		8.0000	0.5000		3.1667	0.7273		49.0909
30 November 2026	0.0000		8.0000	0.5000		3.6667	0.7273		49.8182
21 December 2026				-3.0000		0.6667		-20.0000	29.8182
31 December 2026	0.0000		8.0000	0.3333		1.0000	0.5455		30.3636
31 January 2027	0.0000		8.0000	0.3333		1.3333	0.5455		30.9091
28 February 2027	0.0000		8.0000	0.3333		1.6667	0.5455		31.4545
31 March 2027	0.0000		8.0000	0.3333		2.0000	0.5455		32.0000
30 April 2027	0.0000		8.0000	0.3333		2.3333	0.5455		32.5455
31 May 2027	0.0000		8.0000	0.3333		2.6667	0.5455		33.0909
21 June 2027				-2.0000		0.6667			33.0909
30 June 2027	0.0000		8.0000	0.3333		1.0000	0.5455		33.6364
31 July 2027	0.0000		8.0000	0.3333		1.3333	0.5455		34.1818
31 August 2027	0.0000		8.0000	0.3333		1.6667	0.5455		34.7273
30 September 2027	0.0000		8.0000	0.3333		2.0000	0.5455		35.2727
31 October 2027	0.0000		8.0000	0.3333		2.3333	0.5455		35.8182
30 November 2027	0.0000		8.0000	0.3333		2.6667	0.5455		36.3636
21 December 2027				-2.0000		0.6667		-20.0000	16.3636
31 December 2027	0.0000		8.0000	0.1667		0.8333	0.3636		16.7273
31 January 2028	0.0000		8.0000	0.1667		1.0000	0.3636		17.0909
29 February 2028	0.0000		8.0000	0.1667		1.1667	0.3636		17.4545
31 March 2028	0.0000		8.0000	0.1667		1.3333	0.3636		17.8182
30 April 2028	0.0000		8.0000	0.1667		1.5000	0.3636		18.1818
31 May 2028	0.0000		8.0000	0.1667		1.6667	0.3636		18.5455
21 June 2028				-1.0000		0.6667			18.5455
30 June 2028	0.0000		8.0000	0.1667		0.8333	0.3636		18.9091
31 July 2028	0.0000		8.0000	0.1667		1.0000	0.3636		19.2727
31 August 2028	0.0000		8.0000	0.0000		1.0000	0.3636		19.6364
30 September 2028	0.0000		8.0000	0.0000		1.0000	0.3636		20.0000
31 October 2028	0.0000		8.0000	0.0000		1.0000	0.0000		20.0000
30 November 2028	0.0000	-8.0000	0.0000	0.0000		1.0000	0.0000		20.0000
21 December 2028				-1.0000	-	0.0000	0	-20.0000	0.0000

Notes

- Any Shortfall in the cumulative amount needs to be met from Escrow Account in priority mentioned in the Summary Term Sheet and GVMC should make good of any shortfall by transfer from other account(s) of GVMC
- Shortfall = Cumulative Amount - Amount lying in relevant Account (including Fixed Deposits/Investment at cost only)
- Accrued Interest or interest not realized by way of cash flow needs to be excluded
- Any Fixed Deposit/Investment Interest Realized and deposited in Interest Payment Account or Debt Service Reserve Account or Sinking Fund Account can be used towards the month's installment
- The effect of Holidays have not been factored in while creating the Schedule


 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

Annexure- I

Structure Payment Mechanism

The funds lying in account(s) in which Property Tax, Vacant Land Tax and Bulk Water Supply Charges Revenues (Free from All Charges) are collected shall be transferred to a separate Escrow Account for debt servicing of bonds, yearly routing of at least 1.5 times the borrowed amount. Eligible Bondholders shall have first and exclusive charge over this Escrow Account and the account(s) where Property Tax Vacant Land Tax and Bulk Water Supply Charges Revenues are collected to the defined limit.

1. The funds lying in the Escrow Account shall be used in the following priority:
 - a. The funds should be first utilized to meet Minimum Balance in Escrow Account to the tune of 1.5 times the monthly liability. The Minimum Balance to be maintained in any month shall be calculated as per para 3 below.
 - b. The Minimum Balance shall not be used for any purpose other than transfer to the Debt Servicing Account.
 - c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to GVMC General Fund Account.

The above transfer shall be done on a daily basis except on the last business day of every month. On the last business day of every month, the Minimum Balance maintained as indicated above shall be transferred to the Debt Servicing Account GVMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Debt Servicing Account on any day prior to the last business day of the month.

2. In case of any shortfall from transfer from Escrow Account to Debt Service Account, GVMC shall make good the shortfall from the funds from other account(s) to Debt Servicing Account.
3. The funds to be transferred to the Debt Service Account from the Escrow Account ("Minimum Balance") shall be aggregate of the following:
 - i) Monthly Contribution to be transferred from the Escrow Account shall be calculated separately for each Bond as per the terms of the said issuance.
 - ii) Shortfall in any earlier contribution to the extent not made good by GVMC from other account(s).
4. The funds lying in the Debt Service Account (DSA) shall be used in the following priority:
 - a. Firstly, to transfer funds from Debt Service Account to Debt Service Reserve Account (DSRA), if any, as per terms of bonds to make good any shortfall in DSRA account. At all times the DSRA should be maintained as per the terms of the bond issuance/loans.
 - b. Secondly, transfer to Interest Payment Account on monthly basis such sums as may be required by the terms of bond issuance and any shortfall in earlier contributions.
 - c. Thirdly, transfer to Sinking Fund Account/Debt Repayment Account on monthly basis such sums as may be required by the terms of the bond issuance and any shortfall in earlier contributions.
5. GVMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the Debt Servicing Account such that at no time the contribution to Debt Service Account is less than as calculated in para 3 above (including the contribution for the month to be expedited).


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

6. Bondholder(s) shall have first and exclusive charge over Debt Service Account. Each Bond Series shall have exclusive charge in its favour on the funds lying in DSRA, Interest Payment Account and Sinking Fund Account/Debt Repayment Account created specifically for the series or any investments made from those accounts.
7. Any surplus funds lying in DSRA, Interest Payment Account and Sinking Fund Account/Debt Repayment Account after the bond is redeemed in full or loan has been repaid shall be transferred to the Escrow Account.

Current Bond Issue

1. GVMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders:
 - a. Debt Service Reserve Account – Series I,
 - b. Interest Payment Account – Series I
 - c. Sinking Fund Account – Series I
2. GVMC shall set up the Escrow Account and Debt Servicing Account as mentioned above and shall cause the following funds to be transferred:
 - a. The Debt Service Reserve Account – Series I shall be funded one day before the pay-in date with an amount equal to two interest payments for bonds structure.
 - b. At the end of each month, any shortfall from the amount mentioned in Schedule I mentioned of the Information Memorandum dated December 20, 2018 in the Debt Service Reserve Account – Series I shall be transferred.
 - c. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum dated December 20, 2018, 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 the Interest Payment Account – Series I.
 - d. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum dated December 20, 2018 and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account – Series I.
 - e. Any shortfall in the above account(s) shall be made good by GVMC by transfer from other account(s) of GVMC.
3. The funds lying in the above account(s) shall be utilized in the following manner:
 - a. The funds lying in Debt Service Reserve Account – Series I can be used to meet any shortfall in Interest Payment Account – Series I and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the Debt Service Reserve Account – Series I cannot be utilized to meet any shortfall in contribution to Sinking Fund Account – Series I except at the time of final redemption of bonds.
 - b. The funds lying in the Interest Payment Account – Series I can be used to make interest payment of the bondholder(s) of the bonds issued pursuant to the Information Memorandum dated December 20, 2018. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in Debt Service Reserve Account – Series I and thereafter be used to make good any shortfall in contribution to Sinking Fund Account – Series I.
 - c. The funds lying in the Sinking Fund Account – Series I can be used to redeem the bonds issued pursuant to the Information Memorandum dated December 20, 2018
 - d. Any funds lying in the above account(s) can be used for making investment(s). However, the funds (including investment(s) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mention in points (a) to (c) above.
 - e. Any surplus funds lying in the above account(s) after the bonds issued pursuant to Information Memorandum dated December 20, 2018 have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

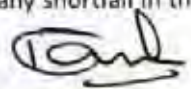

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

4. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and exclusive charge over the Escrow Account, account(s) where Property Tax, Vacant Land Tax and Bulk Water Supply Charges (only those portion which are free from any charge) are being collected, up to the defined limit and Debt Servicing Account. The Bondholder(s) shall have first and exclusive charge on the funds lying in Debt Service Reserve Account – Series I, Interest Payment Account – Series I and Sinking Fund Account – Series I and any investment(s) made from these account(s).
5. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the Debt Service Reserve Account – Series I, Interest Payment account – Series I, and Sinking Fund Account – Series I and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s) for the bond issued under the Information Memorandum dated December 20, 2018. The amount deposited in Debt Service Reserve Account – Series I, Interest Payment Account – Series I and Sinking Fund Account – Series I shall be used solely for meeting the dues to these Bondholder(s). Any surplus in the account after meeting the dues to the Bondholder(s) can be transferred to the Escrow Account. No amount can be withdrawn from these account(s) without the approval of Debenture Trustees to the bondholder(s).
6. The Funds lying credited in the Interest Payment Account – Series I and Debt Service Reserve Account – Series I can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the Fixed Deposit. The lien shall be created in favor of debenture trustee on all the investments made above.
7. The funds lying to the credit of Sinking Fund Account – Series I can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AA+ and above and/or in Government Securities, state development loans and Treasury Bills. The lien shall be created in favor of debenture trustee on all the investments made above.
8. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).
9. Escrow Account, Debt Service Account, Debt Service Reserve Account – Series I, Interest Payment Account – Series I and Sinking Fund Account – Series I shall be maintained with a scheduled commercial bank rated at least AA+ by two rating agencies throughout the tenor of the instrument. In case, at any point of time, the rating of senior debt of the Bank falls below AA+ by any rating agency GVMC shall, with written consent of Debenture Trustees, move the funds to any other bank satisfying the rating criteria.
10. The Bank shall share statement(s) of these account(s) with Debenture Trustee and/or the Rating Agencies, on monthly basis. GVMC and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Interest Payment Mechanism

The Trustees shall check the amount lying to the credit of Interest Payment Account – Series I at the end of every month and then 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate GVMC of the shortfall and GVMC shall make good the shortfall in the Interest Payment Account – Series I by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account – Series I at 14 days prior to the Interest Payment date, the Trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from Debt Service Reserve Account – Series I to the Interest Payment Account – Series I by 10 days prior to the interest payment date. The interest shall be paid by GVMC on the due date. Any amount drawn from the Debt Service Reserve Account – Series I should be deposited back in the Debt Service Reserve Account – Series I as per the mechanism indicated above. The debenture trustee shall check the balance in the Sinking Fund Account – Series I on monthly basis and at the end of the year and in case of any shortfall in the Sinking


 Commissioner
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam


 Special Officer
 Greater Visakhapatnam
 Municipal Corporation
 Visakhapatnam

Fund Account – Series I, GVMC shall replenish the Sinking Fund Account – Series I with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of Sinking Fund Account – Series I at 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate GVMC of the shortfall and GVMC shall make good the shortfall in the Sinking Fund Account – Series I by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in Interest Payment Account – Series I, Debt Service Reserve Account – Series I, Sinking Fund Account – Series I and any transfer from Debt Service Reserve Account – Series I to Interest Payment Account – Series I.

Restriction on the total borrowing

- (A) **DSCR on operating Surplus:** Debt Service Coverage Ratio ("DSCR") for the GVMC will not be less than 1.25 times of operating surplus calculated as the below:

DSCR on operating Surplus = operating surplus / total debt service

- i) Operating surplus calculated as the below:

Operating Surplus = total income – expenditure

total income = Total income of the corporation

expenditure = Total expenditure – Depreciation

- ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment (if not made from Sinking Fund) + transfer to debt service reserve account

- (B) The total amount collected in escrow account shall be at least 1.25 times of the Debt Service Amount on an annual basis. In case, the ratio falls below 1.25 times, GVMC shall not borrow any further amount against the cash flow(s) of the escrow account. No permission to borrow further amount(s) by GVMC shall be required, under this head, from the bondholder(s) as long as this condition is satisfied

DSA is defined as follows:

DSA = Interest payment for the month + proportionate principal deposited in sinking fund or installment of principal redemption (if not made from Sinking Fund).

GVMC shall not borrow any further funds against the cash flow of the Escrow Account in case there is a shortfall in contribution to Debt Service Account and the shortfall has not been made good by GVMC.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

**ANNEXURE 2
CASH FLOW ILLUSTRATION**

Name of the Issuer	Greater Visakhapatnam Municipal Corporation
Issue Amount	Rs. 80 crores
Deemed Date of Allotment	21, 2018
Pay-In Date	21, 2018
Redemption Date	21, 2028
Tenor	10 Years
Interest Payment Frequency	Semi Annual
Interest Payment Date	21 December & 21 June every year till redemption
Coupon	10.00%

Coupon Payment	Coupon Payment Date	Actual Coupon Payment Date	Number of Days	Interest payment	Principal	Total Issue Amount
1st Coupon Payment Date	21 June 2019	21 June 2019	182	39890410.96	0.00	39890410.96
2nd Coupon Payment Date	21 December 2019	21 December 2019	183	40109589.04	0.00	40109589.04
3rd Coupon Payment Date	21 June 2020	22 June 2020	183	40000000.00	0.00	40000000.00
4th Coupon Payment Date	21 December 2020	21 December 2020	183	40000000.00	0.00	40000000.00
5th Coupon Payment Date	21 June 2021	21 June 2021	182	39890410.96	0.00	39890410.96
6th Coupon Payment Date	21 December 2021	20 December 2021	183	40109589.04	0.00	40109589.04
7th Coupon Payment Date	21 June 2022	21 June 2022	182	39890410.96	0.00	39890410.96
8th Coupon Payment Date	21 December 2022	21 December 2022	183	40109589.04	0.00	40109589.04
9th Coupon	21 June 2023	21 June 2023	182	39890410.96	0.00	39890410.96


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Payment Date						
10th Coupon Payment Date	21 December 2023	21 December 2023	183	40109589.04	0.00	40109589.04
11th Coupon Payment Date	21 June 2024	21 June 2024	183	40000000.00	0.00	40000000.00
12th Coupon Payment Date	21 December 2024	21 December 2024	183	40000000.00	0.00	40000000.00
13th Coupon Payment Date	21 June 2025	21 June 2025	182	39890410.96	0.00	39890410.96
14th Coupon Payment Date	21 December 2025	20 December 2025	183	40109589.04	200000000.00	240109589.04
15th Coupon Payment Date	21 June 2026	22 June 2026	182	29917808.22	0.00	29917808.22
16th Coupon Payment Date	21 December 2026	21 June 2026	183	30082191.78	200000000.00	230082191.78
17th Coupon Payment Date	21 June 2027	21 June 2027	182	19945205.48	0.00	19945205.48
18th Coupon Payment Date	21 December 2027	21 December 2027	183	20054794.52	200000000.00	220054794.52
19th Coupon Payment Date	21 June 2028	21 June 2028	183	10000000.00	0.00	10000000.00
20th Coupon Payment Date	21 December 2028	21 December 2028	183	10000000.00	200000000.00	210000000.00

Note: We have not taken other holidays into account as it is not possible to ascertain the same presently.

HO
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature]
Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

ANNEXURE 3
Description of the Property

Brief description of the Property	Location of the Property	Extent of the Site	Extent of the site considered for valuation	Estimated Value of Land*
Municipal Land	S. No. 435/1 & 436 Market Ward, Block No. 12/GVMC area, Visakhapatnam District	Ac 6.73 cents	32964 sq yards	195.4392 Crs

*Charge to be created only to extent of Rs. 88 crores on the borrowed amount of Rs. 80 crore and surplus can be share for any subsequent tranches raised by Issuer. The estimated value is as per valuation report dated 23-11-2018.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

CARE/HRO/RL/2018-19/1699

Mr. Vijaya Manohar
Additional Commissioner (Finance)
Greater Visakhapatnam Municipal Corporation
Tenneti Viswanadhan Bhavan, Ram Nagar,
Visakhapatnam, Andhra Pradesh - 530040

December 06, 2018

Confidential

Dear Sir,

Credit rating for proposed Bond issue

Please refer to your request for rating of proposed long-term Bonds issue aggregating to Rs.100.0 crore of your entity. The proposed Bonds would have a tenure of 10 years with repayment in four annual installments of 25% of the face value, starting from the end of 7th year.

2. The following rating has been assigned by our Rating Committee:

Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Bond Issue	100 (Rs. One Hundred crore only)	CARE AA (SO); Stable [Double A; (Structured Obligation); Outlook: Stable]	Assigned

- The above rating is based on the credit enhancement in the form of Escrow account of designated revenue collections with priority for servicing of bonds.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is December 03, 2018).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE: 8th Floor, Godrej Culture, Sanyasa Hospital Road,
Off Eastern Express Highway, Tower (B), Mumbai - 400 022.
Tel: +91 22 6754 3458 • Fax: +91 22 6754 3452
Email: care@careratings.com • www.careratings.com

401, Aditya Srinivas, 3-6-520,
Himayat Nagar, Hyderabad - 500 029
Tel: +91 40 6799 2400 / 410 40102030 • Fax: +91 40 6002 0131

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	---------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 08, 2018, we will proceed on the basis that you have no any comments to offer.
9. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
12. CARE ratings are **not** recommendations to sanction, renew, disburse or recall any bank facilities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.



CARE Ratings Limited

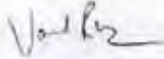
(Formerly known as Credit Analysis & Research Limited)

401, Ashoka Sominia, 3-4-52D, Himayat Nagar, Hyderabad - 500 029
Tel: +91-40-37937400 / 470, 40702030 • Fax: +91-40-4002 0131 • www.careratings.com • CIN: L87190MH1993PLC021691

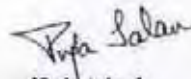
H/O
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Thanking you,
Yours faithfully,



[Vaibhav Rungta]
Deputy Manager
vaibhav.rungta@careratings.com



[Puja Jalan]
Senior Manager
puja.jalan@arratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.
In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

CARE Ratings Limited

(Formerly known as Credit Analysis & Research Limited)

401, Ashoka Scintilla, 3-B-520, Himayat Nagar, Hyderabad - 500 029
Tel: +91-40-42932400 / 410, 40102030 • Fax: +91-40-4002 0131 • www.careratings.com • CIN-L67190MH1993PLC071491



Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam



Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Mr. Hari Narayanan M, I.A.S.
Commissioner,
Greater Visakhapatnam Municipal Corporation,
Tenneti Bluvan, Aseelmeta Junction,
Visakhapatnam - 530002

December 12, 2018

Kind Attn: Mr. Hari Narayanan, M, I.A.S., Commissioner,

Dear Sir,

Re: Greater Visakhapatnam Municipal Corporation – Proposed Bonds Ratings.

India Ratings and Research (Ind-Ra) has rated Greater Visakhapatnam Municipal Corporation's (GVMC) proposed bonds as follows:

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Proposed bond*	INR1,000	Provisional IND AA(SO)Stable	Assigned

*The final rating will be assigned following the final issuance and the receipt of the final documentation, conforming to the information already received by Ind-Ra.

India Ratings notes that the ratings are assigned to the programme and not to the notes issued under the programme. There is no assurance that notes issued under the programme will be assigned a rating, or that the rating assigned to specific issue under the programme will have the same rating as the rating assigned to the programme.

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 or in a given jurisdiction.

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 the jurisdiction in which the rated security is offered and sold and/or the issuer is located, 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 & Research Private Limited – A Fitch Group Company

801-9, Pritamdeep Building, 7 Convent Marg, New Delhi 110001

Tel: +91 11 4358 7730 | Fax: +91 11 4258 7231 | CIN/LLPIN: U67100MH1955FTC140049 | www.indiaratings.co.in

Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

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 thereof to the 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 contact the undersigned at 022-4000 1700.

Sincerely,

India Ratings



Devendra Pant
Senior Director



Sunil Sinha
Director



No.0172/2018-2019/CL - 2298
Date - 24th September, 2018.

Greater Visakhapatnam Municipal Corporation
Tenneli Bhavan, Ram Nagar,
Andhra Pradesh,
Visakhapatnam - 500082.

Dear Sir,

Appointment of SBICAP Trustee Company Limited as Debenture Trustee for issue of Bonds aggregating to Rs. 100 crs

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee.

In this connection we hereby give our consent to act as Debenture Trustee for the above assistance on the following terms:

1) One Time Fees	Rs. 75,000/- plus applicable taxes (one time payment) to be paid immediately on acceptance of trusteeship assignment for the above referred issue.
2) Annual Service Charges	Rs. 50,000/- p.a plus applicable taxes payable yearly in advance on 1st April each year from the date of allotment of Bonds. The Trusteeship remuneration will be payable by you till the time repayment / redemption of entire bonds and its satisfaction of charges in full.
3) Trust Settlement Fee	Rs. 1,000/- only.
4) Out of Pocket Expenses	On actual basis.

All Expenses relating to legal and other expenses including enforcement of security will be charged separately.

Overdue payment of Annual Services Charges, if any may carry an interest at 12% (twelve percent) per annum payable from the due date till the date of actual payment.

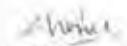
We request you to kindly contact following officials:

Ardhendu Mukhopadhyay contact no.022 - 43025502 Cell no.8879150002 and/or Deepak Dhondye contact no.022 - 43025514 Cell no.8879150014 for any assistance in future.

We keenly look forward for our association.

Note: The correspondence address shall be considered for levying GST. If there is any change in correspondence address we request you to kindly intimate us.

Yours Faithfully,


Ardhendu Mukhopadhyay
Authorised Signatory

We accept the above terms

For _____

Authorised Signatory


(signature with stamp)

Registered Office: 202, Maker Tower E, Cuffe Parade, Mumbai 400 005.

Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386

A wholly owned Subsidiary of SBI Capital Markets Ltd.


Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam


Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

DCS/COMP/SB/IP-PPDI-MC/5/18-19
December 13, 2018

The Compliance Officer
GREATER VISAKHAPATNAM MUNICIPAL CORPORATION
Tenneti Bhuvan, Ram Nagar,
Visakhapatnam, Andhra Pradesh

Dear Sir,

Re: Private Placement of Secured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures ("Bonds") of face value of Rs. 10 Lakhs each at par aggregating to Rs. 100 Crores ("Issue")

We acknowledge receipt of your application on the online portal on December 13, 2018 seeking in-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

1. Filing of listing application and execution of Listing Agreement
2. Payment of fees as may be prescribed from time to time
3. Compliance with Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 and submission of Disclosures and Documents as per Schedule I of the said Regulations. The issuer shall also ensure Compliance with provisions of Companies Act 2013 (as may be applicable)
4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, MCA etc. as may be applicable
5. Compliance with change in the guidelines, regulations directions of the Exchange or any statutory authorities, documentary requirements from time to time

This In Principle Approval is valid for a period of 1 year from the date of issue of this letter. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Rupal Khandelwal
CB Rupal Khandelwal
Manager

Hemlata Agarwal
Hemlata Agarwal
Associate Manager

S&P BSE
SENSEX

BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, P1 Towers, Dalal Street, Mumbai 400 001, India
T: +91 22 2772 1234/131 | E: corp.enquiry@bseindia.com | www.bseindia.com
Corporate Identity Number: L67199MH6005PLC155188

HO
Commissioner
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

[Signature]
Special Officer
Greater Visakhapatnam
Municipal Corporation
Visakhapatnam

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department - "Sewerage System for Gajuwaka, Malkapuram & Pendurthy area along with Waste Water Treatment System - Development of Sewerage System in Pendurthy area and Waste Water Treatment System for Supply of Recycled Water as Package I - Approval - Accorded.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Ms.No. 255

Dated:06.08.2018

Read the following:-

1. G.O.Rt.No. 546 Municipal Administration & Urban Development (UI) Department dated 26.07.2017.
2. G.O.Ms.No.130 Municipal Administration & Urban Development (UBS) Department dated 18.04.2018.
3. From the Commissioner Greater Visakhapatnam Municipal Corporation, Letter No GVSCCL/Projects/APUIAML(S&TW)/2017-18 dated 29.03.2018.

ORDER:

In the light of the orders issued in the reference 1st and 2nd read above and also in the circumstances reported by the Commissioner, Greater Visakhapatnam Municipal Corporation in the reference 3rd read above Government here by permit (A) to raise the share / equity of GVMC i.e. 150 Crores for Package - 1 i.e., "Investigation, Survey, Design, Construction & Commissioning of Sewerage collection and Conveyance system in Pendurthy area including construction and commissioning of Waste Water Treatment Plant with RSGF and Tertiary treatment of output capacity of 46 MLD on open technology with operation and maintenance for 15 years (including DLP of 2 years)" by floating Municipal Bonds; (B) to repay the loan amount raised through Municipal Bonds from own revenues of the Corporation and (C) authorize the Commissioner, GVMC to sign agreements, deeds and relevant documents etc in this regard.

2. This order issues with the concurrence of Finance Department vide their U.O.No. 44027/190/2018, Dated 27.07.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner, Greater Visakhapatnam Municipal Corporation.
Copy to
The Chief Executive Officer, APUIAML, Vijayawada.
SF/ SC

//FORWARDED BY ORDER//


DEPUTY DIRECTOR

Scanned with CamScanner


Commissioner
Greater Visakhapatnam
Municipal Corporation


Special Officer
Greater Visakhapatnam
Municipal Corporation
- Visakhapatnam