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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: February 27, 2019



SURAT MUNICIPAL CORPORATION

(Constituted under the Bombay Provincial Municipal Corporations Act, 1949)

“Surat Mahanagar Seva Sadan”, Gordhandas Chokhawala Marg, Muglisara, Surat- 395003, Gujarat

Contact Person cum Compliance Officer: B.I. Desai, Deputy Municipal Commissioner

Tel: 0261-2423751 to 2423756, E-mail: chiefaccountant@suratmunicipal.org; Website: www.suratmunicipal.gov.in

PRIVATE PLACEMENT OF UNSECURED, TAXABLE, NON-CONVERTIBLE, REDEEMABLE BONDS IN THE NATURE OF DEBENTURES (“BONDS”) OF FACE VALUE OF RS. 10 LAKHS EACH AT PAR UPTO BASE ISSUE SIZE OF RS. 100 CRORES (THE “ISSUE”) AND GREEN SHOE OPTION OF RS. 100 CRORES AGGREGATING TO RS. 200 CRORES BY SURAT MUNICIPAL CORPORATION PROPOSED TO BE LISTED ON BSE LIMITED (“BSE”)





GENERAL RISK

For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and 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 Surat Municipal Corporation have been assigned a rating of Provisional AA+ (SO)/Stable by CRISIL vide its letter dated 1st February 2019 and Provisional INDAA+ (SO)/Stable by IRRPL vide its dated 31st January, 2019.

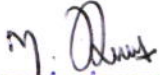
The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. For credit rating of Bonds and detailed rationale of the ratings, please refer to Annexure- II.

Arranger and Transaction Advisor to the Issue	Co-Arranger	Trustee for the Bonds	Registrar for the Issue
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Bid Open/Bid Close on	Issue Open/ Issue Closes on	Pay in Date	Deemed Date of Allotment
February 27, 2019	February 27, 2019	March 01, 2019	March 01, 2019

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

The Issuer reserves its sole and absolute right to modify (pre-poner/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.

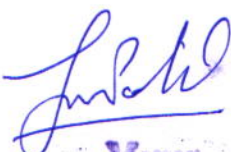

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TABLE OF CONTENTS

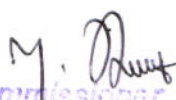
DISCLAIMERS	5
FORWARD LOOKING STATEMENTS	10
DEFINITIONS AND ABBREVIATIONS.....	11
GENERAL INFORMATION ABOUT THE ISSUER.....	13
Head office/quarters of the Issuer.....	13
Compliance Officer of the Issuer.....	13
Chief Finance and Accounts Officer	13
Arrangers and Transaction Advisors to the Issue	13
Trustee of the Issue	14
Registrar to the Issue	14
Credit rating agency(ies) of the Issue	14
Auditors of the Issuer	14
Legal Counsel to the Issue.....	14
The relevant Act under which the Issuer is incorporated and governed	15
RISK FACTORS.....	16
ORGANIZATION STRUCTURE	19
Details of the Corporation	19
Mayor/Deputy Mayor.....	19
Details of Commissioner/Deputy Commissioner/Additional Commissioner	19
Details of any reorganization or reconstruction in the last 1 year	19
Details of the members of the committee approving the project/ various standing committees relating to taxation/finance/accounts/audit/ infrastructure.....	19
Details of the Auditor	27
Details of Trustee	27
A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND THE PROJECT FOR WHICH FUNDS ARE TO BE RAISED	28
Overview of the Issuer	28
History of SMC	29
Constitution of Corporation.....	30
Functions of the Corporation.....	30
Discretionary functions of Corporation.....	31
Strengths of SMC	32
Awards	32
Management structure	35
Department issuing bonds	36
Details of all the projects undertaken or proposed in terms of cost and means of financing.....	36
Details of the Projects for which funds are being raised	39

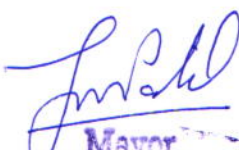

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Surat Municipal Corporation.

KEY FINANCIAL AND OPERATIONAL PARAMETERS	53
Abridged Balance Sheet	53
Income Expenditure Statement.....	54
Cash Flow Statement	55
Link to the web page for accessing financials of the municipal.....	55
Financial Parameters	56
Operational Parameters	56
Details of top 5 revenue sources for last 3 years	56
Details of property tax collection	56
Status of reforms with respect to e-governance, cost recovery on water supply & solid waste management (SWM), property tax, double entry accounting and others.....	56
DETAILS OF ISSUER'S OUTSTANDING BORROWING.....	58
Details of borrowings of the Issuer, as on the latest quarter end	58
Details of Secured Loan Facilities:-	58
Details of Unsecured Loan Facilities:-	58
Details of bonds.....	58
List of top 10 debenture holders.....	58
Details of charge created along with name of the counterparty (like name of the project etc.).....	58
Details of commercial paper.....	58
Details of rest of borrowings	58
Estimated scenarios of asset liability mis-matches	58
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	58
An undertaking that the issuer has obtained lenders consent for creating charges on assets in case of issuance of Secured Bonds	58
Details of change in terms and conditions of debt securities issued in past 5 years	58
Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash.....	59
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..	59
Rating and detailed Rating Rationale	59
Credit enhancement mechanisms, if any.....	59
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.....	59
Escrow mechanism for the repayment of the interest/principal	59
Name of the Trustee and Consent thereof.....	59
Stock exchanges where the debt securities are proposed to be listed	60
Penal Interest payable by Municipal Corporation in case of delay in execution of Trust Deed and charge document.....	60

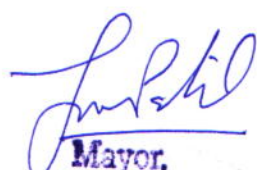
Additional interest to be paid, above the Coupon Rate, in case of default in payment of Interest and/or principal redemption on due dates	60
Penal interest payable by the Municipal Corporation in case of delay in listing of Bonds from Deemed date of Allotment.....	60
Future Borrowing	60
Other Details	61
DRR/Sinking Fund	61
Issue/Instrument Specific Regulations.	61
Application Process.....	61
Terms of Payment	63
Deemed date of allotment.....	63
Credit to Demat Account.....	63
Issue of Bond Certificate(s).....	63
Depository Arrangements.....	63
Procedure for applying for Demat Facility.....	63
Fictitious Applications	64
Market Lot.....	64
Trading of Bonds.....	64
Mode of Transfer of Bonds	64
Basis of Allocation / Allotment.....	64
Common form of Transfer	65
Interest on Application Money	65
Interest on the Bonds.....	65
Computation of Interest.....	65
Record Date.....	65
Deduction of tax at source.....	65
Put & Call Option.....	66
Redemption	66
Additional Covenants.....	66
Settlement/Payment on Redemption	66
List of beneficial owners	66
Succession	66
Who can apply.....	67
Who are not eligible to apply for bonds	67
Documents to be provided by investors	68
How to Apply	68
Force Majeure	69
Applications under power of attorney	69
Application by mutual funds	69
Acknowledgements	69


 Commissioner,
 Surat Municipal Corporation.


 Mayor,
 Surat Municipal Corporation.

Right to accept or reject Applications	69
PAN.....	69
Signatures.....	70
Nomination Facility.....	70
Right of Bondholder(s).....	70
Modification of Rights	70
Future Borrowings.....	70
Notices.....	70
Joint-Holders	71
Disputes & Governing Law.....	71
Procedure for deciding and adjusting payment dates.	71
List of documents which have been executed/ will be executed in relation to the issue	71
Investor Grievances Mechanism	71
Any other details for Investors	72
Summary term Sheet	72
DECLARATION	78
Schedule-I	80
Annexure-I Structured Payment Mechanism	81
Annexure-II Cash flow illustration	85
Annexure-III Rating Letters from CRISIL and IRRPL.....	86
Annexure -IV Consent of the trustee	104
Annexure-V In principle approval for listing - BSE Approval Letter.....	106
Annexure-VI Standing Committee approval for borrowing	107
Annexure-VII General Body approval for borrowing	120
Annexure- VIII State Government approval for borrowing	133
Annexure- IX Unaudited Half Yearly Balance Sheet as on 30.09.2018	135
Annexure -X Application Form.....	137


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DISCLAIMER

1. Disclaimer of the Surat Municipal Corporation (“SMC” 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 Surat 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 Surat 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. Surat Municipal Corporation believes that the information contained in this Information Memorandum is true and correct as of the date hereof.

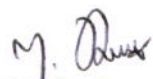
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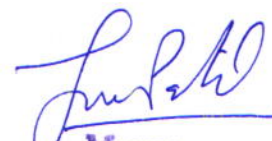
The Issuer reserves the right to withdraw the private placement of the Bonds Issue prior to the Issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In 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.

2. Disclaimer of the Securities & Exchange Board of India (“SEBI”):

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3. Disclaimer of the Arranger to the Issue:

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- b) as a result of those other relationships, the Arranger and/or their affiliates may get information about the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Arranger and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Information Memorandum;
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- d) the Arranger and/or their affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Issuer and/or the securities;
- e) the Arranger is not acting as trustee or fiduciary for the investors or any other person; and
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4. 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.


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This Document is to facilitate investors to take an informed decision for making investment in the proposed Issue.

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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 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.

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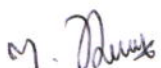
Please note that:

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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.

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Commissioner,
Surat Municipal Corporation,


Mayor,
Surat Municipal Corporation.¹⁰

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
“SMC” or “Issuer” or “Corporation”	Surat Municipal Corporation established under Bombay Provincial Municipal Corporations Act, 1949 having its Head Office at ‘Surat Mahanagar Seva Sadan’, Gordhandas Chokhawala Marg, Muglisara, Surat - 395003, Gujarat
“we”, “us”, “our”	Unless the context otherwise requires, the Corporation

Issuer related Terms

TERM	DESCRIPTION
Act/BPMC Act	Bombay Provincial Municipal Corporations Act, 1949, as amended from time to time
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
Commissioner	Commissioner, Surat 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
CRISIL	CRISIL Limited
EBS	Online E-business Suite
HRMS	Human Resources Management System
Head Office	Head Office of SMC at ‘Surat Mahanagar Seva Sadan’, Gordhandas Chokhawala Marg, Muglisara, Surat - 395003, Gujarat
IRRPL	India Ratings and Research Private Limited
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
MoUD	Ministry of Urban Development

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
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)	Unsecured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value Rs. 10 Lakhs each, at par to be issued by SMC 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	As mentioned in the Summary Term Sheet

[Signature]
Commissioner,
Surat Municipal Corporation.

[Signature]
Mayor,
Surat Municipal Corporation.

TERMS	DESCRIPTION
Date	
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). The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment
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 February 27, 2019 for private placement of Unsecured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value Rs. 10 Lakhs each, at par upto base issue size of Rs. 100 crores (the "Issue") and green shoe option of Rs. 100 crores aggregating to Rs. 200 crores by SMC
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
GoI	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
The Issue/the Offer/Private Placement	Private Placement of Unsecured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value of Rs. 10 Lakhs each, at par at par upto base issue size of Rs. 100 crores (the "Issue") and green shoe option of Rs. 100 crores aggregating to Rs. 200 crores by SMC.
Trustee/Bond Trustee	Trustees for the Bondholders, in this case being, SBICAP Trustee Company Limited

CHAPTER-I
GENERAL INFORMATION ABOUT THE ISSUER

i. Name of the Issuer: **Surat Municipal Corporation**

ii. Name and Address of the following:

i) **Head Office of the Issuer:**

Surat Municipal Corporation
'Surat Mahanagar Seva Sadan',
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395003
Ph: +91-261-2423750 to 2423756
Website: www.suratmunicipal.gov.in

ii) **Compliance Officer of the Issuer:**

B. I. Desai,
Deputy Municipal Commissioner,
Surat Municipal Corporation
"Surat Mahanagar Seva Sadan",
Gordhandas Chokhawala Marg,
Muglisara, Surat - 395003
Ph: 0261-2423751, Ext.517
E-mail: dmc.bid@suratmunicipal.org
(Compliance Officer shall be the official in charge of dealing with investor grievances related to the Bonds)

iii) **Chief Finance and Accounts Officer**

T. P. Ariwala
I/c. Chief Accountant,
Surat Municipal Corporation
'Surat Mahanagar Seva Sadan',
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395003
Ph: 0261-2423751, Ext.243
E-mail: chiefaccountant@suratmunicipal.org

iv) **Arranger and Transaction Advisors to the Issue:**

SBI Capital Markets Limited
202, Maker Tower 'E', Cuffe Parade,
Mumbai - 400 005
Tel: +91-22-22178300
Facsimile: +91-22-2218 8332
Contact Person: Mr. Sanjay Sethia
E-mail: dcm@sbicaps.com
Website: www.sbicaps.com

v) **Co-Arranger to the Issue:**

ICICI Bank Limited
Primary Dealing Room,
ICICI Towers, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Ph: +91 22 40087807/40081201
Facsimile: +91 22 40081063
E-mail: gmgfixedincome@icicibank.com


Commissioner,
Surat Municipal Corporation,


Mayor,
Surat Municipal Corporation.

vi) **Trustee to the Issue:**

SBICAP Trustee Company Limited

Apeejay House, 6th floor,
3, West Wing, DinshawWachha Road,
Churchgate, Mumbai 400 020
Tel: +91-22-4302 5555
Facsimile: +91-22-2204 0456
Contact Person: Ms. Savitri Yadav E-mail: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com

vii) **Registrar to the Issue:**

Karvy Fintech Private Limited

Karvy Selenium Tower B,
Plot No. 31-32,
Gachibowli Financial District Nanakramguda, Hyderabad, Telangana-500032
Tel: 040-67162222
Facsimile: 040-23001153
Contact Person: Mr. Francis Fernandes
Email: venu.sp@karvy.com
Website: www.karvyfintech.com
SEBI Registration No.: INR000000221

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

1. **India Ratings and Research Private Limited**

510, Sun Square,
St. Xavier's College Road
Off C. G. Road, Near Nest/Klassic Gold Hotel
Navarangpura, Ahmedabad – 380 009,
Tel: +91 79 4005 5035
Facsimile: +91 22 4000 1701
E-mail: investor.services@indiaratings.co.in
Website: www.indiaratings.co.in

2. **CRISIL Limited**

CRISIL House
Central Avenue, Hiranandani Buinsess Park
Powai, Mumbai- 400076 Tel: +91 22 3342 3000
Facsimile: +91 22 3342 3001
E-mail: ratingsinvestordes@crisil.com
Website: www.crisil.com

ix) **Auditors of the Issuer:**

Natvarlal Vepari and Co.
Chartered Accountants
First Floor, River Palace II,
Near Navdi Ovara, Nanpura,
Surat- 395001
Ph: 0261-2463636
Email Id: vepari@youtele.com

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

MVKini, 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

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

Surat Municipal Corporation is incorporated under and governed by the Bombay Provincial Municipal Corporations Act, 1949

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**Commissioner,
Surat Municipal Corporation,**


**Mayor,
Surat Municipal Corporation, 15**

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.

The Bonds have been given a rating of **Provisional CRISIL AA+(SO)/Stable by CRISIL** and **Provisional INDAA+(SO)/Stable** by IRRPL 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.

2. Project Risk

We may not be able to adhere to timelines. SMC, the Corporation, as a part of its fiduciary responsibility implements and executes various projects for the better living of the citizens of the Surat City such as water treatment plants, sewerage projects, drainage projects, solid waste management projects, road, parks, bridges and housing projects which involves significant amount of capital. The Corporation besides using its own revenue also depends on various central & state government grants for completion of such projects. Any delay in getting requisite approval for such projects can result in cost and time over run. However, the servicing of debt for the Issue shall not be affected as the payment of the same is happening by a structured payment mechanism as explained later.

3. Financial Risk

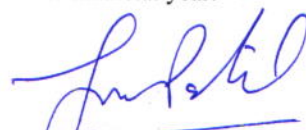
SMC may not be able to pay interest accrued on the Bonds and/ or the principal amount outstanding from time to time. The potential investor may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Bonds.

SMC'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 SMC's financial condition, profitability, revenue generation and the general economic conditions prevailing in India and in the global financial markets. SMC cannot assure that SMC would be able to repay the principal amount outstanding from time to time on the Bonds and/ or the interest accrued thereon in a timely manner, or at all. SMC will create an appropriate escrow account in favor of the Bond Trustee for the Bondholders to ensure sufficient funds for repayment of principal and interest accrued thereon. 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, Professional Tax and other fees are not consistent throughout the year and may be higher in certain parts of the financial year.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

Financial Statements

The audited financial statements through FY 2017-18 and derived ratios there from contained in the Information Memorandum have been prepared / computed as per the permissible practices. The unaudited accounts for half year ending September 30, 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.

4. General Risk

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

Surat district in general and Surat city in particular is an area prone to natural disasters like flood, earthquake and cyclones due to its geographical position. Due to its coastal areas these areas are also under the threat of a major tsunami which hit Indian coastal region few years back.

Further, Surat district has many industrial houses situated in and around its areas. Surat city has a major industrial belt in Hazira and in surrounding areas. These industries are full of health and life threatening hazards.

Like all other cities Surat may also be impacted by terrorism which may impact the business of SMC. In past, a series of bombs were recovered in Surat.

However, there have been no recent natural calamities/terrorist activities in Surat.

4.2 Decentralization and Municipal Corporations

SMC has legislative and administrative control over its operating revenues, expenditures and capital plans, as permitted under the BPMC Act. Nevertheless, changes in State and Central Government revenue sources and regulatory frameworks could have an effect on the credit profile of SMC (positive and/or 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 SMC, 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 SMC.

Additionally, being a government organization, SMC 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 SMC.

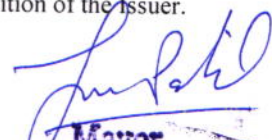
4.3 SMC Policy Focus

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 taxes to be collected and remitted to the escrow agent for payment of debt service for the life of the bonds.

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

The SMC, considering its functioning, is involved in several litigations. The quantum of such cases and aggregate amount involved cannot be readily ascertained. Further, the timing of the outcome of such cases is beyond certainty and depends upon the court proceedings of such cases. These cases, if decided against the SMC, can have an impact on the financial position of the issuer.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

It may be noted that the number of proceedings in which SMC 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 cities in India. However, the SMC, with its robust financial health, is capable to pay-off the liabilities that would arise if these cases are decided against the Corporation.

6. Risk in relation to the Bonds

6.1 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 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.

6.2 Bonds are unsecured.

As the proposed debentures/bonds are unsecured in nature, investors may find it difficult to recover their money in case of any default by the issuer. The Debenture Trustee is not a guarantor and will not be responsible for any loss or claim.

7. 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 INDAA+(SO)/Stable by IRRPL vide its letter dated 31st January, 2019 and Provisional CRISIL AA+(SO)/Stable by CRISIL vide its letter dated 1st February, 2019. 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.

8. 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.

9. 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,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

ORGANISATION STRUCTURE

1. Details of the Corporation

Surat Municipal Corporation is a local self government (Urban Local Body) which has come into being under the Bombay Provincial Municipal Act, 1949. It carries out all the obligatory functions and discretionary functions entrusted by the BPMC Act, 1949 with the following mission:

- To make Surat a dynamic, vibrant, beautiful, self-reliant and sustainable city with all basic amenities, to provide a better quality of life.
- Surat Municipal Corporation perceives its role as the principal facilitator and provider of services.

Under the Provisions of Bombay Provincial Municipal Corporations Act, 1949, Section - 4, the powers have been vested in three Distinct Statutory Authorities:

- General Board
- Standing Committee
- Municipal Commissioner

2. Details of Mayor/Deputy Mayor

Sl. No.	Particulars	Designation	Date of appointment
1.	Dr. Jagdishbhai Patel	Mayor	14 th June, 2018
2.	Shri Nirav Sureshchandra Shah	Deputy Mayor	14 th June, 2018

3. Details of Commissioner/Deputy Commissioners

Sl. No.	Particulars	Designation	Date of appointment
1.	Shri M. Thennarasan, IAS	Municipal Commissioner	29 th September, 2016
2.	Shri Chaitanya Yogeshchandra Bhatt	Deputy Municipal Commissioner	9 th June, 2011
3.	Shri Nilesh Vaikunthray Upadhyay	Deputy Municipal Commissioner (Deputation)	27 th April, 2018
4.	Shri Jivanbhai Madhavlal Patel	Deputy Municipal Commissioner (Planning & Development)	2 nd March, 2010
5.	Dr. Ashishkumar Kanaiyalal Naik	Deputy Municipal Commissioner (Health & Hosp.)	20 th July, 2018
6.	Shri Ketankumar Sumanchandra Patel	Deputy Municipal Commissioner	17 th August, 2016
7.	Shri Bankimchandra Ishvarlal Desai	Deputy Municipal Commissioner	17 th August, 2016
8.	Dr. Rajesh Jayantilal Pandya	Deputy Municipal Commissioner	17 th August, 2016

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


Issuer has not undergone any re-organization or re-construction 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 is constituted under the section 20(7)(I) of the Gujarat Provincial Municipal Corporation Act. The Standing Committee is constituted by the General Board and the Members of the said Committee that have been selected by the members of General Board in its first Board Meeting. The Standing Committee consists of 12 members. In accordance with the provisions of the BPMC Act, 1949, Standing Committee has to take major decisions, make policies, etc. for the Surat Municipal Corporation.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

Presently the constitution of the Standing Committee is as follows:

Name and Designation	Date of Appointment / Resignation	Member of the Committee since (in case of resignation)	Tenure
Shri Anil Deepchand Goplani, Chairman	14-06-2018	-	2½ years or till the end of General Board Tenure
Smt. Kalpanaben Madansinh Atodariya, Member	14-06-2018	-	
Shri Vijaykumar Prahladray Chaumal, Member	14-06-2018	-	
Shri Rakeshbhai Champaklal Mali, Member	14-06-2018	-	
Shri Shankarlal Vrajlal Chevali, Member	14-06-2018	-	
Miss Nancy Mohanbhai Sumara, Member	14-06-2018	-	
Shri Dayashankar Sakalnarayan Singh, Member	14-06-2018	-	
Smt. Anitaben Yashodharbhai Desai, Member	14-06-2018	-	
Shri Kantibhai Heerjibhai Bhandari, Member	14-06-2018	-	
Smt. Ujjawalaben Shashikantbhai Nikam, Member	14-06-2018	-	
Shri Pravinbhai Maganbhai Patel (P.M.), Member	14-06-2018	-	
Shri Rajeshbhai Manubhai Desai (Rajesh Desai), Member	14-06-2018	-	

Health Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Bombay Provincial Municipal Corporation Act-1949. The Health Committee is constituted for the purpose of sanctioning of works and agreement regarding Public Health, acting to fulfillment of provisions under the BPMC Act related to public health, nursing act, food safety act, adulteration act, vector borne diseases control, epidemic control and general public health, etc. and also empowered to take decisions regarding policies for the above mention purposes with the approval of General Board of Surat Municipal Corporation.

Presently the constitution of the Health Committee is as below:

Sr. No	Name	Designation	Date of Appointment/ Resignation	Tenure
1	Shri Digvijaysinh Nharsinh Barad	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt. Sadhanaben Hareshbhai Raval	Vice Chairman	25-07-2018	
3	Shri Nareshbhai Mafatbhai Patel	Member	25-07-2018	
4	Smt. Magnadevi Radheshyam Shukla	Member	25-07-2018	
5	Shri Rav Saheb Rawan Patil	Member	25-07-2018	
6	Smt. Manjuben Balubhai Dudhat	Member	25-07-2018	
7	Dr. Ramanbhai Makanbhai Parmar	Member	25-07-2018	
8	Shri Nareshbhai Jasmatbhai Jayani	Member	25-07-2018	
9	Smt. Lilaben Bhaidas Sonavane	Member	25-07-2018	

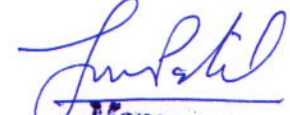
Public Works Department Committee (PWD Committee)

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Bombay Provincial Municipal Corporation Act-1949 has constituted PWD Committee. The PWD Committee is constituted for the purpose of sanctioning of works and agreement regarding housing and infrastructure development, etc. and also empowered to take decisions regarding policies for the housing and infrastructure development related purpose with the approval of General Board of Surat Municipal Corporation.

Presently the PWD Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/ Resignation	Tenure
1	Shri Somnathbhai Raghunathbhai Marathe	Chairman	25-07-2018	2½ years or till the end of
2	Shri Laljibhai Bhimjibhai Ghori (Lalu-Keriya)	Vice Chairman	25-07-2018	
3	Shri Mukesh Chandrakant Dalal	Member	25-07-2018	


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Surat Municipal Corporation.

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
4	Shri Vinodbhai Amarshibhai Moradiya	Member	25-07-2018	General Board Tenure
5	Shri Hitendrabhai Harishbhai Gamit (Hitesh Gamit)	Member	25-07-2018	
6	Smt. Pushpaben Govindbhai Patel	Member	25-07-2018	
7	Smt. Ramilaben Yogeshbhai Patel	Member	25-07-2018	
8	Dr. Charul Kapil Kaswala	Member	25-07-2018	
9	Shri Dineshbhai Nanubhai Savaliya	Member	25-07-2018	

Water Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Bombay Provincial Municipal Corporation Act-1949 has constituted Water Committee. The Water committee is constituted for the purpose of sanctioning of works and agreement regarding infrastructure development of water network, waterlines, water distribution and water quality, etc. and also empowered to take decisions regarding policies for the infrastructure development of water network, waterlines, water distribution and water quality related purposes with the approval of General Board of Surat Municipal Corporation. Presently the Water Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Shri Himmatbhai Gagjibhai Beladia	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt. Jashuben Khimjibhai Rathod	Vice Chairman	25-07-2018	
3	Smt. Ranjanben Sundarlal Sartanpara	Member	25-07-2018	
4	Smt. Vaishaliben Devangbhai Shah	Member	25-07-2018	
5	Smt. Jayshreeben Shaileshbhai Parate	Member	25-07-2018	
6	Shri Piyushkumar Balavantrai Jariwala	Member	25-07-2018	
7	Shri Pravinbhai Manjibhai Ghoghari	Member	25-07-2018	
8	Shri Bhaveshbhai Govindbhai Bhumbhaliya	Member	25-07-2018	
9	Smt. Mamtaben Hiteshbhai Savani	Member	25-07-2018	

Town Planning Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Bombay Provincial Municipal Corporation Act-1949 has constituted Town Planning Committee. The Town Planning Committee is constituted for the purpose of sanctioning of works and agreement regarding town development works, etc. and also empowered to take decisions regarding preparation of draft town planning schemes for the various area of Surat City, implementation of GDSR policies, road alignment and further requisite measures towards the development of Surat City with the approval of General Board of Surat Municipal Corporation. Presently the Town Planning Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Shri Ramesh Ukani	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Sureshbhai Kanjibhai Kansagra	Vice Chairman	25-07-2018	
3	Shri Pravinbhai Manjibhai Ghoghari	Member	25-07-2018	
4	Shri Vinodbhai Amarshibhai Moradiya	Member	25-07-2018	
5	Smt. Archanaben Ashokbhai Patil	Member	25-07-2018	
6	Smt. Kirankunvar Jethusinh Bhati	Member	25-07-2018	
7	Smt. Rohini Chhotubhai Patil	Member	25-07-2018	
8	Smt. Ratnaben Shamrao Fule	Member	25-07-2018	
9	Smt. Jyotiben Chandubhai Sojitra	Member	25-07-2018	

M. Dhruv
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Surat Municipal Corporation.

Surat 21
Mayor,
Surat Municipal Corporation.

Social Welfare, Entertainment and Cultural Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Bombay Provincial Municipal Corporation Act-1949 has constituted a Social Welfare, Entertainment and Cultural Committee. The Social Welfare, Entertainment and Cultural Committee is constituted for the purpose of sanctioning of works related to social, culture or entertainment related activities, programs, events, etc. and also empowered to take decisions regarding policies for the social, culture or entertainment related activities, programs, events, etc. with the approval of General Board of Surat Municipal Corporation. Presently the Social Welfare, Entertainment and Cultural Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Smt. Rashmikaben Dashrathbhai Patel	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt. Artiben Henish Patel	Vice Chairman	25-07-2018	
3	Smt. Rupal Kamalbhai Shah	Member	25-07-2018	
4	Smt. Ramilaben Yogeshbhai Patel	Member	25-07-2018	
5	Smt. Pushpaben Govindbhai Patel	Member	25-07-2018	
6	Smt. Purnima Harishbhai Davle	Member	25-07-2018	
7	Smt. Vaishaliben Devangbhai Shah	Member	25-07-2018	
8	Smt. Bhartiben Karunashankar Tiwari	Member	25-07-2018	
9	Smt. Hansaben Karshanbhai Sangani	Member	25-07-2018	

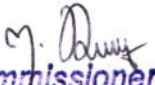
Drainage Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Drainage Committee is constituted for the purpose of sanctioning of works and agreement regarding infrastructure development of drainage network, drainage-lines, solid waste disposal, sewerage lines, etc. and also empowered to take decisions regarding policies for the infrastructure development of drainage network, drainage-lines, solid waste disposal, sewerage lines, etc. with the approval of General Board of Surat Municipal Corporation. Presently, the Drainage Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Shri Amitsingh Jamunasingh Rajput	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Jayantilal Dahyabhai Bhandari	Vice Chairman	25-07-2018	
3	Smt. Sudha Mukesh Nahata	Member	25-07-2018	
4	Smt. Gitaben Hasmukhbhai Patel	Member	25-07-2018	
5	Smt. Kishoriben Rajendrabhai Kapadia	Member	25-07-2018	
6	Shri Anil Kanjibhai Bhoj	Member	25-07-2018	
7	Smt Mitaben Krushnalal Patel	Member	25-07-2018	
8	Shri Dineshbhai Manubhai Kachhadiya	Member	25-07-2018	
9	Shri Dhansukhbhai Bhagawatiprasad Rajput	Member	25-07-2018	

Law Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Law Committee is constituted for the purpose of sanctioning of works and agreement regarding appointment of legal consultants, counsels for the framing of Rules, Regulations, By-laws for the purpose of administrative, managerial, legal aspect of the Surat Municipal Corporation and also empowered to take decisions regarding


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

policies for the administrative, managerial, legal aspect of the Surat Municipal corporation with the approval of General Board of Surat Municipal Corporation. Presently, the Law Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Smt. Hemlataben Ashokkumar Rana	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Anil Kanjibhai Bhoj	Vice Chairman	25-07-2018	
3	Shri Nareshbhai Mafatbhai Patel	Member	25-07-2018	
4	Shri Mukesh Chandrakant Dalal	Member	25-07-2018	
5	Shri Anilbhai Hashmukhbhai Biscuitwala	Member	25-07-2018	
6	Shri Sureshbhai Kanjibhai Kansagra	Member	25-07-2018	
7	Smt. Gitaben Tejabhai Rabari	Member	25-07-2018	
8	Smt. Kapila Palkeshkumar Patel	Member	25-07-2018	
9	Shri Manojbhai Parbatbhai Chovatiya	Member	25-07-2018	

Hospital, Medical Aid and Hygiene Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Hospital, Medical Aid and Hygiene Committee is constituted for the purpose of sanctioning of works and agreements regarding Public Health, Hospitals, Health Centers, etc. and also empowered to take decisions regarding policies for the health related purpose with the approval of General Board of Surat Municipal Corporation. Presently, the Hospital, Medical Aid and Hygiene Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Shri Muljibhai Madhavjibhai Thakkar	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt. Urvashiben Animeshbhai Ramimali	Vice Chairman	25-07-2018	
3	Shri Anilbhai Hashmukhbhai Biscuitwala	Member	25-07-2018	
4	Smt. Sonuben Ambaliya (Prajapati)	Member	25-07-2018	
5	Dr. D. M. Wankhede	Member	25-07-2018	
6	Smt. Kailashben Vitthalbhai Bhaliya	Member	25-07-2018	
7	Dr. Ramanbhai Mankanbhai Parmar	Member	25-07-2018	
8	Smt. Bhartiben Pankajbhai Kapadiya	Member	25-07-2018	
9	Smt. Dakshaben Bavchandbhai Bhuva	Member	25-07-2018	

Housing and Garden Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Housing and Garden Committee is constituted for the purpose of sanctioning of works and agreements towards infrastructure development and maintenance of green environment by developing gardens, parks, lakes, amusements, etc. and also empowered to take decisions regarding policies for the developing gardens, parks, lakes, amusements, etc. related purposes with the approval of General Board of Surat Municipal Corporation. Presently, the Hospital, Medical Aid and Hygiene Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Smt. Suchitraben Subhashbhai Patel	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Bharatbhai Monabhai Vaghasiya	Vice Chairman	25-07-2018	
3	Smt. Reshmaben Rupeshkumar Lapsiwala	Member	25-07-2018	
4	Smt. Hinaben Rajeshbhai Chaudhari	Member	25-07-2018	
5	Smt. Ushaben Maheshbhai Patel	Member	25-07-2018	
6	Smt. Rupal Kamalbhai Shah	Member	25-07-2018	


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Mayor,
Surat Municipal Corporation.

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
7	Smt. Artiben Henish Patel	Member	25-07-2018	
8	Smt. Harshaben Jayeshbhai Sanghani	Member	25-07-2018	
9	Smt. Arunaben Sanjaybhai Davra	Member	25-07-2018	

Light and Fire (Extinguishing) Committee

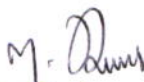
The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Light and Fire (Extinguishing) Committee is constituted for the purpose of sanctioning of works and agreement regarding fire and emergency services, public safety, fire safety installation, disaster management and rescue plan, etc. and also empowered to take decisions regarding policies for the fire and emergency services, public safety, fire safety installation, disaster management and rescue plan, etc. related purpose with the approval of General Board of Surat Municipal Corporation. Presently, the Light and Fire (Extinguishing) Committee consists of the following members:


Sr. No.	Name	Designation	Date of Appointment/Resignation	Tenure
1	Shri Bhavanbhai Vashrambhai Sisara	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Pravinbhai Jerambhai Kahar	Vice Chairman	25-07-2018	
3	Smt. Hinaben Rajeshbhai Chaudhari	Member	25-07-2018	
4	Smt. Reshmaben Rupeshkumar Lapsiwala	Member	25-07-2018	
5	Shri Piyushkumar Balavantrai Jariwala	Member	25-07-2018	
6	Smt. Sonuben Ambaliya (Prajapati)	Member	25-07-2018	
7	Shri Hitendrabhai Harishbhai Gamit (Hitesh Gamit)	Member	25-07-2018	
8	Shri Imran Hasanbhai Solanki	Member	25-07-2018	
9	Smt. Geetaben Maheshbhai Sosa	Member	25-07-2018	

Slum Improvement Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Slum Improvement Committee is constituted for the purpose of sanctioning of works and agreement regarding the removal of slum area, housing for lower income group as well as economical weaker section, rehabilitation of slums, redevelopment of tenements, etc. and also empowered to take decisions regarding policies for the removal of slum area, housing for lower income group as well as economical weaker section, rehabilitation of slums, redevelopment of tenements, etc. related purposes with the approval of General Board of Surat Municipal Corporation. Presently, the Slum Improvement Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Shri Mukeshbhai Babubhai Patel	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt. Nitaben Maheshbhai Savaliya	Vice Chairman	25-07-2018	
3	Smt. Gitaben Hasmukhbhai Patel	Member	25-07-2018	
4	Smt. Ramilaben Yogeshbhai Patel	Member	25-07-2018	
5	Smt. Gitaben Tejabhai Rabari	Member	25-07-2018	
6	Smt. Reenaben Rajendrabhai Upadhyay	Member	25-07-2018	
7	Shri Subhashbhai Namdev Patil	Member	25-07-2018	
8	Shri Satishbhai Champakbhai Patel	Member	25-07-2018	
9	Smt. Vasantben Ghanshyambhai Vaghani	Member	25-07-2018	


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Surat Municipal Corporation,


Mayor,
Surat Municipal Corporation.

Public Transport Mobility Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Public Transport Mobility Committee is constituted for the purpose of sanctioning of works and agreement regarding the mass transportation, parking facility, traffic junctions, public transport mobility, etc. and also empowered to take decisions regarding policies for the mass transportation, parking facility, traffic junctions, public transport mobility, etc. related purposes with the approval of General Board of Surat Municipal Corporation. Presently, the Public Transport Mobility Committee consists of the following members:

Public Transport Mobility Committee - Resolution No:267(12)/2018 Dated 25/07/2018

Sr. No.	Name	Designation	Date of Appointment/Resignation	Tenure
1	Smt. Hemali Kalpeshkumar Boghawala	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt. Rashilaben Batukbhai Pansuriya	Vice Chairman	25-07-2018	
3	Smt. Daxaben Sudhakar Chaudhari	Member	25-07-2018	
4	Smt. Purnima Harishbhai Davle	Member	25-07-2018	
5	Shri Jayantilal Dahyabhai Bhanderi	Member	25-07-2018	
6	Shri Pravinbhai Jerambhai Kahar	Member	25-07-2018	
7	Dr.D. M. Wankhede	Member	25-07-2018	
8	Shri Nileshbhai Mansukhbhai Kumbhani	Member	25-07-2018	
9	Shri Dhirajlal Popatlal Vekariya	Member	25-07-2018	

Khadi Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Khadi Committee is constituted for the purpose of appointing and selection procedure Municipal Officers whose pay scales is Rs.15,600/- to Rs.39,100/- as per Sixth Pay Commission in respect to the provisions of Section 53(1) of the Bombay Provincial Municipal Act, 1949. Presently, the Khadi Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation	Tenure
1	Dr. Jagdishbhai Patel (Mayor)	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Nirav Sureshchandra Shah (Deputy Mayor)	Member	25-07-2018	
3	Shri Anil Dipchand Goplani (Standing Committee Chairman)	Member	25-07-2018	
4	The Chairman Of All Others Committees	Member	25-07-2018	
5	Shri Girijashankarbhai Vibhutarayan Mishra (Leader-Ruling Party)	Member	25-07-2018	
6	Shri Prafulbhai Chhaganbhai Togadiya (Leader Opposition Party)	Member	25-07-2018	
7	Shri Nitinbhai Devprasadbhai Thakar (Bhajiawala)	Member	25-07-2018	

Mayor Fund Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Mayor fund committee is constituted for the purpose of sanctioning of works and agreement regarding infrastructure development of water network, waterlines, water distribution and water quality, etc. and also empowered to take decisions regarding policies for the infrastructure development of water network, waterlines, water distribution and water quality related purposes with the approval of General Board of Surat Municipal Corporation. Presently, the Mayor Fund Committee consists of the following members:


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Mayor,
Surat Municipal Corporation.

Sr. No	Name	Designation	Date of Appointment/ Resignation	Tenure
1	Dr. Jagdishbhai Patel (Mayor)	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Nirav Sureshchandra Shah (Deputy Mayor)	Vice Chairman	25-07-2018	
3	Shri Anil Dipchand Goplani (Standing Committee Chairman)	Member	25-07-2018	
4	Shri M.Thennarasan (Municipal Commissioner)	Member	25-07-2018	
5	Smt Urvisabhen Animeshbhai Ramimali	Member	25-07-2018	
6	Smt Rupal Kamalbhai Shah	Member	25-07-2018	
7	Smt Sonalben Dineshbhai Desai	Member	25-07-2018	

S.M.C Seminars Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act,1949. S.M.C Seminars Committee is constituted for the purpose of planning seminars regarding cultural, novels, literature, historical seminars and workshop for the promotion of social activities of Surat city and presently includes the following members:

Sr. No.	Name	Designation	Date of Appointment/ Resignation	Tenure
1	Dr. Jagdishbhai Patel (Mayor)	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Shri Nirav Sureshchandra Shah (Deputy Mayor)	Member	25-07-2018	
3	Shri Anil Dipchand Goplani (Standing Committee Chairman)	Member	25-07-2018	
4	Smt Asmitaben Prafulbhai Shiroya	Member	25-07-2018	
5	Smt Ushaben Maheshbhai Patel	Member	25-07-2018	
6	Smt Sudha Mukesh Nahata	Member	25-07-2018	
7	Shri Kanubhai Maganbhai Joshi	Member	25-07-2018	
8	Shri Manojbhai Mistry	Member	25-07-2018	
9	Shri Bhupendrabhai Meghajibhai Solanki	Member	25-07-2018	

Maskati Charitable Hospital Advisory Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act,1949. The Maskati Charitable Hospital Advisory Committee is constituted for the purposes of advisory in the smooth function of Hospitals, all questions of treatment, surprise visit to hospital and other hospital related matters. Presently it consists of the following members:

Sr. No	Name	Designation	Date of Appointment/ Resignation	Tenure
1	Dr. D. M. Wankhede	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Dr Ramanbhai Makanbhai Parmar	Member	25-07-2018	
3	Smt. Artiben Henish Patel	Member	25-07-2018	
4	Smt. Reshmaben Rupeshkumar Lapsiwala	Member	25-07-2018	
5	Smt Geetaben Hasmukhbhai Patel	Member	25-07-2018	
6	Shri Shaileshbhai Ishvarbhai Rayaka	Member	25-07-2018	
7	Chairman - Hospital, Medical Aid And Hygiene Committee	Member	25-07-2018	
Maskati Charitable Hospital Property Trust member				
8	Shri Taherbhai Kanthawala	Member	25-07-2018	
9	Kumari Samina Mogal	Member	25-07-2018	
10	Shri Altaf Ibrahim Zaveri	Member	25-07-2018	
11	Smt Zehra R. Maskati	Member	25-07-2018	


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Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

Unknown Soldiers Monument Fund Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Bombay Provincial Municipal Corporation Act, 1949. The Unknown Soldiers Monument Fund Committee is constituted for the purpose of setting up and maintenance of Unknown Soldiers Monument Fund and taking decisions in respect of vary purpose. Presently the committee consists of the following members:


Sr. No.	Name	Designation	Date of Appointment/Resignation	Tenure
1	Smt. Rashmikaben Dashrathbhai Patel Social Welfare, Entertainment and Cultural Committee Chairman	Chairman	25-07-2018	2½ years or till the end of General Board Tenure
2	Smt Kishoriben Rajendrabhai Kapadiya	Member	25-07-2018	
3	Smt Geetaben Hasmukhbhai Patel	Member	25-07-2018	
4	Smt Vaishaliben Devangbhai Shah	Member	25-07-2018	
5	Smt Mamtaben Hiteshbhai Savani	Member	25-07-2018	
6	Shri Anilbhai Hasmukhbhai Biscuitwala	Member	25-07-2018	
7	Shri Vijaybhai Amrutbhai Panseriya	Member	25-07-2018	
8	Shri Krishnakant S. Chhatrapati	Member	25-07-2018	
9	Shri Sanmukhbhai Sakarlal Jinvala	Member	25-07-2018	
10	Shri Navnitbhai Ishvarbhai Patel	Member	25-07-2018	

6. Details of the Auditor

Name	Address	Auditor Since
Natvarlal Vepari and Co. Chartered Accountants	First Floor, River Palace II, Near Navdi Ovara, Nanpura, Surat- 395001 Ph: 0261-2463636 Email Id: vepari@youtele.com	Financial Year 2012-13

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	Ms. Savitri Yadav, Company Secretary and Compliance Officer


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Mayor,
Surat Municipal Corporation. 27

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

I. Overview of the Issuer

About Surat

Surat is a city located on the western part of India in the state of Gujarat. It is one of the most dynamic City of India with one of the fastest growth rate due to immigration from various part of Gujarat and other states of India.

The city of Surat, also an administrative capital of Surat District, is well-developed commercial city of the Indian State of Gujarat and one of the fastest growing cities in India.

Surat is Gujarat's second largest city and India's 8th most populated city with a population of 4.44 million (as per 2011). The city of Surat has glorious history that dates back to 300 BC. The origin of the city can be traced to the old Hindu town of Suryapur during 1500 – 1520 A.D., which was later colonised by the Brigus or the King from Sauvira on the banks of River Tapi. In 1759, The British rulers took its control from the Mughals till the beginning of the 20th century. The city is located on the River Tapi and has about 6 km long coastal belt along the Arabian Sea. Due to these reasons, the city emerged as an important trade centre and enjoyed prosperity through sea trade in the 16th, 17th and 18th centuries. Surat became the most important trade link between India and many other countries and was at the height of prosperity till the rise of Bombay port in the 17th and 18th centuries. Surat was also a flourishing centre for ship building activities. The whole coast of Tapi from Athwalines to Dumas was specially meant for ship builders who were usually Rassis. After the rise of the port at Bombay, Surat faced a severe blow and its ship building industry also declined. During the post-independence period, Surat has experienced considerable growth in industrial activities (especially textiles) along with trading activities. Concentration of these activities combined with residential developments has resulted in considerable expansion of the city limits.


Surat is one of the largest cities of India and is cited in the list of world's largest cities. Surat Metropolitan Region is widely regarded as one of the cleanest Metropolitan Regions in the country. Surat is one of the cleanest city of India and is also known by several other names like "THE SILK CITY", "THE DIAMOND CITY", "THE GREEN CITY", etc. It has the most vibrant present and an equally varied heritage of the past. It is the city where the British first land in India. The Dutch and the Portuguese also established there business centers in Surat, the remnants of which are still preserved in the modern day Surat. In past this was a glorious port with ships of more than 84 countries anchored in its harbour at any time.



Surat city is one of the most important city on the industrial map of the country with many large industries developed over here. The economic base of Surat consists of textile manufacturing, trade, diamond cutting and polishing industries, intricate Zari works, chemical industries and the petrochemical and natural gas based industries at Hazira established by leading industry houses such as ONGC, Reliance, ESSAR, and Shell.

The City accounts for:


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

42% of the world's total rough diamond cutting and polishing,
70% of the nation's total rough diamond cutting and polishing,
40% of the nation's total diamond exports,
40% of the nation's total man-made fabric production,
28% of the nation's total man-made fiber production
18% of the nation's total man-made fiber export, and
12% of the nation's total fabric production

The region is one of the leading city-regions in the country that has attracted massive investments of which substantial proportion is under implementation. According to CMIE 2002, the Surat City region has a proposed investment of about Rs. 11,817 Crores. In addition projects worth Rs. 2,022 Crores are under implementation. Hazira and SEZ are major focal points for growth. Given these, the prospect of sustained rapid growth is bright.

The Industries in the City of Surat plays a vital role in determining the economy of the country. There are several industrial estates established by the Gujarat Industrial Development Corporation (GIDC) in and around the city. The industrial estates of Pandesara, Khatodara, Udhana, Katargam, Sachin and Bhestan are mainly occupied by clusters of textile and chemical units.

Besides, the diamond processing units are located in the vicinity of Varachha, Ved road and Katargam. In the past years, diamond cutting happened to be a part of small scale industries in Surat. However, in the recent past among all the major industries, the diamond cutting and polishing industry has marked its presence. The city is also known as "Embroidery Capital" for embroidery works done with the help of computer designs.

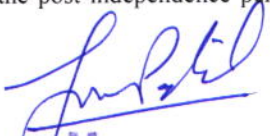
The strength of the City is entrenched well within the cultural and social bonding and economic characteristics of the populace. The discrete traditions of the community with diversified economic base provide a favorable environment for economic and industrial growth. The strength of the city lies in the sustained growth contributed by receptive local administration coupled with entrepreneurial skill of the people shielded with impetus that enables people to accept and blend with people belonging to dissimilar culture resulting in harmonious growth.



History of Surat

The city of Surat has glorious history that dates back to 300 BC. The origin of the city can be traced to the old Hindu town of Suryapur during 1500 – 1520 A.D., which was later colonised by the Brigus or the King from Sauvira on the banks of River Tapi. In 1759, The British rulers took its control from the Mughals till the beginning of the 20th century. The city is located on the River Tapi and has about 6 km long coastal belt along the Arabian Sea. Due to these reasons, the city emerged as an important trade centre and enjoyed prosperity through sea trade in the 16th, 17th and 18th centuries. Surat became the most important trade link between India and many other countries and was at the height of prosperity till the rise of Bombay port in the 17th and 18th centuries. Surat was also a flourishing centre for ship building activities. The whole coast of Tapi from Athwalines to Dumas was specially meant for ship builders who were usually Rassis. After the rise of the port at Bombay, Surat faced a severe blow and its ship building industry also declined. During the post-independence period, Surat


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

has experienced considerable growth in industrial activities (especially textiles) along with trading activities. Concentration of these activities combined with residential developments has resulted in considerable expansion of the city limits.

Overview of Surat Municipal Corporation

The Surat Municipal Corporation came into being under the Bombay Provincial Municipal Act, 1949 to carry out all the requisite functions and discretionary functions that have made the city of Surat a vibrant, effervescent, gorgeous, autonomous and sustainable city with all basic amenities, to provide a better quality of life.

The Surat Municipal Corporation always strived to accomplish complete customer satisfaction and has implemented various techniques as an endeavor towards the same. The Surat Municipal Corporation identifies its responsibility as the prime facilitator and service. The Surat Municipal Corporation is committed to achieve its mission and carry out its functions successfully through dedication to achieve excellence in providing civic amenities and Responsive, Modern, Simple, Accountable and Transparent Administration.

Particulars				Coverage			
Municipality				Establishment in 1852 AD			
Corporation				Establishment in 1966 AD			
Area				326.515 km			
Population (as per Census)				2.47 Million (2001 with area of 112.28 Sq. Km.)			
				2.88 Million (2001 with the extended area 326.515 Km.)			
				Approx. 4.5 Million (2011)			
Decadal Growth Rate				55.29%			
Administration Zone				(Area in Sq. Kilometers)			
Central	South-west	South	South-East	East	North	West	Total
8.18	111.91	61.76	19.51	37.52	36.36	51.27	326.51
Ward Office		City Civic Centre		Election Ward			
90		21		29			

Constitution of Corporation

SMC has been constituted under section 5 of the Bombay Provincial Municipal Corporation Act, 1949 and in accordance with Section 4 of the BPMC Act, the municipal authorities have been entrusted with the following:

- (A) a Corporation;
- (B) a Standing Committee;
- (C) a Municipal Commissioner;
and, in the event of the Corporation establishing or acquiring a Transport Undertaking;
- (D) a Transport Committee;
- (E) a Transport Manager.

Functions of the Corporation

SMC carries out all the obligatory functions and discretionary functions entrusted by the BPMC Act, 1949 with the following mission:

To make Surat a dynamic, vibrant, beautiful, self-reliant and sustainable city with all basic amenities, to provide a better quality of life Surat Municipal Corporation perceives its role as the principal facilitator and provider of services as detailed below to provide a better quality of life.

AS PROVIDER

- Potable water supply
- Underground sewage system in the whole city


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- All weather roads
- Efficient and sustainable solid waste management
- Health coverage to all, focused more on the poor
- Primary education to the needy and Library facility to all
- Up-gradation of the amenities in the existing slums and alternative accommodation
- Clean, green and pollution free environment
- Places of healthy entertainment and recreation
- Fire Service
- Efficient Urban Planning and Development

AS FACILITATOR


- Industrial growth
- Trade and commerce
- Health services
- Higher education and research
- Cultural activities
- Sports and games
- Recreation and entertainment
- Active peoples' participation
- SMC's commitment to achieve its mission and carry out the above listed functions successfully can be summarized as below:
- Dedication to achieve excellence in providing civic amenities
- Responsive, Modern, Simple, Accountable and Transparent Administration

Services of the Corporation

The section 63 and 66 of the Bombay Provincial Municipal Corporation Act, the SMC is responsible for certain obligatory and discretionary services. Some of them are:

- Obligatory Services
 - Erection of boundary of city defining city limits.
 - Watering, Scavenging and Cleansing of all public streets and places Sewage services
 - Drainage services
 - Fire services
 - Health and Medical services
 - Street Lighting services
 - Maintenance of a monuments and open spaces Identification of streets and houses
 - Regulation and abatement of offensive and dangerous trades or practices
 - Maintenance of burial houses and funeral homes
 - Construction or acquisition of public markets and slaughter houses
 - Construction or acquisition of cattle-pounds
 - Primary education services
 - Health and hygiene services
 - Construction, maintenance and alteration of bridges
 - Water supply services
 - Preventing and controlling the spread of dangerous diseases.
 - The securing or removal of unsafe buildings and places.
 - Construction of conservancy staff quarters
 - Maintenance of relief works in scarcity, floe etc.
- Discretionary Services
 - Construction and maintenance of maternity homes and infant welfare houses
 - Maintenance of central laboratories
 - Swimming pool and other public health services
 - Tree plantation on road sides
 - Construction and maintenance of public parks and gardens.


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- The holding of exhibition, athletics or games
- The maintenance of an ambulance services
- Construction and maintenance of theaters, community halls and museums etc.
- Building or purchase of staff quarters
- Construction and maintenance of public transport facilities
- Construction and maintenance of educational institutes
- Construction and maintenance of infirmaries and hospitals
- The destruction of animals and birds causing a nuisance
- Construction and maintenance of factory for the disposal of sewage
- The building or purchase and maintenance of suitable dwellings for the poor and working classes
- Provision of shelter to homeless persons and poor relief
- Surveys of buildings or lands
- Measures to meet any calamity affecting the public in the city any measure to promote public safety, health, convenience or instruction

Strengths of Surat

The city of Surat has a glorious history that date back to 300 BC. The city emerged as an important trade centre and enjoyed prosperity through sea trade since the city is located on the River Tapi and has about 6 km long coastal belt along the Arabian Sea. The city of Surat was the most important trade link between India and many other countries and was at the height of prosperity until the rise of Bombay port.

During the post-independence period, Surat has experienced considerable growth in industrial activities alongside trading activities. However, the city has witnessed repeated devastation both man-made and natural leaving behind greatest carnage, destruction, and social disruption. The city of Surat has emerged tough against all odds and undergone major transformation from one of the filthy and sullied city to second cleanest city in the country. The resolute community of the Surat city has time and again demonstrated their potency to refurbish the city and have grown to be the source of their own revival.

The strength of the city is entrenched well within the cultural and social bonding and economic characteristics of the populace. The discrete traditions of the community with diversified economic base provide a favorable environment for economic and industrial growth. The strength of the city lies in the sustained growth contributed by receptive local administration coupled with entrepreneurial skill of the people shielded with impetus that enables people to accept and blend with people belonging to dissimilar culture resulting in harmonious growth.

Awards

The contributions of Surat Municipal Corporation towards service to the citizens of the city has been valued and honored for excellence mostly, if not always. The efforts of the corporation has been recognized and appreciated and that it is the teamwork that has earned rewards in proportion to the quality of services provided. The corporation shall keep striving for its efforts to serve the citizens of the city and humanity at large.

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

- The Surat Municipal Corporation was awarded with a trophy and a certificate of appreciation "MUNICIPALIKA 2012" for Excellence for best thematic display.
- Under India Smart Cities Awards 2018, it has been awarded "The City Award" for showing great momentum in Implementation of Projects under Smart City Mission
- Under India Smart Cities Awards 2018, it has been awarded "Project Award - Transport and Mobility" for Outstanding Achievement in implementing Intelligent Transit Management System (ITMS)
- Awarded the Water Digest Water Awards 2017-18 for "Usage of Wind power in water supply system of Surat Municipal Corporation" and "Aquifer Mapping Study for Tapi"
- Smart Infrastructure Innovation Awards to Surat Smart City for Enterprise Management system for ITMS for Sitalink
- 10th CIDC Vishwakarma Awards 2018 for Rooftop grid connected Solar Plants through Net Metering Project


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- Awarded the Swachta Award 2017 by Business World
- Awarded Asian Townscape Award 2017, for Eco-Friendly Ganesh Idols to Conserve River Tapi during Ganesh Utsav
- Awarded Smart Infrastructure Symposium Award 2017, for SAFAL (Surat Action for Augmenting Livelihood) Mobile App
- Best City Bus Services Award by Union Ministry of Housing and Urban Affairs, GOI
- SKOCH Swachh Bharat Award (Silver) and Certificate of Merit for Slum Rehabilitation Efforts of SMC
- SKOCH Smart City Award (Silver) and Certificate of Merit for Water Conservation in Water Supply System
- SKOCH Smart City Awards (Order of Merit) for Processing & Disposal of Organic Urban Solid Waste Using Environment Friendly and Financial Sustainable – Vermi composting
- SKOCH Smart City Awards (Order of Merit) for Installation and Promotion of Rooftop Grid Connected Solar Plants through Net Metering in Surat
- Smart Cities India Awards 2017 - Jury Excellence Award for Rooftop Grid Connected Solar Power
- HUDCO Award for Best Practices to Improve the Living Environment 2016-17 for Financial Inclusion of Urban Poor Women Through Linkage with Income Generation Activities
- ISGF Innovation Award for Innovative Policies and Regulations Promoting Renewables and Smart Grids in India
- National e-Governance Award Winners 2017 under Innovative use of GIS Technology in e-Governance
- Business World Smart Cities Award 2016 (runner up) for SAFAL Mobile Application, under Innovative Smart Solutions - Social
- Business World Smart Cities Award 2016 (winner) for SMC Mobile Application under Innovative Smart Solutions - Institutional Category
- Digital India Award 2016 (Platinum Icon) under Outstanding Digital Initiative by Local Body Category
- IT Innovation & Excellence 2016 Award under Big Data Analytics initiative by Urban Local Body Category
- HUDCO Award, for Best Practices to Improve the Living Environment 2015-16 for Overall City Development
- Express IT Award 2015 (Bronze) for SMC Mobile App Under Digital Citizen Solutions Category
- Earth Care Award 2015 for promoting climate change mitigation and adaptation effort
- SKOCH Certificate of Merit for SAFAL (Surat Action for Augmenting Livelihood) Initiative
- SKOCH Award and Certificate of Merit for Smart Water Supply Management
- SKOCH Award and Certificate of Merit for Energy Efficiency Measures and use of Renewable Sources in Municipal Services
- ELETS Smart City Awards 2015 for use of LED in Street lighting of Municipal Area
- ELETS Smart City Awards 2015 for Non-Conventional Water Resource: Recycle and Reuse of Sewage for Industrial grade water supply through Tertiary Treatment Plant
- ELETS Smart City Awards 2015 for BRTS
- ELETS Smart City Awards 2015 for SAFAL (Surat Action for Augmenting Livelihood) Under the category of Smart CSR Initiative
- HUDCO Award, for Best Practices to Improve the Living Environment 2014-15 to Sitalink -Surat Bus Rapid Transit System Project
- Appreciation Certificate 2015 for Contribution to the Revenue and Voluntary Compliance
- Swachh Bharat City Award - 2nd Markenomy Awards 2015 for Excellence in Sustainable Clean & Green Infrastructure
- INDIA's Most Promising City Award By First SM@RT Cities Council
- India Today Best City Award 2014 Under the category of Economy and Crime & Safety
- Vodafone – Mobile for Good Award 2014 for Citizen's Connect – SMC Mobile Application
- Skoch Order of Merit 2014 for Use of Wind Power for Water Supply System
- Skoch Order of Merit 2014 for Citizen's Connect – SMC Mobile Application
- Skoch Gold Award 2014 for Tertiary Treatment Plant of SMC
- mBillionth Award South Asia 2014 for Citizen's Connect – SMC Mobile Application
- Voice of India's Citizens (VOICE) Award for Quality of City-Systems (Runner Up) under Annual Survey of India's City-Systems 2014
- HUDCO Award for Best Practices to Improve the Living Environment 2013-14 for Mobile App & Virtual Civic Center (Online Services)


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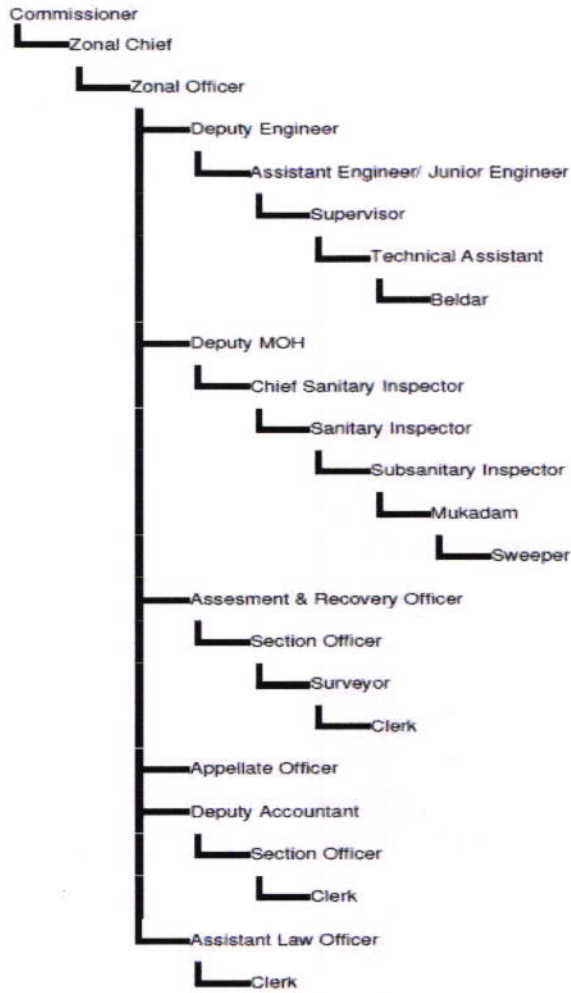

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- Markenomy Award 2013 for Best Livable City in India
- Skoch Gold Award & Skoch Order-of-Merit for use of e-Governance for Improved Service Delivery
- Voice of India's Citizens (VOICE) Award for Quality of Life under Annual Survey of India's City-Systems 2013
- Voice of India's Citizens (VOICE) Award for Quality of City-Systems under Annual Survey of India's City-Systems 2013
- Janaagraha Urban G2C Awards 2012 for Best website under the category "Transparency & Accountability"
- Award for best thematic display - Municipalika 2012
- National Energy Conservation Award 2011 By Ministry of Power, GOI
- Best presented Accounts and Corporate Governance Disclosure Awards 2011 by South Asian Federation of Accountants
- Nagar Ratna Award for Best Performance in Category of Innovation
- Award for Excellence in Financial Reporting by the Institute of Chartered Accountants of India
- Best BSUP City among Large States 2009-10 by Ministry for Housing & Urban Poverty Alleviation, GOI
- Award For Excellence in Solid Waste Management by Confederation of Indian Industries (CII) & Andhra Pradesh Technology, Development & Promotion Centre (APTDC)
- Award for best thematic display – Municipalika 2010 by Good Governance India Foundation
- Best Performing City 2008-09 by Ministry of Urban Development, GOI
- Best City Award for Improvement in Financial Management 2008-09 By Ministry of Urban Development, GOI
- Most Inclusive Approach by Ministry for Housing & Urban Poverty Alleviation, GOI
- Best City in Implementation of 7-Point Charter by Ministry for Housing and Urban Poverty Alleviation, GOI
- National Energy Conservation Award 2009 By Ministry of Power, GOI
- National Urban Water Award 2009 for Energy Efficiency in Water Management by Ministry of Urban Development, GOI
- Enertia Award 2009 for Power Generation from Biogas
- National Urban Water Award 2008 for Operation & Maintenance Practices in Water Management
- Award of Excellence for Best environment friendly efforts in urban mobility in Surat by Institute of Urban Transport, India
- Award for Excellence for Best PPP initiative in urban mobility in Surat By Institute of Urban Transport, India
- Golden Jubilee Award 2006-2007 for Outstanding utilization of Communication & Information Technology by the Southern Gujarat Chamber of Commerce & Industry
- National Award for e-Governance 2007-08 for Outstanding Performance in Citizen Centric Service Delivery by Department of Administrative Reforms & Public Grievances, GOI jointly with Department of Information Technology, GOI
- Best Performing City under JnNURM for Implementation of Reforms 2007-08 by Ministry of Urban Development, GOI & Ministry of Housing & Urban Poverty Alleviation, GOI
- Award for Excellence for State of the Art Bus Stands on DBOT Mode by Institute of Urban Transport, India
- INDIA URBAN SPACE 2007 for Best City Booth Award by Ministry of Urban Development, GoI
- Dubai International Award for Best Practices to Improve the Living Environment Installation of Centralised Bio-Medical Waste Treatment Facility on BOOT Base by Dubai Municipality & UN-HABITAT
- Most Outstanding Bridge National Awards 2004 to Fly Over Bridge at Varachha Road, Surat By Indian Institute of Bridge Engineers
- Dubai International Award for Best Practices to Improve the Living Environment– Urban Governance & Public Health Management by Dubai Municipality & UN-HABITAT
- Most Outstanding Bridge National Awards 1997 for Fly Over Bridge at Athwa Gate Junction, Surat by Indian Institute of Bridge Engineers


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MANAGEMENT STRUCTURE

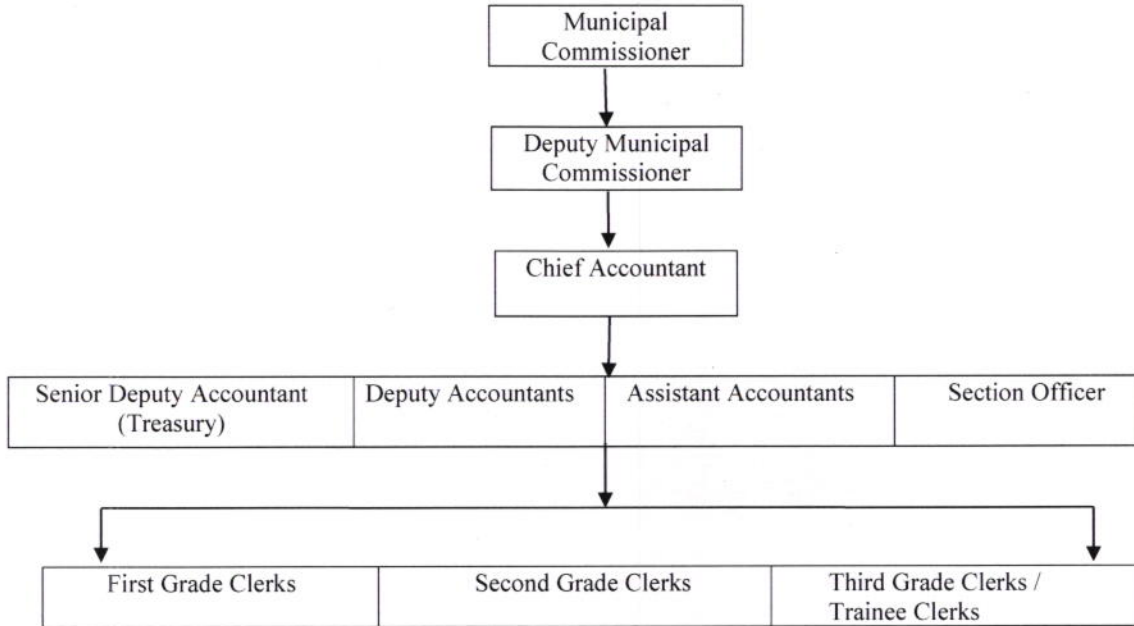


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J. Patel
Mayor,
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DEPARTMENT ISSUING THE BONDS

Administrative Chart of Department issuing Municipal Bond: Account Department of Surat Municipal Corporation maintaining fully computerized centralized accrual base Double Entry Accounting System since 1992. The link type organization chart of Account Department is as under:



DETAILS OF ALL THE PROJECTS UNDERTAKEN

Surat Municipal Corporation has major capex projects which will be undertaken in future. Out of the all projects following are the top 5 projects will be undertaken by SMC. Brief details of projects, estimated expenditure amount, timeline of projects, means of finance etc., are mentioned below:

PROJECT 1

- Project Name:** Water Supply Scheme (24 X 7) in Jahangipura - Jahangirabad West Zone (Rander) In Surat City.
Time Period of Project: For Captial Works 01 years and for O & M 10 years

Particulars	Total Estimated/ Tender Amount of Project with Breakup RS. (In Cr.)	Means of Finance (pls. specify Grant and Sharing of Grant Fund & Own fund)	Expected Expenditure to be incurred in Following Years (In Cr.)					
			2019- 20	2020- 21	2021- 22	2022- 23	2023-24	
1	2	3	4	5	6	7	8	9
1. Providing, Manufacturing, Supplying, Laying, Operation & Maintenance Of All Types Of Electrical, Mechanical, Equipment, Machinery, Instruments For Water Supply Distribution Station, Elevated Service Reservoir, Chlorination Building, Electrical Sub-Station, All M.S & D.I. Network Including Operation Of Valves Etc. Under 24 X 7 Water Supply Scheme In In Jahangipura - Jahangirabad West Zone Rander In Surat City.	50.67	Pre. Activity 0.08 Cr. Civil Work 1.04 Cr. Ele. & Mech. & SCADA Sys. 3.23 Cr. Water Meter Conn. 29.74 Cr. Total	SMC OWN	4.00	28.00	1.30	1.30	3.00
2. Brief of Project: The work of O&M will consist								

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1	2	3	4	5	6	7	8	9
of operation and maintenance of Electro-Mechanical, Electrical, Mechanical, Electronics equipment / item, Instruments, SCADA System, Record keeping, measuring devices. Civil work's maintenance of WDS, ESR and recharge bore. The firm has to operate the pumps as per SMC's requirements. The firms has to repair or replace pumps, motors, valves, pipes, screen, gate, gantry, electrical work including day to day maintenance as well as preventive maintenance as required. The work also includes operation and maintenance of MS / DI / CI transmission pipeline, rising main and distribution network. The firm has to repair or replace pipes / specials and all type of valves including repairing of leakages and solving of contamination problems, ensure water quality as per standard norms and repair to breakage of pipes repairs of road and valve chambers. Work also includes day to day maintenance as well as periodical preventive maintenance of all kind of valves. Item included gardening and plantation and the maintenance of the same at all WDS and ESR plots.		34.09 Cr. O & M of 24x7 Water Supp. 16.58 Cr. Total 50.67 Cr.						

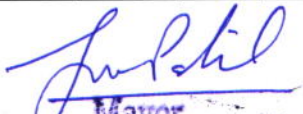
PROJECT 2

2. **Project Name:** M.S. Transmission pipe line from Kosad WTP to Different WDS of New West (pal) & New South West Zone of Surat City.

Time Period of Project: For Captial Works 60 months

Particulars	Total Estimated/ Tender Amount of Project RS. (In Cr.)	Means of Finance (pls. specify Grant and Sharing of Grant Fund & Own fund)	Expected Expenditure to be incurred in Following Years (In Cr.)				
			2019- 20	2020- 21	2021-22	2022- 23	2023-24
1. Providing, Manufacturing, Supplying and Laying of Different Sizes of Spirally welded M.S. Transmission pipe line from Kosad WTP to Different WDS of New West (pal) & New South West Zone of Surat City.	215.11	SWARNIM UDP-78 (19-20) (Rs. 39 Cr.)	39.00	80.00	70.00	15.00	11.11
2. Brief of Project: <ul style="list-style-type: none"> Project is meant for transmitting of Treated water from kosad WTP to different WDS (08 Nos.) of New West (pal) & New South West Zone Area of Surat. Project Includes the procurement of different sizes of spirally welded M.S. Pipes & Laying of the same. Area Covered Under this 							


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Project are Pal, Palanpur, Vesu, Rundh, Magdalla, Bhimrad, Vanta, Gavier, Abhava, Sultanabad, Khajod, Dumas of Surat City. • Total area to be served- 55.80 Sq. K.m. • Total Length of M.S. Pipe Line – 42.00 K.m. (508 to 2032 m.m dia) WDS Covered – 08 Nos.							
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PROJECT 3

3. **Project Name:** Procurement, Operation and maintenance of 50 Midi AC fully built pure Electric Buses

Time Period of Project: 48 months

Particulars	Total Estimated/ Tender Amount of Project RS. (In Cr.)	Means of Finance (pls. specify Grant and Sharing of Grant Fund & Own fund)	Expected Expenditure to be incurred in Following Years (In Cr.)				
			2019-20	2020-21	2021-22	2022-23	2023-24
1. E-Bus (GCC)							
2. Brief of Project: • Request for proposal (RFP) for procurement, operation and maintenance of 50 midi ac fully built pure electric buses on gross cost contract basis.	85.00	SMC OWN	25.00	30.00	30.00	-	-

PROJECT 4

4. **Project Name:** Construction of Shahid Smarak / Shaurya Smarak and Peace Centre

Time Period of Project: 18 months

Particulars	Total Estimated/ Tender Amount of Project RS. (In Cr.)	Means of Finance (pls. specify Grant and Sharing of Grant Fund & Own fund)	Expected Expenditure to be incurred in Following Years (In Cr.)				
			2019-20	2020-21	2021-22	2022-23	2023-24
1. Construction of Shahid Smarak / Shaurya Smarak and Peace Centre at Draft T.P.S. No. 29 (Vesu-Rundh-Magdalla), F.P. No. 70, 113, 118, 126, 136, 139 and 143 in Surat Municipal Corporation, Surat (Phase-1).		Swarnim Jayanti Mukhya Mantri Sehri Vikas Yojana					
2. Brief of Project: Component of Project Phase-I:- (1) Entrance Plaza (2) Shaurya Dwar (3) Unity Square (4) Parking (5) Axis of Time (6) Display Galleries (7) Exhibition Area	Rs.51.63 (1) Phase-I Tender Amount Rs. 25.69 (2) Phase-II		8.00	17.69	-	-	-
			-	-	10.00	15.94	-

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(8) Open Ground (9) Infinity Platform (10) Toilet Block-1 (11) Shahid Stambh	Estimated Amount Rs. 25.94						
Phase-II:-							
(1) Auditorium (2) Peace Centre (3) Organic Pond (4) Shantivan (5) Horticulture (6) Emphy Theater							

PROJECT 5

5. **Project Name:** Construction of New Administrative Main Office Building for SMC

Time Period of Project: 36 months

Particulars	Total Estimated/ Tender Amount of Project RS. (In Cr.)	Means of Finance (pls. specify Grant and Sharing of Grant Fund & Own fund)	Expected Expenditure to be incurred in Following Years (In Cr.)				
			2019-20	2020-21	2021-22	2022-23	2023-24
1. Proposed New Administrative Main Office Building for SMC, at FP 235, TP 6 (Majura-Khatodara) at Ring Road, Surat	Estimated Project Cost Rs. 300 Crores	SMC OWN FUND	9.00	100.00	150.00	41.00	0.00
2. Brief of Project: New Main Office High Rise building for SMC at Ring Road, Surat on Green Building Concept.							

DETAILS OF THE PROJECTS FOR WHICH FUNDS ARE BEING RAISED

AMRUT Scheme:

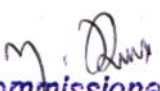
The proceeds of the bonds will be utilised towards Atal Mission for Rejuvenation and Urban Transformation ("AMRUT"). Details of the objects of the issues are provided below:

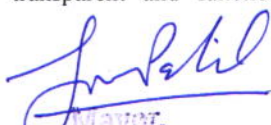
The purpose of Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which is a program of Government of India, is to:

- Ensure that every household has access to a tap with assured supply of water and a sewerage connection;
- Increase the amenity value of cities by developing greenery and well maintained open spaces (e.g. parks); and
- Reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g. walking and cycling).

These are important facilities to be provided by Corporation. Providing basic services (e.g. water supply, sewerage, urban transport) to households and build amenities in cities which will improve the quality of life for all, especially the poor and the disadvantaged is a national priority.

Earlier, the MoUD used to give project-by-project sanctions. In the AMRUT this has been replaced by approval of the State Annual Action Plan ("SAAP") once a year by the MoUD and the States have to give project sanctions and approval at their end. In this way, the AMRUT makes States equal partners in planning and implementation of projects, thus actualizing the spirit of cooperative federalism. A sound institutional structure is the foundation to make Missions successful. Reforms will lead to improvement in service delivery, mobilization of resources and making municipal functioning more transparent and functionalities more


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accountable, while Capacity Building will empower municipal functionaries and lead to timely completion of projects.

The Mission will focus on the following Thrust Areas:

- i. Water Supply
- ii. Sewerage facilities and septage management,
- iii. Storm Water drains to reduce flooding,
- iv. Pedestrian, non-motorized and public transport facilities, parking spaces, and
- v. Enhancing amenity value of cities by creating and upgrading green spaces, parks and recreation centers, especially for children.

Coverage of AMRUT:

Five hundred cities will be taken up under AMRUT. The category of cities that will be covered in the AMRUT is given below:

- i) All Cities and Towns with a population of over one lakh with notified Municipalities, including Cantonment Boards (Civilian areas),
- ii) All Capital Cities/Towns of States/ UTs, not covered above,
- iii) All cities/towns classified as Heritage cities by MoUD under the HRIDAY scheme.
- iv) Thirteen Cities and Towns on the stem of the main rivers with a population above 75,000 and less than 1 lakh, and
- v) Ten Cities from hill states, islands and tourist destinations (not more than one from each State)

Following components are proposed by SMC under the present project:

A. NOVATION AND AUGMENTATION OF BHESAN SEWAGE TREATMENT PLANT, SURAT MUNICIPAL CORPORATION, SURAT

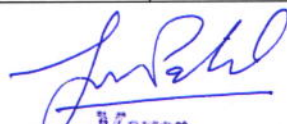
At present, there is one sewage treatment plant of 100 MLD capacity at Bhesan which serves west zone area of Surat city and it is in operation since 2009. The treated waste water from Bhesan Sewage Treatment Plant is disposed off in nearby Tena Khadi as per the prescribed norms of GPCB.

With the novation / augmentation of the Bhesan STP, it will be able to handle the high loads and comply with more stringent standards that are now specified. This will result in the protection of the environment of the surrounding area.

1. 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:

Sr. No.	Description	Tender Sanctioned Amount (in Rs.)
A	Argumentation of Existing SPS	
1	Mechanical Works	4000000.00
2	Electrical Works	56000000.00
	Total (A)	60000000.00
B	Upgradation of Existing 100 MLD STP	
1	Air Blower Room	13600000.00
2	Miscellaneous Works	0.00
3	Interconnecting piping	27200000.00
4	Mechanical Works	571200000.00
5	Electrical Works	68000000.00
	Total (B)	680000000.00
C	New 100 MLD STP	
1	Inlet Chamber/Screen/Grit Chamber/Parshall flume	28000000.00
2	Anaerobic Tanks	9600000.00
3	Anoxic Tanks	9600000.00
4	Oxic Tanks	300800000.00
5	Secondary Setting Tanks	112000000.00
6	Chlorination System	29500000.00
7	Sludge and Filterate Pump Houses	19700000.00


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Sr. No.	Description	Tender Sanctioned Amount (in Rs.)
9	Centrifuge House	12500000.00
10	H.T./L.T. Room	8000000.00
11	Internal Roads	21500000.00
12	Interconnecting piping	63600000.00
14	Mechanical Works	381600000.00
15	Electrical Works	63600000.00
	Total (C)	1060000000.00
D	Bio-gas Based Power Plant	
1	Biogas Engineer Hose	18700000.00
2	Biogas Based Power Plant	74800000.00
	Total (D)	93500000.00
	Total:	1893500000.00
	1% Labour Cess	NA
	Net Total	1893500000.00
	Say Net Total	1893500000.00
	2% Administrative Charges	N A
	5% Contingency Charges	NA
	Grand Total	1893500000.00

2. **Schedule of implementation of the Project:**

Name of the Work	Physical Progress till 2018-19 IV Qtr.	2019-20				2020-21			
		I Qtr.	II Qtr.	III Qtr.	IV Qtr.	I Qtr.	II Qtr.	III Qtr.	IV Qtr.
Novation and Augmentation of Bhesan Sewage Treatment Plant, Surat Municipal Corporation.	15%	15%	10%	30%	20%	10%	-	-	-

** This is Indicatives, schedule may change subject to various factor affecting progress of work.

3. **Capital Structure relating to projects for which funds are proposed to be mobilized:**

Sr. No.	Description	Amount (Rs. in crore)
A.	SMC Contribution	
	Own fund of SMC	122.85
B.	Grants	
	B.1 GOI	31.35
	B.2 GOG	35.15
	Total Sanctioned Amount	189.35

4. **Capital Grant for the proposed project and the amount received in this regard:**

Under the AMRUT scheme, the capital grant to be received from Central and State Government for the project as mentioned above shall be 70% of the Total Project cost of 95 crores as per approved/sanctioned DPR (Detailed Project Report).

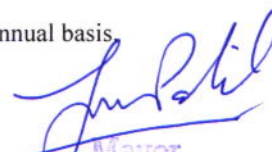
Please find below the status of the same:

	Amount Contribution (Rs in crores)	Amount Received as on 18.02.2019 (Rs in crores)
Government of India (33%)	31.35	Nil
Government of Gujarat (37%)	35.15	Nil

5. **Details of State Finance Commission Grant on annual basis:**

There is no State Finance Grant to be received for the Project on annual basis.


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6. 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.

7. Details and Status of the Regulatory approvals:

Name of project	SAAP Year	Standing Committee Resolution	Board	GoG Resolution
Augmentation/ Upgradation of existing 100 (60+40) MLD and new 100 MLD capacity modification, addition and alteration design, construction, erection, testing and commissioning of Bhesan Sewage Treatment Plant including augmentation of Jahangirabad Sewage Pumping Station and successive operation and maintenance for the period of 10 years.	2017-20	Estimated project cost of Rs 189.04 crores sanctioned by Drainage Committee vide resolution no. 78/2017 Tender project cost amounting to Rs. 189.35 crores sanctioned by Standing Committee vide Resolution No. 400/2018, dated 27-03-2018	Estimated project cost of Rs 189.04 crores sanctioned/ approved by the General Board vide resolution no. 349/2017 dated 30-05-2017	DPR Approved under AMRUT Grant amounting to Rs. 95.00 crores vide resolution passed in SLTC meeting for AMRUT under SAAP 2017-20 dated 03-10-2017

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

The Project is of a completely capital nature and there will be no revenue inflow.

9. 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 Property tax and user charges or otherwise in the account(s) where property tax is 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 SMC shall establish four accounts solely for the purpose of servicing the debt. The Bond Debt Service Account for the servicing of the bond holder. 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 SMC 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.

10. Details of the independent trustee of the escrow account:

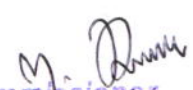
Not applicable.

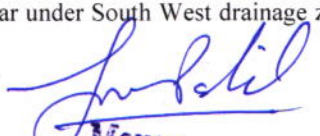
11. Latest Audit report of the escrow and Project account by a firm of chartered accountants appointed by the concerned State Urban Development Departments from a panel of CA's approved by the C& AG:

Not applicable.

B. 115 MLD BHATAR SEWAGE TREATMENT PLANT, SURAT MUNICIPAL CORPORATION, SURAT

At present, there is sewerage system in total 2630 hectares area of South West drainage zone. At present, there is 162 MLD capacity sewage treatment plant at Bhatar under South West drainage zone,


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while 195 MLD sewage is generated in South West (Bhatar) Drainage Zone. Hence, a new STP with another 115 MLD of sewage flow is considered under this project report. None of the projects under sewerage sector for the reported drainage zone are put up under schemes other than AMRUT.

With the up-gradation / modification of the Bhatar STP, it will be able to handle the high loads and comply with more stringent standards that are now specified. This will result in the protection of the environment of the surrounding area.

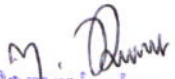
1. An investment plan for the Project components indicating phasing as well as financing approved by the local authority or the agency as the case may be:

Unit no.	Description	Tender Sanctioned Amount in Rs.
A	New 115 MLD STP	
1	Inlet Chamber/Screen/Grit Chamber/Parshall flume	2,95,00,000
2	SBR	28,00,00,000.00
3	UV Channel	70,00,000.00
4	Centrifuge House	110,00,000.00
5	Air Blower Room	110,00,000.00
6	HT/LT Room & Transformer Yard	90,00,000.00
7	Thickener Feed Sludge Sump & Pump House	95,00,000.00
8	Centrifuge Feed Sump & PH with Thickener Platform	95,00,000.00
	Administrative Building & MCC Room	90,00,000.00
	Supernatant Sump	55,00,000.00
	Pathways	4,40,000.00
9	Roads	60,00,000.00
	Storm Water Drain	35,00,000.00
	Plantation	10,00,000.00
	RCC Waste Disposal System	2,35,00,000.00
10	Interconnecting piping	5,77,00,000.00
11	Mechanical Works	58,85,40,000.00
12	Electrical Works	8,07,80,000.00
13	Instrumentation Work	1,15,40,000.00
	TOTAL:	1,15,40,00,000.00
	2% Administrative Charges	NA
	5% Contingency Charges	NA
	Grand Total	1,15,40,00,000.00

2. Schedule of implementation of the Project:

Name of the Work	Physical Progress till 2018-19 IV Qtr.	2019-20*				2020-21*			
		I Qtr.	II Qtr.	III Qtr.	IV Qtr.	I Qtr.	II Qtr.	III Qtr.	IV Qtr.
115 MLD Bhatar Sewage Treatment Plant, Surat Municipal Corporation.	5%	15%	5%	20%	20%	15%	10%	10%	-

** This is Indicative, may be change subject to various factor affecting progress of work.


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Mayor,
Surat Municipal Corporation.

3. **Capital Structure relating to projects for which funds are proposed to be mobilized:**

Sr. No.	Description	Amount (Rs. in crore)
A.	SMC Contribution	
	Own fund of SMC	65.00
B.	Grants	
	B.1 GOI	23.76
	B.2 GOG	26.64
	Total Sanctioned Amount	115.40

4. **Capital Grant for the proposed project and the amount received in this regard:**

Under the AMRUT scheme, the capital grant to be received from Central and State Government for the project as mentioned above shall be 70% of the Total Project cost of 72 crores as per approved/ sanctioned DPR (Detailed Project Report).

Please find below the status of the same:

	Amount Contribution (Rs in crores)	Amount Received as on 18.02.2019 (Rs in crores)
Government of India (33%)	23.76	NIL
Government of Gujarat (37%)	26.64	NIL

5. **Details of State Finance Commission Grant on annual basis:**

There is no State Finance Grant to be received for the Project on annual basis.

6. **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.

7. **Details and Status of the Regulatory approvals:**

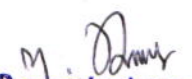
Name of project	SAAP Year	Standing Committee Resolution	Board	GoG Resolution
Augmentation of existing 162 MLD capacity Sewage Treatment Plant up to 277 MLD capacity at Bhatar including design, construction, erection, testing and commissioning and successive operation and maintenance for the period of 10 years under AMRUT Mission.	2017-20	Estimated project cost of Rs 114.55 crores sanctioned by Drainage Committee vide resolution no. 97/2018 Tender project cost amounting to Rs. 115.40 crores sanctioned by Standing Committee Resolution No. 1437/2018, dated 20-11-2018	Estimated project cost of Rs 114.55 crores sanctioned/ approved by the General Board vide resolution no. 431/2018 dated 28-09-2018	DPR Approved under AMRUT Grant amounting to Rs. 72.00 crores vide resolution passed in SLTC meeting for AMRUT under SAAP 2017-20 dated 29-06-2018

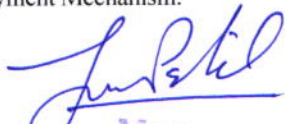
8. **Financial viability of the Project showing the stage wise cost and revenue flows for the Project:**

The Project is of a completely capital nature and there will be no revenue inflow.

9. **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 Property tax and user charges or otherwise in the account(s) where property tax is 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.


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Mayor,
Surat Municipal Corporation.

In order to ensure timely servicing and redemption, the SMC shall establish four accounts solely for the purpose of servicing the debt. The Bond Debt Service Account for the servicing of the bond holder. 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 SMC 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.

10. Details of the independent trustee of the escrow account:

Not applicable.

11. 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.

C. 115 MLD BAMROLI SEWAGE TREATMENT PLANT, SURAT MUNICIPAL CORPORATION, SURAT

At present, there is sewerage system in total 3396 hectares area of South drainage zone. At present, there is 100 MLD capacity sewage treatment plant at Bamroli under South drainage zone, while sewage generation in the South Bamroli zone is 129 MLD. However, the raw sewage characteristics are significantly higher than the design criteria of the plant especially the concentrations of Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD). This imposes additional loads on the biological treatment system. The revised and more stringent standards as per GPCB, require removal of nutrients, such as Nitrogen and Phosphorus, for compliance as well. Hence it is required to propose 115 MLD STP under this project report. No projects under sewerage sector for the reported drainage zone are put up under other schemes, other than AMRUT.

With the up-gradation / modification of the Bamroli STP, it will be able to handle the high loads and comply with more stringent standards that are now specified. This will result in the protection of the environment of the surrounding area.

1. 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:

Unit no.	Description	Tender Sanctioned Amount (in Rs.)
A	New 115 MLD STP	
1	Inlet Chamber/Screen/Grit Chamber/Parshall flume	2,95,00,000.00
2	SBR	28,96,00,000.00
3	UV Disinfection System	70,00,000.00
4	Supernatant sump	55,00,000.00
5	Thickener House	1,90,00,000.00
6	Centrifuge House	1,10,00,000.00
7	Air Blower Room	1,10,00,000.00
8	H.T. / L.T. Room	90,00,000.00
9	Internal Roads	1,09,40,000.00
10	Interconnecting piping	8,26,70,000.00
11	Mechanical Works	60,23,10,000.00
12	Electrical Works	8,26,70,000.00
13	Instrumentation Work	1,18,10,000.00
14	Miscellaneous	90,00,000.00
	TOTAL:	118,10,00,000.00
	2% Administrative Charges	NA
	5% Contingency Charges	NA
	Grand Total	118,10,00,000.00


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Surat Municipal Corporation


Mayor,
Surat Municipal Corporation.

2. **Schedule of implementation of the Project:**

Name of the Work	Physical Progress till 2018-19 IV Qtr.	2019-20*				2020-21*			
		I Qtr.	II Qtr.	III Qtr.	IV Qtr.	I Qtr.	II Qtr.	III Qtr.	IV Qtr.
115 MLD Bamroli Sewage Treatment Plant, Surat Municipal Corporation.	5%	15%	5%	15%	15%	15%	10%	10%	10%

** This is Indicative, may be change subject to various factor affecting progress of work.

3. **Capital Structure relating to projects for which funds are proposed to be mobilized:**

Sr. No.	Description	Amount (Rs. in crore)
A.	SMC Contribution	
	Own fund of SMC	93.60
B.	Grants	
	B.1 GOI	11.55
	B.2 GOG	12.95
	Total Sanctioned Amount	118.10

4. **Capital Grant for the proposed project and the amount received in this regard:**

Under the AMRUT scheme, the capital grant to be received from Central and State Government for the project as mentioned above shall be 70% of the Total Project cost of 35 crores as per approved/sanctioned DPR (Detailed Project Report) Please find below the status of the same:

	Amount Contribution (Rs in crores)	Amount Received as on 18.02.2019 (Rs in crores)
Government of India (33%)	11.55	NIL
Government of Gujarat (37%)	12.95	NIL

5. **Details of State Finance Commission Grant on annual basis:**

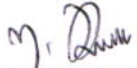
There is no State Finance Grant to be received for the Project on annual basis.


6. **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.

7. **Details and Status of the Regulatory approvals:**

Name of project	SAAP Year	Standing Committee Resolution	Board	GoG Resolution
Augmentation of existing 100 MLD capacity sewage treatment plant up to 215 MLD capacity at Bamroli including Design, construction, erection, testing and commissioning and successive operation and maintenance for the periods of 10 Years under AMRUT	2017-20	Estimated project cost of Rs 118.23 crores sanctioned by Drainage Committee vide resolution no. 96/2018 Tender Project cost amounting to Rs. 118.10 crores sanctioned by	Estimated project cost of Rs 118.23 crores sanctioned/ Approved by the General Board vide resolution no. 430/2018 dated 28-09-2018	DPR Approved under AMRUT Grant amounting to Rs. 35.00 crores vide resolution passed in SLTC meeting for AMRUT under SAAP 2017-20 dated 29-06-2018


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Name of project	SAAP Year	Standing Committee Resolution	Board	GoG Resolution
mission."		Standing Committee Resolution No.: 131 /2019, Dtd.:29-01-2019		

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

The Project is of a completely capital nature and there will be no revenue inflow.

9. 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 Property tax and user charges or otherwise in the account(s) where property tax is 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 SMC shall establish four accounts solely for the purpose of servicing the debt. The Bond Debt Service Account for the servicing of the bond holder. 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 SMC 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.

10. Details of the independent trustee of the escrow account:

Not applicable.

11. 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.

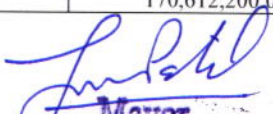
D 55 MLD KHAJOD SEWAGE TREATMENT PLANT, SURAT MUNICIPAL CORPORATION, SURAT

The main objective of sewage treatment is to stabilize decomposable organic matter present in sewage so as to produce an effluent and sludge which can be disposed off in the environment without causing health hazards or nuisance. The sewage treatment plant is designed to deliver the wastewaters conforming to the standards specified by the CPHEEO manual / Ministry of Environment / Gujarat Pollution Control Board for discharge in the water bodies. The treated sewage will be disposed off into Bamroli Creek.

1. 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:

Unit no.	Description	Estimated Project Cost Amount in Rs.
A	New 30 MLD STP	
1	Inlet Chamber/Screen/Grit Chamber/Parshall flume	5,085,000.00
2	SBR	85,926,000.00
3	UV Disinfection System	1,013,000.00
4	Sludge and Filtrate Pump Houses	6,216,000.00
5	Thickener House	6,423,000.00
6	Centrifuge House	6,533,000.00
7	Air Blower Room	6,360,000.00
8	H.T. / L.T. Room	4,696,000.00
9	Internal Roads	3,155,900.00
10	Interconnecting piping	12,575,000.00
11	Mechanical Works	170,612,200.00


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Unit no.	Description	Estimated Project Cost Amount in Rs.
12	Electrical Works	26,012,200.00
13	Instrument Work	6,256,100.00
	TOTAL(A):	340,863,400.00
B	Existing 25 MLD Upgradation	
1	Anaerobic Tank and conversion of Aerobic to IFAS	9,309,000.00
2	New IFAS Tank	7,856,000.00
3	Compound Wall - 55 MLD Plant	23,028,900.00
4	Mechanical Works	125,919,000.00
5	Electrical Works	22,542,000.00
6	Instrumentation Works	4,377,100.00
	TOTAL(B):	193,032,000.00
	TOTAL(A+B):	533,895,400.00
	Net Total	533,895,400.00
	Say Net Total	533,895,400.00
	2% Administrative Charges	10,677,908.00
	5% Contingency Charges	26,694,770.00
	Grand Total	571,268,078.00
	Say Grand Total	571,268,078.00

2. Schedule of implementation of the Project:

Name of the Work	Physical Progress till 2018-19 IV Qtr.	2019-20*				2020-21*			
		I Qtr.	II Qtr.	III Qtr.	IV Qtr.	I Qtr.	II Qtr.	III Qtr.	IV Qtr.
55 MLD Khajod Sewage Treatment Plant, Surat Municipal Corporation.	0	5%	5%	20%	20%	15%	10%	15%	10%

** This is Indicative, may be change subject to various factor affecting progress of work.

3. Capital Structure relating to projects for which funds are proposed to be mobilized:

Sr. No.	Description	Amount (Rs. in crore)
C.	SMC Contribution	
	Own fund of SMC	27.25
D.	Grants	
	B.1 GOI	11.24
	B.2 GOG	12.61
	Total Sanctioned Amount	51.10

4. Capital Grant for the proposed project and the amount received in this regard:

Under the AMRUT scheme, the capital grant to be received from Central and State Government for the project as mentioned above shall be 70% of the Total Project cost of 34.07 crores as per approved/sanctioned DPR (Detailed Project Report)

Please find below the status of the same:

	Amount Contribution (Rs in crores)	Amount Received as on 18.02.2019 (Rs in crores)
Government of India (33%)	11.24	NIL
Government of Gujarat (37%)	12.61	NIL


Commissioner,
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Mayor,
Surat Municipal Corporation.

5. **Details of State Finance Commission Grant on annual basis:**

There is no State Finance Grant to be received for the Project on annual basis.

6. **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.

7. **Details and Status of the Regulatory approvals:**

Name of project	SAAP Year	Standing Committee Resolution	Board	GoG Resolution
Augmentation of existing 25 MLD capacity sewage treatment plant upto 55 MLD capacity including upgradation of existing 25 MLD capacity sewage treatment plant at Khajod including design, construction, erection, testing and commissioning and successive operation and maintenance for the period of 10 years under AMRUT Mission.	2017-20	Estimated project cost of Rs 57.13 crores sanctioned by Drainage Committee vide resolution no. 103/2018	Estimated project cost of Rs 57.13 crores sanctioned/ approved by the General Board vide resolution no. 552/2018 dated 29-11-2018	DPR Approved under AMRUT Grant amounting to Rs. 34.07 crores vide resolution passed in SLTC meeting for AMRUT under SAAP 2017-20 dated 20-07-2018
		Tender invited		

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

The Project is of a completely capital nature and there will be no revenue inflow.

9. **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 Property tax and user charges or otherwise in the account(s) where property tax is 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 SMC shall establish four accounts solely for the purpose of servicing the debt. The Bond Debt Service Account for the servicing of the bond holder. 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 SMC 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.

10. **Details of the independent trustee of the escrow account:**

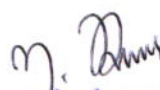
Not applicable.

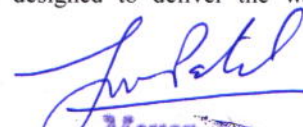
11. **Latest Audit report of the escrow and Project account by a firm of chartered accountants appointed by the concerned State Urban Development Departments from a panel of CA's approved by the C& AG:**

Not applicable.

E 37.5 MLD ASARMA SEWAGE TREATMENT PLANT, SURAT MUNICIPAL CORPORATION, SURAT

The main objective of sewage treatment is to stabilize decomposable organic matter present in sewage so as to produce an effluent and sludge which can be disposed off in the environment without causing health hazards or nuisance. The sewage treatment plant is designed to deliver the wastewaters


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Mayor,
Surat Municipal Corporation.

conforming to the standards specified by the CPHEEO manual / Ministry of Environment / Gujarat Pollution Control Board for discharge in the water bodies. The treated sewage will be disposed off into Tena Creek.

1. 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:

Unit No.	Description	Estimated Project Cost Amount in Rs.
A	New 22.5 MLD STP	
1	Inlet Chamber/Screen/Grit Chamber/Parshall flume	4,671,000.00
2	SBR	66,929,000.00
3	UV Disinfection System	687,000.00
4	Sludge and Filtrate Pump Houses	6,383,000.00
5	Thickener House	5,264,000.00
6	Centrifuge House	5,371,000.00
7	Air Blower Room	8,154,000.00
8	H.T. / L.T. Room	4,945,000.00
9	Internal Roads	1,001,500.00
10	Interconnecting piping	8,041,000.00
11	Mechanical Works	132,347,000.00
12	Electrical Works	26,921,200.00
13	Instrument Work	6,256,100.00
	TOTAL(A):	276,970,800.00
B	Upgradation of Existing 15 MLD	
1	Anaerobic Tank and conversion of Aerobic to IFAS	5,003,000.00
2	New IFAS Tank	6,992,000.00
3	Mechanical Works-15MLD	90,771,900.00
4	Electrical Works-15MLD	14,368,200.00
5	Instrumentation Works-15MLD	4,377,100.00
	TOTAL(B):	121,512,200.00
	TOTAL(A+B):	398,483,000.00
	Net Total	398,483,000.00
	Say Net Total	398,483,000.00
	2% Administrative Charges	7,969,660.00
	5% Contingency Charges	19,924,150.00
	Grand Total	426,376,810.00
	Say Grand Total	426,376,900.00

2. Schedule of implementation of the Project:


Name of the Work	Physical Progress till 2018-19 IV Qtr.	2019-20*				2020-21*			
		I Qtr.	II Qtr.	III Qtr.	IV Qtr.	I Qtr.	II Qtr.	III Qtr.	IV Qtr.
37.5 MLD Asarma Sewage Treatment Plant, Surat Municipal Corporation.	0	5%	5%	20%	20%	15%	10%	15%	10%

** This is Indicative, may be change subject to various factor affecting progress of work.

3. Capital Structure relating to projects for which funds are proposed to be mobilized:

Sr. No.	Description	Amount (Rs. in crore)
E.	SMC Contribution	
	Own fund of SMC	20.79
F.	Grants	
	B.1 GOI	9.03
	B.2 GOG	10.13
	Total Sanctioned Amount	39.95


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

4. **Capital Grant for the proposed project and the amount received in this regard:**

Under the AMRUT scheme, the capital grant to be received from Central and State Government for the project as mentioned above shall be 70% of the Total Project cost of 27.37 crores as per approved/sanctioned DPR (Detailed Project Report)

Please find below the status of the same:

	Amount Contribution (Rs in crores)	Amount Received as on 18.02.2019 (Rs in crores)
Government of India (33%)	9.03	NIL
Government of Gujarat (37%)	10.13	NIL

5. **Details of State Finance Commission Grant on annual basis:**

There is no State Finance Grant to be received for the Project on annual basis.

6. **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.

7. **Details and Status of the Regulatory approvals:**

Name of project	SAAP Year	Standing Committee Resolution	Board	GoG Resolution
Augmentation of existing 15 MLD capacity sewage treatment plant upto 37.5 MLD capacity including upgradation of existing 15 MLD capacity sewage treatment plant at Asarma including design, construction, erection, testing and commissioning and successive operation and maintenance for the period of 10 years under AMRUT Mission.	2017-20	Estimated project cost of Rs 42.75 crores sanctioned by Drainage Committee vide resolution no. 91/2018 Tender Invited	Estimated project cost of Rs 42.75 crores sanctioned/ approved by the General Board vide resolution no. 426/2018 dated 28-09-2018	DPR Approved under AMRUT Grant amounting to Rs. 27.37 crores vide resolution passed in SLTC meeting for AMRUT under SAAP 2017-20 dated 20-07-2018

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

The Project is of a completely capital nature and there will be no revenue inflow.

9. **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 Property tax and user charges or otherwise in the account(s) where property tax is 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 SMC shall establish four accounts solely for the purpose of servicing the debt. The Bond Debt Service Account for the servicing of the bond holder. 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 SMC 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.

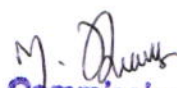
10. Details of the independent trustee of the escrow account:

Not applicable.

11. 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.

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Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

**KEY FINANCIAL AND OPERATIONAL PARAMETERS
ABRIDGED BALANCE SHEET**

(Rs. in crores)

PARTICULARS	2015-16	2016-17	2017-18
SOURCES OF FUNDS			
Own Funds			
(a) Municipal Funds	3705.19	3770.51	3811.33
(b) Reserves and Surplus	8501.79	9700.52	11173.67
GRAND TOTAL	12206.98	13471.03	14985.00
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	8915.06	10726.51	11925.49
Less: Depreciation	1898.90	2294.55	2730.00
Net Block	7016.16	8431.96	9195.49
Capital- Work in Progress	5014.41	4792.50	5229.06
Investments	86.49	140.49	140.79
Current assets, loans and advances			
(a) Inventories	17.75	27.25	27.79
(b) Sundry Debtors	17.16	17.18	18.82
(c) Cash and bank balances	550.24	596.71	756.34
(d) Loans and advances	317.73	407.69	627.66
	902.88	1048.83	1430.61
Less: Current Liabilities and Provisions			
(a) Current Liabilities	812.96	942.75	1010.95
(b) Provisions for Taxes	-	-	-
GRAND TOTAL	12206.98	13471.03	14985.00

M. D. D.
Commissioner,
Surat Municipal Corporation.

L. K. S.
Mayor,
Surat Municipal Corporation.₆₃

INCOME & EXPENDITURE ACCOUNT

(Rs. in crores)

PARTICULARS	2015-16	2016-17	2017-18
INCOME			
Tax Revenues	735.79	844.35	977.66
Non Tax Revenues	153.76	428.62	529.19
Government Grants, Contribution & Subsidies	109.38	99.42	132.38
Compensation in lieu of Octroi	656.76	656.94	722.60
Other Income	50.34	51.60	199.00
TOTAL	1706.03	2080.93	2560.83
EXPENDITURE			
Payments & Benefits to Employees	876.63	1000.32	1285.11
Administration Expenses	244.43	295.10	310.48
Repairs and Maintenance	147.72	139.21	186.93
Service and Utility Charges	185.49	189.63	240.29
Finance Charges	4.23	4.84	6.75
Other Expenses	0.00	0.08	0.00
Depreciation	298.48	395.65	435.45
Net Surplus for the year before taxation	(50.95)	56.10	95.82
Less: Provision for Taxes	-	-	-
Net Surplus for the year after taxation	(50.95)	56.10	95.82
Prior Period adjustments			
(a) Prior period Incomes	50.68	57.55	112.68
(b) Prior period Expenses	(2.28)	(14.70)	(37.84)
Excess of Income Over Expenditure	(2.55)	98.95	170.66
Balance brought forward	9.68	7.13	106.08
Appropriation			
Transfer to Capital Fund	-	-	-
Transfer to General Fund	-	-	-
Balance carried to Balance Sheet	7.13	106.08	276.74


 Commissioner,
 Surat Municipal Corporation.


 Mayor,
 Surat Municipal Corporation.

CASH FLOW STATEMENT

(Rs. in crores)

PARTICULARS	31 st March 2018	31 st March 2017	31 st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	95.81	56.10	(50.95)
Adjustments for:			
Depreciation and Amortisation Expenses	435.45	395.65	298.47
Finance Costs	-	-	-
Interest Income	(17.76)	(11.62)	(12.39)
Receipts Directly Credited to Capital Receipts	1302.50	1099.77	1172.45
Prior Period Income	112.68	57.55	50.68
Prior Period Expenses	(37.84)	(14.69)	(2.28)
Operating Profit before Working Capital Changes	1890.84	1582.76	1455.98
(Increase)/ Decrease in Trade and Other Receivables	(221.61)	(89.98)	(97.37)
(Increase)/ Decrease in Inventories	(0.54)	(9.50)	4.63
(Increase)/ Decrease in Trade and Other Payables	68.20	129.79	100.32
Cash Generated from Operations	(153.95)	30.31	7.58
Direct Taxes (Paid)/Refund	-	-	-
Net Cash flow From Operating Activities (A)	1736.89	1613.07	1463.56
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(1198.98)	(1811.44)	(1277.50)
Investment in Capital WIP	(436.56)	221.91	(478.77)
Purchase of Investments	(0.30)	(54.00)	(71.00)
Interest Income	17.76	11.61	12.39
Net Cash Flow from Investing Activities (B)	(1618.08)	(1631.92)	(1814.88)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Redemption of Capital Fund	(260.42)	(154.14)	29.66
Increase in Earmarked Funds	301.24	219.47	119.08
Proceeds from Long Term Borrowings	-	-	-
Repayment of Long Term Borrowings	-	-	-
Interest Paid	-	-	-
Net Cash Flow from Financing Activities (C)	40.82	65.33	148.74
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	159.63	46.48	(202.58)
Cash & Cash Equivalents at beginning of period	596.71	550.23	752.81
Cash & Cash Equivalents at End of Period	756.34	596.71	550.23

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

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

<https://www.suratmunicipal.gov.in/Departments/Accounts/BalanceSheet>


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Mayor,
Surat Municipal Corporation.

FINANCIAL PARAMETERS

Key Financial Figures	(Rs. in crores)		
	FY 15-16	FY 16-17	FY 17-18
Revenue Income	1756.71	2138.47	2673.5
Revenue expenditure (Excl. Interest & Depreciation)	1460.78	1643.88	2067.4
Operating revenue Surplus	295.93	494.59	606.1
Interest expense	0	0	0
Principal repayment (outside sinking Fund)	0	0	0
Contribution to Sinking fund	0	0	0
Revenue Surplus	295.93	494.59	606.1
Capital Income	1172.45	1099.78	1302.5
Capital Expense	1756.27	1589.53	1635.55
Capital Surplus	-583.82	-489.75	-333.05
Overall Surplus	-287.89	4.84	273.05
Deposits and Advances (net)	657.86	751.27	691.92
Initial Cash/Bank balance	767.79	565.22	611.69
Change in Cash/Bank balance	-202.57	46.47	159.64
Final Cash / Bank Balance	565.22	611.69	771.33
Loan repayment from sinking fund	0	0	0
Initial Sinking fund Balance	14.98	14.98	14.98
Change in sinking fund	0	0	0
Final sinking fund balance	14.98	14.98	14.98
Total Debt	0	0	0
Total Expenditure	3217.05	3233.41	3702.95
Total Revenue	2929.16	3238.25	3976
Ratio of Total Expenditure/ Total Revenue	1.10	1.00	0.93
Cash Surplus / Total Revenue	0.19	0.19	0.19
Ratio of Debt Service / Total Revenue	N.A.	N.A.	N.A.

Operational Parameters

Details of top 5 revenue sources for last years

Revenue Receipts Type	(Rs. in crores)		
	Actual FY 2015-16	Actual FY 2016-17	Actual FY 2017-18
Property Tax	611.16	717.77	899.61
Professional Tax	126.04	127.86	139.50
Paid FSI	206.63	242.76	272.76
Vehicle Tax	64.26	72.77	83.75
Compensation in lieu of Octroi	656.76	656.94	722.60
Student Fee	39.29	44.57	79.87

Details of property tax collection

Particulars	(Rs. in crores)								
	Demand Raised			Collections (Cash Basis)			Total Collection	Overall Collection Ratio	Current Collection Ratio
Arrears	Current	Total	Arrears	Current	Total				
Financial Year 2016	153.42	556.35	709.77	59.13	541.54	600.67	600.67	84.63	97.33
Financial Year 2017	234.05	686.59	920.64	65.12	658.19	723.31	723.31	78.57	95.86
Financial Year 2018	287.95	731.30	1019.25	138.32	713.16	851.48	851.48	83.54	97.52

Status of reforms

- **Double Entry Accounting System**-Under this reform Price Waterhouse was appointed as consultant to SMC for the purposes of adopting modern authority type Accrual Accounting System and Financial Management and Reporting Systems. Under this reform clear distinction between capital and revenue items, accounting of all assets and liabilities including fixed assets and loans on cumulative basis and maintenance of Intermediate accounts to facilitate budget monitoring etc. were initiated.
- **E-Accounting System**- Surat Municipal Corporation has developed in-house e-Accounting system for the purpose of tracking of various type of bills, generating e-accounting

M. Dhruv
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Surat Municipal Corporation.

J. Patel
Mayor,
Surat Municipal Corporation.

vouchers which integrates data of all zones with Central Account Department and enables to generate various consolidated reports. The system ensures compliance with the new Goods & Service Tax law.

- **City Civic Centers:** These are the Centers that act as an outlet for the citizens to have access to the civic services. The services offered by Civic Centers are all types of Revenue Collection including Property Tax; Birth and Death Registration and Certificates; Marriage Registration; Complaint Registration; etc.
- **SMC Website:** SMC has created a public website that offers a host of information and services to the citizens. Some of the services offered through their Virtual Civic Center are Payment of Property Tax including Advance Tax, Download of Forms at free of cost, Issuance of Birth Certificate, Booking of Community Hall and Party Plot, etc.
- **SMC Mobile App:** SMC App is an android mobile application developed by Surat Municipal Corporation. Few of the many services provided by the app include enabling citizens to check Property Tax details with information regarding outstanding amount; Check Shops and Establishment Registration Certificate details; Check Active Recruitment advertisements; etc.
- **Information Kiosk:** SMC has placed the Information KIOSK for the self help of the citizens. The kiosk primarily provides useful information about functions of ward office and contact details of ward office; Birth and Death registration details; Contact details of the officials of SMC for various services, etc.
- **Mobile Tax Collection Van:** SMC has started the Mobile Tax Collection Van whose primary service is to enable the tax payers of areas which are far flung from existing City Civic Center to pay their taxes. The van is equipped with public address system, which will be used to announce its location on a particular day.
- **E-Tendering:** SMC has adopted e-Tendering process which provides the service of inviting tenders through online e-tendering portal – <https://smc.nprocure.com>.
- **Comprehensive Complaint Management System:** SMC has adopted a comprehensive complaint management system which offers a service enabling the citizens to register their grievances easily through various channels like the toll free help line, website, mobile application, Whatsapp, etc. Further, these complaints are automatically registered through the SMAC Center, SMC Employee Connect, etc. It also provides the services of complaint escalation, where complaints may be escalated to higher authorities; and complaint reopening, where the complainant can reopen the complaint if they are not satisfied with the resolution of the complaint.


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DETAILS OF ISSUER'S OUTSTANDING BORROWING

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

Nil

II. Details of Secured Loan Facilities:-

Nil

III. Details of Unsecured Loan Facilities:-

Nil

IV. Details of NCDs/Bonds: -

Nil

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.)

Nil

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 Property Tax & fees/user Charges of the SMC. 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 .

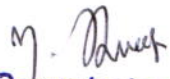
Nil

XI. An undertaking that the issuer has obtained lenders consent for creating charges on assets in case of issuance of Secured Bonds:

Not applicable as the present issue of bonds is unsecured

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.)

The issuer has not issued any debt securities in the past 5 years.


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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.

Nil

XV. Rating and detailed Rating Rationale.

For rating rational and credit rating letters of IRRPL and CRISIL, please refer to Annexure II.

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. 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, SMC 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 Ltd.

SBICAP Trustee Company Limited

Apeejay House, 6th floor,
3, West Wing, DinshawWachha Road,
Churchgate, Mumbai 400 020
Tel: +91-22-4302 5555
Facsimile: +91-22-2204 0456
Contact Person: Ms. Savitri Yadav (Company Secretary)
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.

SMC hereby undertakes that the rights of the Bondholders will be protected as per the BPMC Act, agreement/deed executed/to be executed between SMC and the Bond Trustee. The Bond Trustee


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Surat Municipal Corporation.

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 SMC 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 SMC for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the 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 Bond/Debenture Trust Deed and/or other security document(s), no penal interest will be paid by the Issuer.

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

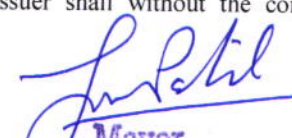
In case of delay in listing of the Bonds no penal interest will be payable.

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 paripassu 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 but does not comply with the other financial covenant, the Issuer shall without the consent of the


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Surat Municipal Corporation.

Bondholder(s) be allowed to borrow further amount without recourse to the Structured Payment Mechanism.

Provided, however, no amount shall be borrowed by the SMC 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 BPMC Act provides borrowing powers to SMC. The issue of Bonds is being made pursuant to Section 109 of the BPMC Act, 1949. The present issue of Bonds is being made pursuant to General Board resolution dated 28.03.2018, Standing Committee's resolution dated 13.12.2018, General Board Resolution dated 28.12.2018 and State Government's order dated 15.02.2019. The Issuer can undertake the present issue of Bonds in light of above approvals and no further approval is required.

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

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

Further, in accordance with Section 177, any money borrowed by the Corporation or any interest or costs due is not repaid according to the conditions of the loan, the state government shall on the application of the lender, attach the municipal fund or the transport fund or a portion of the Municipal fund or the Transport fund.


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.

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


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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

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 Cheque(s), demand draft(s), Money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail. The entire amount of Rs.10 Lakhs per Bond is payable on 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.

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 Summary Term Sheet and the Application Form.


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XXIX. TERMS OF PAYMENT

The full face-value of the Bonds, as applicable, is to be paid along with the Application Form. Investor(s) need/s to send in the Application Form and RTGS details for the full issue price of Bonds allocated to them.

Face Value per Bond	Minimum Application for	Amount Payable on Application per Bond
Rs. 10 Lakhs	5 Bonds and in multiples of 1Bond thereafter	Face Value

XXX. DEEMED DATE OF ALLOTMENT

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including date of allotment, March 1, 2019 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.

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 will be given initial credit within 2 working days from the Deemed Date of Allotment.

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 Fintech Private Limited (earlier known as 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.

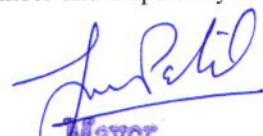
Tripartite Agreement between the Issuer, Central Depository Services (India) Limited and the Registrar for dematerialization of the Bonds offered under the present Issue.

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

- Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- The applicant(s) must specify their beneficiary account number and Depository Participant's ID in the relevant columns of the Application Form.


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- 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 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 SMC in this regard will be final and binding on all the applicants and shall not be called into question, whatsoever.


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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

In case of change in Deemed Date of Allotment and in respect of investors who get allotment in the bond issue, interest on application money shall be paid at the coupon rate applicable for bond series (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) from the date of receipt of application money in SMC's account till one day prior to the date of allotment on the aggregate face value amount of Bonds. The interest on Application Money shall be computed as per "Actual/Actual" day count convention. The payment shall be made only through electronic mode. However, in case of rejection of electronic mode, due to incomplete/in correct details provided by applicant payment may be made through cheque/demand draft. The cheque/demand draft for interest/RTGS on application money shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment by registered post to the sole/first applicant, at the sole risk of the applicant.

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 cheques/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.

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.


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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.

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


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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.


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;


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	▪ 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;
- 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.

LV. 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.

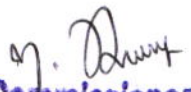
Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Issuer, at any of the designated collection centres, accompanied by the application money by way of cheque(s)/ demand draft(s) drawn on any bank including 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.

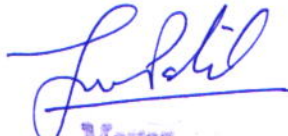
Cheque(s)/ demand draft(s) will not be accepted. Money orders/postal orders will also not be accepted. The entire amount of issue price per Bond i.e. Face Value + Premium, if any on issue) is payable on application. Applicants may make remittance of application money only by way of electronic transfer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


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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.

LVI. 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.

LVII. 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.

LVIII. 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.

LIX. 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.

LX. 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.

LXI. 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.


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LXII. 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.

LXIII. NOMINATION FACILITY

As per extant provisions of law, only individuals holding the Bonds as Sole/Joint holder of Bonds 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.

LXIV. 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 BPMC 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.

LXV. 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 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.

LXVI. 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 paripassu 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.

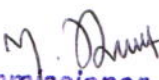
It is clarified that as long as both the financial covenants are met, the Issuer shall be entitled to borrow such further amounts against the Structured Payment Mechanism as necessary without any consent of the Bondholder(s). Further, in case the Issuer complies with financial covenant related to DSCR 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 SMC without the consent of the Trustees, in case such borrowing is likely to result in breach of any covenant mentioned in Information Memorandum.

LXVII. 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.


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LXVIII. JOINT-HOLDERS

Notwithstanding anything in Section 45 of the Indian Contract Act, 1872, when any bonds issued under BPMC Act is payable to two or more persons jointly and either or any of them dies, the bonds 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 bonds issued under BMPC's Act, any one of those persons may give an effectual receipt for any interest or dividend payable in respect of such debenture unless notice to the contrary has been given to the Commissioner by other holders.

LXIX. 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 Surat, India.

LXX. 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.

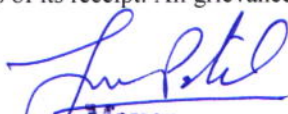
LXXI. List of documents which have been executed/ will be executed in relation to the issue

- a) Copy of letter/resolution appointing Arrangers to the Issue.
- b) Copy of letter appointing Registrars
- c) Copy of letter appointing Trustees to the Bondholders.
- d) Copy of the Bombay Provincial Municipal Corporations Act, 1949
- e) General Board Resolution dated 28.03.2018, Standing Committee resolution dated 13.12.2018
- f) General Board Resolution dated 28.12.2018
- g) Government order dated 15.02.2019 authorizing SMC to issue Bonds.
- h) Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.
- i) Application made to the BSE for grant of in-principle approval for listing of Bonds.
- j) Letter from BSE conveying their in-principle approval for listing of Bonds.
- k) Letter from CRISIL conveying the credit rating for the Bonds.
- l) Letter from IRRPL conveying the credit rating for the Bonds.
- m) Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Bonds in dematerialized form.
- n) Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Bonds in dematerialized form.

LXXII. 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


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to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre 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.

LXXIII. ANY OTHER DETAILS FOR THE INVESTORS

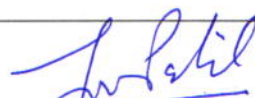
Nil

LXXIV. Issue Details

SUMMARY TERM SHEET

Security Name	Surat Municipal Corporation 2019 Series - I
Issuer	Surat Municipal Corporation
Type of Instrument	Listed, Taxable, Non-Convertible, Unsecured, Redeemable, Bonds in the nature of Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	<ul style="list-style-type: none"> • 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.
Investors not eligible to apply	<ul style="list-style-type: none"> • 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
Listing	Wholesale debt market segment of BSE
Rating of the Instrument	Provisional CRISIL AA+(SO)/Stable and Provisional IND AA+(SO)/Stable
Issue Size	Rs. 100,00,00,000 /- (Rupees One Hundred Crores only)
Option to retain oversubscription (Amount)	Rs. 100,00,00,000 /- (Rupees One Hundred Crores only) aggregate up to Rs. 200,00,00,000 /- (Rupees Two Hundred Crores only)
Objects of the Issue	The proceeds of the bonds will be utilized towards Atal Mission for Rejuvenation and Urban Transformation ("AMRUT").


Commissioner,
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Mayor,
Surat Municipal Corporation.

Details of the utilization of the Proceeds	The proceeds of the bonds will be utilized towards Atal Mission for Rejuvenation and Urban Transformation ("AMRUT").
Coupon Rate	8.68 % p.a.
Taxable/Tax free	Taxable
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi Annual
Issue Timing	
1. Bid Open/Bid Close Date	February 27, 2019
2. Issue Open/ Issue Close Date	February 27, 2019
3. Pay-in Date	March 01, 2019
4. Deemed Date of Allotment	March 01, 2019
Coupon payment date	September 1 and March 1 of each year till maturity
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	NA
Day Count Basis	Actual / Actual
Interest on Application Money	In respect of Investors who get Allotment of Bonds in the Issue, interest on Application Money shall be payable at the Coupon Rate (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) on the aggregate face value amount of Bonds for the period starting from and including the Pay-in Date upto but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Tenor	5 years
Redemption Date	March 01, 2024
Redemption Amount	Rs. 10 lakh per Bond (at par)
Redemption Premium /Discount	N.A.
Issue Price	At par
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)
Minimum Application and in multiples of Debt Securities thereafter	Minimum 5 Bonds and Multiple of 1 there after
Indicative Structured Payment Mechanism	Under the structured payment mechanism all funds deposited whether on account of Property tax & fee/user charges or otherwise in the account(s) where property tax& fee/user charges is deposited (Collection Accounts(s)) and any other specified revenue/cashflow shall be transferred to a separate no-lien Escrow Account for debt servicing. This transfer shall be done on a daily basis except on the last business day of every month. SMC shall also maintain no lien account Debt Service Account (DSA) with the Escrow Banker for servicing debt of Issuer where funds have to be set apart from the Escrow Account. On the last business day of every month, the Minimum Balance maintained as indicated below shall be transferred to the Debt Service Account. Eligible Bondholders and Lenders shall have first pari-passu charge over the Escrow Account, Debt Service Account and the collection account(s).

SMC should also establish such accounts for servicing debt for each lender/debenture with the Escrow Banker as per the terms of each borrowing. Bondholders/Lenders shall have exclusive first pari-passu charge over such accounts for their respective borrowings.

1. The funds lying in the Escrow Account shall be used in the following priority:
 - a. The funds should be first utilised to meet Minimum Balance in Escrow Account. 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 Service Account.
 - c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to SMC Common Pool Account.
- SMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Debt Service 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, SMC shall make good the shortfall from the funds from other account(s) to Debt Service 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/loan facility as per the terms of the said issuance/facility.
 - ii) Shortfall in any earlier contribution to the extent not made good by SMC 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 respective accounts created for servicing of each loan /bonds
 - b) Within each loan/bonds service the transfer shall be made in priority as per the terms and conditions of the loan/bonds facility
 5. SMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the Debt Service 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).
 6. Bondholder(s)/Lenders(s) shall have first, exclusive and pari-passu charge over Debt Service Account. Each Bond shall have exclusive charge in its favour on the funds lying in DSRA, Interest Payment Account and Sinking Fund Account created specifically for that bond issue or any investments made from those accounts.
 7. Any surplus funds lying in such servicing accounts after the loan/bond is repaid in full shall be transferred to the DSA.

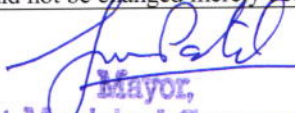
Current Bond Issue

1. SMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders:
 - a. Bond Debt Service Account – Series I ("BDSA - I")
 - b. Debt Service Reserve Account - Series I ("DSRA - I")
 - c. Interest Payment Account - Series I ("IPA - I")
 - d. Sinking Fund Account - Series I ("SFA - I")
2. SMC shall set up the Escrow Account and Debt Service Account as mentioned above and shall cause the following funds to be transferred:
 - a. The Debt Service Reserve Account shall be funded one day before the pay-in date with an amount equal to annual 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 February 27, 2019 in the DSRA - I shall be transferred.
 - c. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum dated February 27, 2019, 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.

- d. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum dated February 27, 2019, and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account.
- e. Any shortfall in the above account(s) shall be made good by SMC by transfer from other account(s) of SMC.
3. The funds lying in the above account(s) shall be utilized in the following manner:
 - a. The funds lying in DSRA - I can be used to meet any shortfall in IPA - I and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the DSRA - I cannot be utilized to meet any shortfall in contribution to SFA - I except at the time of final redemption of bonds.
 - b. The funds lying in the IPA - I can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Information Memorandum dated February 27, 2019. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in DSRA - I and thereafter be used to make good any shortfall in contribution to SFA - I.
 - c. The funds lying in the SFA - I can be used to redeem the bonds issued pursuant to the Information Memorandum dated February 27, 2019.
 - 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 February 27, 2019 have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the DSA after obtaining written consent of the Debenture Trustee.
4. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the Escrow Account, account(s) where Property Tax and User Charges are being collected and Debt Service Account. The Bondholder(s) shall have first and exclusive charge on the funds lying in BDSA - I, DSRA - I, IPA - I and SFA - 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 DSRA - I, IPA - I and SFA - 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 February 27, 2019. The amount deposited in DSRA - I, IPA - I and SFA - 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 DSA. 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 IPA - I and DSRA - I can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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 SFA - I can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AAA and/or in Government Securities 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, DSRA - I, IPA - I and SFA - I shall be maintained with a scheduled commercial bank rated at least AAA 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 AAA by any rating agency SMC shall, with written consent of Debenture Trustees, enter into escrow agreement with any other bank satisfying the rating criteria.
10. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. SMC and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

		<p>Interest Payment Mechanism</p> <p>The Trustees shall check the amount lying to the credit of IPA - I at 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate SMC of the shortfall and SMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account 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 DSRA - I to the IPA - I by 10 days prior to the interest payment date. The Interest shall be paid by SMC on the due date. Any amount drawn from the DSRA - I should be deposited back in the DSRA - I as per the mechanism indicated above. The debenture trustee shall check the balance in the SFA - I at the end of the year and in case of any shortfall in the SFA - I, SMC shall replenish the SFA - I with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of SFA - I at 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate SMC of the shortfall and SMC shall make good the shortfall in the SFA - I by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in IPA - I, DSRA - I, SFA - I and any transfer from DSRA - I to IPA - I.</p>
Indicative Covenants	Other	<p>Restriction on the total borrowing</p> <p>SMC shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year</p> <p>(A) DSCR: Debt Service Coverage Ratio ("DSCR") for the SMC will not be less than 1.25 times as calculated below:</p> <p>DSCR = operating surplus / total debt service</p> <p>i) Operating surplus calculated as the below: Operating Surplus = Total Income – Expenditure Total income = Total income of the corporation Expenditure = Total expenditure – Depreciation – Finance charges</p> <p>ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment + transfer to debt service reserve account</p> <p>(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, SMC shall not borrow any further amount against the cash flow(s) of the escrow account. No permission to borrow further amount(s) by SMC shall be required, under this head, from the bondholder(s) as long as this condition is satisfied</p> <p>DSA is defined as follows:</p> <p>DSA = Interest payment for the month + proportionate principal deposited in sinking fund or installment of principal redemption</p> <p>(C) SMC 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 SMC.</p>
Issuance mode of the Instrument		Private placement
Trading mode of the Instrument		Demat only
Settlement mode of the Instrument		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/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.
Depository		National Securities Depository Limited and Central Depository Services (India) Limited.
Business Day Convention		<p>'Business Day' shall be a day on which commercial banks are open for business in the city of Ahmedabad, Gujarat and when the money market is functioning in Mumbai. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with SEBI Circular CIR/IMD/DF-1/122/2016 dated November 11, 2016.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment date(s) would not be changed merely because</p>


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Mayor,
Surat Municipal Corporation. 76

	<p>the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.</p> <p>If the redemption date of the Bonds falls on a day that is not a Business Day, the redemption amount shall be paid by the Issuer on the immediately preceding Business Day which becomes the new redemption date, along with interest accrued on the debentures until but excluding the date of such payment.</p>
Record Date	<p>The 'Record Date' for the Debentures shall be 15 days prior to each interest payment and/ or principal redemption date. In the event the Record Date falls on a day which is not a Business Day, the succeeding Business Day will be considered as Record Date. The Issuer shall inform the same to Bombay Stock Exchange at least seven clear Business days before the Record Date.</p>
Security	NA
Transaction Documents	<p>a) Copy of letter appointing Arranger to the Issue</p> <p>b) Copy of letter appointing Registrar to the Issue</p> <p>c) Copy of letter appointing Bond Trustee</p> <p>d) Copy of the Standing Committee Resolution authorizing issue of Bonds and structured payment mechanism.</p> <p>e) Copy of the General Body Resolution authorizing issue of Bonds</p> <p>f) Copy of the State Government approval authorizing issue of Bonds</p> <p>g) Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.</p> <p>h) Letter from BSE conveying their in-principle approval for listing of Bonds.</p> <p>i) Letter from CRISIL Ratings conveying the credit rating for the Bonds.</p> <p>j) Letter from India Ratings conveying the credit rating for the Bonds.</p> <p>k) Tripartite Escrow Agreement between the Issuer, Escrow Banker and Trustee to the issue</p> <p>l) Tripartite Agreement between the Issuer, NSDL and Registrar to the issue of Bonds in dematerialized form.</p> <p>m) Tripartite Agreement between the Issuer, CDSL and Registrar to the issue of Bonds in dematerialized form.</p>
Conditions Precedent to Disbursement	<p>The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following:</p> <p>a) Rating Letters from CRISIL and India Ratings</p> <p>b) Consent Letter from the Trustees to act as Trustee to the Bondholder(s)</p> <p>c) BSE in-principle approval for listing of Bonds.</p>
Condition Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Information Memorandum:</p> <p>a) Ensuring that the payment made for subscription to the Bonds is from the bank account of the person/ entity subscribing to the Bonds.</p> <p>b) Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period</p> <p>c) Taking steps for listing of Bonds with BSE within stipulated time;</p> <p>d) Shall execute Debenture Trust Deed with in applicable time</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Information Memorandum</p>
Events of Default	<p>If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same shall constitute an "Event of Default" by the Issuer. Further detailed list of events of default shall be specified in the Debenture/ Bond Trust Deed to be entered into by the Issuer and Debenture Trustee. Remedies upon the occurrence of an Event of Default will be specified in the Debenture/ Bond Trust Deed</p> <p>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.</p>
Provisions related to Cross Default Clause	N.A.
Role and Responsibilities of Bond Trustee	As defined in Debenture/ Bond Trust Deed to be executed between Issuer and Debenture Trustee
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the laws of India. Any dispute arising thereof shall be subject to the jurisdiction of Courts of Gujarat.

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.

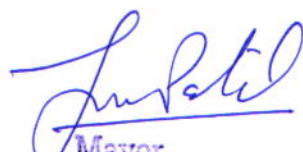
For Surat Municipal Corporation


Commissioner

Place: Surat

Date: 27/2/2019.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

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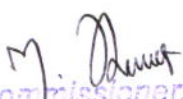
For Surat Municipal Corporation



Mayor

Place: Surat

Date: 27-02-2019


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

SCHEDULE-I

Name of the Issuer	Surat Municipal Corporation
Issue Amount	Rs. 200 Crores
Deemed Date of Allotment	01/03/2019
Pay-in Date	01/03/2019
Redemption Date	01/03/2024
Tenor	5 years
Interest Payment Frequency	Half Yearly
Interest Payment Date	September 1 and March 1
Coupon	8.68 % p.a.

Amount to be Transferred to DSRA Account, Interest Payment Account and Sinking Fund Account:

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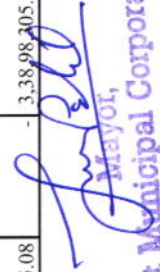
Amount in Rs.

Date/ Month	Debt Service Reserve Account (DSRA -I)			Interest Payment Account (IPA-I)				Sinking Fund Account (SFA-I)					
	(1) Scheduled Amount to be transferred	(2) Withdrawal from DSRA	(3) DSRA -I Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)=(1)-(2))	(4) Total Amount transferred to IPA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)=(1)-(2))	(4) Total Amount transferred to SFA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance
27-Feb-19	17,36,00,000.00	-	17,36,00,000.00	-	-	-	-	-	-	-	-	-	-
31-Mar-19	-	-	17,36,00,000.00	1,73,60,000.00	1,73,60,000.00	-	1,73,60,000.00	1,73,60,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	3,38,98,305.08
30-Apr-19	-	-	17,36,00,000.00	1,73,60,000.00	1,73,60,000.00	-	1,73,60,000.00	3,47,20,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	6,77,96,610.17
31-May-19	-	-	17,36,00,000.00	1,73,60,000.00	1,73,60,000.00	-	1,73,60,000.00	5,20,80,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	10,16,94,915.25
30-Jun-19	-	-	17,36,00,000.00	1,73,60,000.00	1,73,60,000.00	-	1,73,60,000.00	6,94,40,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	13,55,93,220.34
31-Jul-19	-	-	17,36,00,000.00	1,73,60,000.00	1,73,60,000.00	-	1,73,60,000.00	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	16,94,91,525.42
31-Aug-19	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	20,33,89,830.51
01-Sep-19	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	20,33,89,830.51
30-Sep-19	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	23,72,88,135.59
31-Oct-19	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	27,11,86,440.68
30-Nov-19	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	30,50,84,745.76
31-Dec-19	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	33,89,83,050.85
31-Jan-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	37,28,81,355.93
29-Feb-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	40,67,79,661.02
01-Mar-20	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	40,67,79,661.02
31-Mar-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	44,06,77,966.10
30-Apr-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	47,45,76,271.19
31-May-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	50,84,74,576.27
30-Jun-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	54,23,72,881.36
31-Jul-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	57,62,71,186.44


Mayor,
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Date/ Month	Debt Service Reserve Account (DSRA -I)			Interest Payment Account (IPA-I)					Sinking Fund Account (SFA-I)				
	(1) Scheduled Amount to be transferred	(2) Withdrawal from DSRA	(3) DSRA -I Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)=(1)-(2))	(4) Total Amount transferred to IPA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)=(1)-(2))	(4) Total Amount transferred to SFA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance
31-Aug-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	61,01,69,491.53
01-Sep-20	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	61,01,69,491.53
30-Sep-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	64,40,67,796.61
31-Oct-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	67,79,66,101.69
30-Nov-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	71,18,64,406.78
31-Dec-20	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	74,57,62,711.86
31-Jan-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	77,96,61,016.95
28-Feb-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	81,35,59,322.03
01-Mar-21	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	81,35,59,322.03
31-Mar-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	84,74,57,627.12
30-Apr-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	88,13,55,932.20
31-May-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	91,52,54,237.29
30-Jun-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	94,91,52,542.37
31-Jul-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	98,30,50,847.46
30-Aug-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,01,69,49,152.54
01-Sep-21	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	1,01,69,49,152.54
30-Sep-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,05,08,47,457.63
31-Oct-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,08,47,45,762.71
30-Nov-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,11,86,44,067.80
31-Dec-21	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,15,25,42,372.88


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Date/ Month	Debt Service Reserve Account (DSRA -I)			Interest Payment Account (IPA-I)				Sinking Fund Account (SFA-I)					
	(1) Scheduled Amount to be transferred	(2) Withdrawal from DSRA	(3) DSRA -I Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)-(1)-(2))	(4) Total Amount transferred to IPA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)-(1)-(2))	(4) Total Amount transferred to SFA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance
31-Jan-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,18,64,40,677.97
28-Feb-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,22,03,38,983.05
01-Mar-22	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	1,22,03,38,983.05
31-Mar-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,25,42,37,288.14
30-Apr-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,28,81,35,593.22
31-May-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,32,20,33,898.31
30-Jun-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,35,59,32,203.39
31-Jul-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,38,98,30,508.47
31-Aug-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,42,37,28,813.56
01-Sep-22	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	1,42,37,28,813.56
30-Sep-02	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,45,76,27,118.64
31-Oct-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,49,15,25,423.73
30-Nov-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,52,54,23,728.81
31-Dec-22	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,55,93,22,033.90
31-Jan-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,59,32,20,338.98
28-Feb-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,62,71,18,644.07
01-Mar-23	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	1,62,71,18,644.07
31-Mar-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,66,10,16,949.15
30-Apr-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,69,49,15,254.24
31-May-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,72,88,13,559.32


Mayor,
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Date/ Month	Debt Service Reserve Account (DSRA -I)			Interest Payment Account (IPA-I)				Sinking Fund Account (SFA-I)					
	(1) Scheduled Amount to be transferred	(2) Withdrawal from DSRA	(3) DSRA -I Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)=(1)-(2))	(4) Total Amount transferred to IPA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance	(1) Scheduled Amount to be transferred from BDSA-I	(2) Actual Amount transferred FROM BDSA-I	(3) Shortfall ((3)=(1)-(2))	(4) Total Amount transferred to SFA -I ((4)=(2)+(3))	(5) Cumulative Amount Balance
30-Jun-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,76,27,11,864.41
31-Jul-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,79,66,10,169.49
31-Aug-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,83,05,08,474.58
01-Sep-23	-	-	17,36,00,000.00	-	-	-	-	1,44,66,666.67	-	-	-	-	1,83,05,08,474.58
30-Sep-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	2,89,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,86,44,06,779.66
31-Oct-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	4,34,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,89,83,05,084.75
30-Nov-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	5,78,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,93,22,03,389.83
31-Dec-23	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	7,23,33,333.33	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	1,96,61,01,694.92
31-Jan-24	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	8,68,00,000.00	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	2,00,00,00,000.00
29-Feb-24	-	-	17,36,00,000.00	1,44,66,666.67	1,44,66,666.67	-	1,44,66,666.67	10,12,66,666.67	3,38,98,305.08	3,38,98,305.08	-	3,38,98,305.08	2,03,38,98,305.08
01-Mar-24	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- In case the shortfall amount is different than appearing in this schedule, the same shall be informed in writing by the Trustee to the Escrow Banker.
- In case of any event of default which requires accelerated payment, the shortfall amount shall be the difference between the redemption amount along with such other interest/charges as per the terms of the bonds and the balance lying in Sinking Fund Account, Interest Payment Account, Debt Service Reserve Account etc. as the case may be. The Shortfall shall be communicated in writing by the Trustee to the Escrow Banker.
- Shortfall = Cumulative Amount - Amount lying in relevant Account (including Fixed Deposits/Investment at cost only)
- Accrued Interest or interest not realised by way of cash flow needs to be excluded
- Any Fixed Deposit/Investment Interest realised and deposited in Interest Payment Account or Debt Service Reserve Account or Sinking Fund Account can be used towards the monthly installments.
- The effect of holidays has not been factored in this while preparing this Schedule.
- It is classified that the cumulative amount in any account at the time of last interest payment/redemption shall not exceed the amount to be paid to settle the dues of the Bondholder(s).


Commissioner,
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Annexure- I
Structure Payment Mechanism

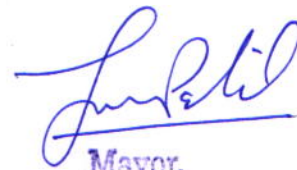
Under the structured payment mechanism all funds deposited whether on account of Property tax & fee/user charges or otherwise in the account(s) where property tax & fee/user charges is deposited (Collection Accounts(s)) and any other specified revenue/cash flow shall be transferred to a separate no-lien Escrow Account for debt servicing. This transfer shall be done on a daily basis except on the last business day of every month. SMC shall also maintain no lien account Debt Service Account (DSA) with the Escrow Banker for servicing debt of Issuer where funds have to be set apart from the Escrow Account. On the last business day of every month, the Minimum Balance maintained as indicated below shall be transferred to the Debt Service Account. Eligible Bondholders and Lenders shall have first pari-passu charge over the Escrow Account, Debt Service Account and the collection account(s).

SMC should also establish such accounts for servicing debt for each lender/debenture with the Escrow Banker as per the terms of each borrowing. Bondholders/Lenders shall have exclusive first pari-passu charge over such accounts for their respective borrowings.

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. 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 Service Account.
 - c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to SMC Common Pool Account. (ICICI Bank Current A/c no. 005201045490)

SMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Debt Service 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, SMC shall make good the shortfall from the funds from other account(s) to Debt Service 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/loan facility as per the terms of the said issuance/facility.
 - ii) Shortfall in any earlier contribution to the extent not made good by SMC 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 respective accounts created for servicing of each loan /bonds
 - b) Within each loan/bonds service the transfer shall be made in priority as per the terms and conditions of the loan/bonds facility
5. SMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the Debt Service 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).
6. Bondholder(s)/Lenders(s) shall have first, exclusive and pari-passu charge over Debt Service Account. Each Bond shall have exclusive charge in its favour on the funds lying in DSRA, Interest Payment Account and Sinking Fund Account created specifically for that bond issue or any investments made from those accounts.


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7. Any surplus funds lying in such servicing accounts after the loan/bond is repaid in full shall be transferred to the DSA.

Current Bond Issue

1. SMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders:
 - a. Bond Debt Service Account – Series I (“BDSA - I”)
 - b. Debt Service Reserve Account – Series I (“DSRA - I”)
 - c. Interest Payment Account – Series I (“IPA - I”)
 - d. Sinking Fund Account – Series I (“SFA - I”)
2. SMC shall set up the Escrow Account and Debt Service Account as mentioned above and shall cause the following funds to be transferred:
 - a. The Debt Service Reserve Account shall be funded one day before the pay-in date with an amount equal to annual 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 February 27, 2019 in the DSRA - I shall be transferred.
 - c. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum dated February 27, 2019, 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.
 - d. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum dated February 27, 2019, and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account.
 - e. Any shortfall in the above account(s) shall be made good by SMC by transfer from other account(s) of SMC.
1. The funds lying in the above account(s) shall be utilized in the following manner:
 - a. The funds lying in DSRA - I can be used to meet any shortfall in IPA - I and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the DSRA - I cannot be utilized to meet any shortfall in contribution to SFA - I except at the time of final redemption of bonds.
 - b. The funds lying in the IPA - I can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Information Memorandum dated February 27, 2019. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in DSRA - I and thereafter be used to make good any shortfall in contribution to SFA - I.
 - c. The funds lying in the SFA - I can be used to redeem the bonds issued pursuant to the Information Memorandum dated February 27, 2019.
 - 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 February 27, 2019 have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the DSA after obtaining written consent of the Debenture Trustee.
2. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and paripassu charge over the Escrow Account, account(s) where Property Tax and User Charges are being collected and Debt Service Account. The Bondholder(s) shall have first and exclusive charge on the funds lying in BDSA - I, DSRA - I, IPA - I and SFA - I and any investment(s) made from these account(s).
3. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the DSRA - I, IPA - I and SFA - 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 February 27, 2019. The amount deposited in DSRA - I, IPA - I and SFA - 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 DSA. No amount can be withdrawn from these account(s) without the approval of Debenture Trustees to the bondholder(s).

4. The Funds lying credited in the IPA – I and DSRA – I can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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.
5. The funds lying to the credit of SFA – I can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AAA and/or in Government Securities and Treasury Bills. The lien shall be created in favor of debenture trustee on all the investments made above.
6. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).
7. Escrow Account, Debt Service Account, DSRA - I, IPA – I and SFA – I shall be maintained with a scheduled commercial bank rated at least AAA 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 AAA by any rating agency SMC shall, with written consent of Debenture Trustees, enter into escrow agreement with any other bank satisfying the rating criteria.
8. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. SMC 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 IPA – I at 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate SMC of the shortfall and SMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account 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 DSRA - I to the IPA – I by 10 days prior to the interest payment date. The Interest shall be paid by SMC on the due date. Any amount drawn from the DSRA - I should be deposited back in the DSRA – I as per the mechanism indicated above. The debenture trustee shall check the balance in the SFA – I at the end of the year and in case of any shortfall in the SFA - I, SMC shall replenish the SFA – I with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of SFA – I at 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate SMC of the shortfall and SMC shall make good the shortfall in the SFA – I by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in IPA - I, DSRA – I, SFA – I and any transfer from DSRA - I to IPA – I.

Restriction on the total borrowing

SMC shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year

- (A) **DSCR: Debt Service Coverage Ratio (“DSCR”) for the SMC will not be less than 1.25 calculated as the below:**


DSCR = 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 – Finance charges


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Mayor,
Surat Municipal Corporation.

ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment+ 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, SMC shall not borrow any further amount against the cash flow(s) of the escrow account. No permission to borrow further amount(s) by SMC 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

(C) SMC 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 SMC.


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Surat Municipal Corporation.**

**ANNEXURE 2
CASH FLOW ILLUSTRATION**

Name of the Issuer	Surat Municipal Corporation
Issue Amount	200 Crores
Deemed Date of Allotment	March 01, 2019
Pay-in Date	March 01, 2019
Redemption Date	March 01, 2024
Tenor	5 years
Interest Payment Frequency	Semi annually
Interest Payment Date	September 1 and March 1
Coupon	8.68% p.a.

Cash Flow	Coupon Payment Date	Number of days	Amount (In Rupees)
1st Coupon	Monday, 02 September, 2019	184	43,637
2nd Coupon	Monday, 02 March, 2020	182	43,163
3rd Coupon	Tuesday, 01 September, 2020	184	43,757
4th Coupon	Monday, 01 March, 2021	181	43,043
5th Coupon	Wednesday, 01 September, 2021	184	43,757
6th Coupon	Tuesday, 01 March, 2022	181	43,043
7th Coupon	Thursday, 01 September, 2022	184	43,757
8th Coupon	Wednesday, 01 March, 2023	181	43,043
9th Coupon	Friday, 01 September, 2023	184	43,637
10th Coupon	Friday, 01 March, 2024	182	43,163
Principal Payment	Friday, 01 March, 2024	-	10,00,000

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


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ANNEXURE III
Credit Rating Letters

India Ratings
& Research

Fitch Group

Shri M. Thennarasan (IAS)
Municipal Commissioner
Surat Municipal Corporation
Suari Mahanagar Seva Sadan
Gordhandas Chokhawala Marg
Muglisara, Surat - 395003
Gujarat

January 31, 2019

Kind Attn: Shri M. Thennarasan (IAS), Municipal Commissioner

Dear Sir,

Re: Rating of Surat Municipal Corp's Proposed NCDs

India Ratings and Research (Ind-Ra) has rated Surat Municipal Corporation's (SMC) proposed non-convertible debentures (NCDs) as follows:

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Proposed NCDs*	INR2,000	Provisional IND AA+(SO)/Stable	Assigned

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

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's 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

601-9, Prekashdeep Building, 7 Tolstoy Marg, New Delhi 110001

Tel: +91 11 4356 7230 | Fax: +91 11 4356 7231 | CIN/LLPIN: U67100MH1995FTC140049 | www.indiaratings.co.in

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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 a 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's ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

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

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

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

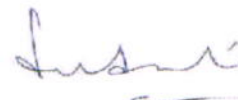
We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings



Devendra Kumar Pant
Senior Director



Sunil Kumar Sinha
Director

Surat Municipal Corporation

Issuer Credit Research

Rating

INR2,000 million Proposed non-convertible debentures (NCDs) Provisional
INDAA+(SO)

Outlook

INR2,000 million Proposed NCDs Stable

Financial Data

Surat Municipal Corporation

Particulars	FY18	FY19(RE)
Total income (INR million)	25,736.27	27,906.19
Revenue expenditure (INR million)	20,674.35	25,805.13
Revenue balance (INR million)	6,061.92	2,101.06
Revenue income/revenue expenditure (%)	129.32	108.14

RE: Revised estimates
Source: SMC, Ind-Ra

Key Rating Drivers

Bond's Purpose: India Ratings and Research (Ind-Ra) rated Surat Municipal Corporation's (SMC) proposed non-convertible debentures (NCDs) in January 2019. SMC plans to raise the bonds for part financing the development of new sewerage treatment plants as well as the upgradation of the existing plants in Surat - at Asarma, Bamroli, Bhatar, Bhesan, Khajod, under the Atal Mission for Rejuvenation and Urban Transformation scheme. The sanctioned amount for projects is INR4,979.3 million, of which SMC would fund INR3,135.2 million: INR2,000 million from the bond proceeds and INR1,135.2 million from its own funds. The balance would be provided by the government of India and government of Gujarat under the scheme.

Structured Debt Servicing Mechanism: Under the structure, a debt service reserve account (DSRA) account will be created and funded one day before the pay-in date and at all times it should maintain an amount equal to annual interest payments.

At the end of each month, the funds (property tax and user charges) in the debt service account shall be used in the following order of priority: a) transfer funds from the debt service account to DSRA to make good any shortfall, if any, in DSRA b) monthly transfers to an interest payment account (IPA) T-25 days before the debt service is due and c) monthly transfers to a sinking fund account (SFA) an amount equivalent to 1/11th of the annual principal redemption requirement T-25 days before the debt redemption is due.

The debenture trustees will verify the availability of requisite funds for interest servicing T-25 days before the due date. In case of a shortfall, they will intimate SMC to cover up the shortfall by T-15 days. In case of shortfall in IPA at T-14 days prior to the interest payment date, the trustee shall trigger the payment mechanism and instruct the bank maintaining DSRA to transfer the shortfall amount from DSRA so that funds equivalent to the next interest payment due are ensured by T-10 days.

Trustee Monitoring: All accounts will be monitored by the debenture trustees. The amount deposited in IPA, DSRA and SFA shall be used solely for meeting the dues to the bondholders. Any surplus funds available in the escrow account can be transferred to the account of SMC.

Sinking Fund: The debenture trustee shall check the balance in the SFA at the end of the year and in case of any shortfall, SMC shall replenish the account to that extent. The trustees shall also check the amount lying to the credit of SFA at T-25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate SMC of the shortfall and SMC shall make good the shortfall by T-15 days prior to the redemption date.

Own Revenue Sources: The rating also reflects SMC's ability to generate adequate revenue from its own sources to fund its revenue expenditure. Tax and non-tax revenues constituted 39.17% and 15.87%, on average, of the total revenue income over FY15-FY19(RE). The corporation's revenue income increased to INR27.91 billion in FY19(RE) (FY15: INR16.72 billion) and its own revenue/total revenue income ratio stood at 59.93% (48.15%). Property, water, vehicle and professional tax collections were the key drivers of revenue from tax collections during this period. The share of grants in total income reduced to 25.59% in FY19(RE) from a high of 35.52% in FY15.

Analysts

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deepanshu.goyal@indiaratings.co.in

Nikita Shan

Consistent Revenue Surplus: SMC generated consistent revenue surpluses during FY14-FY18 (FY18: INR6,061.92 million, up 23.56% yoy). The corporation funded its entire revenue expenditure out of revenue income during this period. Revenue surplus is projected at INR2,101.06 million for FY19(RE), which is due to lower growth in revenue income (4% yoy) than in revenue expenditure (25% yoy). Ind-Ra expects the revenue balance position to remain in surplus over the medium term.

Strong Liquidity and No Outstanding Debt: SMC had no outstanding debt and the cash balances and unencumbered investments amounted to INR8,743.46 million at FYE18.

Scope for Improvement in Civic Services Delivery and Capital Utilisation: SMC's capital expenditure constituted 47.2%, on average, of the total expenditure during FY14-FY18. Roads, water supply and sewerage were the key areas of capex during this period. The corporation's capital receipts increased to INR13,032.14 million in FY18 (FY17: INR10,999.03 million) and its capital utilisation (capex/capital income) ratio stood above 1.45x on average during FY14-FY18. SMC's service delivery levels for the water, sewerage and solid waste segments remained comfortable as reflected in coverage network (water supply: 97.3%; sewerage network: 97%; solid waste management service: 98.6%), as against the benchmark levels (water: 100%; sewerage: 100%; solid waste: 100%) set by the Ministry of Urban Development for all three services. The per capita supply of water stood at 150 litres per capita per day (benchmark: 135 litres per capita per day). However, SMC's performance was less than adequate in areas such as extent of water metering, segregation of municipal solid waste, wastewater recycle and reuse and hours of water supply, during FY14-FY18.

Rating Sensitivities

Positive: A positive rating action could result from an increase in the share of own revenues in the total revenue income, and an improvement in the performance on delivery of civic amenities, all on a sustained basis.

Negative: A sustained reduction in own revenues leading to higher dependence on grants and/or deterioration in the revenue balance position, leading to a sharp worsening of the coverage ratios and a deviation from the proposed structure, would lead to a negative rating action.

Profile

SMC is a local self-government, in the state of Gujarat, established in 1966 under the Bombay Provincial Corporation Act, 1949. SMC is mainly responsible for the administration of the city, maintaining infrastructure facilities, and providing various civic services such as water supply, solid waste management, sewerage, education, health and others to its citizens. SMC covers 326.52 sq km and the Surat city is divided into seven zones namely, east, west, north, south, central, south west and south east zone. There are 29 municipal wards and each municipal ward has four seats of municipal councillors.

Institutional Framework

The governing structure of SMC consists of both elected and administrative wings, headed by a mayor and municipal commissioner, respectively. SMC is headed by the municipal commissioner, appointed by the government of Gujarat, which is responsible for the strategic and operational planning and management of the corporation. SMC has a total number of 116 municipal councillors. Each councillor is elected for a term of five years and this term has all the 116 seats. The general body frames policies and the standing committee finalizes financial decisions under the administration of chief executive/municipal commissioner.

Figure 1
Census 2011 India

Population	4.47 million
Literacy rate	87.89%

Source: Census 2011, SMC and Ind-Ra

Applicable Criteria

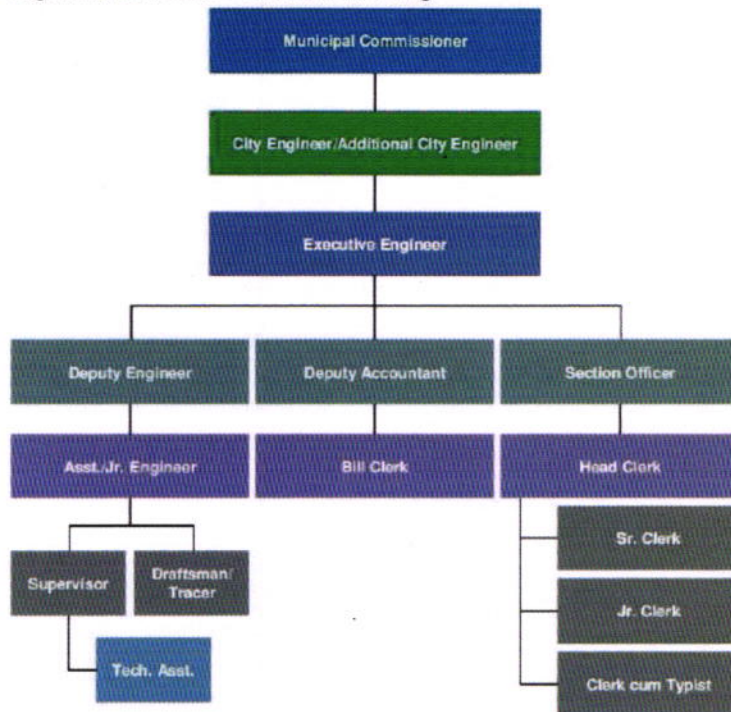
Sector Specific Criteria on Local and State Governments Rating Criteria, 6
December 2018


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SMC consists of various departments headed by assistant municipal commissioners and deputy commissioners, who report to the municipal commissioner. These departments include road and transportation, fire brigade, statistics and computer, social welfare, solid waste management, garden, health, education etc. The commissioners are assisted by the deputies, the city engineer and various other departmental heads. The powers and duties of the authorities, and the discretionary and obligatory duties of the corporation are set out in the governing legislation.

Figure 2
Organisation Structure – Administrative Wing




Source: SMC, Ind-Ra

Delivery of Civic Services

Adequate Per Capita Water Supply

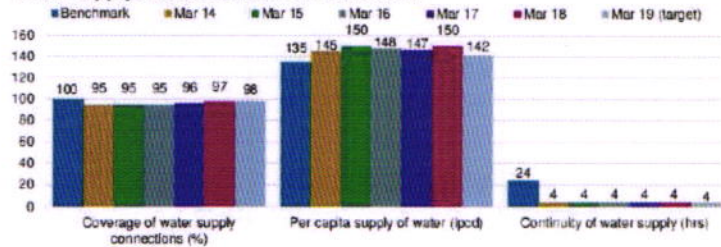
Surat's major source of water supply is surface water from the River Tapi. A piped water supply system was established in 1894 and the first water works was set up in Varachha. There are four water treatment plants in the city. The per capita per day supply of water was 150.14 litre per capita per day (lpcd) in FY18, which is higher than the service level benchmark of 135lpcd. The water supply coverage was 97.32% of the water supply connections in FY18; however, the supply is intermittent and water is supplied for 4 hours in a day (benchmark: 24 hours). The collection efficiency of water supply related charges matched the benchmark level of 90%. The total number of residential water supply connections stood at 1.5 million in FY18; however, water metering facility is limited.


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Figure 3

Water Supply Services Actual vs Benchmark



Source: SMC, Ind-Ra

In addition, there are 34 tube wells in the city, following the general practice of using ground water along with the municipal supply. The operation and maintenance of water treatment plants and wells is overseen by SMC.

Figure 4

Water Supply Service Benchmarks

Indicators	Stipulated benchmarks	FY14	FY15	FY16	FY17	FY18	FY19 target
Coverage of water supply connection (%)	100	94.9	95	95	96	97.32	98
Per capita supply of water (lpcd)	100	145	149.89	148	146.59	150.14	142
Extent of metering of water connection (%)	100	3	3.3	6	9.71	9.86	15
Continuity of water supply (hours per day)	24	4	4	4	4	4	4
Efficiency in collection of water supply related charges (%)	90	85	85	85	85	90	90

Source: SMC, Ind-Ra

Sewerage Management

Surat has 11 sewerage treatment plants. SMC's coverage of toilets is 100% and sewerage network services is 97% (against service level benchmark of 100%), covering a total length of 1,776km of sewerage network, in FY18. The total number of properties with sewer connections stood at 2.06 million out of a total of 2.13 million in FY18. The collection efficiency of sewerage network was 99.44% in 2018. SMC has been able to reuse/recycle only 7.63% of the sewerage dischargeable in FY18, which is much lower than the benchmark level of 20%. The collection efficiency of sewage related charges matched the benchmark level of 90%. On an average, 872 million litres per day (MLD) of waste water is generated and 100% of sewerage is treated. The processing capacity of the sewerage treatment plants stood at 982.50MLD in 2018.

Figure 5

Sewerage Management Service Benchmarks

Indicators (%)	Stipulated benchmarks	FY14	FY15	FY16	FY17	FY18	FY19 target
Coverage of toilets	100	97.00	98.00	97.00	100.00	100.00	100.00
Coverage of sewerage network services	100	91.58	93.00	92.00	96.50	97.00	99.30
Collection efficiency of sewage network	100	97.60	99.07	99.05	99.44	99.44	99.50
Adequacy of sewage treatment capacity	100	100.00	100.00	100.00	100.00	100.00	100.00
Extent of reuse and recycling of sewage	20	3.19	5.10	7.00	8.64	7.63	8.33

Source: SMC, Ind-Ra

M. Dant
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Surat Municipal Corporation.

Sur Patel
Mayor,
Surat Municipal Corporation.

Storm Water Drainage

The lack of sufficient storm water drains led to 52 instances of water logging in 2018 (Benchmark: zero instances) in the city. The coverage of storm water drainage network was at 67% in 2018 against the benchmark of 100% coverage, covering 990km of road-side draining network. Drains discharge storm water, carrying waste water from households as well, into river Tapti located in the periphery of the town.

Figure 6

Storm Water Drainage Service Benchmarks

Indicators	Stipulated benchmarks	FY14	FY15	FY16	FY17	FY18	FY19 target
Coverage of storm water drainage network (%)	100	66.00	68.00	68.00	67.00	67.00	70.00
Incidence of water logging/flooding	0	52	50	50	50	52	48

Source: SMC, Ind-Ra

Solid Waste Management

SMC is responsible for the collection, storage, segregation, transportation and disposal of all solid waste generated in the city. The city generated an average waste of 2,000 tonnes per day (TPD) and the solid waste was collected door-to-door with coverage at 98.64%, in FY18. There are 600 dumper placers, trucks, tractors and container points for the collection of solid waste in the city. Also, SMC has installed scientific organic waste converters and underground dustbins for solid waste management.

Figure 7

Solid Waste Management Service Benchmarks

Indicators (%)	Stipulated benchmarks	FY14	FY15	FY16	FY17	FY18	FY19 target
Household level coverage of solid waste services	100	97.64	98.86	98.00	100.00	98.64	99.00
Efficiency of collection of municipal solid waste (MSW)	100	95.80	93.00	93.00	98.05	93.96	99.00
Extent of segregation of MSW	100	10.21	11.38	10.00	76.00	11.21	25.00
Efficiency in redressal of consumer complaints	80	93.00	95.00	95.00	95.00	95.00	95.00
Efficiency in collection of solid waste management charges	90	85.00	85.00	85.00	90.00	90.00	90.00

Source: SMC, Ind-Ra

Roads and Transportation

Surat's existing road network is around 4,025km, of which 3,499km accounts for surfaced road and rest 526km unsurfaced. SMC is responsible for developing, operating and maintaining the city road infrastructure.

The city is well connected to NH - 8 and NH - 6 and is a pivotal centre on the Ahmadabad - Mumbai regional corridor as well as on the 225km long industrial belt. The proposed Western Dedicated Freight Corridor passes through six states, out of which Gujarat accounts for 38% (564km) of total DFC length (1,483km).

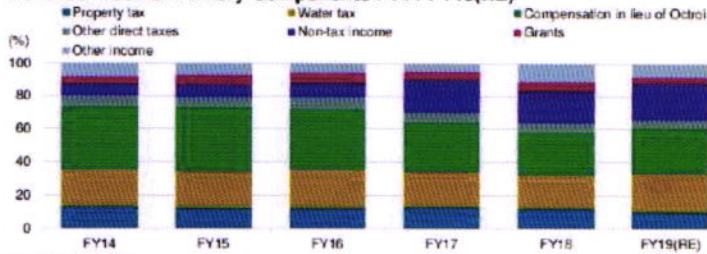
Financial Performance

Revenue Income

SMC depends on own sources of revenue income, primarily property taxes, water and conservancy taxes, professional taxes and non-tax revenues such as fees and user charges. Tax and non-tax revenues constituted 39.17% and 15.87%, respectively, on average, of the total revenue income over FY15-FY19(RE). Revenue income also draws support from state government grants and compensation grants in lieu of octroi, which together comprised 37.75% of the total revenue income on an average during FY15-FY19(RE). However, the share of grants in revenue income has decreased to around 3.9% in recent years from 5.7% in FY15.

Figure 8

Revenue Income: Primary Components FY14-FY19(RE)



Source: SMC, Ind-Ra

Figure 9

Operating Revenue Income Breakdown

Parameters (INR million)	FY14	FY15	FY16	FY17	FY18	FY19(RE)
Tax revenue	6,044.41	6,703.39	7,393.63	8,485.64	9,823.09	10,396.56
Non-tax revenue	1,090.27	1,350.01	1,540.59	4,286.21	5,291.98	6,326.65
Grants and contributions	646.30	948.99	1,120.96	1,022.25	1,382.69	1,085.31
Compensation in lieu of octroi	5,711.11	6,567.90	6,567.60	6,569.42	7,225.96	7,947.80

Source: SMC, Ind-Ra

The state government abolished octroi tax (ranged 4%-8%) in seven cities of Gujarat including Surat effective November 2007. SMC continues to receive compensation grants from the state government in lieu of octroi. The share of compensation grants in lieu of octroi and government grants in operating revenue income is estimated at 31% and 4.8%, respectively, according to SMC's FY19 (RE).

Property Tax

Property tax is one of the main sources of revenue for the civic body. The city had 2.12 million properties at FYE18 (FYE17: 2.02 million) that are liable to pay property tax. General and other taxes, which primarily consist of property taxes, constituted 31.57% of the total tax revenues, on an average, during FY15-FY19(RE). The total property tax collected was INR3,336.48 million in FY18 and grew at a CAGR of 7.64% over FY15-FY19(RE). SMC has projected property tax collection of INR2,936.62 in FY20(BE). SMC achieved 100% property tax coverage in terms of properties assessed during FY15-FY19(RE). The property tax collection efficiency improved to 97.52% in FY18 (FY17: 95.86%). However, the collection efficiency of arrears remained weak at 48.03% in FY18 (FY17: 27.82%).

Water Tax

Water charges are levied on the basis of carpet area of the property and the type of property residential or non-residential. During FY15-FY19(RE), on an average, water and conservancy tax combined constituted 23.27% of the total tax revenues and stood at INR2,619 million in FY19(RE) which grew at a CAGR of 12.30%.

Non-tax revenue income mainly constituted rental income from municipal properties, building permission fees and user charges for hoardings and advertisements. The share of non-tax revenue income as a percentage of total revenue income increased to 22.67% in FY19(RE) from 8.07% in FY15 and grew at a CAGR of 47.13% during FY15-FY19(RE).

Revenue Expenditure

Establishment expenses, consisting salary, benefits and allowances, is the largest component of expenditure in SMC's total revenue expenditure, with 61.59% contribution on an average over FY15-FY19(RE). Establishment expenditure grew 19% in FY19(RE) and at a CAGR of 19.19% during FY15-FY19(RE). Salary hike was implemented as per the Seventh Central Pay

Figure 10

Property Tax – Collection Efficiency (Demand)

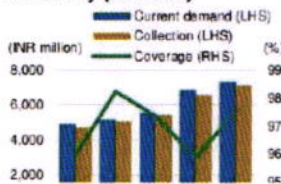
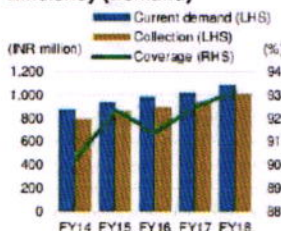


Figure 11

Water Tax – Collection Efficiency (Demand)



Source: SMC, Ind-Ra

M. Dhanraj
Commissioner,
Surat Municipal Corporation.

J. Patel
Mayor,
Surat Municipal Corporation.

Commission recommendations in FY17. Expenditure on operations and maintenance constituted the next highest component of revenue expenditure (18.57% on average during FY15-FY19(RE); CAGR of 19.01%), followed by administrative expenditure (14.18%) and finance/loan charges (around 1%).

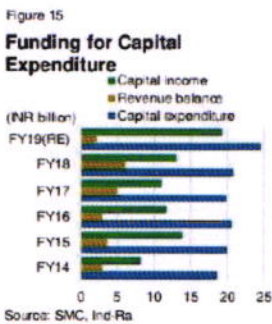
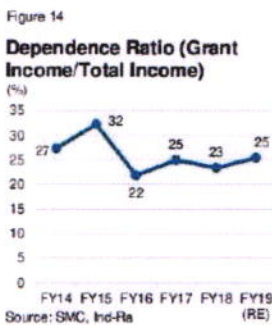
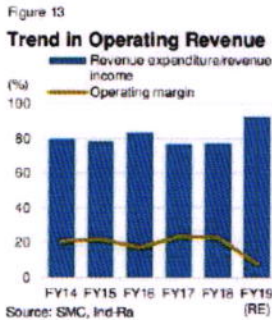
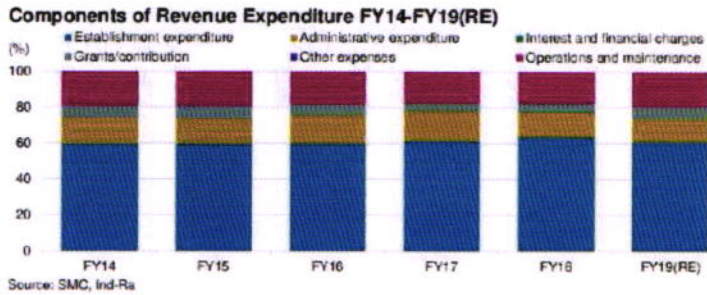


Figure 12



Revenue Surplus/Deficit

SMC generated consistent revenue surpluses during FY14-FY18 (FY18: INR6,061.92 million, up 23.56% yoy). The corporation funded its entire revenue expenditure out of revenue income during this period. Revenue surplus is projected at INR2,101.06 million for FY19(RE), which is due to lower growth in revenue income (4% yoy) than in revenue expenditure (25% yoy). Ind-Ra expects the revenue balance position to remain in surplus over the medium term.

The total revenue income was INR15,636.10 million as against revenue expenditure of INR13,955.48 million in 1HFY19, resulting a revenue surplus of INR1,680.62 million.

Capital Account

Capital income and Expenditures

SMC undertakes capital expenditure through a combination of capital income receipts by way of capital grants, grants under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), smart city and housing schemes for economically weaker sections, and borrowings. SMC's capital receipts increased to INR19,264.62 million in FY19(RE) (FY18: INR13,032.14 million) and constituted 50%, on average, of total expenditure during FY15-FY19(RE).

The ratio of grant income (revenue and capital grants combined) to total income reduced to 25.59% in FY19(RE) from a peak of 35.52% in FY15, which reflects higher dependence on own funds to finance capital expenditure during FY15-FY19(RE). The corporation has projected capital expenditure of INR25.15 billion in FY20(BE) that will be funded through a combination of grants, revenue surplus and proceeds from bond issuance. SMC reported a consistent capital account deficit during FY14-FY18, which amounted to INR3,325.90 million in FY18.

Debt and Capital Investment

SMC held no outstanding debt at FYE18. It held a loan of INR149 million until FY15, which was taken to for the capital investment for the purpose of redevelopment of housing.

The capital investment plan under the AMRUT mission FY16-FY20 and the funding structure are given in Figure 16.

M. Datta
Commissioner,
Surat Municipal Corporation.

Jurktil
Mayor,
Surat Municipal Corporation.

Figure 16
AMRUT Mission FY16-FY20

SAAP year	Sanctioned amount	Contribution (INR million)		
		Central government (33%)	State government (37%)	Urban local body (30%)
2015-16	574.50	190.40	211.80	172.40
2016-17	1,610.00	534.70	592.30	483.00
2017-20	3,890.00	1,280.40	1,435.60	1,164.00
Total	6,064.50	2,005.50	2,239.70	1,819.40

Source: SMC, SAAP and Ind-Ra

Figure 17
Sector-wise AMRUT
Investment Plan FY16-FY20

Particulars	Sanctioned amount (INR million)
Water supply	1,090.00
Sewerage and septage management	4,710.00
Urban transport	190.00
Garden	74.5
Total	6,064.50

Source: SMC, SAAP and Ind-Ra

SMC plans to raise the bonds for the upgradation and augmentation of five of the existing and new facilities, under the AMRUT scheme. The sanctioned amount for projects is INR4,979.3 million, of which SMC would fund INR3,135.2 million: INR2,000 million from the bond proceeds and INR1,135.2 million from its own funds. The balance would be provided by the government of India and government of Gujarat under the scheme.

Appendix A

Figure 18
Surat Municipal Corporation – Income and Expenditure (INR million)

S. no	Particulars	FY14	FY15	FY16	FY17	FY18	FY19 (RE)
O	Opening balance^a	9,021.15	3,911.60	3,898.86	989.08	1,038.63	3,774.65
A	Revenue income						
A-1	Tax revenue	6,044.41	6,703.39	7,393.63	8,485.64	9,823.09	10,396.56
	General tax/property tax & others	1,980.08	2,151.77	2,274.48	2,860.55	3,336.48	2,889.04
	User charges (water + waste disposal + fire etc)	3,142.69	3,570.73	3,915.63	4,418.06	5,213.42	6,246.39
	Other direct taxes - theatre, entertainment, professional, penalty and claims tax	921.64	980.89	1,203.52	1,207.03	1,273.19	1,261.13
A-2	Non-tax revenue	1,090.27	1,350.01	1,540.59	4,286.21	5,291.98	6,326.65
A-3	Assigned revenue and compensations (in lieu of octroi)	5,711.11	6,567.90	6,567.60	6,569.42	7,225.96	7,947.80
A-4	Grants, contributions and subsidies	646.30	948.99	1,120.96	1,022.25	1,382.69	1,085.31
A-5	Other income	1,150.91	1,153.86	947.28	1,021.22	3,012.56	2,149.87
TA	Total	14,643.00	16,724.16	17,570.05	21,384.74	26,736.27	27,906.19
B	Revenue expenditure						
B-1	Establishment expenditure	6,987.07	7,830.86	8,790.07	10,150.85	13,230.48	15,805.55
B-2	Administrative expenditure	1,882.46	1,842.98	2,286.94	2,701.23	2,791.73	3,229.32
B-3	Operations & maintenance expenditure	2,257.04	2,520.74	2,708.69	2,893.76	3,642.29	5,056.81
B-4	Interest and finance charges/ debt servicing (only interest)	35.50	43.30	42.30	48.44	67.51	140.76
B-5	Grants/contributions	698.63	798.36	787.20	644.52	942.34	1,572.69
B-6	Other expenses	0.00	40.46	0.00	0.00	0.00	0.00
TB	Total	11,670.70	13,076.71	14,615.19	16,438.79	20,674.35	25,805.13
X	Revenue surplus/(deficit) (A-B)	2,972.31	3,647.45	2,954.86	4,945.94	6,061.92	2,101.06
C	Capital income and borrowings						
C-1	Grants/contributions for capital works	5,588.66	8,897.31	5,271.62	7,066.86	7,931.99	10,903.25
C-2	Bonds/loans	0.00	0.00	0.00	0.00	0.00	0.00
C-3	Smart city & AMRUT grant	0.00	0.00	439.00	38.92	1,746.17	2,337.09
C-4	Other liabilities	2,591.06	4,913.90	6,013.83	3,893.26	3,353.99	6,024.29
TC	Total	8,179.72	13,811.21	11,724.45	10,999.03	13,032.14	19,264.62
D	Capital expenditure						
D-1	Capital works	16,250.93	17,460.75	17,589.10	15,895.43	16,358.04	20,488.22
D-6i	Principal repayments of debt	10.65	10.65	0.00	0.00	0.00	0.00
TD	Total	16,261.58	17,471.40	17,589.10	15,895.43	16,358.04	20,488.22
Y	Capital surplus/(deficit) (TC-TD)	-8,081.86	-3,660.18	-5,864.64	-4,896.39	-3,325.90	-1,223.60
C	Closing balance^b (O+X+Y)	3,911.60	3,898.86	989.08	1,038.63	3,774.65	4,652.12

^a Opening balance of cash-in-hand and cash at bank
^b Closing balance of cash-in-hand and cash at bank
Source: SMC, Ind-Ra

Appendix B

Figure 19
Financial Ratios

	FY14	FY15	FY16	FY17	FY18	FY19 (RE)
Income ratios (%)						
Tax revenue to total revenue income ratio (A-1/TA)	41.28	40.08	42.08	39.68	36.74	37.26
Non tax revenue to total revenue income ratio (A-2/TA)	7.45	8.07	8.77	20.04	19.79	22.67
Assigned revenues & grants to total revenue income ratio (A-3+A-4/TA)	43.42	44.95	43.76	35.50	32.20	32.37
Own income to total revenue income (A-1+A-2/TA)	48.72	48.15	50.85	59.72	56.53	59.93
Expense ratios (%)						
Establishment expenses to total revenue income ratio (B-1/TA)	47.78	46.82	50.03	47.47	49.49	56.64
Operations & maintenance to total revenue income ratio (B-3/TA)	15.41	15.07	15.42	13.53	13.62	18.12
Establishment expenditure to total revenue expenditure ratio (B-1/TB)	59.95	59.88	60.14	61.75	63.99	61.25
Capital expenditure to total expenditure ratio (TD/TB-TD)	58.22	57.19	54.62	49.16	44.17	44.26
Operating ratio (%)						
Ratio of revenue expenditure to revenue income (TB/TA)	79.70	78.19	83.18	76.87	77.33	92.47
Debt servicing ratio						
Debt payment to total revenue income ratio (%) (B-4/TA)	0.24	0.26	0.24	0.23	0.25	0.50
Debt service coverage ratio ((X+B-4)/(B4+D-6i)) (x)	65.17	68.41	70.85	103.12	90.79	15.93
Dependency ratio (%)						
Total grant income (both capital and revenue grants) to total income ((A-4+C-1)/(TA+TC))	27.69	32.52	22.11	25.24	23.63	25.59
Net income profitability ratios (%)						
Cash surplus/deficit to total income ratio ((X+Y)/(TA+TC))	-22.39	-0.04	-9.93	0.15	6.88	1.86

Source: SMC, Ind-Ra

M. Dhruv
Commissioner,
Surat Municipal Corporation.


Jur Patel
Mayor,
Surat Municipal Corporation.

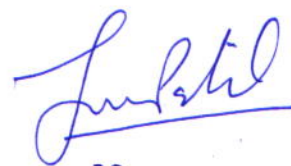
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Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

Ratings

Rating Rationale

February 01, 2019 | Mumbai

Surat Municipal Corporation

'Provisional CRISIL AA+(SO)/Stable' assigned to bonds

Rating Action

Rs.200 Crore Taxable Bonds

Provisional CRISIL AA+(SO)/Stable (Assigned)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

*A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures, and will be supported by certain critical documentation by the issuer, without which the rating would either have been different or not assigned at all. This is in compliance with a May 6, 2015, directive by the Securities and Exchange Board of India, 'Standardising the term, rating symbol, and manner of disclosure with regard to conditional/provisional/in-principle ratings assigned by credit rating agencies (CRAs)'.

Detailed Rationale

CRISIL has assigned its 'Provisional CRISIL AA+(SO)/Stable' rating to the taxable bonds of Surat Municipal Corporation (SMC).

The 'Provisional' rating reflects the strength of a trustee-administered escrow and payment mechanism and adequate liquidity in the form of a debt service reserve account (DSRA). The payment mechanism for coupon and redemption is given in the annexure.

The rating reflects the corporation's strong operating performance and robust financial risk profile, driven by consistently healthy operating surplus, nil debt, ample liquidity and strong debt protection metrics. Further, SMC has a sound economic base, adequate service levels, healthy collection efficiency of taxes and charges and good reform orientation. These strengths are partially offset by heavy reliance on state government grants and large capital expenditure (capex) requirement.

Analytical Approach

For arriving at the rating, CRISIL has applied its criteria on future flow securitisation.

Key Rating Drivers & Detailed Description

Strengths:

* Strong operating performance, reflected in healthy operating surplus

Revenue profile includes income from collection of property tax, user charges for water and sewerage service, income from other taxes like professional tax, octroi compensation, other revenue grants and other non-tax income. Operating surplus is healthy, backed by robust property tax collection, steady receipt of grants from the state government in lieu of octroi and non-tax income comprising primarily collection from public places, town development income and rental income. For fiscal 2018, SMC generated an operating surplus of around Rs 613 crore.

Year ended March 31st		2014	2015	2016	2017	2018
Revenue receipts	Rs crore	1484	1872	1757	2138	2674
Revenue expenditure	Rs crore	1184	1303	1457	1839	2081
Operating surplus	Rs crore	301	369	300	499	613

Going forward, with consistent property tax collections, increase in various user charges and non-tax income and control on revenue expenditure, SMC is expected to maintain strong operating surplus over the medium term.

* Robust financial risk profile and ample liquidity

SMC has no outstanding debt as on December 31, 2018. Healthy revenue surplus helped the corporation to largely fund its increasing capex through internal accrual, without resorting to debt. The robust cash flow generated ample liquidity. It has unencumbered cash and cash equivalents of Rs 885 crore as on March 31, 2018, which includes bank balance and fixed deposits.

Over the medium term, SMC has large planned capex under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart City Projects, which is likely to be funded primarily out of a mix of government grants and its own revenue surpluses. The corporation is planning to raise Rs 200 crore through municipal bonds for meeting its own share of contribution towards AMRUT mission. Despite increase in corporation's debt, the debt protection metrics will remain strong over the medium term since the quantum of incremental debt proposed is relatively low and SMC's operating surplus will continue to be strong over the medium term. However, any sizeable debt raised towards funding of capex could weaken the financial risk profile and will be a key rating sensitivity factor.

* Adequate service levels and healthy collection efficiency of taxes and charges

The corporation has an adequate civic infrastructure and robust delivery systems. High infrastructure quality is reflected in good water supply coverage, adequate road and sewerage networks, and improving drainage and solid waste management practices.


 Commissioner,
 Surat Municipal Corporation.


 Mayor,
 Surat Municipal Corporation.

Current collection efficiency of property tax is maintained at 95-97% and overall collection efficiency has been stable at 84% in fiscal 2018. Also, the cost recovery for essential services has improved and is among the highest compared to other corporations in the state. Implementation of AMRUT and Smart City Projects should further drive improvement in the service level arrangements of the corporation and result in increased collection efficiency of taxes and charges.

*** Sound economic base**

Surat's robust industrial base, favourable location, strategic importance in the state, and high per capita income led to a strong economic base. Industries in Gujarat flourished due to favourable state government policies, affordable cost of living, surplus labour, and lower transportation cost.

*** Good reform orientation**

SMC has been able to execute various reforms from time to time, backed by adequate technical capabilities and supportive staff. The corporation has robust processes and systems to take care of day-to-day activities of the corporation. SMC has been forerunner in implementing geographic information system mapping of properties and also complete implementation of double entry accounting method. However, metering of water connections is an area where limited progress has been made. However, once done, it will significantly improve cost recovery.

Weakness:

*** High dependence on state government grants**

Although the share of grants and compensation from the state government reduced to 32% in fiscal 2018 from 49% in fiscal 2013, it continues to be a major portion of total revenue receipts. Since the abolition of octroi in fiscal 2008, SMC has been receiving compensation from state government consistently. During fiscal 2016, increased compensation inclusive of 15% hike was provided. During fiscal 2018, SMC received Rs 723 crore as octroi compensation. With rise in property tax rates and non-tax revenue, dependence on government grants is likely to reduce further over the medium term.

*** Large capex requirement**

There is large capex requirement over the medium term for implementing the AMRUT, Smart City schemes and other planned capex. The estimated project cost under these schemes is Rs 5,000 crore, spread over five years. The corporation is planning to raise Rs 200 crore through issuance of taxable bonds in fiscal 2019 for funding its own share under AMRUT.

CRISIL believes SMC will maintain a healthy operating surplus over the medium term and is not expected to contract sizeable debt. However, any significant increase in capex, leading to substantial incremental debt could weaken the financial risk profile, and will remain a key rating sensitivity factor.

Liquidity

Liquidity is ample, driven by healthy operating surplus of around 20% annually on an average over the past fiscals, and unencumbered cash and bank balance of Rs 885 crore as on March 31, 2018. Operating surplus was Rs 613 crore in fiscal 2018 against nil debt obligation. SMC is likely to maintain unencumbered cash and bank balance and continue generating healthy operating surplus that will be sufficient to meet future debt obligation and part-fund capex.

Outlook: Stable

CRISIL believes SMC will continue to generate high operating surplus over the medium term, while maintaining strong debt protection metrics.

Upside scenario

- * Sustained increase in own revenue of the corporation with controlled revenue expenditure leading to healthy operating surplus
- * Enhancement in services currently provided, such as water supply, sewerage, drainage and solid waste management

Downside scenario

- * Significant decline in collection of property tax
- * Weakening of financial risk profile
- * Decline in support from state government in terms of adequacy and timeliness of octroi compensation, and availability of funds under AMRUT and Smart City schemes and other grants.

About the corporation

SMC is governed by the Bombay Provincial Municipal Corporation Act, 1949, as amended by the Government of Gujarat. It has jurisdiction over 326 square kilometres. Majority of these include water supply, sewerage disposal, solid waste management, primary education, public safety, transportation, and slum improvement.

Key Financial Indicators

As on / for the period ended March 31	Units	2018	2017
Revenue receipts	Rs crore	2674	2138
Revenue surplus	Rs crore	606	495
Revenue surplus/ revenue receipts	%	23%	23%

Any other information:

The 'provisional' rating will be converted into a 'final' rating on receipt of the following documents duly executed:

- Debenture trust deed
- Debenture trustee appointment agreement
- Escrow agreement
- Final representation and warranties letter
- Final debenture trustee consent letter

M. Dhruv
Commissioner,
Surat Municipal Corporation.

Subtil
Mayor,
Surat Municipal Corporation.

- Final debenture trustee awareness letter
- Final term sheet

Additional documents, if any, executed for the transaction will also have to be provided. A rating rationale/report indicating conversion of the 'provisional' rating into the 'final' rating will be published on the CRISIL website on receipt of the required documents.

Annexure

Broad contours of the escrow structure pertaining to the current Rs 200 crore bond issue are as follows:

- The tenure is five years with coupon half-yearly payment frequency
- Bullet/full redemption at the end of five years
- Escrow of property tax and user charges collected by and due to SMC eligible bondholders and lenders shall have first and pari-passu charge over the escrow account, debt service account (DSA), and the collection account(s).
- Establishing separate DSA, DSRA, Interest payment account (IPA), and sinking fund accounts (SFA) with the escrow banker as per the terms of each series. Bondholders/lenders of particular series have first and pari-passu charge over DSA, DSRA, IPA, and SFA for respective series.
- In case of any shortfall from transfer from escrow account to DSA, SMC shall make good the shortfall from the funds from other account(s) to DSA.

Interest payment mechanism

T - interest payment date

Day	
T-25	The trustees shall check the amount lying to the credit of IPA. In case of any shortfall in amount, the trustees shall intimate SMC
T-15	SMC shall make good the shortfall in the IPA, if applicable
T-14	In case of shortfall, trustees shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from the DSRA to the IPA
T-10	Bank shall transfer the shortfall amount, if applicable*
T	Interest payment is done

* Any amount drawn from the DSRA should be deposited back in the account

Redemption mechanism

T - Redemption date

Day	
T-25	The trustees shall check the amount lying to the credit of the SFA. In case of any shortfall in amount, the trustees shall intimate SMC
T-15	SMC shall make good the shortfall in the SFA
T	Redemption payment is done

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of instrument(s)

ISIN	Type of instrument	Date of allotment	Coupon Rate (%)	Maturity date	Issue Size (Rs crore)	Rating Assigned with Outlook
NA	Taxable bonds ^a	NA	NA	NA	200	Provisional CRISIL AA+ (SO)Stable

^aNot yet placed

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2016 (History)		2016		2017		2016		Start of 2016
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
-	CCR	-	-	-	-	-	-	-	-	30-06-16	Withdrawn	-
Bond	LT	0.00 01-02-19	Provisional CRISIL AA+ (SO)Stable	-	-	-	-	-	-	-	-	-

All amounts are in Rs. Cr.

Links to related criteria

[Rating Criteria for Municipal and Urban Local Bodies](#)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations	Anuj Sethi Senior Director - CRISIL Ratings	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 287 1301

https://www.crisil.com/mnt/winshare/Ratings/Rating_List/RatingDocs/Surat_Municipal_Corporation_February_01_2019_RR.html

3/5

M. J. Dany
Commissioner,
Surat Municipal Corporation.

Anuj Sethi
Mayor,
Surat Municipal Corporation.

2/18/2019

Rating Rationale

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Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

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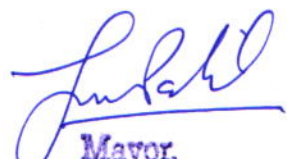
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Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

ANNEXURE IV
Consent of Trustee

Corporate Office: Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.
Tel : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com



**SBICAP Trustee
Company Ltd.**

No. 0226/2018-2019/CL - 2350
Date : 18th February, 2019.

Surat Municipal Corporation
Surat mahanagar Seva Sadan,
Gordhandas chokhawala marg,
Mugalisara, Gujarat,
Surat - 395003.

Dear Sir,

Proposed Bond issue by Surat Municipal Corporation (the "Company") of private placement of Bonds (the "Debentures") aggregating to Rs. 200 crores

We SBICAP Trustee Company Ltd., hereby give our consent to act as Debenture Trustee for the proposed captioned Private placement of debentures/bonds and to include our name as Debenture Trustee in the Schedule I as per the Securities and Exchange Board of India guidelines.

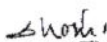
We hereby authorise you to deliver this letter of consent to any other regulatory authority as may be required by law.

The following details with respect to us may be disclosed:

Name : SBICAP Trustee Company Limited
Address : Apeejay House, 6th floor
3, Dinshaw Wachha Road, Churchgate,
Mumbai 400 020.
Telephone No. : 022-43025555
Fax No. : 022- 22040465
E-mail : corporate@sbicaptrustee.com
Website : www.sbicaptrustee.com
Contact Person : Ms. Savitri Yadav (Company Secretary & Compliance Officer)
Tel No. 022- 43025503
SEBI Registration No.: IND000000536

We hold permanent registration certificate under SEBI Debenture Regulations, 1993 (copy enclosed).

Yours faithfully,


Authorised Signatory

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,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

डिबेंचर न्यासी

FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000 25E

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र PERMANENT REGISTRATION
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ प्रदत्त पुत्र अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

SBICAP TRUSTEE COMPANY LIMITED
202, MAKER TOWER, "E" WING
20TH FLOOR, CUFF PARADE
MUMBAI - 400005
MAHARASHTRA

को नियमों में शर्तों के अधीन करते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड

2) Registration Code for the debenture trustee is **IND000000536**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र

3) Unless renewed, the certificate of registration is valid from

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board

स्थान Place: **MUMBAI**

तारीख Date: **OCTOBER 06, 2015**



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India



Meha Sonparote
MEHA SONPAROTE
Authorised Signatory

M. Datta
Commissioner,
Surat Municipal Corporation.

L. Patel
Mayor,
Surat Municipal Corporation.

ANNEXURE – V
In-Principle Approval Letter of BSE



DCS/COMP/AA/IP-PPDI-MC/7/18-19
February 18, 2019

The Compliance Officer
Surat Municipal Corporation
"Surat Mahanagar Seva Sadan",
Gordhandas Chokhawala Marg,
Mugilsara, Surat - 395003, Gujarat

Dear Sir,

Re: Placement of Unsecured, Taxable, Non-Convertible, Redeemable bonds in the nature of Debentures ("Bonds") of face value of Rs.10 lakhs each at par aggregating to Rs.200 Crores ("Issue")

We acknowledge receipt of your application on the online portal on February 18, 2019 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

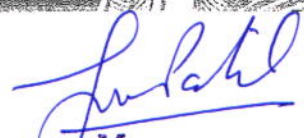

AA Bhushan Mokashi
Addl. General Manager


Rupal Khandelwal
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/331 E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : L67120MH2005PLC155189


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

ANNEXURE – VI
Standing Committee Resolution

**Following Resolution passed in the Standing Committee of
Surat Municipal Corporation held on Dt:13-12-2018**

Considering Municipal Commissioner letter No.Std/672, Dtd.12-12-2018, The fact of the proposal is that, in context and recommendation of Resolution No.346/2018 of the Standing Committee & the General Board Resolution No.83/2018, Dated 28/03/2018, the General Board of Surat Municipal Corporation has given the principal sanction for taking overdraft or loan from the Public Market for the Short term financial requirement or to issue Bond for the long term financial requirement of Surat Municipal Corporation.

As per above Resolution 'On File' permission of Chairman Shri, Standing Committee has been taken to authorise Municipal Commissioner for the various matters for the proposed Municipal Bonds issue including but not limited to appointment of intermediaries, selection of type of bond, coupon rate, security, redemption, credit enhancement, mode of issuance, selection of stock exchange, to prepare structure payment mechanization and opening of Escrow bank accounts and prerequisites of pre and post bond issue activities.

1. Municipal Commissioner has appointed following intermediaries for the proposed Bond issue as above.

Sr. No.	Intermediaries Name	Scope of Work
1.	SBI Capital Markets Limited	Advisor Cum Arranger
2.	Natvarlal Vepari & Co.	Chartered Accountant
3.	CRISIL Limited	Credit Rating Agency
4.	India Rating & Research Private Limited	Credit Rating Agency
5.	MV Kini Law Firm	Legal Counsel
6.	SBICAP Trustee Company Ltd.	Debenture Trustee
7.	Karvy Fintech Private Limited (earlier known as Karvy Computershare Private Limited)	Registrar & Transfer Agent

2..


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

The terms and conditions, scope of work and fees structure of above intermediaries are as per the submitted file with proposal's flag No. 3.1 to 3.7.

- As per Article 243(P) of Indian Constitution, definition of Urban Local Body (ULB) has been defined and under the Schedule Twelfth of Article 243W of Indian Constitution, Eighteen specific services have been entrusted for rendering to the public (Flag-4). Also, under section 63 of The Gujarat Provincial Municipal Corporation Act, there shall be mandatory provision for rendering different services to the public. In accordance with the above provisions, Surat Municipal Corporation is planning to develop new facility as well as enhancement of existing facilities of Sewerage Treatment Plants at various places of the city to meet the present and future capacity of Sewerage. The Drainage Department of Surat Municipal Corporation has identified the following 5 (Five) Sewerage Treatment Plant to develop new facility as well as enhancement of existing facilities of Sewerage, under Central Government "AMRUT" Scheme, the details about the sanctioned estimated cost of each STP, DPR amount sanctioned under "AMRUT" Scheme and sharing of grant of Central and State Government contribution regarding these projects are as per below statement.

(Rs.in Cr.)

Sr. No.	Name of the Project	Tender/Estimate Cost of each project	Resolution No.&Date of General Board	Appr.DPR Cost of each project under AMRUT Grant	DPR Approval Letter Date under AMRUT Grant	Share as per Approved DPR under AMRUT			Funds to be sourced by ULB	Own Fund of ULB	Funds propose to be raised under Muni. Bond
						GOI	COC	Total Grant from Govt.			
	[1]	[2]	[3]	[4]	[5]	[6]=[4] x 33%	[7]=[4] x 37%	[8] = [6]+[7]	[9] = [8]-[10]	[10]	[11]
1	Upgradation & Augmentation of Bharu STP	189.35	400/2018, 27.03.2018	95.00	03.10.2017	31.35	35.15	66.50	122.85	44.48	78.37
2	Augmentation of Bharu STP	107.06	1437/2018, 20.11.2018	72.00	29.06.2018	23.76	26.64	50.40	56.66	20.52	36.14
3	Augmentation of Bharu STP	110.49	430/2018, 28.09.2018	35.00	29.06.2018	11.55	12.95	24.50	85.99	31.14	54.85
4	Augmentation of Khajod STP	51.08	552/2018, 29.11.2018	34.07	20.07.2018	11.24	12.61	23.85	27.23	9.86	17.37
5	Augmentation of Asaram STP	39.95	426/2018, 28.09.2018	27.37	20.07.2018	9.03	10.13	19.16	20.79	7.53	13.26
	Total	497.93		263.44		86.94	97.47	184.41	313.52	113.52	200.00

* Amount may vary at the time of sanctioning Tender.

- Ministry of Housing and Urban Affairs (AMRUT IIB) of Government of India vide their letter No.K-16012/02/2018-AMRUT-IIB, dated 23/03/2018 announced scheme of incentives to Urban Local Bodies,

3...

M. Desai
Commissioner,
Surat Municipal Corporation.

[Signature]
Mayor,
Surat Municipal Corporation.


...3...

which are covered under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for issuance of Municipal Bond. In this context, aforesaid Ministry has announced to encourage ULB in raising resources from market; it has been decided to incentivize the ULBs, which are covered under AMRUT Mission and raising funds by issuing Municipal Bonds. The Ministry intends to incentivize upto 10 ULB during the financial year 2018-19 for issuing Municipal Bond on "First Come First Serve" basis, based on the date of issue of Bonds. The incentive amount will be limited to Rs.13 crore for every Rs.100 crore of Bond issued and upto maximum of Rs.200 crore worth of Bonds per ULB will be incentivized under this scheme.

4. As per the financial as well as Organization's position of Surat Municipal Corporation. It has decided to borrow funds upto an amount of Rs. 200 Crores from the open market, by issuing Municipal Bonds for the fulfillment of the projects mentioned under Para-2 above and to get benefit of incentive of upto an amount of Rs.26 Crores as per Government of India's scheme mention under Para-3 above. For the procedure of pre-issue of Municipal Bonds, Surat Municipal Corporation has appointed dual rating agencies namely (i) Crisil Limited and (ii) India Rating and Research Pvt. Ltd. requisite data have been given to the rating agencies.
5. Resolved that, as per the guidelines and norms of SEBI, for issuing Municipal Bonds there shall be Structured Payment Mechanism to be set up and is required to be sanctioned by the General Board of Surat Municipal Corporation as well as Government of Gujarat. In view of this, the draft Structures Payment Mechanism is hereby sanctioned which prepared by Advisor cum Arranger SBI Capital Markets Limited.

Under the structured payment mechanism all funds deposited whether on account of Property Tax & user charges or otherwise in the account(s) where Property Tax is deposited (Collection Account(s)) shall be transferred to a separate no-lien Escrow Account for debt servicing. Surat Municipal Corporation shall also maintain no lien account Debt Service Account (DSA) with the Escrow Banker for

4...


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Surat Municipal Corporation,

...4...

servicing debt of Issuer where funds have to be set apart from the Escrow Account. This 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 below shall be transferred to the Debt Service Account. Eligible Bondholders and Lenders shall have first and pari-passu charge over the Escrow Account, Debt Service Account and the collection account(s).

Surat Municipal Corporation should also establish separate Debt Service Reserve Account (DSRA), Interest Payment Account (IPA) and Sinking Fund Account (SFA) with the Escrow Banker as per the terms of each series. Bondholders/Lenders of particular series have first and pari-passu charge over DSRA, IPA & SFA for respective series.

- 1) The funds lying in the Escrow Account shall be used in the following priority:
 - a) The funds should be first utilised to meet Minimum Balance in Escrow Account. 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 Service Account.
 - c) The surplus funds after meeting the Minimum Balance can thereafter be transferred to SMCHQ Account

Surat Municipal Corporation, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Debt Service 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, Surat Municipal Corporation shall make good the shortfall from the funds from other account(s) to Debt Service Account.

5...


Commissioner,
Surat Municipal Corporation.



Mayor,
Surat Municipal Corporation.

...5...

- 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/loan facility as per the terms of the said issuance/facility.
 - ii) Shortfall in any earlier contribution to the extent not made good by Surat Municipal Corporation 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/loans to make good any shortfall in DSRA account. At all times the DSRA should be maintained as per the terms of the bond issuance.
 - b) Secondly, transfer to Interest Payment Account(IPA) 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(SFA) on monthly basis such sums as may be required by the terms of the bond issuance and any shortfall in earlier contributions.
- 5) Surat Municipal Corporation, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the Debt Service 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).

6...


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.


...6...

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

Current Bond Issue

1. Surat Municipal Corporation 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 [●] (“DSRA - [●]”)
 - b. Interest Payment Account – Series [●] (“IPA - [●]”)
 - c. Sinking Fund Account – Series [●] (“SFA - [●]”)
2. Surat Municipal Corporation shall set up the Escrow Account and Debt Service Account as mentioned above and shall cause the following funds to be transferred:
 - a. The Debt Service Reserve Account shall be funded one day before the pay-in date with an amount equal to annual 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 of each series in the Debt Service Reserve Account shall be transferred.
 - c. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum of each series, 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.

7...

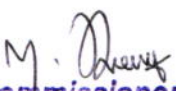

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Surat Municipal Corporation.

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- d. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum of each series, and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account.
 - e. Any shortfall in the above account(s) shall be made good by Surat Municipal Corporation by transfer from other account(s) of Surat Municipal Corporation.
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- Respective Series can be used to meet any shortfall in Interest Payment Account and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the Debt Service Reserve Account cannot be utilized to meet any shortfall in contribution to Sinking Fund Account except at the time of final redemption of bonds.
 - b. The funds lying in the Interest Payment Account- Respective Series can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Information Memorandum of each series. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in Debt Service Reserve Account- Respective Series and thereafter be used to make good any shortfall in contribution to Sinking Fund Account- Respective Series.
 - c. The funds lying in the Sinking Fund Account- Respective Series can be used to redeem the bonds issued pursuant to the Information Memorandum of that particular Series.
 - 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.

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Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

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- e. Any surplus funds lying in the above account(s) after the bonds issued pursuant to Information Memorandum of each series 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.
4. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari-passu charge over the Escrow Account, account(s) where Property Tax and user charges are being collected and Debt Service Account. The Bondholder(s) shall have first and exclusive charge on the funds lying in Debt Service Reserve Account- Respective Series, Interest Payment Account- Respective Series and Sinking Fund Account- Respective Series –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- Respective Series, Interest Payment account- Respective Series and Sinking Fund Account- Respective Series 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 of each series. The amount deposited in Debt Service Reserve Account- Respective Series, Interest Payment Account- Respective Series and Sinking Fund Account- Respective Series 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- Respective Series and Debt Service Reserve Account- Respective Series can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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.

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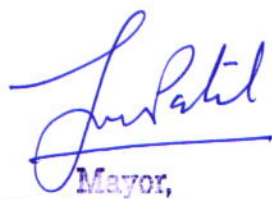
7. The funds lying to the credit of Sinking Fund Account- Respective Series can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AAA and/or in Government Securities and Treasury Bills. The lien shall be created in favor of debenture trustee on all the investments 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- Respective Series, Interest Payment Account- Respective Series and Sinking Fund Account- Respective Series shall be maintained with a scheduled commercial bank rated at least AAA 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 AAA by any rating agency Surat Municipal Corporation shall, with written consent of Debenture Trustees, enter into escrow agreement with any other bank satisfying the rating criteria.
10. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. Surat Municipal Corporation 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 at 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate Surat Municipal Corporation of the shortfall and Surat Municipal Corporation shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account 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- Respective Series to the Interest Payment Account- Respective Series by 10 days prior to the interest

10....


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payment date. The Interest shall be paid by Surat Municipal Corporation on the due date. Any amount drawn from the Debt Service Reserve Account- Respective Series should be deposited back in the Debt Service Reserve Account- Series[●] as per the mechanism indicated above. The debenture trustee shall check the balance in the Sinking Fund Account- Respective Series at the end of the year and in case of any shortfall in the Sinking Fund Account- Respective Series, Surat Municipal Corporation shall replenish the Sinking Fund Account- Series[●] with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of Sinking Fund Account- Respective Series at 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate Surat Municipal Corporation of the shortfall and Surat Municipal Corporation shall make good the shortfall in the Sinking Fund Account- Respective Series by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in Interest Payment Account- Respective Series, Debt Service Reserve Account- Respective Series, Sinking Fund Account- Respective Series and any transfer from Debt Service Reserve Account- Respective Series to Interest Payment Account- Respective Series.

Restriction on the total borrowing

Surat Municipal Corporation shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year

- (A) **DSCR on operating Surplus: Debt Service Coverage Ratio ("DSCR") for the Surat Municipal Corporation 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

11...


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116

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- ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment+ transfer to debt service reserve account

(B) The total amount collected in escrow account shall be atleast 1.25 times of the Debt Service Amount on an annual basis. In case, the ratio falls below 1.25 times, Surat Municipal Corporation shall not borrow any further amount against the cash flow(s) of the escrow account. No permission to borrow further amount(s) by Surat Municipal Corporation 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

(C) Surat Municipal Corporation 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 Surat Municipal Corporation.

In context to para-1 to para-5 of this Resolution and all facts mentioned above it is resolved that, the sanctioned/permission is hereby granted, in anticipation of the General Board approval for the issuing of Municipal Bond worth Rs.200 crore for the implementations and fulfillment of projects mentioned under Para-2 of this Resolution as well as to obtain benefit of incentivize of Rs.26 Crore mentioned under the scheme of Government of India as per Para-3 of the resolution along with the following particulars:

- i. Sanctioned to borrow upto Rs.200 crore by issuing Municipal Bond, with prior permission of Government of Gujarat, under section 109 of the Gujarat Provincial Municipal Corporation Act.

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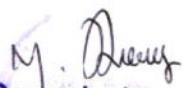

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Mayor,
Surat Municipal Corporation.

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- ii. Sanctioned of the projects mentioned under Para-2 of this resolution with prior permission of Government of Gujarat for issuing Municipal Bond.
- iii. Sanctioned of Draft Structure Payment Mechanism mentioned under para-5 above for the repayment of Municipal Bond prepared by SBI Capital Markets Limited, Advisor and Arranger of propose Municipal Bond.
- iv. Sanctioned for setting of Sinking Funds under section 112 of the Gujarat Provincial Municipal Corporation Act for the purpose of propose Bond Issue.
- v. Postfacto sanctioned of Appointment of intermediateries, their terms and conditions and fee structure, as mentioned in para-3 above.
- vi. Hereby authorised Municipal Commissioner to open Escrow Bank Account, Debt Service Reserve Account, Interest Payment Account, Sinking Fund Account and lien all the funds deposited on account of Property Tax and user charges or otherwise in the accounts where property tax is deposited for the repayment of installment as well as interest to the Bondholders as mentioned under Structure Payment Mechanism of the resolution.
- vii. Hereby Authorised Municipal Commissioner for selection of type of bond, coupon rate, security, redemption, credit enhancement, mode of issuance, selection of stock exchange, to prepare final structure payment mechanization and opening of Escrow bank accounts, allotment of bonds and prerequisites of pre and post bond issue activities.
- viii. Hereby Authorised Municipal Commissioner to sign all the agreements with all the intermediateries and authorities, regulatories for the purpose of bond issue, on behalf of Surat Municipal Corporation.

13...


Commissioner,
Surat Municipal Corporation,



Mayor,
Surat Municipal Corporation.


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- ix. Hereby Authorised Municipal Commissioner to act for obtaining permission of Government of Gujarat in context to borrowing of funds, sanction of projects of Bond issue, sanction of final Structure Payment Mechanism, in accordance with the existing provisions and regulations of act and regulatory authorities.
- x. Hereby Authorised Municipal Commissioner to take any decision and do needful for the pre and post Bond issue activities, along with all necessary relevant activities.

Resolution No. 1556/2018 sanctioned Unanimously

Pro.Wri. General Board,


Secretary,

 Surat Municipal Corporation
Date : 13-12-2018

Copy SWRs to :- Municipal Commissioner shri.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

ANNEXURE VII
General Body approval

**The following Resolution passed in the General Board of
Surat Municipal Corporation held on Dt:28-12-2018**


Considering Standing Committee Resolution no-1556/2018, The fact of the proposal is that, in context and recommendation of Resolution No.346/2018 of the Standing Committee & the General Board Resolution No.83/2018, Dated 28/03/2018, the General Board of Surat Municipal Corporation has given the principal sanction for taking overdraft or loan from the Public Market for the Short term financial requirement or to issue Bond for the long term financial requirement of Surat Municipal Corporation.

As per above Resolution 'On File' permission of Chairman Shri, Standing Committee has been taken to authorise Municipal Commissioner for the various matters for the proposed Municipal Bonds issue including but not limited to appointment of intermediaries, selection of type of bond, coupon rate, security, redemption, credit enhancement, mode of issuance, selection of stock exchange, to prepare structure payment mechanization and opening of Escrow bank accounts and prerequisites of pre and post bond issue activities.

1. Municipal Commissioner has appointed following intermediaries for the proposed Bond issue as above.

Sr. No.	Intermediaries Name	Scope of Work
1.	SBI Capital Markets Limited	Advisor Cum Arranger
2.	Natvarlal Vepari & Co.	Chartered Accountant
3.	CRISIL Limited	Credit Rating Agency
4.	India Rating & Research Private Limited	Credit Rating Agency
5.	MV Kini Law Firm	Legal Counsel
6.	SBICAP Trustee Company Ltd.	Debenture Trustee
7.	Karvy Fintech Private Limited (earlier known as Karvy Computershare Private Limited)	Registrar & Transfer Agent


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Surat Municipal Corporation.

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The terms and conditions, scope of work and fees structure of above intermediaries are as per the submitted file with proposal's flag No.3.1 to 3.7.

2. As per Article 243(P) of Indian Constitution, definition of Urban Local Body (ULB) has been defined and under the Schedule Twelfth of Article 243W of Indian Constitution, Eighteen specific services have been entrusted for rendering to the public. Also, under section 63 of The Gujarat Provincial Municipal Corporation Act, there shall be mandatory provision for rendering different services to the public. In accordance with the above provisions, Surat Municipal Corporation is planning to develop new facility as well as enhancement of existing facilities of Sewerage Treatment Plants at various places of the city to meet the present and future capacity of Sewerage. The Drainage Department of Surat Municipal Corporation has identified the following 5 (Five) Sewerage Treatment Plant to develop new facility as well as enhancement of existing facilities of Sewerage, under Central Government "AMRUT" Scheme, the details about the sanctioned estimated cost of each STP, DPR amount sanctioned under "AMRUT" Scheme and sharing of grant of Central and State Government contribution regarding these projects are as per below statement.

(Rs in Cr.)

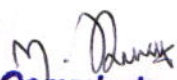
Sr. No	Name of the Project	Tender/ Estimated Cost of each project *	Resolution No.&Date of General Board	Appr.DPR Cost of each project under AMRUT Grant	DPR Approval Letter Date under AMRUT Grant	Share as per Approved DPR under AMRUT			Funds to be sourced by ULB	Own Fund of ULB	Funds propose to be raised under Muni. Bond
						GOI	GOG	Total Grant from Govt.			
[1]	[2]	[3]	[4]	[5]	[6]= [4]x33%	[7]= [4] x37%	[8] = [6]+[7]	[9]= [2]-[8]	[10]	[11]	
1	Upgradation & Augmentation of Bhesan STP	189.35	400/2018, 27.03.2018	95.00	03.10.2017	31.35	35.15	66.50	122.85	44.48	78.37
2	Augmentation of Bhatar STP	107.06	1437/2018 20.11.2018	72.00	29.06.2018	23.76	26.64	50.40	56.66	20.52	36.14
3	Augmentation of Bamroli STP	110.49	430/2018, 28.09.2018	35.00	29.06.2018	11.55	12.95	24.50	85.99	31.14	54.85
4	Augmentation of Khajod STP	51.08	552/2018, 29.11.2018	34.07	20.07.2018	11.24	12.61	23.85	27.23	9.86	17.37
5	Augmentation of Asarna STP	39.95	426/2018, 28.09.2018	27.37	20.07.2018	9.03	10.13	19.16	20.79	7.53	13.26
Total		497.93		263.44		86.94	97.47	184.41	313.52	113.52	200.00

* Amount may vary at the time of sanctioning Tender.

M. Anand
Commissioner,
Surat Municipal Corporation.

J. Patel
Mayor,
Surat Municipal Corporation.

3. Ministry of Housing and Urban Affairs (AMRUT IIB) of Government of India vide their letter No.K-16012/02/2018-AMRUT-IIB, dated 23/03/2018 announced scheme of incentives to Urban Local Bodies, which are covered under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for issuance of Municipal Bond. In this context, aforesaid Ministry has announced to encourage ULB in raising resources from market; it has been decided to incentivize the ULBs, which are covered under AMRUT Mission and raising funds by issuing Municipal Bonds. The Ministry intends to incentivize upto 10 ULB during the financial year 2018-19 for issuing Municipal Bond on "First Come First Serve" basis, based on the date of issue of Bonds. The incentive amount will be limited to Rs.13 crore for every Rs.100 crore of Bond issued and upto maximum of Rs.200 crore worth of Bonds per ULB will be incentivized under this scheme.
4. Resolved that, as per the financial as well as Organization's position of Surat Municipal Corporation. It has decided to borrow funds up to an amount of Rs.200 Crores from the open market, by issuing Municipal Bonds for the fulfilment of the projects mentioned under Para-2 above and to get benefit of incentive of up to an amount of Rs.26 Crores as per Government of India's scheme mention under Para-3 above. For the procedure of pre-issue of Municipal Bonds, Surat Municipal Corporation has appointed dual rating agencies namely (i) Crisil Limited and (ii) India Rating and Research Pvt. Ltd. requisite data have been given to the rating agencies.
5. Resolved that, as per the guidelines and norms of SEBI, for issuing Municipal Bonds there shall be Structured Payment Mechanism to be set up and is required to be sanctioned by the General Board of Surat Municipal Corporation as well as Government of Gujarat. In view of this, the draft Structures Payment Mechanism is hereby sanctioned which prepared by Advisor cum Arranger SBI Capital Markets Limited


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122
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Surat Municipal Corporation.

Under the structured payment mechanism all funds deposited whether on account of Property Tax & user charges or otherwise in the account(s) where Property Tax is deposited (Collection Account(s)) shall be transferred to a separate no-lien Escrow Account for debt servicing. Surat Municipal Corporation shall also maintain no lien account Debt Service Account (DSA) with the Escrow Banker for servicing debt of Issuer where funds have to be set apart from the Escrow Account. This 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 below shall be transferred to the Debt Service Account. Eligible Bondholders and Lenders shall have first and pari-passu charge over the Escrow Account, Debt Service Account and the collection account(s).


Surat Municipal Corporation should also establish separate Debt Service Reserve Account (DSRA), Interest Payment Account (IPA) and Sinking Fund Account (SFA) with the Escrow Banker as per the terms of each series. Bondholders/Lenders of particular series have first and pari-passu charge over DSRA, IPA & SFA for respective series.

- 1) The funds lying in the Escrow Account shall be used in the following priority:
 - a. The funds should be first utilised to meet Minimum Balance in Escrow Account. 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 Service Account.
 - c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to SMCHO Account

Surat Municipal Corporation, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Debt Service 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, Surat Municipal Corporation shall make good the shortfall from the funds from other account(s) to Debt Service Account.


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Mayor,
Surat Municipal Corporation. 123

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- 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/loan facility as per the terms of the said issuance/facility.
 - ii) Shortfall in any earlier contribution to the extent not made good by Surat Municipal Corporation 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/loans to make good any shortfall in DSRA account. At all times the DSRA should be maintained as per the terms of the bond issuance.
 - b. Secondly, transfer to Interest Payment Account(IPA) 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(SFA) on monthly basis such sums as may be required by the terms of the bond issuance and any shortfall in earlier contributions.
- 5) Surat Municipal Corporation, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the Debt Service 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).
- 6) Bondholder(s)/Lenders(s) shall have first, exclusive and pari-passu charge over Debt Service Account. Each Bond shall have exclusive charge in its favour on the funds lying in DSRA, Interest Payment Account and Sinking Fund Account created specifically for that bond issue or any investments made from those accounts.

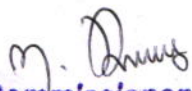
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- 7) Any surplus funds lying in DSRA, Interest Payment Account and Sinking Fund Account after the bond is redeemed in full or loan has been repaid shall be transferred to the Escrow Account.

Current Bond Issue

1. Surat Municipal Corporation 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 [●] (“DSRA - [●]”)
 - b. Interest Payment Account – Series [●] (“IPA - [●]”)
 - c. Sinking Fund Account – Series [●] (“SFA - [●]”)
2. Surat Municipal Corporation shall set up the Escrow Account and Debt Service Account as mentioned above and shall cause the following funds to be transferred:
 - a. The Debt Service Reserve Account shall be funded one day before the pay-in date with an amount equal to annual 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 of each series in the Debt Service Reserve Account shall be transferred.
 - c. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum of each series, 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.
 - d. At the end of each month, an amount as mentioned in Schedule I of the Information Memorandum of each series, and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account.

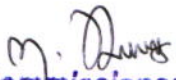




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Surat Municipal Corporation.

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- e. Any shortfall in the above account(s) shall be made good by Surat Municipal Corporation by transfer from other account(s) of Surat Municipal Corporation.
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- Respective Series can be used to meet any shortfall in Interest Payment Account and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the Debt Service Reserve Account cannot be utilized to meet any shortfall in contribution to Sinking Fund Account except at the time of final redemption of bonds.
- b. The funds lying in the Interest Payment Account- Respective Series can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Information Memorandum of each series. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in Debt Service Reserve Account- Respective Series and thereafter be used to make good any shortfall in contribution to Sinking Fund Account- Respective Series.
- c. The funds lying in the Sinking Fund Account- Respective Series can be used to redeem the bonds issued pursuant to the Information Memorandum of that particular Series.
- 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 of each series 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


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 126
Mayor,
Surat Municipal Corporation.

4. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari-passu charge over the Escrow Account, account(s) where Property Tax and user charges are being collected and Debt Service Account. The Bondholder(s) shall have first and exclusive charge on the funds lying in Debt Service Reserve Account- Respective Series, Interest Payment Account- Respective Series and Sinking Fund Account- Respective Series –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- Respective Series, Interest Payment account- Respective Series and Sinking Fund Account- Respective Series 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 of each series. The amount deposited in Debt Service Reserve Account- Respective Series, Interest Payment Account- Respective Series and Sinking Fund Account- Respective Series 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- Respective Series and Debt Service Reserve Account- Respective Series can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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- Respective Series can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AAA and/or in Government Securities and Treasury Bills. The lien shall be created in favor of debenture trustee on all the investments made above.


Commissioner,
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Mayor,
Surat Municipal Corporation.

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- Respective Series, Interest Payment Account- Respective Series and Sinking Fund Account- Respective Series shall be maintained with a scheduled commercial bank rated at least AAA 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 AAA by any rating agency Surat Municipal Corporation shall, with written consent of Debenture Trustees, enter into escrow agreement with any other bank satisfying the rating criteria.
10. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. Surat Municipal Corporation 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 at 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate Surat Municipal Corporation of the shortfall and Surat Municipal Corporation shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account 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- Respective Series to the Interest Payment Account- Respective Series by 10 days prior to the interest payment date. The Interest shall be paid by Surat Municipal Corporation on the due date. Any amount drawn from


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128
Mayor,
Surat Municipal Corporation.

the Debt Service Reserve Account- Respective Series should be deposited back in the Debt Service Reserve Account- Series[●] as per the mechanism indicated above. The debenture trustee shall check the balance in the Sinking Fund Account- Respective Series at the end of the year and in case of any shortfall in the Sinking Fund Account- Respective Series, Surat Municipal Corporation shall replenish the Sinking Fund Account- Series[●] with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of Sinking Fund Account- Respective Series at 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate Surat Municipal Corporation of the shortfall and Surat Municipal Corporation shall make good the shortfall in the Sinking Fund Account- Respective Series by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in Interest Payment Account- Respective Series, Debt Service Reserve Account- Respective Series, Sinking Fund Account- Respective Series and any transfer from Debt Service Reserve Account- Respective Series to Interest Payment Account- Respective Series.

Restriction on the total borrowing

Surat Municipal Corporation shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year

- (A) **DSCR on operating Surplus:** Debt Service Coverage Ratio ("DSCR") for the Surat Municipal Corporation 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


Commissioner,
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Mayor,
Surat Municipal Corporation.

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- ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment + transfer to debt service reserve account
- (B) The total amount collected in escrow account shall be atleast 1.25 times of the Debt Service Amount on an annual basis. In case, the ratio falls below 1.25 times, Surat Municipal Corporation shall not borrow any further amount against the cash flow(s) of the escrow account. No permission to borrow further amount(s) by Surat Municipal Corporation shall be required, under this head, from the bondholder(s) as long as this condition is satisfied.

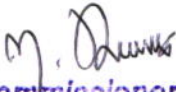
DSA is defined as follows:


DSA = Interest payment for the month + proportionate principal deposited in sinking fund or installment of principal redemption

- (C) Surat Municipal Corporation 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 Surat Municipal Corporation.

In context to Para-1 to Para-5 of this Resolution, all facts mentioned above and Standing Committee vide resolution no.1556/2018, dt-13-12-2018, it is resolved that, the sanctioned/permission is hereby granted, **in anticipation of the General Board approval is Approved** for the issuing of Municipal Bond worth Rs.200 crore for the implementations and fulfilment of projects mentioned under Para-2 of this Resolution as well as to obtain benefit of incentivize of Rs.26 Crore mentioned under the scheme of Government of India as per Para-3 of the resolution along with the following particulars:

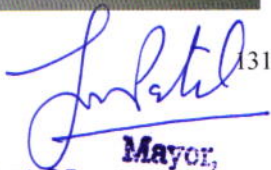
- i. Sanctioned to borrow up to Rs.200 crore by issuing Municipal Bond, with prior permission of Government of Gujarat, under section 109 of the Gujarat Provincial Municipal Corporation Act.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

- ii. Sanctioned of the projects mentioned under Para-2 of this resolution with prior permission of Government of Gujarat for issuing Municipal Bond.
- iii. Sanctioned of Draft Structure Payment Mechanism mentioned under para-5 above for the repayment of Municipal Bond prepared by SBI Capital Markets Limited, Advisor and Arranger of propose Municipal Bond.
- iv. Sanctioned for setting of Sinking Funds under section 112 of the Gujarat Provincial Municipal Corporation Act for the purpose of propose Bond Issue.
- v. Postfacto sanctioned of Appointment of intermediateries, their terms and conditions and fee structure, as mentioned in Para-3 above is hereby approved.
- vi. Hereby authorised Municipal Commissioner to open Escrow Bank Account, Debt Service Reserve Account, Interest Payment Account, Sinking Fund Account and lien all the funds deposited on account of Property Tax and user charges or otherwise in the accounts where property tax is deposited for the repayment of instalment as well as interest to the Bondholders as mentioned under Structure Payment Mechanism of the resolution.
- vii. Hereby Authorised Municipal Commissioner for selection of type of bond, coupon rate, security, redemption, credit enhancement, mode of issuance, selection of stock exchange, to prepare final structure payment mechanization and opening of Escrow bank accounts, allotment of bonds and prerequisites of pre and post bond issue activities.
- viii. Hereby Authorised Municipal Commissioner to sign all the agreements with all the intermediateries and authorities, regulatories for the purpose of bond issue, on behalf of Surat Municipal Corporation.


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

- ix. Hereby Authorised Municipal Commissioner to act for obtaining permission of Government of Gujarat in context to borrowing of funds, sanction of projects of Bond issue, sanction of final Structure Payment Mechanism, in accordance with the existing provisions and regulations of act and regulatory authorities.
- x. Hereby Authorised Municipal Commissioner to take any decision and do needful for the pre and post Bond issue activities, along with all necessary relevant activities.

Resolution No.567/2018 sanctioned unanimously

FWRs To, Municipal Commissioner shri


Municipal Secretary
 Surat Municipal Corporation
 Dt. 29-12-2018

વોલન્ટરી સર્વિસ ડો. <02

Recd. : Dn
Dt. 29/12/18

432
29/12/18

ACT	7431
DATE	31/12/18
TIME	4:30

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-12-18

ITC chief Accountant

શ્રી મુખ્ય શહેર
જે સર
બસનેસ

A-shkei Dalmiyah
સો સમીપી


Commissioner,
 Surat Municipal Corporation.


Mayor,
 Surat Municipal Corporation.

ANNEXURE VIII
Government of Gujarat Order

*Surat Municipal Corporation
Sanction of Issue of Taxable Bonds
of Rs.200/- Crores.*

GOVERNMENT OF GUJARAT
URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT
Resolution No: SMN/802019/112/P
Sachivalaya, Gandhinagar.
Dated: 15/02/2019

Read:-

Surat Municipal Corporation's letters:

- (i) Com/140, Dated 07/01/2019.
- (ii) Com/141, Dated 09/01/2019
- (iii) Com/152, Dated 23/01/2019.
- (iv) Account/S.R./7007, Dated 24/01/2019.
- (v) Com/166, Dated 05/02/2019.

Preamble:-

The Surat Municipal Corporation has requested the State Government vide its letters read above (i) to (v) for sanction of issuing Rs.200/- Crores (Rupees Two Hundred Crores Only) Taxable bonds in form of non-convertible redeemable debenture for undertaking various infrastructure facilities in the Corporation area. The issue of granting the permission for issuing the taxable bonds in form of non-convertible redeemable debenture were under consideration of the State Government.

Resolution:-

After careful consideration the State Government is pleased to accord the in principle sanction to the proposal of Surat Municipal Corporation for issuing of taxable Bonds in form of non-convertible redeemable debenture of Rs.200/- Crores (Rupees Two Hundred Crores Only) under section 109 of the Gujarat Provincial Municipal Corporation Act, 1949, with the following conditions :-

1. The amount raised by issuance of the taxable bonds shall be used only for the infrastructure development facilities mentioned in this proposal read above.
2. Surat Municipal Corporation has to follow the standing instructions issued by the State Government regarding Merchant Bankers, duration of Bond, Rate of interest etc. upon approval of the proposal by the State Government and Government of India.

(P.T.O.)

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Commissioner,
Surat Municipal Corporation.


133
Mayor,
Surat Municipal Corporation.

3. The sanction of Government of India shall be obtained for proposed Bond. The Primary responsibility lies with Surat Municipal Corporation regarding timely repayment of principal amount and payment of the interest to the investor.
4. The Taxable Bonds are not guaranteed by the State Government.
5. The Surat Municipal Corporation shall follow the accounting process as prescribed by the SEBI.
6. The Surat Municipal Corporation shall be liable for proper maintenance and Escrow Account and to report the same to the State Government on monthly basis.
7. The term of the bond will be at least five years.

This resolution is issued with the concurrence of the finance Department on the file of this Department even numbered dated 13/02/2019 and the State Government.

By order and in the name of the Governor of Gujarat,



(Anand Zinzala)


Joint Secretary to the Government

To,

- Municipal Commissioner, Surat Municipal Corporation, Surat.
- P.S. to Hon'ble Chief Minister, Swarnim Sankul-1, Sachivalaya, Gandhinagar.
- P.S. to Hon'ble Deputy Chief Minister, Swarnim Sankul-1, Sachivalaya, Gandhinagar.
- Additional Chief Secretary, Finance Department, Sachivalaya, Gandhinagar.
- Deputy Secretary to Chief Secretary, Office of the Chief Secretary, Sachivalaya, Gandhinagar.
- Under Secretary to the Government of India, Ministry of Urban Development and Poverty Alleviation, Department of Urban Development, New Delhi.
- Select File-2019.

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Mayor,
Surat Municipal Corporation.


Commissioner,
Surat Municipal Corporation.

ANNEXURE IX
Financials as on September 30,
2018


SURAT MUNICIPAL CORPORATION
BALANCE SHEET AS AT 30TH SEPTEMBER, 2018
UNAUDITED


PARTICULARS	Schedule No.	2018-19 (HALF YEARLY)
SOURCES OF FUNDS		
Own Funds		
(a) Municipal Funds	1	38,65,10,03,505.03
(b) Reserves and surplus	2	1,20,22,59,10,293.59
		1,58,87,69,13,798.62
GRAND TOTAL...		1,58,87,69,13,798.62
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	3	1,19,70,75,09,362.97
Less: Depreciation		29,47,02,74,013.63
Net Block		90,23,72,35,349.34
Capital - Work In Progress (FA)	4	57,74,44,58,235.43
Investments	5	1,40,78,98,500.00
Current assets, loans and advances		
(a) Inventories	6	39,34,42,671.41
(b) Sundry Debtors	7	74,32,02,354.13
(c) Cash and bank balances	8	12,39,89,60,804.08
(d) Loans and advances	9	9,98,98,32,351.91
		23,52,54,38,181.53
Less: Current liabilities and Provisions		
(a) Current liabilities	10	14,03,81,16,467.68
(b) Provisions For Taxes		
GRAND TOTAL...		1,58,87,69,13,798.62


Chief Accountant
Surat Municipal Corporation


Dy. Commissioner
Surat Municipal Corporation


Commissioner
Surat Municipal Corporation


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.

SURAT MUNICIPAL CORPORATION
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER, 2018
UNAUDITED

PARTICULARS	Schedule No.	2018-19 (HALF YEARLY)
Income		
Tax Revenues	11	5,79,53,65,469.99
Non Tax Revenues	12	3,73,18,74,089.02
Govt. Grants, Contri. & Subsidies	13	58,66,35,490.00
Compensation in lieu of Octroi	14	3,61,30,08,000.00
Other income	15	24,39,74,338.23
		13,97,08,57,387.24
Expenditure		
Payments & Benefits to Employees	16	6,23,78,42,195.72
Administration Expenses	17	1,09,76,22,784.70
Repairs and Maintenance	18	1,01,79,71,725.56
Service & Utilities Charges	19	1,32,61,42,087.75
Finance Charges	20	6,24,05,790.28
Other Expenses	21	0.00
Depreciation	22	2,17,02,91,071.67
		11,91,22,75,655.68
Net Surplus for the year before taxation		2,05,85,81,731.56
Less : Provision for taxes		
Net Surplus for the year after taxation		2,05,85,81,731.56
Prior Period adjustments		
(a) Prior period incomes	23	24,06,42,213.41
(b) Prior period Expenses	24	47,24,53,478.61
Excess of Income Over Expenditure		1,82,67,70,466.36
Balance brought forward (Refer Sch.2)		2,76,73,51,626.92
Appropriation		
Transfer to Capital Fund		0.00
Transfer to General Fund		0.00
Balance carried to Balance sheet		4,59,41,22,093.28


 Chief Accountant
 Surat Municipal Corporation


 Dy. Commissioner
 Surat Municipal Corporation


 Commissioner
 Surat Municipal Corporation


 Commissioner,
 Surat Municipal Corporation.


 Mayor,
 Surat Municipal Corporation.

ANNEXURE X



SURAT MUNICIPAL CORPORATION

(Constituted under the Bombay Provincial Municipal Corporations Act, 1949)

"Surat Mahanagar Seva Sadan", Gordhandas Chokhawala Marg, Muglisara, Surat - 395003, Gujarat

Contact Person cum Compliance Officer: B.I. Desai, Deputy Municipal Commissioner

Tel: 0261-2423751 to 2423756, E-mail: chiefaccountant@suratmunicipal.org; Website: www.suratmunicipal.gov.in

Application Form Sr. No.

Dear Sirs,

Having read and understood the contents of the Information Memorandum dated February 27, 2019 for Private Placement, we apply for allotment to us of the Unsecured, Taxable Non-Convertible, Redeemable Bonds in the nature of Debentures. The amount payable on application as shown below is remitted herewith. On allotment, please place our name on the Register of Bond holders. We bind ourselves to the terms and conditions as contained in the Disclosure Document/Information Memorandum for Private Placement. We note that the Issuer is entitled in its absolute discretion to accept or reject this application whole or in part without assigning any reason whatsoever.

(PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE FILLING THIS FORM)

(A) Application Details

First Applicant's Name in Full (Block letters)											
Mailing Address in Full (Do not repeat name. Post Box No. alone is not sufficient.)											
Pin:				Tel:				Fax:			
Tax Details				PAN or GIR No.				IT Circle / Ward / District			
								Not Allotted			

(B) Form in which certificate is to be issued

Demat	NSDL	<input type="checkbox"/>	CDSL	<input type="checkbox"/>
DP NAME:				
DPID:		CLIENT ID:		

We understand that in case of allotment of Bonds to us, our Beneficiary Account as mentioned above would be credited to the extent of Bonds allotted.

The application shall be for a minimum of 5 (Ten) Bonds and in Multiples of 1 (One) Bond thereafter (Each bond of Rs. 10,00,000)

(C) We are applying as {Tick (✓) whichever is applicable}

1	Company Body Corporate	2	Commercial Bank	3	Regional Rural Bank
4	Co-operative Banks	5	Financial Institution	6	Insurance Companies
7	Mutual Fund	8	Provident/Superannuation/Gratuity Funds	9	Port Trusts
10	NBFC & Residuary NBFC	11	Association of Persons	12	Others (Please specify)

B.I. Desai
Commissioner,
Surat Municipal Corporation

J. Patel 137
Mayor,
Surat Municipal Corporation.

(D) Remittance through RTGS

No. of Bonds applied for (In figures)		
No. of Bonds applied for (In words)		
Amount (Rs.) _____ (in words) _____		
Remittance Particulars		
Mode of Remittance	UTR No.	Name of the Remitting Bank and Branch and Date of Remittance
RTGS		

(E) Details of Bank Account of the Applicant:

Name of the Bank _____	Branch _____
Account No: _____	
IFSC Code of Bank/ Branch _____	

(F) Tax Deduction Status: (Please tick one)

<input type="checkbox"/> Fully Exempt (Please furnish exemption certificate): _____
<input type="checkbox"/> Tax to be deducted at Source: _____

(G) I/we, the applicants for the Bonds, hereby acknowledge and confirm that:

a) we have satisfied ourselves of our eligibility to invest in these Bonds and hereby confirm that:

- (i) we are authorized to invest in these Bonds;
- (ii) we are not restricted by our statute/constitution/deed from investing in these Bonds;
- (iii) we have independently verified and satisfied ourselves of our eligibility to invest in these Bonds and are not relying on any representation of the Issuer, whether implicit or otherwise, to arrive at this understanding regarding our eligibility to invest in these Bonds; and
- (iv) we have complied and shall continue to comply with the relevant regulations / guidelines/ constitution/ deed applicable to us for investing/remaining invested in these Bonds.

By making this application, I/We acknowledge that I/We have understood the terms and conditions of the issue of Bonds of Surat Municipal Corporation as disclosed in the Disclosure Document.

(H) Specimen Signature

	Name of the Authorised Signatory	Designation	Signature
1.			
2.			

Acknowledgement Slip shall be given to the Investors as shown below the Instructions.

-----Tear Here-----

ACKNOWLEDGEMENT SLIP


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation.



SURAT MUNICIPAL CORPORATION

(Constituted under the Bombay Provincial Municipal Corporations Act, 1949)

“Surat Mahanagar Seva Sadan”, Gordhandas Chokhawala Marg, Muglisara, Surat - 395003, Gujarat

Contact Person cum Compliance Officer: B.I. Desai, Deputy Municipal Commissioner

Tel: 0261-2423751 to 2423756, E-mail: chiefaccountant@suratmunicipal.org; Website: www.suratmunicipal.gov.in

Received from _____ Application Form Sr. No: _____ Address _____
Bonds along with Rs. _____ application for _____
_____ (Rupees _____ only)

RTGS Remittance Particulars

Mode of Transfer	Date of Remittance	Name of the Remitting Bank and Branch	Amount of Remittance
RTGS			Rs. _____ (Rupees _____)


Commissioner,
Surat Municipal Corporation.


Mayor,
Surat Municipal Corporation. 139