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DRAFT OFFER DOCUMENT
Dated: May 9, 2025



SURAT MUNICIPAL CORPORATION

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

Head Office: Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat – 395 003, Gujarat

Contact Person cum Compliance Officer: Swati Pareshkumar Desai, Deputy Municipal Commissioner

Tel: +91-261-2423750/51/52/53/54/55/56 (Ext. No. 243)

E-mail: smcbond@suratmunicipal.org **Website:** www.suratmunicipal.gov.in

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

ISSUER’S ABSOLUTE RESPONSIBILITY

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

GENERAL RISK

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

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the Green Bonds, please see the section titled “*Summary Term Sheet*” on page 240 of this Draft Offer Document.

CREDIT RATING

The Green Bonds proposed to be issued by the Surat Municipal Corporation have been rated by India Ratings and Research Private Limited (“**India Ratings**”) and CRISIL Ratings Limited (“**CRISIL**”) (collectively, the “**Rating Agencies**”). India Ratings has vide its letter dated January 22, 2024, as revalidated vide rating letter dated April 28, 2025, assigned a rating of ‘Provisional IND AA+/Stable’ and has issued a rating rationale dated January 21, 2025. CRISIL has vide its letter dated January 9, 2024, as revalidated vide rating letter dated April 21, 2025, assigned a rating of ‘Provisional CRISIL AA+/Stable’ and has issued a rating rationale dated March 17, 2025.

Ratings given by India Ratings and CRISIL are valid as on the date of this Draft Offer Document and shall remain valid unless withdrawn. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Green Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. For credit rating of Green Bonds and detailed rationale of the ratings, please refer to Annexure-II.

LISTING

The Green Bonds offered through this Draft Offer Document are proposed to be listed on the National Stock Exchange of India Limited (“**NSE**”) and BSE Limited (“**BSE**”, collectively with NSE the “**Stock Exchanges**”). The Issuer has received in-principle approvals for listing of the Green Bonds to be allotted pursuant to the Issue from NSE and BSE through their letters dated [●] bearing no. [●] and [●] bearing no. [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited.

PUBLIC COMMENTS

This Draft Offer Document dated May 9, 2025 is being filed with the Stock Exchanges, pursuant to the provisions of the SEBI ILMDS Regulations and will be open for public comments for a period of 15 (fifteen) days (i.e., until 5:00 p.m.) from the date of filing of this Draft Offer Document with the Stock Exchanges, i.e., up to May 24, 2025 (until 5:00 p.m.). All comments on this Draft Offer Document are to be forwarded to the attention of Swati Pareshkumar Desai, Deputy Municipal Commissioner and Compliance Officer of the Issuer at the following address: Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat – 395 003, Gujarat; Email: smcbond@suratmunicipal.org. All comments must be received by the Issuer within 15 (fifteen) days of hosting this Draft Offer Document on the website of the Designated Stock Exchange. Comments by post and mail shall be accepted, however please note that all comments by post must be received by the Issuer by 5:00 P.M. on May 24, 2025. All comments received on this Draft Offer Document will be suitably addressed prior to filing of the Offer Document with the SEBI and Stock Exchanges.

LEAD MANAGER	DEBENTURE TRUSTEE*	REGISTRAR TO THE ISSUE
		
A.K. Capital Services Limited Unit no. 603, 6 th Floor, Windsor, Off CST Road, Kalina, Santacruz – East, Mumbai – 400 098 Tel: +91 22 6754 6500 Facsimile: +91 22 6610 0594 Contact Person: Aanchal Wagle / Chaitali Chopdekar Email: smcmunibonds@akgroup.co.in Website: www.akgroup.co.in Compliance officer: Tejas Davda Tel (Compliance officer): 022 – 67546546 Email (Compliance officer): tejas.davda@akgroup.co.in Investor grievance E-mail: investor.grievance@akgroup.co.in SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881	SBICAP Trustee Company Limited 04th Floor, Mistry Bhavan, 122 Dinshaw Vachha Road, Churchgate, Mumbai 400 020 Tel: 022 4302 5566 Fax No.: NA Contact Person: Ardhendu Mukhopadhyay Email: corporate@sbicaptrustee.com / dt@sbicaptrustee.com Website: www.sbicaptrustee.com Investor Grievance Email: investor.cell@sbicaptrustee.com SEBI Registration No.: IND000000536 CIN: U65991MH2005PLC158386	KFin Technologies Limited Selenium Tower-B, Plot 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel: +91-40-67162222 / 18003094001 Fax No.: +91 40 6716 1563 Contact Person: M.Murali Krishna Email: surat.ncdipo@kfintech.com Website: www.kfintech.com Investor Grievance Email: einward.ris@kfintech.com SEBI Registration No.: INR000000221 CIN: L72400TG2017PLC117649

ISSUE SCHEDULE	
ISSUE OPENS ON**	ISSUE CLOSES ON**
As specified in the Offer Document	As specified in the Offer Document

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

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

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SECTION-I: FORWARD LOOKING STATEMENTS

Certain statements in this Draft Offer Document that are not statements of historical facts constitute “forward looking statements”. Investors can generally identify forward-looking statements by terminology like “aim”, “anticipate”, “intend”, “believe”, “continue”, “could”, “can”, “estimate”, “expect”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would” or other words or phrases of similar import. Similarly, statements regarding the Issuer’s strategies, objectives, expected financial condition and results of operations, business, proposed projects, plans and prospects are forward looking statements and accordingly, should be read together with such assumptions and notes thereto. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Issuer’s cash flows, operations and prospects are forward-looking statements. These forward-looking statements include statements as to the Issuer’s operations, planned projects, investment revenue and other matters discussed in this Draft Offer Document that are not historical facts.

These forward-looking statements and any other projections contained in this Draft Offer Document (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 Draft Offer Document are based on the beliefs of the Issuer and the Bond Issue Committee of the Issuer, as well as the assumptions made by and information available to the Bond Issue Committee of the Issuer as on the date of this Draft Offer Document. There can be no assurance that the expectations will prove to be correct

Factors that could cause actual results, performance or achievements of the Issuer to differ materially include, but are not limited to, those discussed in the Sections titled “*Risk Factors*” and “*Legal and Other Information*”, on pages 16 and 215, respectively.

Forward-looking statements reflect current views as of the date of this Draft Offer Document and are not a guarantee of future performance or returns to Investors. In any event, these statements speak only as of the date of this Draft Offer Document or the respective dates indicated in this Draft Offer Document and none of the Issuer or the Lead Manager undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Issuer could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Issuer nor the Lead Manager have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward-looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward-looking statements. All subsequent, written and oral, forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II: CERTAIN COVENTIONS, USE OF FINANCIAL DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Offer Document, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “we”, “us”, “our”, “Surat Municipal Corporation”, “SMC” and “our Corporation” are to Surat Municipal Corporation, references to “you”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the prospective investors in this Issue. Unless stated otherwise, all references to page numbers in this Draft Offer Document are to the page numbers of this Draft Offer Document.

All references in this Draft Offer Document to “India” are to the Republic of India and its territories and possessions. All references to the “Government” or “State Government” are to Government of India, Central or State, as applicable.

Unless stated otherwise all references to time in this Draft Offer Document are to Indian standard time.

Presentation of Financial Information

Our Corporation’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Offer Document are to a calendar year and references to a Fiscal/Fiscal Year/Financial Year/FY are to the year ended on March 31 of that calendar year.

The degree to which the financial information included in this Draft Offer Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with the applicable accounting policies and practices. Any reliance by persons not familiar with the accounting policies and practices on the financial disclosures presented in this Draft Offer Document should accordingly be limited.

Our Corporation’s audited financial statements for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and unaudited financial statements for the six months period ended September 30, 2024 prepared in accordance with the National Municipal Accounts Manual form the basis of preparation of the financial information which is included in this Draft Offer Document and is referred to hereinafter as the “*Financial Information*” in the section titled “*Financial Information*” on page 191.

The Corporation is in process of preparation of financial statements for the Financial Year 2024-25, which will be audited by the Auditors within the timelines and in accordance with the applicable provisions of the Gujarat Provincial Municipal Corporations Act, 1949. The Corporation has accordingly disclosed the reformatted audited financial statements (abridged balance sheet, abridged income and expenditure account and abridged cash flow statements) for the Financial Years ended March 31, 2022, March 31, 2023 and March 31, 2024 along with the unaudited financial statements (abridged balance sheet, abridged income and expenditure account and abridged cash flow statements) for the six months period ended September 30, 2024 in this Draft Offer Document.

Notes to Accounts

The financial statements of SMC are prepared: (i) under historical cost convention on an accrual basis, in accordance with Generally Accepted Accounting Principles (GAAP), which includes the Auditor’s Reports, notes to financial statements, summary of significant accounting policies, and other explanatory information; and (ii) under the National Municipal Accounts Manual (NMAM), which includes the accounting statements with elaborate accounting heads as required under NMAM. The audited accounts prepared as per GAAP form the basis for the audited accounts prepared as per NMAM and contain identical notes to financial statements, identical summary of significant accounting policies, and other explanatory information. The audited financial statements for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, are audited by Natvarlal Vepari & Co., Chartered Accountants, in accordance with the National Municipal Accounts Manual which are referred as (“**Audited Financial Statements**”). However, for the financial years ended March 31, 2023, and March 31, 2022, the signed notes to financial statements, summary of significant accounting policies and other explanatory

information are not traceable in the records of SMC. Accordingly, reliance has been placed on the notes to financial statements, summary of significant accounting policies, and other explanatory information annexed to the Auditor's Report for the audited accounts prepared as per GAAP for the financial years ended March 31, 2023, and March 31, 2022.

The Unaudited Financial Statements for the six months period ended September 30, 2024 included in this Draft Offer Document have been prepared by the management of the Issuer, approved by the Bond Issue Committee and are certified by Natvarlal Vepari & Co., Chartered Accountants, vide their certificate dated May 9, 2025.

For the purposes of disclosure in this Draft Offer Document, the abridged balance sheet, income and expenditure and cash flow statement has been extracted, reformatted and reproduced in tabular format for the last three Fiscals (in this case, for Fiscal 2024, 2023 and 2022) as per the examination report dated May 9, 2025 which is based on the Audited Financial Statements of the Corporation for the Fiscals 2024, 2023 and 2022 ("**Reformatted Financial Statements**"). As per the Examination Report dated May 9, 2025, the Audited Financial Statements of the Issuer form the basis for the Reformatted Financial Statements.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the year ended March 31, 2024, March 31, 2023, and March 31, 2022 used in this Draft Offer Document is derived from our Audited Financial Statements and the financial data as at and for the six months period ended September 30, 2024 used in this Draft Offer Document is derived from our Unaudited Financial Statements.

Currency and Unit of Presentation

In this Draft Offer Document, all references to 'Rupees'/'₹'/'INR'/'Rs.' are to Indian Rupees, the official currency of the Republic of India. Except where stated otherwise in this Draft Offer Document, all figures have been expressed in 'in crores'.

Certain figures contained in this Draft Offer Document, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Except otherwise specified, our Corporation has presented numerical information in this Draft Offer Document in "crores". One crore represents 10,000,000 one lakh represents 100,000 one million represents 1,000,000 and one billion represents 1,000,000,000.

SECTION-III: DEFINITIONS AND ABBREVIATIONS

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

Unless the context otherwise indicates, all references in this Draft Offer Document to “we” or “us” or “our” are to our Corporation i.e., Surat Municipal Corporation.

The words and expressions used in this Draft Offer Document but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI ILMDS Regulations, Gujarat Provincial Municipal Corporations Act, 1949 the SCRA, the Depositories Act and the rules and regulations notified thereunder.

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Draft Offer Document.

General Terms

TERM	DESCRIPTION
“SMC” or “Issuer” or “Corporation”	Surat Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under Section 5 of the Gujarat Provincial Municipal Corporations Act, 1949 which replaced the Bombay Provincial Municipal Corporation Act, 1949 vide Section 3 read with Schedule (Serial No. 36) of The Gujarat Short Titles (Amendment) Act, 2011 to be renamed as The Gujarat Provincial Municipal Corporations Act, 1949, on October 1, 1966 vide Notification No. KP/773/SMC/1066/5620/P dated September 9, 1966 with its Head Office at Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat – 395 003, Gujarat.
“we”, “us”, “our”	Unless the context otherwise requires, the Corporation or SMC.

Issuer Related Terms

TERM	DESCRIPTION
Act/GPMC Act	Gujarat Provincial Municipal Corporations Act, 1949, as amended from time to time which replaced the Bombay Provincial Municipal Corporation Act, 1949 vide Section 3 read with Schedule (Serial No. 36) of The Gujarat Short Titles (Amendment) Act, 2011 to be renamed as The Gujarat Provincial Municipal Corporations Act, 1949.
Applicable Law	It shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any governmental authority and any modifications or re-enactments thereof.
AMRUT	Atal Mission for Rejuvenation and Urban Transformation.
AMRUT 2.0	Atal Mission for Rejuvenation and Urban Transformation 2.0 launched by the Hon’ble Prime Minister of India on October 1, 2021 with the aim of making cities ‘Aatma Nirbhar’ and ‘Water Secure’.
AMRUT Incentive	<p>The incentive amount of ₹ 13,00,00,000 (Rupees Thirteen Crores) for every ₹100,00,00,000 (Rupees One Hundred Crores) of bonds issued by urban local bodies restricted to ₹ 26,00,00,000 (Rupees Twenty Six Crores) per urban local body, to be received by urban local bodies from the MoHUA, Government of India, pursuant to the notification dated April 7, 2025 issued by the MoHUA, Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB.</p> <p>Pursuant to the aforesaid notification, urban local bodies, which have already claimed incentive during AMRUT or AMRUT 2.0 periods, by issuing municipal bonds will be eligible for incentive second time if they issue green bonds. Incentive will be ₹ 10,00,00,000 (Rupees Ten Crores) for every ₹100,00,00,000 (Rupees One Hundred Crores)</p>

TERM	DESCRIPTION
	of green bonds issued by urban local bodies, subject to a maximum of ₹ 20,00,00,000 (Rupees Twenty Crores) per urban local body.
Auditors	Natvarlal Vepari & Co., Chartered Accountants, being the current auditors of the Issuer, appointed as permissible under its constitution documents
Audited Financial Statements	Audited Financial Statements refers to audited balance sheet, the income and expenditure statement of the Issuer and the cash flow statement for the Financial Years ending March 31, 2024, March 31, 2023, and March 31, 2022 audited by Natvarlal Vepari & Co., Chartered Accountants, in accordance with the National Municipal Accounts Manual.
BPMC Act	Bombay Provincial Municipal Corporations Act, 1949.
Bond Issue Committee or Committee	Committee duly formed on June 10, 2024 with respect to discussions and decisions on the proposed bond issue.
Commissioner/ Municipal Commissioner	Municipal Commissioner, Surat Municipal Corporation, appointed in terms of the Act.
Committee	The Bond Issue Committee or any other duly constituted committee of the Corporation.
Committee Member	Member of the Bond Issue Committee or any other duly constituted committee of the Corporation as mentioned in this Draft Offer Document.
CRISIL	CRISIL Ratings Limited
Deputy Commissioner(s)/ Deputy Municipal Commissioner	Deputy Municipal Commissioner, Surat Municipal Corporation, appointed in terms of the Act.
Head Office	Head office of SMC at Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat – 395 003, Gujarat.
India Ratings	India Ratings and Research Private Limited
Project I	Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha
Project II	Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi
Project III	Development of depot for electric bus operations at Kosad
Project IV	Construction of Centralized Dry and Wet Waste processing plant at Umber
Project V	Augmentation and upgradation of Water Treatment Plant at Variav and Rander
Project VI	Construction of Intake Well and transmission line at Variav
Projects	Collectively, Project I, Project II, Project III, Project IV, Project V and Project VI.
Subsidiary	The subsidiary of our Corporation, namely Surat Sitilink Limited
NMAM	National Municipal Accounts Manual, 2004, applicable to all urban local bodies, providing a framework for recording transactions, preparing financials statements, and ensuring proper budgetary control.
Unaudited Financial Statements	Refers to unaudited abridged balance sheet, income and expenditure and the cash flow statement of the Issuer for the six months period ended September 30, 2024, as certified by the Auditors vide their certificate dated May 9, 2025.

Issue Related Terms

TERM	DESCRIPTION
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allotment/Allot/Allotted	The issuance and allotment of the Green Bonds to the successful Applicants in the Issue.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee	A successful Applicant to whom the Green Bonds are allotted pursuant to the Issue, either in full or in part.
Applicant / Investor	The person who applies for issuance and Allotment of Green Bonds through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Offer Document, the Offer Document and the Application Form along with the Term Sheet.
Application / ASBA Application / ASBA	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of up to ₹500,000 which will be considered as the application for Allotment in terms of the Offer Document.
Application Amount	The aggregate value of the Green Bonds applied for, as indicated in the Application Form for the Issue.

TERM	DESCRIPTION
Application Form / ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Offer Document.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to ₹500,000.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Base Issue Size/Base Issue	₹ 100.00 crores
Banker to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in “ <i>Issue Procedure</i> ” on page 154 of this Draft Offer Document and more particularly set out in the Offer Document.
Beneficial Owner(s)	Bondholder(s) holding Green Bond(s) in dematerialized form (Beneficial Owner of the Green Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996).
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchanges at www.nseindia.com and www.bseindia.com .
BSE	BSE Limited
Calendar Year	Each successive period of twelve (12) months commencing on January 1 and ending on December 31.
Category I (Institutional Investors)	<ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds each with a minimum corpus of ₹25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Systematically Important NBFCs registered with RBI and having a net worth of more than ₹500 crores as per the latest audited financial statements; Resident Venture Capital Funds registered with SEBI; Insurance companies registered with the IRDAI; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; 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; and Mutual funds registered with SEBI.
Category II (Non-Institutional Investors)	<ul style="list-style-type: none"> Companies within the meaning of Section 2(20) of the Companies Act, 2013; Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; and Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or unincorporated body of persons.

TERM	DESCRIPTION
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all NCDs in this Issue.
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹5,00,000 in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.
CDSL	Central Depository Services (India) Limited.
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Consortium Agreement	Consortium Agreement to be entered amongst the Corporation, Lead Manager and the Consortium Member(s) to the Issue
Consortium Members/ Syndicate Members	As specified in the Offer Document
Consortium / Members of the Consortium/ Members of Syndicate (each individually, a Member of the Consortium)	The Lead Manager and the Consortium Member(s)
Coupon Rate /Interest Rate	In respect of: (a) STRPP A - As specified in the Offer Document (b) STRPP B - As specified in the Offer Document
Credit Rating Agencies/Rating Agencies	Collectively, India Ratings and Research Private Limited and CRISIL Ratings Limited
Debenture Holder(s) /NCD Holder(s)/Bond Holder(s)/ Green Bond holders	The holders of the Green Bonds/ NCDs (including any STRPP of an NCD) whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by the Corporation, if required under applicable law. Unless repugnant to the context, any reference to the term 'NCD Holder'/'Debenture Holder'/'Bond Holder' shall include reference to each holder(s) of any STRPP of an NCD/ Green Bonds.
Debenture Trust Deed	Deed to be entered into between the Debenture Trustee and the Issuer in respect of the Green Bonds within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders.
Debenture Trustee	Trustee for the Bondholders, in this case being SBICAP Trustee Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road Churchgate, Mumbai – 400 020 and one of the branch offices at – 04th Floor, Zodiac Avenue, Opposite Mayor's Bungalow, Near Law Garden, Ahmedabad- 380006.
Debenture Agreement	Agreement dated April 17, 2025, executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as the debenture trustee in connection with the issuance of the Green Bonds.
Debenture Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Debt Securities	Non-convertible debt securities which create or acknowledge indebtedness and include debentures, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not but excludes security bonds issued by the government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments.
Deemed Date of Allotment	The date on which the Bond Issue Committee approves the Allotment of the Green Bonds/ NCDs or such date as may be determined by the Bonds Issue Committee and notified to the Designated Stock Exchange, with effect from which all benefits under the Green Bonds including interest on the Green Bonds shall be available to the Bondholders. The actual allotment of Green Bonds (i.e., approval from the General Board or a Committee thereof) may take place on a date other than the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in present case, being NSDL & CDSL.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act.

TERM	DESCRIPTION
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com .
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Offer Document, following which the NCDs will be Allotted in the Issue.
Designated Intermediaries	Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the SEBI Master Circular.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the respective Stock Exchanges at www.nseindia.com and www.bseindia.com and updated from time to time.
Designated Stock Exchange	The designated stock exchange for the Issue, being the National Stock Exchange of India Limited.
Detailed Project Reports	Collectively, the DPR for Project I, DPR for Project II, DPR Project III, DPR for Project IV, DPR for Project V and DPR for Project VI.
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
DPR for Project I	Detailed Project Report dated January 31, 2024 prepared by Gujarat Energy Research and Management Institute for Project I.
DPR for Project II	Detailed Project Report dated January 25, 2024 prepared by Power and Energy Consultants India Private Limited for Project II.
DPR for Project III	Detailed Project Report dated January 31, 2024 prepared by Jayesh A Dalal Project Management Consultant, Surat for Project III.
DPR for Project IV	Detailed Project Report dated July 23, 2023 prepared by Green Design and Engineering Services Pvt. Ltd for Project IV.
DPR for Project V	Detailed Project Reports dated May 6, 2022 and May 19, 2022 prepared by Green Design and Engineering Services Pvt. Ltd. For Project V.
DPR for Project VI	Detailed Project Report dated May 6, 2022 prepared by Green Design and Engineering Services Pvt. Ltd for Project VI.
Draft Offer Document	This Draft Offer Document dated May 9, 2025 filed with SEBI and the Stock Exchanges for receiving public comments, in accordance with the provisions of the SEBI ILMDS Regulations.
DSRA Amount	The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount.
DSRA Amount Shortfall	The amounts utilised from the Interest Payment Account lying as reserve in the Interest Payment Account (being the whole or a portion of the Required DSRA Amount) to fund the shortfall in the Interest Payment Account for the discharge of the Coupon payable on any Coupon Payment Date(s).
Due Date	Any date or dates on which the Debenture Holder(s) are entitled to any payments in relation to the Green Bonds, which shall include, without limitation, the Coupon Payment Date(s) and the Redemption Date.
Eligible Investors	Please see the section titled “ <i>Issue Procedure – Application Process</i> ” on page 160.
Escrow Account	The bank account to be opened by the Issuer with the Escrow Bank for the deposit of <i>inter alia</i> Own Revenues/cash flows by the Issuer for onward transfer to the Interest Payment

TERM	DESCRIPTION
	Account and the Sinking Fund Account and for servicing of the Green Bonds, which account is operated in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Escrow Agreement	The agreement to be entered into by and between Surat Municipal Corporation, SBICAP Trustee Company Limited and ICICI Bank Limited (in its capacity as the Escrow Bank) with respect to the Escrow Account, the Interest Payment Account and the Sinking Fund Account.
Escrow Bank	ICICI Bank Limited, being the bank where the Escrow Account, the Interest Payment Account and the Sinking Fund Account will be opened.
Financial Year/ FY	Period of twelve months beginning from April 1 of a Calendar Year and ending on March 31 of the subsequent Calendar Year.
Final Redemption Date	The date on which the Corporation is liable to redeem the Green Bonds/ NCDs in full as specified in the Offer Document.
General Board	General Board of the Surat Municipal Corporation.
Green Bond Framework	The green bond framework for Surat Municipal Corporation approved by the Deputy Municipal Commissioner vide its letters dated February 24 2025 and April 4, 2025, verified by KPMG vide Verification Report dated April 4, 2025 and certified by Climate Bonds Initiative vide certificate dated April 6, 2025.
ISIN	International Securities Identification Number.
Issue	Public issue by the Issuer of up to 20,00,000 rated, listed, taxable, secured, redeemable non-convertible green municipal bonds (in the nature of debentures) of face value of ₹ 1,000/- each, (comprising 2 (two) separately transferable and redeemable principal parts ("STRPPs") namely 1 STRPP A of face value of ₹ 500.00, 1 STRPP B of face value of ₹ 500.00 for an amount of ₹100.00 crores (Base Issue Size) with an option to retain over-subscription up to ₹100.00 crores (Green Shoe Option) aggregating up to ₹ 200.00 crores.
Independent Advisor for Green Bonds/GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Interest Payment Date / Coupon Payment Date	As specified in the Offer Document.
Interest Payment Account	The bank account opened by the Issuer with the Escrow Bank which shall be (i) the account from which the interest payments on the Green Bonds will be serviced and (ii) the account in which the Required DSRA Amount will also be maintained, as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended/modified and supplemented from time to time, and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Issue Agreement	An agreement dated May 9, 2025 entered between the Issuer and the Lead Manager to the Issue in relation to the Issue.
Issue Closing Date	As specified in the Offer Document.
Issue Documents	This Draft Offer Document and the Offer Document, the Term Sheet, the Application Form including all amendments, corrections, corrigenda, supplements or notices to be issued to the prospective Applicants in connection with the Issue, if any.
Issue Opening Date	As specified in the Offer Document.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms, as specified in the Offer Document.
Issue Proceeds	Issue proceeds comprising of entire proceeds of the Issue without any adjustment for Issue related expense.
Issue Size/Total Issue Size	Up to ₹ 200.00 crores
Lead Manager	A. K. Capital Services Limited
Market Lot/ Trading Lot	1 STRPP having face value of ₹ 500 (Rupees Five Hundred only)
Minimum Balance	In a monthly period expiring on the Transfer Date, it shall mean the amount required to be transferred to the Interest Payment Account and Sinking Fund Account at the end of such month on the terms as particularly set out in the Debenture Trust Deed.
Minimum Security Cover	Security Cover Ratio of 1 (one) time, to be maintained by the Corporation at all times until the Final Redemption Date. It is also hereby clarified that the Minimum Security Cover shall at all times cover the outstanding nominal / face value of the Green Bonds/ STRPPs, interest, default interest (wherever applicable), payment of the redemption premium, fees, costs, charges, expenses or otherwise, reimbursement thereon, payable in respect of the Green Bonds/ STRPPs

TERM	DESCRIPTION
NCDs/Debentures/Green Bonds	<p>Rated, listed, taxable, secured, redeemable non-convertible green municipal bonds in the nature of debentures having face value of ₹ 1,000 (Rupees One Thousand only) each, comprising of 2 (Two) Separately Transferable Redeemable Principal Parts (STRPPs), i.e. 1 STRPP A having a face value of ₹ 500 (Rupees Five Hundred only) and 1STRPP B having a face value of ₹ 500 (Rupees Five Hundred only).</p> <p>Unless repugnant to the context, any reference to the term ‘NCD’/‘Debentures’/‘Green Bonds shall include reference to any STRPP of an NCD.</p>
Net Proceeds	Proceeds of the Issue, less the Issue Expenses. For further details regarding the use of the Net Proceeds and the Issue Expenses, see “ <i>Objects of the Issue</i> ” on page 72.
NSDL	National Securities Depository Limited
Objects of the Issue/ Purpose of the Issue	The objects for which the proceeds of the Issue shall be used by the Issuer, i.e., incurring capital expenditure in respect of the Projects more particularly described in the Section titled “ <i>Objects of the Issue</i> ” on page 72 of this Draft Offer Document.
Own Revenues	Shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire Tax revenues (i.e. property taxes, profession taxes, water charge, etc.), Non-Tax Revenues, and other income.
Permitted Investments	<p>Shall mean:</p> <p>(a) the funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow account shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.; and</p> <p>(b) the funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and also Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.</p>
Project Consultants	Collectively, the Project Consultant for Project I, Project Consultant for Project II, Project Consultant for Project III, Project Consultant for Project IV, Project Consultant for Project V and Project Consultant for Project VI.
Project Consultant for Project I	Gujarat Energy Research and Management Institute.
Project Consultant for Project II	Power and Energy Consultants India Private Limited.
Project Consultant for Project III	Jayesh A Dalal Project Management Consultant.
Project Consultant for Project IV	Green Design & Engineering Services Pvt. Ltd.
Project Consultant for Project V	Green Design & Engineering Services Pvt. Ltd.
Project Consultant for Project VI	Green Design & Engineering Services Pvt. Ltd.
Public Issue Account	Account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst the Corporation, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Sponsor Bank and for collection of the Application Amounts from ASBA Accounts of the Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	Banks which are clearing members and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public

TERM	DESCRIPTION
	Issue Account will be opened and as specified in the Offer Document, in this case being Kotak Mahindra Bank Limited.
Offer Document	The offer document to be filed with SEBI and the Stock Exchanges, through which the proposed Issue will be made.
Property Tax	Property tax means tax as defined under Section 2 (49) of the GPMC Act.
Record Date	<p>The record date for payment of interest in connection with the Green Bonds or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issue Committee/ authorised officer(s) of the Bond Issue Committee from time to time in accordance with the applicable law.. In case the record date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issue Committee to the Stock Exchanges, will be deemed as the record date.</p> <p>In case of Redemption Date/Maturity Date of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Redemption Date/Maturity Date.</p>
Recovery Expense Fund	An amount which will be deposited by the Corporation with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum deposit of ₹25,00,000 at the time of making the application for listing of NCDs in the manner as specified by SEBI in Chapter IV of the SEBI Master Circular for Debenture Trustee bearing no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time.
Redemption Amount / Maturity Amount	As specified in the Offer Document.
Redemption Date/ Maturity Date	The redemption dates for each of the STRPPs as specified in the Section titled “ <i>Summary Term Sheet</i> ” on page 240.
Reformatted Financial Statements	The reformatted abridged balance sheet, income expenditure statements and cash flow statements as at and for the years ended March 31, 2022, March 31, 2023 and March 31, 2024, extracted from Audited Financial Statements and reproduced in tabular form and examined by Natvarlal Vepari & Co., Chartered Accountants, vide their Examination Report dated May 9, 2025.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in the Offer Document.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account will be opened and as specified in the Offer Document, in this case being Kotak Mahindra Bank Limited.
Registrar to the Issue/ Registrar	Registrar to the Issue, in this case being, KFIN Technologies Limited company having registered office at 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai, Maharashtra, India - 400070.
Registrar Agreement	The agreement dated May 9, 2025 entered into between the Corporation and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchange having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants.
Required DSRA Amount	An amount equal to 2 (two) succeeding coupon payments required to be paid by the Issuer in respect of the Green Bonds to be maintained throughout the tenure of the Green Bonds in the Interest Payment Account which also complies with the requirements of the SEBI circular in relation to ‘Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134 /2019, as amended from time to time.
Secured Obligations	Secured obligations refers to all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Green Bond Holders in respect of the Green Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds/ STRPPs under the Transaction Documents.

TERM	DESCRIPTION
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 Master Circular for Debenture Trustees	SEBI Master Circular for Debenture Trustees SEBI/HO/DDHS-PoD1/P/CIR/2024/46 dated May 16, 2024 as may be amended, clarified or updated from time to time.
SEBI Master Circular	SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 as may be amended, clarified or updated from time to time.
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, as amended from time to time.
SEBI Continuous Disclosure Circulars	Continuous disclosures and compliances by listed entities in accordance with circular dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134/2019 issued by SEBI and as amended from time to time.
SEBI Municipal Debt Regulations / SEBI ILMDS Regulations	Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India.
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India.
Sinking Fund Account	The bank account to be opened by the Issuer with the Escrow Bank and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Sponsor Bank	Banker to the Issue as registered with SEBI, to be appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹ 500,000 and carry out any other responsibilities in terms of the SEBI Master Circular, in this case being Kotak Mahindra Bank Limited.
Specified Locations / Specified Cities	Bidding Centres where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited
STRPP	Each Separately Transferrable Redeemable Principal Part of each NCD having individual ISIN.
STRPP A	STRPP of face value of ₹ 500 each, having a tenor of 4 years, which shall be redeemed on Maturity
STRPP B	STRPP of face value of ₹ 500 each, having a tenor of 5 years, which shall be redeemed on Maturity
Syndicate or Members of the Syndicate	The Consortium Member(s) appointed in relation to the Issue, collectively.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tenor	Tenor shall mean the tenor of each of the STRPPS of the NCDs
Third Party Agency for Green Certification/ CBI	Climate Bonds Initiative
Third Party Independent Reviewer/ KPMG	KPMG Assurance and Consulting Services LLP
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.

TERM	DESCRIPTION
Tripartite Agreements	Tripartite agreement amongst the Corporation, Registrar to the Issue, and CDSL dated February 15, 2019 and Tripartite agreement between the Corporation, Registrar to the Issue, and NSDL dated, February 27, 2019.
Transaction Documents	The documents executed in relation or which are relevant to the Issue including this Draft Offer Document, the Offer Document (read along with all the notices, corrigenda, addenda thereto), the Debenture Trustee Agreement, , the Escrow Agreement, Deed of Hypothecation, Public Issue Account and Sponsor Bank Agreement, Debenture Trust Deed and the Tripartite Agreements, Consortium Agreement, Public Issue Account and Sponsor Bank Agreement, and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Transfer Date	The date immediately preceding each monthly anniversary of the Deemed Date of Allotment.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹500,000, as applicable and prescribed by SEBI from time to time
UPI Mandate Request	Request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of Allotment.
UPI or UPI Mechanism	Unified Payments Interface mechanism to block funds for application value up to ₹ 5,00,000 submitted through intermediaries, namely the Registered Stockbrokers, Registrar and the Depository Participants
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.
Working Day / Business Day	It shall mean the day on which the commercial banks are open for business in Surat, Gujarat. In respect of announcement or bid/issue period, working day/business day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day/business day shall mean all trading days of the Stock Exchanges for NCDs, excluding Saturdays, Sundays and bank holidays, as specified.

Conventional and General Terms or Abbreviations:

TERM/ ABBREVIATION	DESCRIPTION/ FULL FORM
Rs., INR, ₹, Rupees or Indian Rupees	The lawful currency of the Republic of India
AC	Alternating Current
ASBA	Application Supported by Blocked Amounts
AY	Assessment Year
BRTS	Bus Rapid Transit System
CAD	Computer Aided Design
CCTV	Closed Circuit Television
CRA	Credit Rating Agency
DIN	Director Identification Number
DP	Depository Participant
DPR	Detailed Project Report
DRR	Debenture Redemption Reserve
DSRA	Debt Service Reserve Account
EHV	Extra High Voltage
FY or Financial Year or Fiscal	Period of 12 months ended March 31 of that particular year
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.

TERM/ ABBREVIATION	DESCRIPTION/ FULL FORM
FIR	First Information Report
GIR	General Index Registration Number.
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse Gas
GoG/ State Government	Government of Gujarat.
GoI/ Government	Government of India/ Central Government.
GST	Goods and Services Tax
GWH	Giga-watt Hour
HNI	High Net worth Individual
HUF	Hindu Undivided Family
HT	High Tension
IFSC	Indian Financial System Code
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
IT	Information Technology
ITR	Income Tax Returns
IAS	Indian Administrative Service
KWH	Kilowatt Hour
KYC	Know Your Customer
LLP	Limited Liability Partnership
LT	Low Tension
MICR	Magnetic Ink Charter Recognition
MLD	Million Liters Per Day
MMS	Module Monitoring System
MoHUA	The Ministry of Housing and Urban Affairs, Government of India
MoUD	The Ministry of Urban Development, Government of India
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
MW	Mega Watt
MWh	Mega Watt-hour
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NRI Non-resident Indian	NRI Non-resident Indian
O&M	Operation & Maintenance
p.a.	Per Annum
PAC	Poly Aluminum Chloride
PAN	Permanent Account Number
PERC	Passivated Emitter and Rear Cell
PCU	Power Conditioning Unit
PPA	Power Purchase Agreement
PV	Photovoltaic
QR Code	Quick Response Code
RPO	Renewable Purchase Obligation
RSF	Rapid Gravity Sand Filter
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended
SDG Principles	The principles of the sustainable development goals
SETC	Supply Erection Testing and Commissioning
SITC	Supply Installation Testing and Commissioning
SCORES	SEBI Complaints Redress System.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
tCO ₂	Total carbon dioxide
TDS	Tax Deducted at Source.
ULB	Urban Local Body
WDM	Wholesale Debt Market
WEC	Wind Energy Converter

TERM/ ABBREVIATION	DESCRIPTION/ FULL FORM
WPP	Wind Power Plant
WTG	Wind Turbine Generator
WTP	Water Treatment Plant
WTGS	Wind Turbine Generation System
ZLD	Zero Liquid Discharge

SECTION-IV: RISK FACTORS

An investment in Green Bonds involves a certain degree of risk. You should carefully consider all the information contained in this Draft Offer Document, including the sections titled “Financial Information” and “Objects of the Issue” on pages 191 and 72, respectively, of this Draft Offer Document before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our operations or projects or any decision to purchase, own or dispose of the Green Bonds. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Offer Document before making any investment decision relating to the Green Bonds. Any additional risks and uncertainties, currently unknown or deemed immaterial, if materialize, may in the future have a material adverse effect on our operations and cash flows. The market price of the Green Bonds could decline due to such risks, and you may lose all or part of your investment.

If any one of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occurs, the Issuer’s operations, financial condition, cash flows and implementation of the Projects could suffer and, therefore, the trading price of the Issuer’s Green Bonds could decline and/or the Issuer’s ability to meet its obligations in respect of the Green Bonds could be affected and you may lose all or part of your interest and/or redemption amounts. More than one risk factor may have simultaneous effect with regard to the Green Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Green Bonds and/or the Issuer’s ability to meet its obligations in respect of the Green Bonds.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Draft Offer Document. Unless otherwise indicated, the financial information included herein is based on the Issuer’s Audited Financial Statements as included in paragraph I (abridged balance sheet, income and expenditure and cash flow statement for the last three years with major heads) of Section titled “Financial Information” as included in this Draft Offer Document and Unaudited Financial Statements as included in paragraph II (abridged balance sheet, income and expenditure and cash flow statement for the six months period ended September 30, 2024 with major heads) on page 200 of this Draft Offer Document.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

This Draft Offer Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Offer Document. The prospective Investors should consult their own tax, financial and legal advisors about the risks associated with investment and suitability of investment in such Green Bonds. Investment in these Green Bonds includes a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment in debentures. For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and this Draft Offer Document including the risks mentioned below. The Green Bonds have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of this Draft Offer Document.

This Draft Offer Document contains statements that involve risk and uncertainties. The Issuer’s actual results could differ materially from those anticipated as a result of several factors, including the considerations described below and elsewhere in this Draft Offer Document.

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

In this section any reference to “we” or “us” or “our” refers to Surat Municipal Corporation.

INTERNAL RISK FACTORS

Project Risk and Internal Risk

1. **We intend to utilize the Net Proceeds for funding our capital expenditure requirements for setting up the Projects. Our proposed Projects are subject to the risk of unanticipated delays in implementation and cost overruns. Any such unanticipated delays in implementation and cost overruns of the Project may have an adverse impact on our operations, reputation and cash flows.**

We intend to utilize the Net Proceeds for the proposed Projects i.e. (i) Installation of a 10 MW ground-mounted solar power plant at Bural and Vithodar village in District Banaskantha (“**Project I**”); (ii)

Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi (“**Project II**”); (iii) Development of depot for electric bus operations at Kosad (“**Project III**”); (iv) Construction of Centralized Dry and Wet Waste processing Plant at Umber (“**Project IV**”); (v) Augmentation and upgradation of Water Treatment Plant at Variav and Rander (“**Project V**”); and (vi) Construction of Intake Well and transmission line at Variav (“**Project VI**”); For further details of the Projects, see section titled “*Objects of the Issue*” on page 72 of this Draft Offer Document.

The Projects are proposed to be financed through Net Proceeds and internal accruals/ grants in cash or in kind received/to be received by the Corporation from the government subject to conditions mentioned in the respective schemes. Work orders have been issued for all of the Projects and the work is under process. In case of non-receipt of grants or any shortfall of funds the Issuer will have to arrange for alternative sources which may impact the Projects, timelines and the cost. There can be no assurance, despite the best efforts, that we will be able to complete the installation of the Projects within estimated time and cost without any cost overruns. The costs of the Projects may escalate or vary based on external factors which may not be in our control, and which could pose funding gaps and contingent budgetary risk for SMC.

Presently, except for a pending approval in relation to Project I, for which the requisite applications have been made, there are no pending approvals required to be obtained by the Corporation for the implementation of the Projects, however in case of any delay in receipt of any approvals required at different stages, in relation to the Projects in a timely manner, occurrence of any force majeure events, etc., the proposed schedule of implementation and deployment of the Net proceeds may be extended or may vary accordingly. There can be no assurance, despite the best efforts of the Issuer, that the proposed Projects will be completed as planned or on schedule, and if it is not completed in a timely manner, our budgeted costs for the Projects may be insufficient to meet our proposed capital expenditure requirements towards the Projects. The grants from the government are also based on conditions, in case of any non-receipt of grant the gap will have to be contributed by the Issuer. We may not have sufficient revenue to fund the Projects. For instance, due to unavoidable reasons, there has been a time overrun in the implementation of the Project I. The application received for the extension of the work order is under process.

The proposed schedule of implementation of the Projects along with the timelines stated therein and the Physical Target and Financial Target for activities areas are indicative as per the work order for implementation of the Projects. As per the current completion status of Projects, certified by respective Project Consultants vide their certificates dated May 8, 2025, Project I, Project II, Project III, Project IV, Project V and Project VI have achieved 75.00%, 10.00%, 84.00%, 50.00%, 91.00% (for both 250 MLD WTP and 160 MLD WTP) and 84.00% physical targets, respectively. There has been a time overrun in respect of Project I, for which the respective contractor has submitted extension applications that are currently under review. The completion of the remaining activities under our Projects may be subject to delays due to a variety of factors, including, but not limited to, workforce shortages, delays in receipt of necessary approvals or no-objection certificates, and dependencies on third-party contractors. Although the Issuer is taking all reasonable steps to ensure timely execution, there can be no assurance that despite best efforts all Projects will be completed as scheduled. Any delay, particularly those arising from unforeseen events or factors beyond the Issuer’s control, may adversely impact our operations, reputation, and cash flows.

As per the Green Bond Framework, investors in Green Bonds issued do not bear any project-related costs and payments of principal and interest on issuances are not conditional on the performance of the Projects.

2. Our funding requirements and proposed deployment of the Net Proceeds are based on internal estimates and estimates provided by the Project Consultants, derived from quotations and bids received during the tendering process, pursuant to which work orders have been issued. These estimates have not been independently appraised by any third-party expert, bank, or financial institution.

The funding requirement, proposed deployment of funds and the intended use of the Net Proceeds set out in Objects of the Issue section is based on (a) the policies, current initiatives and development plans of our Corporation; (b) internal estimates of the Corporation (including grants); (c) estimates of the Project Consultants, including those based on quotations procured by them and the bids received during the tendering process on the basis of which work orders have been issued (d) prevailing regulatory framework and market conditions; (e) other technical and commercial considerations; and (f) the Detailed Project Reports and certificates from the respective Project Consultants. They have not been appraised independently by any third party expert or banks or financial institution. Further, KPMG Assurance and Consulting Services LLP as Independent Third Party Reviewer has issued an Independent Limited Assurance Statement dated April 4, 2025 assuring the “Framework for Green Bonds” in accordance with the Climate Bonds Standard Version 4.0 and a verification report dated April 4, 2025 on the Pre-Issuance Requirements of the Climate Bonds Standard Version 4.0. However, the fund requirements and proposed deployment of proceeds have not been independently appraised by any bank, financial institution or any expert or third party.

The budgeted costs and implementation timelines for the Projects are based on internal estimates, approvals by the General Board, Standing Committee, Bond Issue Committee of the Corporation and certificates from respective Project Consultants. These may be subject to change due to a variety of factors, including unforeseen technical challenges, changes in scope, or other contingencies. There can be no assurance that the budgeted costs or timelines will be met. Any cost overruns or delays in implementation may lead to funding gaps or affect the timely execution of the Projects.

While the Corporation itself does not maintain insurance coverage for the Projects, each tender document includes a requirement for the contractor to obtain appropriate insurance against potential risks such as natural disasters, fire, or other force majeure events. Accordingly, insurance has been taken for all Projects by the respective contractors, and the relevant documentation has been submitted to the Corporation. However, despite such coverage, the occurrence of any such force majeure event could result in unforeseen costs and delays in implementation due to factors such as insurance claim processing time, gaps in coverage, or other operational disruptions.

We may have to revise our funding requirement on account of various factors, such as market conditions, change in government policies and changes in the regulatory framework, which may not be within the control of our Corporation. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our Corporation including rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our Corporation, subject to compliance with applicable laws.

3. Our Corporation and Subsidiary are involved in certain proceedings, any adverse developments related to which could materially and adversely affect our operations, reputation and cash flows.

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

(₹ in crores)						
Particulars	Criminal proceedings	Tax proceedings	Statutory or	Disciplinary actions by the SEBI or	Other Material litigations	Aggregate amount involved*

			regulatory proceedings	Stock Exchanges		
Issuer						
By the Issuer	4	-	-	-	1	56.97
Against the Issuer	4	6	-	-	13	415.37
BIC Members						
By the BIC Members	-	-	-	-	-	-
Against the BIC Members	-	-	-	-	-	-
Subsidiary						
By the Subsidiary	-	-	-	-	-	-
Against the Subsidiary	-	2	-	-	-	36.17

**To the extent quantifiable.*

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

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

Work orders have been issued for most of the Projects and the work is under process. As per the certificates received from the respective Project Consultants dated May 8, 2025, except one pending approval for Project I for which application has been made and approvals required for Project I and Project II at subsequent stages, there are no statutory and regulatory approvals required for the implementation of the Projects. In case in future, there is a requirement of any additional approvals/NOCs, which cannot be identified at this point, for the Projects, the Issuer shall take all reasonable steps to obtain the said approvals/ no-objection certificates (“NOCs”) to ensure successful and timely implementation of the Projects or renew existing approvals in relation to the Projects. While the Corporation intends to take all reasonable steps to obtain or renew such approvals/NOCs, there can be no assurance that the same will be received or renewed in a timely manner, or at all, particularly in the event of unforeseen circumstances or factors beyond the Corporation’s control. Further, any failure to comply with the terms and conditions attached to existing regulatory or statutory approvals may result in such approvals being suspended, revoked, or not renewed, which may, in turn, delay the progress or completion of the Projects.

Additionally, the Projects are also susceptible to the policies of the state, administrative decisions, and cost overruns, which are risks inherent in the execution of large-scale infrastructure projects. While such delays or cost overruns are not expected to affect the Issuer’s debt servicing obligations under the Green Bonds, which are proposed to be serviced through a structured payment mechanism under which the Issuer’s Own Revenues will be transferred to an Escrow Account for servicing the debt. There can be no assurance that implementation of the Projects will be completed within the estimated timelines and budgeted cost.

For further details pertaining to the list and status of approvals and permissions received in relation to the Projects, see the section titled “*Objects of the Issue*” on page 72 of this Draft Offer Document.

5. **Leakage of tax collections may affect volume of collections and accumulation of funds for future development, and on the Issuer’s future execution capabilities and revenue collections.**

The tax collections of the Issuer are primarily dependent on the integrity of tax/ charges collection systems and any leakage in the same due to fraud or technical faults affects the Issuer’s collections and inflows

and may have an adverse impact on accumulation of funds for future development, resulting in reduction of the Issuer's future execution capabilities.

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

- 6. We are eligible for incentive from Government of India, Ministry of Housing and Urban Affairs under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising funds from Green Bonds. We cannot assure that we will be able to successfully raise the Green Bonds and any failure to raise funds through issuance of Green Bonds in a timely manner may impact our ability to receive incentive from Ministry of Housing and Urban Affairs, Government of India.**

The Corporation will be eligible to receive incentive as per D.O.No.K-14012/01/2022-AMRUT-IIB dated April 7, 2025 and any subsequent notification from Ministry of Housing and Urban Affairs Government of India under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising of funds through the proposed Green Bonds.

AMRUT 2.0 was launched with the objective of making cities 'Aatma Nirbhar' and water secure. Under the said circular / notification of AMRUT 2.0, up to 15 urban local bodies on 'first come, first serve' basis during the mission period to issue municipal bonds, and in case of issuers who have already issued municipal bonds the subsequent bonds issued meeting the definition of green bonds by SEBI, will be eligible for incentives. In such cases, incentive of ₹ 10.00 crores will be given for every ₹ 100.00 crores of green bonds issued subject to a limit of ₹ 20.00 crores per urban local body. Urban local bodies raising bonds for the first time shall, on the other hand, be eligible for an incentive of Rs 13.00 crores per ₹ 100.00 crores of bond issued, subject to a limit of ₹ 26.00 crores per urban local body.

Any failure by us to complete the Issue in a timely manner will impact our ability to claim incentives under AMRUT 2.0 from Government of India, Ministry of Housing and Urban Affairs which may have an adverse impact on our, operations and cash flows including in relation to the projects being undertaken by us.

- 7. We are dependent on grants and support in the form of budgetary allocation from Central and State Government for our operations. Any failure to obtain grants or any reduction in funding in the form of grants or budgetary allocation from the government may adversely impact our operations, financial condition and future performance.**

The projects undertaken by the Issuer are capital intensive and supported by grants in the form of budgetary allocation from Central and State Government. Any reduction in budgetary allocation of capital, funding or non-receipt of grants by the GoI and GoG may materially affect the projects undertaken by the Issuer and impact the Issuer's operations and asset generation capacity. As grants are one of the main sources of revenue for the Issuer, any irregularity in release of grants may affect the project implementation schedules and affect the financial condition of the Issuer. Any delay in receipt of the grant may have an impact on the Issuer's liquidity position.

The grants received are not specifically earmarked for individual projects and may be utilised interchangeably across various ongoing and approved projects, based on timing and funding requirements. Accordingly, the application of such funds may vary from time to time, and any delay or reduction in grants may impact the overall project execution and prioritization.

Further, the documentation or formal agreements governing such grants may, in some cases, be limited or subject to varying conditions imposed by the relevant government authorities. This may lead to uncertainty regarding the timing of disbursement, conditions for utilisation, or consequences of non-compliance, and

could result in delays or disputes in the availability or application of grant funds. Any such lack of clarity in the terms and conditions or enforceability of grant-related documentation may adversely impact the Issuer's ability to plan or execute its projects in a timely manner. For details of grants received from the Central and State Government, please refer to the Section titled "*About the Issuer and Capital Structure of the Issuer*" on page 58 of this Draft Offer Document. Further, the growth plans of the Issuer are mainly determined by the amount of grants and support in the form of budgetary allocations and any adverse developments in the policy of the government in the manner in which it seeks to address the development of the infrastructure needs of India will have a material and adverse effect on the Issuer's operations. Moreover, if the funding from grants decreases or if there is any adverse change in the pattern of allocation of the tax collected by GoI or if there is a downturn in the macro-economic environment in India or in the sectors which are directly dependent on the infrastructure projects that the Issuer undertakes/ proposes to undertake, the Issuer's operations and future performance could be materially and adversely affected.

The proposed Projects are also being financed through grants received under the Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY), Swachh Bharat Mission - Urban 2.0 (SBM-2.0), AMRUT 2.0 and other Central or State Government schemes for which the Corporation may apply, and/or internal accruals of the Corporation. In case of any delay in receipt of the grants, it may have an impact on the completion of pending activities under the Projects and hence the timeline for implementation of the Projects.

8. Our Auditors have highlighted a few observations/ notes in their audit reports relating to our Audited Financial Statements.

Our Auditors have highlighted few observations / notes in the audit reports dated in the audit reports dated October 23, 2024 for F.Y. 2023-24, dated October 31, 2023 for FY 2022-23 and dated October 3, 2022 for FY 2021-22.

Observations/ Notes for FY 2023-24, FY 2022-23 and FY 2021-22

- a. Non-tax Revenues like Additional Infrastructure Charges (Paid F.S.I) Income which is measured either on the basis of the agreement entered with the party or on the usage charges/ fees prescribed by the authority, is recognized on receipt basis.
- b. Other incomes like Interest Income, Miscellaneous Incomes are recognized on receipt basis.
- c. Grants/Subsidies (Other than Education Cess Grants and Compensation for Octroi) which are revenue in nature are credited to Income & Expenditure Account on their receipts.
- d. Capital Receipts and Government Capital Grants are accounted on receipt basis as Capital Income. Grants which have been sanctioned during the year are accounted on accrual basis.
- e. Expenses are recognized in the books as and when paid. Expenses related to General Stores are recognized on accrual basis. All material known liabilities are provided for, on the basis of available information/estimates.
- f. Contingent Assets/ Liabilities- Considering the nature and complexities of various capital work contracts, precise commitment on capital contracts cannot be ascertained

Additional notes in FY 2023-24:

- a. Professional Tax (E.C.) is recognized on a collection basis.
- b. The Corporation primarily operates on a payment-based expense recognition model, limiting the scope for Provisions. Provisions are made at the year-end for all the bills received up to a cut-off date pertaining to the current financial year.

- c. SMC currently has outstanding property tax receivables for previous periods. In accordance with the National Municipal Accounts Manual (NMAM) provisioning norms, required provision is to be made in respect of property tax demand outstanding beyond the specified period. However, as per Section 152 of the Bombay Provincial Municipalities Corporation Act, 1949, any tax amount can only be written off by the Commissioner with the approval of the Standing Committee if it is deemed irrevocable. SMC believes that there is a possibility of future recovery for property tax revenues, and therefore, no provision has been made.
 - d. Bank balance comprise of balances taken from book records on account of non-operative and dormant bank accounts.
9. **Signed notes to financial statements, summary of significant accounting policies, and other explanatory information are untraceable in the records of SMC for F.Y. 2022 and F.Y. 2023. Our Corporation has placed reliance on identical signed notes forming part of the Audited Financial Statements as per GAAP. Further, there can be no assurance that the notes under NMAM may not have any additional notes / observations.**

The financial statements of SMC are prepared: (i) under historical cost convention on an accrual basis, in accordance with Generally Accepted Accounting Principles (GAAP), which includes the Auditor's Reports, notes to financial statements, summary of significant accounting policies, and other explanatory information; and (ii) under the National Municipal Accounts Manual (NMAM), which also include the same information as GAAP Accounts additionally contains more elaborate accounting heads as required under NMAM. The audited accounts prepared as per GAAP form the basis for the audited accounts prepared as per NMAM and contain identical notes to financial statements, identical summary of significant accounting policies, and other explanatory information.

The audited financial statements for the years ended March 31, 2024, March 31, 2023, and March 31, 2022 audited by Natvarlal Vepari & Co., Chartered Accountants, in accordance with the National Municipal Accounts Manual which are referred as ("Audited Financial Statements"). For the financial years ended March 31, 2023, and March 31, 2022, the signed notes to financial statements, summary of significant accounting policies, and other explanatory information are not traceable in the records of SMC. Accordingly, reliance has been placed on identical signed notes forming part of the Audited Financial Statements as per GAAP, summary of significant accounting policies, and other explanatory information annexed to the Auditor's Report for the audited accounts prepared as per GAAP for the financial years ended March 31, 2023 and March 31, 2022. There can be no assurance that the notes under NMAM may not have any additional notes / observations.

10. **This Draft Offer Document included certain unaudited financial information. Reliance on such information should, accordingly, be limited.**

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

11. **Successful implementation of the Projects is dependent on various evaluation factors. Any failure on evaluation process may impact the project implementation**

Successful implementation of the Projects is dependent on factor like (i) suitable site selection after all technical studies with adequate space, infrastructure access, and regulatory compliance (ii) comprehensive cost-benefit analysis (iii) Continuously monitor key environmental parameters to ensure compliance and minimize environmental impact. (iv) Developing a comprehensive O&M plan to ensure optimal performance.

Any failure to evaluate the above factors may impact the smooth implementation of the Projects and lead to time and cost overruns thereby impacting the Issuer's operations and financial condition.

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

Our ability to pay Coupon accrued on the Green Bonds and/or redeem the principal amounts outstanding from time to time in connection therewith is subject to various factors, including *inter-alia* our financial condition, profitability, revenue generation, timely completion of the Projects, collection efficiency and general economic conditions prevailing in India and in the global financial markets. Any adverse change in these factors may have an adverse impact on our reputation and financial condition.

We shall create a structured payment mechanism under which the Issuer's Own Revenues will be transferred to an Escrow Account for servicing the debt. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first charge over the Escrow Account and the account(s) where the Own Revenues are collected and/ or pooled by the Issuer to ensure 100% security cover for the outstanding principal amount of Green Bonds and interest accrued thereon. In order to ensure timely servicing and redemption, the Issuer shall establish 2 (Two) accounts solely for the purpose of servicing the debt. The Interest Payment Account shall be established with a deposit such that at any point of time the Interest Payment Account holds an amount equivalent to annual interest payments for bonds in the form of DSRA. Further, the monthly amounts shall be deposited in interest payment account for half yearly payments of interest obligations. To ensure adequacy of funds for redemption of the Bonds, a Sinking Fund Account shall be opened where amounts shall be deposited on monthly basis for redemption of the principal amounts of the Debentures. As per the Auditors' certificate dated May 9, 2025, there is sufficient revenue generation/collection from Own Revenues/cash flows for timely servicing and redemption of the Green Bonds.

While a minimum security cover of 1 (one) time will be maintained, during the tenor of Green Bonds, in the event of any default the realizable value of the security may be lower than the outstanding principal and/ or interest accrued thereon and consequently, the potential investor may not be able to recover on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Green Bonds.

In such case, Debenture Trustee shall take all steps to ensure redemption of Green Bonds and enforcement of Security or any other legal recourse available to the Bond Holders as per the terms of the Transaction Documents and in accordance with the Applicable Law.

Even though, the obligations towards Green Bonds are covered through the Structured Payment Mechanism, given the nature of the Issuer and the type of security being offered to secure the Issue, in case of any default by the Issuer, the process to be followed for recovery of investor's monies might be time consuming.

Financial Risk including Liquidity Risk

13. Collection ratios for the Property Tax of Issuer may vary in the future that may impact the financial condition of the Issuer.

The overall collection ratio for Property Tax amounted to 66.60% in Financial Year 2022, 67.85% in Financial Year 2023, 68.93% in Financial Year 2024. The total collection of Property Tax amounted to ₹ 993.56 crores in the Financial Year 2022 to ₹ 1,124.92 crores in Financial Year 2023 to ₹ 1,375.21 crores in Financial Year 2024. The total collection of Property Tax amounted to ₹ 302.88 crores in six months period ended September 30, 2024. The portion of property tax due but not collected is shown as receivables in our financial statements. While the Issuer has implemented various reforms, measures and established systems to improve the collection of Property Tax, due to unforeseen circumstances beyond the control of the Issuer, there can be no assurance that the overall demand collection ratios may not decrease in future which will have an impact on the financial condition of the Issuer.

Any shortage in collections in any period may result in a mismatch in revenue and expenditure of the Issuer and the funds may be inadequate for transfer to the Escrow Account. For further details please refer to the “Details of Property Tax collection” of Section X: Financial Information on page 209 of this Draft Offer Document.

Operations Risk

14. We are dependent on information technology and any breach on information technology may affect the Issuer’s activities

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

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

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

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

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

16. Labour Related Risks

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of such stringent labour regulations, it is difficult for the Issuer to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business, financial condition and results of operations. Additionally, some of the Issuer’s employees are part of certain industry labour unions and such unions could result in labour unrest. Strikes or work stoppages or any mishaps/ accidents impacting the labour in future could have an adverse impact on the Issuer’s operations. The Government of India has given its assent to enact (i) Code on Wages, 2019 (ii) Industrial Relations Code, 2020 (iii) Code on Occupational Safety, Health & Working Conditions Code, 2020 (iv) Code on Social Security, 2020 which has replaced some of the existing labour laws with the objective to simplify and modernize labour regulations. Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification dated December

18, 2020 and May 3, 2023, respectively, by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India

We, from time to time, for certain activities, appoints independent contractors who in turn may engage on-site contract labour for performance of certain activities. This has had a negative impact on the activities of execution agencies such as civil contractors and other vendors that have been engaged by us. Further, we may be held responsible for any payment of wages/ compensation for any accidents or losses relating to such contracted labourers in certain cases even though such labourers are not directly engaged by the Issuer. Such an event may have an adverse impact on our financial position and operations.

17. We are unable to ascertain contingent assets and liabilities because of the complex nature of capital contracts.

We regularly enters into capital work contracts in the ordinary course of business. Due to the nature, scope, and complexity of such contracts, the Issuer is unable to precisely determine the extent of contingent assets and liabilities that may arise from them. Consequently, there may be unascertained or undisclosed obligations or entitlements that could materially impact our financial condition, cash flows, or results of operations. Any such impact may not be adequately reflected in our financial statements, which could affect investors' ability to make an informed investment decision.

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

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

We may do cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and asset generation capacity. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

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

Our logo is not registered with the Trademarks Registry.

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

We may be subject to claims by third-parties, both inside and outside India, if we breach their intellectual property rights by using names, trademarks or other such rights that are of a similar nature to the intellectual property these third-parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third-parties. To the best of our knowledge, there are currently no such claims and our use of the trademark has not infringed upon any existing intellectual property rights and such usage is not in conflict with, or in violation of any applicable law or any binding contractual or fiduciary obligation.

However, any legal proceedings that result in a finding that we have breached third-parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third-parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) any of which may have a material adverse effect on our reputation, results of operations and financial condition.

EXTERNAL RISK FACTORS

General Risks

20. Political Scenario prevailing in India might risk our business.

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

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

Our operations are dependent on the policies of the government, central as well as state initiatives. Any future changes in government policies detrimental to the Issuer may affect the collection of our revenue and may also affect our management of the expenditure. Any lack of support in terms of regulatory initiatives will adversely affect our operations, as will any delayed response in policy alteration or other regulatory impediments, which will adversely affect our operations. Further, inconsistencies in our revenue collection and any lack of support in terms of regulatory initiatives any delayed response in policy alteration or other regulatory impediments, which will adversely affect our operations and various planned initiatives and projects being undertaken by us. Additionally, policies of central and state government which mandate urban local bodies to focus on development in certain specific sectors or areas will affect our projects and operations.

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

We are subject to changes in Indian laws, as well as to changes in government regulations and policies and accounting principles. As a municipal corporation constituted under applicable laws in India, we are subject to numerous statutes, rules, regulations, and guidelines issued by central, state, and local authorities, including but not limited to those relating to municipal governance, financial management, public works, taxation, environmental norms, procurement, public health, and urban development.

Any material change in the existing regulatory environment, or the introduction of new laws or policies—whether at the central, state, or local level—may have an adverse impact on our operations, financial position, or prospects. Such changes may include, inter alia, amendments to the municipal legislation under which we are constituted, changes in accounting standards applicable to government entities, modifications in guidelines relating to the issuance and servicing of municipal bonds, or revised norms governing the use of grants and public funds.

These changes could increase the cost of compliance, necessitate restructuring of existing financial arrangements, delay the execution of infrastructure or service delivery projects, or result in restrictions on the Issuer's ability to raise funds or allocate resources. Further, adverse regulatory developments may also impact our revenue generation mechanisms, including its ability to levy taxes, collect user charges, or receive grants from higher levels of government.

Any of the foregoing could impair our ability to meet its payment obligations under the instruments offered in this Draft Offer Document, and may also adversely affect our financial performance.

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

Any occurrence of natural calamities like earthquakes, storms, flash floods, any instance of pandemics, protests, riots etc. could hamper the transportation facilities, impact mobility and functioning of the city and hence the implementation of proposed Projects.

Surat is considered as a Zone III (out of V) amongst the seismically active zones. While the probability of occurrence is indeterminate, the city is at a moderate risk for an earthquake. Surat also faces a significant risk of both riverine and urban flooding due to its proximity to the Tapi River and low-lying terrain. Historical flood events, such as the 2006 flood, resulted in fatalities and severe disruptions, with flood depths reaching 4-5 meters in some areas.

Though we are scaling up our internal systems to take care of any such sudden events, in case they occur in future, these conditions may result in hampering the functioning of SMC due to additional cost burden for retrieving the city back to normalcy.

24. Decentralization with respect to Municipal Corporations

Decentralization is an ongoing process, and further adjustments in service responsibility, taxation authority and accountability are likely in the coming years. SMC has legislative and administrative control over its operating revenues, expenditures and capital plans, as permitted under the 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 negative), should those changes result in devolution of power, of revenues or of spending mandates.

Additionally, we are subjected to regulations by Indian Governmental Authorities. These laws and regulations impose numerous requirements and restrictions for us to grow our area of operations and revenue generation, including asset classification and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us.

Risk in relation to the Green Bonds

25. Changes in interest rate may affect the price of our Green Bonds. Any increase in rate of interest are likely to have a negative effect on the price of our Green Bonds.

All securities where a fixed rate of interest is offered, such as our Green 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. Any increase in the rate of interest is likely to have a negative effect on the price of our Green Bonds. 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 our Green Bonds.

The secondary market pricing of the Green Bonds is subject to factors affecting the general economic condition in India and in the domestic and global financial markets.. As a result, the investor may face volatility in the price of the Green Bonds due to above mentioned factors

26. Any downgrading in credit rating of our Green Bonds may adversely affect the value of Green Bonds and thus our ability to raise further debts.

CRISIL Rating Limited has vide its letter dated January 9, 2024, assigned a rating of 'Provisional CRISIL AA+/Stable', as revalidated vide its rating letter dated April 21, 2025. India Ratings and Research Private Limited has vide its letter dated January 22, 2024, assigned a rating of Provisional IND AA+/Stable, as revalidated vide its letter dated April 28, 2025.

The above mentioned credit ratings may not reflect the potential impact of any future uncertainties related to structure, market, and/or other factors that may affect the value of the Bonds. If there is 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 Green Bonds may be downgraded. Any downgrading in our credit rating or credit rating of these instruments will result in an enhanced risk to the Bondholders.

Further, in terms of the rating rationale issued by CRISIL on March 17, 2025 and India Ratings on January 21, 2025 the outlook has been kept as 'Stable', considering the stability in performance of assets that are proposed to be escrowed and the enforceable nature of the collections by the corporation, the continued robust operating performance and strong financial risk profile of the corporation, driven by healthy operating surplus, small debt, superior liquidity, adequate debt protection metrics, sound economic base, adequate service levels, optimal collection efficiency of taxes and charges, and good reform orientation. The ratings, also factor in the structured payment mechanism, which will be monitored and controlled by the Debenture Trustee.

The Issuer cannot guarantee that the credit ratings of the Issuer or the Bonds will not be downgraded by the Rating Agencies in future. Thus, the credit ratings are not a recommendation to buy, sell or hold the Bonds and investors should take their own decisions. The ratings provided by the Rating Agencies may be suspended, withdrawn or revised at any time including without limitation the financial deterioration of the Issuer. Any revision or downgrade of the above credit rating may lower the value of the Green Bonds and may also affect the Issuer's ability to raise further debt. In such cases where the value of the Green Bonds decreases, potential investors may incur losses on sale of their investment in the secondary market.

27. There may be less information available about the municipal corporations listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.

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

28. There may be a delay in making refund/ unblocking of funds to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, (iv) failure to obtain the final approval from the Stock Exchanges for listing of the Green Bonds or (v) non allotment due to technical rejections or over subscriptions will be refunded to you / unblocked in a timely manner. We, however, shall refund such monies, within the timelines prescribed under applicable laws. In case of any delays in making such refunds/unblocking instruction, the Corporation shall be liable

to pay interest as prescribed under the SEBI ILMDS regulations and the SEBI Master Circular. For further details please refer to page 130 under section “*Issue Specific Information*”.

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

In accordance with Indian law and practice, permissions for listing and trading of the Green Bonds issued pursuant to the Issue will not be granted until after the Green Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the Green Bonds on the Stock Exchanges for reasons unforeseen.

While the Issuer shall ensure compliance with the provisions related to the timelines for listing of securities, however, if we fail to obtain listing or trading permission from any of the recognized stock exchanges where the Green Bonds are proposed to be listed, we shall refund the entire monies received within seven days of receipt of intimation from stock exchange or in case of multiple stock exchange(s) within seven days from the earliest intimation rejecting the application for listing of the Green Bonds, and if any such money is not repaid after the we become liable to repay it, we shall be liable to repay that money with interest at the rate of fifteen percent per annum till such refund is made.

- 30. The Green Bonds shall be subject to continuous post listing compliances with applicable rules and regulations with respect to such listed non-convertible debentures.**

The Green Bonds are proposed to be listed on the Stock Exchanges (i.e. National Stock Exchange of India Limited and BSE Limited). Subsequently, we will be required to comply with various applicable rules and regulations, including the SEBI circulars issued on continuous disclosures and compliances for our Green Bonds.

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

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

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

Even if there is a secondary market for the Green Bonds, it is not likely to provide significant liquidity. Potential investors may have to hold the Green Bond until redemption to realise value.

- 32. The investors may be subject to taxes arising on the sale of the Bonds.**

The sale of Green Bonds by any Bonds Holder may give rise to tax liability. The returns received by the investors from Debentures issued by the Issuer in the form of interest and the gains on the sale/transfer of the Debentures may be subject to tax liabilities under the Income Tax Act, 1961. For details of possible

tax benefits available to the Issuer and NCD Holders under the applicable laws in India, as discussed in section titled “*Tax Benefits*” on page 122 of this Draft Offer Document.

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

In case the Issue is not fully subscribed to by potential investors, the Issuer may be unable to meet the funding requirements of the Projects from the proceeds of the Issue to the full extent. The Issuer may be required to raise additional funds to meet the shortfall in funding the Projects through other sources which may lead to a delay in the completion of the Projects. The funding gap may develop due to such shortfall in full subscription to the Issue, in which the Issuer may utilize its internal accruals or obtain funding through other means for completion of the Projects. Please refer to paragraph K (Capital structure relating to Projects for which funds are proposed to be mobilised) of ‘*Section VI: About the Issuer and Capital Structure of the Issuer*’ on page 58 of this Draft Offer Document.

34. Trading of the Green Bonds may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.

The Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Stock Exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and Stock Exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

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

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

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

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

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

Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat, Gujarat, India.

Phone: +91-261-2423750/51/52/53/54/55/56 (Ext. No. 243)

Email id: smcbond@suratmunicipal.org

Website: www.suratmunicipal.gov.in

iii) **Zonal Offices*:**

1. **West Zone:** Vahivati Bhavan, Bala Saheb Devrash Road, New Rander Road, Tadwadi, Surat, Gujarat, India
2. **Central Zone:** Vahivati Bhavan, Gordhandas Chokhawala Marg, Muglisara, Surat, Gujarat, India
3. **North Zone:** Vahivati Bhavan, Behind Gajera School, beside Ramjikirupa Raw-House, Katargam, Surat, Gujarat, India
4. **East Zone A:** Vahivati Bhavan, Nr. Saiffee Society, Opp. Panchwati Wadi, Lambe Hanuman Road, Surat, Gujarat, India
5. **East Zone B:** Vahivati Bhavan, Nr. Saiffee Society, Opp. Panchwati Wadi, Lambe Hanuman Road, Surat, Gujarat, India
6. **South Zone A:** Vahivati Bhavan, Udhana Main Road, Opp. Satya Nagar, Udhan, Surat, Gujarat, India
7. **South Zone B:** Vahivati Bhavan, beside Swami Narayan Mandir, Gujarat Housing Board, Kanakpur, Surat, Gujarat, India
8. **South West Zone:** Vahivati Bhavan, Municipal Shopping Center, Near Aadarsh Nagar Society, Athwalines, Surat, Gujarat, India
9. **South East Zone:** Behind Vatika Township, behind Model Township, Dumbhal, Surat, Gujarat, India

**As certified by the Deputy Municipal Commissioner.*

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

Not applicable, as the Issuer is a Municipal Corporation.

C. Details of Mayor/ Deputy Mayor

S. No.	Particulars	Designation	Date of appointment
1.	Shri Daxesh Kishorbhai Mavani	Mayor	September 12, 2023
2.	Dr. Naresh Shantaram Patil (Dr. Naresh S. Patil)	Deputy Mayor	September 12, 2023

D. Details of Commissioner/Deputy Commissioners

S. No.	Particulars	Designation	Date of appointment
1.	Smt. Shalini Agarwal, IAS	Municipal Commissioner	October 08, 2022*
2.	Smt. Nidhi Siwach IAS	Deputy Municipal Commissioner (Deputation)	February 05, 2025*
3.	Smt. Swati Pareshkumar Desai [#]	Deputy Municipal Commissioner	June 24, 2021
4.	Shri. Dharmeshkumar Bhogilal Mistry [#]	Deputy Municipal Commissioner (Planning & Development)	May 09, 2022
5.	Shri Gurav Dinesh Ramesh, IAS	Deputy Municipal Commissioner (Health & Hospital) (Deputation)	April 16, 2025*
6.	Shri. Manishkumar Madankumar Doctor [#]	Deputy Municipal Commissioner	May 09, 2022
7.	Shri. Kamleshkumar Bhikhubhai Nayak [#]	Deputy Municipal Commissioner	June 24, 2021
8.	Shri Rajeshkumar Bhanubhai Bhogayata GAS	Deputy Municipal Commissioner	February 23, 2024*
9.	Smt. Meenababen Maheshchandra Gajjar [#]	Deputy Municipal Commissioner	July 24, 2023
10.	Shri. Nileshkumar Hasmukhbhai Patel [#]	Deputy Municipal Commissioner	July 24, 2023

*Date of taking charge at this designation.

[#] Temporarily appointed at the Designation of Deputy Municipal Commissioner, subject to approval from the Government of Gujarat.

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

Standing Committee

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

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

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

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

Health Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Health Committee. It is constituted for the purpose of sanctioning of works and agreements regarding public health, and to act towards fulfillment of provisions under the GPMC Act related to public health, nursing act, food safety act, adulteration act, vector borne diseases control, epidemic control and general public health. etc. It also plays an important role in planning and recommending approval of solid waste management projects, including land use, infrastructure, environmental sustainability, and PPP models. It is also empowered to take decisions regarding policies for the above-mentioned purposes with the approval of General Board of Surat Municipal Corporation. The Health Committee consists of 9 members. As per the GPMC Act, the term of the members of the Health Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Health Committee are as follows:

- a. To make provision of another proper and suitable places for above purpose either inside or outside city if, at any point of time it appears that, current place is insufficient to dispose carcass or for no use for any work pursuant to provisions of section 323.
- b. To grant permission or to approve order to refuse to allot new place by the Commissioner for disposal of carcass.
- c. To acquire any building or land for construction or to purchase it or to acquire by any other mode to extend or start new market or slaughter house of Municipal Corporation or to set up new stock-yards or to improve any slaughter house or market. To submit proposal before the Municipal Corporation through Public Works Committee for construction of new markets or to improve existing markets.
- d. To close down any market or slaughter house or stock-yards or any part thereof.
- e. To prohibit within a distance of fifty yards of any municipal market the sale or exposure for sale of the commodities or of any of the commodities specified in the notice ordinarily sold in the said municipal market.
- f. To approve cancel notice issued u/s. 330(1) or to approve proposal of Commissioner to modify it
- g. Whether to grant or deny permission to establish and maintain new private markets or new private slaughter-houses inside the city or inside any prescribed area of city.
- h. Regarding sprinkling water, to remove and clean and take away waste from public road and places.
- i. The construction of residential . quarters for the municipal conservancy staff.
- j. the organization, maintenance or management of chemical or bacteria logical laboratories for the examination or analysis of water, food or drugs, for the detection of diseases or for researches connected with public health.
- k. Dairies or farms within or without the City for the supply, distribution and processing of milk or milk products for the benefit of the residents of the City and outside city.
- l. The granting of rewards for information which may tend to secure the correct registration of vital statistics.
- m. To sale waste and mix fertilized having price more than ₹ 500 / - on a condition prescribed by the Corporation.

Presently, the constitution of the Health Committee is as below:

S. No.	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1.	Nency Ashaben Shah	Chairman [#]	September 22, 2023	-	-
2.	Dipeshbhai Chandubhai Patel	Vice Chairman [#]	September 22, 2023	-	-
3.	Reshmaben Rupeshkumar Lapsiwala	Member	September 22, 2023	-	-
4.	Rajubhai Joliya	Member	September 22, 2023	-	-
5.	Ramilaben Yogeshbhai Patel	Member	September 22, 2023	-	-
6.	Rakeshbhai Champaklal Mali	Member	September 22, 2023	-	-
7.	Piyushaben Bharatbhai Patel	Member	September 22, 2023	-	-
8.	Dharmesh Bhalala	Member	September 22, 2023	-	-
9.	Kishorbhai Dharamshibhai Rupareliya	Member	September 22, 2023	-	-

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

[#] Nency Ashaben Shah and Dipeshbhai Chandubhai Patel have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023.

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 Gujarat Provincial Municipal Corporation Act, 1949 has constituted the PWD Committee. The PWD Committee is constituted for the purpose of sanctioning of works and agreement regarding housing and infrastructure development, etc. It is 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. The PWD Committee consists of 9 members. As per the GPMC Act, the term of the members of the PWD Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Public Works Department Committee are as follows:

- from time to time cause all public streets vested in the Corporation to be leveled, metalled or paved, channeled, altered and repaired, as occasion shall require, and may also from time to time widen, extend or otherwise improve any such street or cause the soil thereof to be raised, lowered or altered and may place and keep in repair fences and posts for the safety of pedestrians.
- Construct bridges any sub-ways.
- Construct new markets or improve markets. Such proposals should be with recommendation of Health Committee.
- Consider development of Gopi Talav and surrounding area.
- Construction of school buildings for primary education.
- Construct buildings for municipal office.

- g. Establishment and maintenance of relief works during Famine and scarcity.
- h. Construct swimming pools.
- i. Theatres, rest-houses and other public buildings.
- j. The building or purchase and maintenance of sanitary stables, or byres for horses, ponies or cattle used in hackney carriages or carts or for milchkin.

Empowerment of Commissioner to furnish a report by himself or to obtain from any officer subordinate to him and furnish, with his own remarks thereon, a report, upon any subject concerning area of operation within jurisdiction of Public Works Committee.

Presently, the PWD Committee consists of the following members:

S. No	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1.	Bhaidas Sitaram Patil	Chairman [#]	September 22, 2023	-	-
2.	Ketankumar Laherchand Mehta	Vice Chairman [#]	September 22, 2023	-	-
3.	Ajitbhai Ishvarbhai Patel	Member	September 22, 2023	-	-
4.	Varshaben Mathurbhai Baldaniya	Member	September 22, 2023	-	-
5.	Survarnaben Dipakbhai Jadav	Member	September 22, 2023	-	-
6.	Kavita Veeraswami Aenagandula	Member	September 22, 2023	-	-
7.	Sudhakar Lotanbhai Chaudhary	Member	September 22, 2023	-	-
8.	Ghanshyam Govindbhai Makvana	Member	September 22, 2023	-	-
9.	Sejalben Jigneshbhai Malaviya	Member	September 22, 2023	-	-

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

[#] Bhaidas Sitaram Patil and Ketankumar Laherchand Mehta have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023.

Water Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Gujarat Provincial Municipal Corporation Act-1949 has constituted the 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. It is 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 the General Board of Surat Municipal Corporation. The Water Committee consists of 9 members. As per the GPMC Act, the term of the members of the Water Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Water Committee are as follows:

- a. construct, maintains in good repair, alter, improve and extend water-works either within or without the City, and do any other necessary acts;

- b. Purchase or take on lease any water-work or any water or right to store or to take and convey water either within or without the City;
- c. Enter into an arrangement with any person for a supply of water.
- d. Maintain and provide with water and may construct new public fountain for drinking water, pond, reservoirs, water tanks, pumps, water well, pipes for supplying water for the gratuitous use of the inhabitants of the City.
- e. To close work permanently or partially prevailing public fountain for drinking water, pond, reservoirs, water tanks, pumps, water well, pipes for supplying water for the gratuitous use of the inhabitants of the City.
- f. Supply water from a municipal water work to any authority or person without the City on such terms as to payment and as to the period and conditions of supply as shall be, either generally or specially.
- g. construct public fountain, pond, reservoirs, water tanks, pumps, water well, pipes for supplying water for the gratuitous use of the inhabitants of the City if, estimate of expenditure is not exceeding than ₹ 5,00,000/- and provision thereof exists in current budget.
- h. Powers to approve estimate upto ₹ 5,00,000 /- for any item/ commodities relating to area of operation of Water Committee as provided in budget.
- i. Powers to grant approval to execute agreement to amounting ₹ 5,00,000/- pursuant to work assigned to Committee.

Presently, the Water Committee consists of the following members:

S. No	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1.	Himanshu Pravinsinh Raulji	Chairman [#]	September 22, 2023	-	-
2.	Krunal Kamleshbhai Selar	Vice Chairman [#]	September 22, 2023	-	-
3.	Kanaiyalal Vitthaldas Patel (Kanu Patel)	Member	September 22, 2023	-	-
4.	Rohini Chhotubhai Patil	Member	September 22, 2023	-	-
5.	Hemlata Bhupendra Ravatka	Member	September 22, 2023	-	-
6.	Dinesh Purohit (Raj Purohit)	Member	September 22, 2023	-	-
7.	Gauriben Maganbhai Sapariya	Member	September 22, 2023	-	-
8.	Kanubhai Nagjibhai Gediya	Member	September 22, 2023	-	-
9.	Sonalben Sanjaybhai Suhagiya	Member	September 22, 2023	-	-

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

[#]Himanshu Pravinsinh Raulji and Krunal Kamleshbhai Selar have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023.

Town Planning Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of section 30(1) of the Gujarat Provincial Municipal Corporation Act-1949 has constituted the 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 areas 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. The Town Planning Committee consists of 9 members. As per the GPMC Act, the term of the members of the Town Planning Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Town Planning Committee are as follows:

- a. To frame and publish draft of scheme
- b. Forward draft of scheme along with amendment and objection
- c. Consider objection of draft of scheme
- d. To withdraw scheme
- e. Powers to amend scheme due to error, irregularity or illegality
- f. Modification in Town Planning Scheme by subsequent scheme
- g. To amend regulations
- h. Powers to recommend General Board for levy of development charge
- i. Powers to frame regulations
- j. To acquire land required to earmark new road in the field whether earlier constructed or not, to construct buildings on both sides of road or to acquire land required for its compound.
- k. the provision of shelter to destitute or homeless persons
- l. surveys of buildings or lands;
- m. power to acquire and hold immovable property for the scheme under chapter-16
- n. Power to dispose immovable property for the scheme under chapter-16.
- o. Consent to issue notification for specifying place so as to easily visible map and inclusion of area of operation of scheme
- p. For the purpose of making an improvement scheme, cause surveys to be made in areas either inside or outside the limits of the area comprised in the scheme to be made.
- q. Acquire the land or to withdraw proposal of acquisition of land includes in notification of scheme If, it proves that building operations were in progress on such land
- r. To decide whether to acquire the land or to withdraw proposal of acquisition of land mentioned in notification in case of receiving notice from the land owner
- s. Revised scheme to be considered and either to approve or to reject it.
- t. To approve draft of clearance scheme and to declare such area as clearance area after fulfilling requirement u/ s. 280(2) of the Act.
- u. Approval of clearance order to be submitted for confirmation by the State Government
- v. Approval to order empowering compulsory acquisition of the land located in clearance area or another land located in surrounding to such area.
- w. To approve draft of re-development and to declare such area as re-development area after fulfilling requirement u/s. 284(E) (3).
- x. Approval of re-development plan to be submitted before State Government for sanction.
- y. For approval of ordinary or special conditions granting permission of construction in re-development area.
- z. All policy decisions, approval or permission of Municipal Corporation regarding scheme to be regard under chapter-16.
- aa. Provide housing accommodation for the poorer classes and to grant powers to Commissioner u/s. 284(1) (i)(a),(b),(c) to provide similar facilities.
- bb. Power to approve estimate upto ₹ 5,00,000 /- for any item/commodities relating to area of operation of Water Committee as provided in budget.
- cc. Power to grant approval to execute agreement to amounting ₹ 5,00,000/- pursuant to work assigned to Committee.

Presently, the Town Planning Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Nagarbhai Ambarambhai Patel	Chairman [#]	September 22, 2023	-	-
2	Ushaben Rajendra Patel	Vice Chairman [#]	September 22, 2023	-	-
3	Vikram Popat Patil (Master)	Member	September 22, 2023	-	-
4	Kishorbhai Babubhai Mayani	Member	September 22, 2023	-	-
5	Divya Kallubhai Rathod (Advocate)	Member	September 22, 2023	-	-
6	Ashokbhai Dhaneshbhai Randeria	Member	September 22, 2023	-	-
7	Jyotiben Hemantbhai Patel	Member	September 22, 2023	-	-
8	Ashokbhai Karshanbhai Dhami (K.K.)	Member	September 22, 2023	-	-
9	Shobhnaben Kiritbhai Kevadiya	Member	September 22, 2023	-	-

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

[#]Nagarbhai Ambarambhai Patel and Ushaben Rajendra Patel have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

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 Gujarat Provincial Municipal Corporation Act-1949 has constituted the 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. The Social, Welfare, Entertainment and Cultural Committee consists of 9 members. As per the GPMC Act, the term of the members of the Social, Welfare, Entertainment and Cultural Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Social Welfare, Entertainment and Cultural ommittee are as follows:

- a. the organization, maintenance or management of nstitutions within or without the City for the care of persons who are infirm, sick or incurable, or for the care and training of blind, deaf, mute or otherwise disabled persons or of handicapped children.
- b. The provision of shelter to destitute or homeless persons and any form of poor relief.
- c. the maintenance of all public monuments and open places and other property vesting in the Corporation.
- d. the provision of music for the people;
- e. the holding of exhibitions, athletics or games
- f. the establishment and maintenance or the aiding of libraries, museums and art galleries, botanical or zoological collections and the purchase of construction of buildings therefore.
- g. Any measure not hereinbefore specifically named, likely to promote public safety, health, convenience or instruction.
- h. To prepare new lay-out for garden, museums etc. when required for artistic purpose for existing gardens.
- i. To prepare lay-outs for new gardens, museums etc.
- j. Powers to maintain historical record or natural magnificence under Ancient Monument Preservation Act, 1904.
- k. The naming or numbering of streets and of public places vesting 1n the Corporation and the numbering of premises.
- l. the preparation or presentation of addresses to person of distinction.
- m. Powers to approve estimate upto ₹ 5,00,000/- for any item/ commodities relating to area of operation of Water Committee as provided in budget.
- n. Powers to grant approval to execute agreement to amounting ₹ 5,00,000/- pursuant to work assigned to Committee.

Presently, the Social Welfare, Entertainment and Cultural Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Sonal Sanjaybhai Desai	Chairman [#]	September 22, 2023	-	-
2	Ruta Ashokbhai Kheni	Vice Chairman [#]	September 22, 2023	-	-
3	Vaishaliben Rajendrabhai Patil	Member	September 22, 2023	-	-
4	Rina Ajitsingh Rajput	Member	September 22, 2023	-	-
5	Hemlata Bhupendra Ravatka	Member	September 22, 2023	-	-
6	Manisha Mukeshkumar Mahatma	Member	September 22, 2023	-	-
7	Amitaben Bharatbhai Patel	Member	September 22, 2023	-	-
8	Jyotikaben Vinodbhai Lathiya	Member	September 22, 2023	-	-
9	Dipti Shaileshbhai Sakariya	Member	September 22, 2023	-	-

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

[#]Sonal Sanjaybhai Desai and Ruta Ashokbhai Kheni have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

Drainage Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Drainage Committee. 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. The Drainage Committee consists of 9 members. As per the GPMC Act, the term of the members of the Drainage Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Drainage Committee are as follows:

- Maintain and keep in repair all municipal drains and construct such new drains as shall from time to time be necessary for effectually draining the City.
- Private drainage and disposal of water to be vested with the Corporation
- The collection, removal, treatment and disposal of sewage, offensive matter and rubbish and, if so required by the State Government, the preparation of compost manure from such sewage, offensive matter and rubbish and solid waste management.
- establishing and maintaining a farm or factory for the disposal of sewage.
- Work of disposal of sewage of private drainage to be vested with Corporation.
- Carriers, roads, tanks and all other works relating to disposal of sewage from drainage.

- g. To acquire land to develop carrier for disposal of Carriers of drainage. To lease the land for more than 01 year for disposal of sewage from drainage from Carrier (Prakshetra).
- h. To sale the sewage water to private person in case of valuing yearly more than ₹ 500 / - in accordance with terms and conditions of corporation
- i. Powers to approve estimate upto ₹ 5,00,000/- for any item/ commodities relating to construct new drainage for better disposal of water as provided in budget. 10. Powers to approve estimate upto ₹ 5,00,000/- for any item/ commodities relating to area of operation of Drainage Committee as provided in budget.
- j. Empowerment to execute agreements up to ₹ 5,00,000/- with regard to work assigned to committee.

Presently, the Drainage Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Keyur Hemantbhai Chapatwala	Chairman [#]	September 22, 2023	-	-
2	Sudha Rajeshbhai Pandey	Vice Chairman [#]	September 22, 2023	-	-
3	Lataben Vijaybhai Rana	Member	September 22, 2023	-	-
4	Gauriben Maganbhai Sapariya	Member	September 22, 2023	-	-
5	Purnimaben Harishbhai Davle	Member	September 22, 2023	-	-
6	Sanjaybhai Bansilal Dalal	Member	September 22, 2023	-	-
7	Dipantbhai Hitendrabhai Desai	Member	September 22, 2023	-	-
8	Nirali Sanjaykumar Patel	Member	September 22, 2023	-	-
9	Kundanben Hareshbhai Kothiya	Member	September 22, 2023	-	-

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

[#]Keyur Hemantbhai Chapatwala and Sudha Rajeshbhai Pandey have been appointed as Chairman and Vice Chairman with effect from September 26, 2023

Law Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Law Committee. 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 policies for the administrative, managerial, legal aspect of the Surat Municipal corporation with the approval of General Board of Surat Municipal Corporation. The Law Committee consists of 9 members. As per the GPMC Act, the term of the members of the Law Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the Law Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Nareshkumar Manilal Rana	Chairman [#]	September 22, 2023	-	-
2	Bhavanaben Chimanbhai Solanki	Vice Chairman [#]	September 22, 2023	-	-
3	Darshiniben Pravinbhai Kothiya	Member	September 22, 2023	-	-
4	Rajeshkumar Natvarbhai Rana	Member	September 22, 2023	-	-

Sr. No	Name	Designation	Date of Appointment/Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
5	Bhushanbhai Murlidharbhai Patil	Member	September 22, 2023	-	-
6	Kantaben Prakashbhai Vakodikar	Member	September 22, 2023	-	-
7	Vinodbhai Mohanbhai Patel	Member	September 22, 2023	-	-
8	Jitendrabhai Panchabhai Kacchadiya	Member	September 22, 2023	-	-
9	Vipulbhai Vashrambhai Suhagiya	Member	September 22, 2023	-	-

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

[#]Nareshkumar Manilal Rana and Bhavanaben Chimanbhai Solanki have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

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 Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Hospital, Medical Aid and Hygiene Committee. The Hospital, Medical Aid and Hygiene Committee is constituted for the purpose of sanctioning of work and agreements regarding public health, hospitals, health centers, etc. It is also empowered to take decisions regarding policies for health-related purposes with the approval of General Board of Surat Municipal Corporation. The Hospital, Medical Aid and Hygiene Committee consists of 9 members. As per the GPMC Act, the term of the members of the Hospital, Medical Aid and Hygiene Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Hospital, Medical Aid and Hygiene Committee are as follows:

- the construction or acquisition and maintenance of public hospitals and dispensaries including hospitals for the isolation and treatment of persons suffering or suspected to be infected with a contagious or infectious disease and carrying out other measures necessary for public medical relief.
- Empowerment For an arrangement of anti-rabic treatment.
- Empowerment for an arrangement of pauper lunatics and lepers.
- the organization, maintenance or management of maternity and infant welfare houses or centers
- the provision of milk to expectant or nursing mothers or infants or school children.
- the maintenance of an ambulance service.
- the construction or maintenance of infirmaries or hospitals for animals.
- Any measure not herein before specifically named, likely to promote public safety, health, convenience or instruction.
- Powers to approve estimate upto ₹ 5,00,000 /- for any item/ commodities relating to area of operation of Hospitals, Medical relief & Health Committee as provided in budget.
- Empowerment to execute agreement up to ₹ 5,00,000/- with regard to work assigned to committee.

Presently, the Hospital, Medical Aid and Hygiene Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Smt. Manisha Ahir	Chairman [#]	September 22, 2023	-	-
2	Kailashben Jiteshbhai Solanki	Vice Chairman [#]	September 22, 2023	-	-
3	Artiben Henish Patel	Member	September 22, 2023	-	-
4	Rajendrabhai Govanbhai Patel	Member	September 22, 2023	-	-
5	Rashmi Girdharlal Saboo	Member	September 22, 2023	-	-
6	Rina Ajitsingh Rajput	Member	September 22, 2023	-	-
7	Heenaben Sureshbhai Kansagara	Member	September 22, 2023	-	-
8	Alpesh Ashokbhai Patel	Member	September 22, 2023	-	-
9	Rachna Ankurbhai Hirpara	Member	September 22, 2023	-	-

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

[#]Manisha Ahir and Kailashben Jiteshbhai Solanki have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

Housing and Garden Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Housing and Garden Committee. 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. It is 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. The Housing and Garden Committee consists of 9 members. As per the GPMC Act, the term of the members of the Housing and Garden Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Housing and Garden Committee are as follows:

- urban Forestry, protection of the environment and promotion of ecological aspects.
- the provision of public parks, gardens, play-grounds and recreation grounds.
- the building or purchase and maintenance of dwellings for municipal officers and servants.
- Any measure not herein before specifically named, likely to promote public safety, health, convenience or instruction.
- Powers to approve estimate upto ₹ 5,00,000 /- for any item/ commodities relating to area of operation of Housing & Garden Committee as provided in budget.
- Empowerment to execute agreement up to ₹ 5,00,000/- with regard to work assigned to committee.

Presently, the Hospital, Medical Aid and Hygiene Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Geetaben Jitendrabhai Solanki	Chairman [#]	September 22, 2023	-	-
2	Rajeshriben Satishbhai Maisuriya	Vice Chairman [#]	September 22, 2023	-	-
3	Survamaben Dipakbhai Jadav	Member	September 22, 2023	-	-
4	Hasmukhbhai Shankarbhai Nayka	Member	September 22, 2023	-	-

Sr. No	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
5	Vrajesh Bharatbhai Unadkat	Member	September 22, 2023	-	-
6	Piyushaben Bharatbhai Patel	Member	September 22, 2023	-	-
7	Vaishali Devang Shah	Member	September 22, 2023	-	-
8	Kirankumar Bhagvanbhai Khokhani (Ramato Jogi)	Member	September 22, 2023	-	-
9	Monali Arvindbhai Hirpara	Member	September 22, 2023	-	-

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

[#]Geetaben Jitendrabhai Solanki and Rajeshriben Satishbhai Maisuriya have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

Light and Fire (Extinguishing) Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Light and Fire (Extinguishing) Committee. 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. The Light and Fire (Extinguishing) Committee consists of 9 members. As per the GPMC Act, the term of the members of the Light and Fire (Extinguishing) Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Light and Fire (Extinguishing) Committee are as follows:

- the purchase of any undertaking for the supply of electric energy or gas or the starting or subsidizing of any such undertaking which may be in the general interests of the public.
- the lighting of public streets, municipal markets and public buildings vested in the Corporation.
- the entertainment of a fire-brigade equipped with suitable appliances for the extinction of fires and the protection of life and property against fire
- Powers to approve estimate upto ₹ 5,00,000/- for any item/ commodities relating to area of operation of Light and Fire Committee and any item as mentioned above as provided in budget.

Presently, the Light and Fire (Extinguishing) Committee consists of the following members:

Sr. No.	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Chiragkumar Harishchandra Solanki	Chairman [#]	September 22, 2023	-	-
2	Narendrabhai Nandlal Pandav	Vice Chairman [#]	September 22, 2023	-	-
3	Rajeshkumar Natvarbhai Rana	Member	September 22, 2023	-	-
4	Jayshriben Rajenbhai Variya	Member	September 22, 2023	-	-
5	Rupaben Bhargavbhai Pandya	Member	September 22, 2023	-	-

Sr. No.	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
6	Urmila Shailendra Tripathi	Member	September 22, 2023	-	-
7	Advocate Swatiben Pragneshbhai Kyada	Member	September 22, 2023	-	-
8	Manishaben Jagdishbhai Kukadiya	Member	September 22, 2023	-	-
9	Ramilaben Yogeshbhai Patel	Member	June 26, 2024*	-	-

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

[#]Chiragkumar Harishchandra Solanki and Narendrabhai Nandlal Pandav have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

*Smt. Ramilaben Yogeshbhai Patel was appointed by way of resolution in place of Late Shri. Gemarbhair Hirabhai Desai

Slum Improvement Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Slum Improvement Committee. 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. The Slum Improvement Committee consists of 9 members. As per the GPMC Act, the term of the members of the Slum Improvement Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Powers and duties of the Slum Improvement Committee are as follows:

- the construction, maintenance and cleansing of drains and drainage works, and of public latrines, water- closets, urinals and similar conveniences.
- swimming pools, public wash houses, bathing places and other institutions designed for the improvement of public health.
- the reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances.
- the building or purchase and maintenance of suitable dwellings for the poor and working classes, or the grant of loans or other facilities to any person, society or institution interested in the provision of such dwellings.
- To decide area to provide accommodation to poorer classes & to assign powers to the Commissioner to provide similar facilities to poorer class as mentioned in sec.284(1) (a), (b) and (c).
- contributions towards any public fund raised for the relief of human suffering within the City or for the public welfare.
- To decide area to provide accommodation to poorer classes & to assign powers to the Commissioner to provide similar facilities to poorer class as mentioned in sec.284(1) (a), (b) and (c)
- Powers to approve estimate upto ₹ 5,00,000/- for any item/ commodities relating to area of operation of "Slum Improvement Committee" as provided in budget.
- Empowerment to execute agreements up to ₹ 5,00,000 /- with regard to work assigned to committee.

Presently, the Slum Improvement Committee consists of the following members:

Sr. No.	Name	Designation	Date of Appointment/ Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
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1	Vijaykumar Prahladrai Choumal	Chairman [#]	September 22, 2023	-	-
2	Banshu Juguru Yadav	Vice Chairman [#]	September 22, 2023	-	-
3	Varshaben Mathurbhai Baldaniya	Member	September 22, 2023	-	-
4	Rajkanwar Manoharsingh Rathod	Member	September 22, 2023	-	-
5	Chimanbhai Popatbhai Patel	Member	September 22, 2023	-	-
6	Ashokbhai Dhaneshbhai Randeria	Member	September 22, 2023	-	-
7	Madhuben Manubhai Kheni	Member	September 22, 2023	-	-
8	Dharmendra Chhaganbhai Vavliya	Member	September 22, 2023	-	-
9	Maheshbhai Keshavbhai Anghan	Member	September 22, 2023	-	-

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

[#]Vijaykumar Prahladrai Choumal and Banshu Juguru Yadav have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

Public Transport Mobility Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Public Transport Mobility Committee. 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. It is 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. The Public Transport Mobility Committee consists of 9 members. As per the GPMC Act, the term of the members of the Public Transport Mobility Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the Public Transport Mobility Committee consists of the following members:

Sr. No.	Name	Designation	Date of Appointment / Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Somnathbhai Raghunathbhai Marathe	Chairman [#]	September 22, 2023	-	-
2	Nileshbhai Sureshbhai Patel (Pal)	Vice Chairman [#]	September 22, 2023	-	-
3	Urvashi Nirav Patel	Member	September 22, 2023	-	-
4	Rajkavar Manoharsingh Rathod	Member	September 22, 2023	-	-

5	Lataben Vijaybhai Rana	Member	September 22, 2023	-	-
6	Sharadbhai Namdev Patil	Member	September 22, 2023	-	-
7	Balvantbhai Ratilal Patel	Member	September 22, 2023	-	-
8	Vipulbhai Dhirubhai Movaliy	Member	September 22, 2023	-	-
9	Shobhnaben Kiritbhai Kevadiya	Member	September 22, 2023	-	-

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

[#] Somnathbhai Raghunathbhai Marathe and Nileshbhai Sureshbhai Patel (Pal) have been appointed as Chairman and Vice Chairman respectively with effect from September 26, 2023

Khadi Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Khadi Committee. The Khadi Committee is constituted for the purpose of appointing and selection procedure Municipal Officers whose pay scales is ₹15,600/- to ₹39,100/- as per Sixth Pay Commission in respect to the provisions of Section 53(1) of the Gujarat Provincial Municipal Act, 1949. The Khadi Committee consists of 6 members. As per the GPMC Act, the term of the members of the Khadi Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the Khadi Committee consists of the following members:

Sr. No.	Name	Designation	Date of Appointment / Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Daxeshbhai Kishorbhai Mavani	Mayor	September 22, 2023	-	-
2	Naresh Shantaram Patil - (Dr. Narendra Patil)	Deputy Mayor	September 22, 2023	-	-
3	Rajan Bakulchandra Patel (Standing Committee Chairman)	Chairman	September 22, 2023	-	-
4	Shashiben Dharmatmabhai Tripathi (Leader-Ruling Party)	Member	September 22, 2023	-	-
5	Payal Kishorbhai Sakariya (Leader-Opposition Party)	Member	September 22, 2023	-	-
6	Dipantbhai Hitendrabhai Desai	Member	September 22, 2023	-	-

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

Mayor Fund Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Mayor Fund Committee. The Mayor's Fund Committee in the Surat Municipal Corporation (SMC) is a special committee responsible for overseeing the allocation and management of funds donated by the Mayor. The committee's role is to ensure the responsible use of these funds for various civic purposes, particularly for those related to the welfare of the city's residents. The Mayor Fund Committee consists of 7 members. As per the GPMC Act, the term of the members of the Mayor Fund Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the Mayor Fund Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Daxeshbhai Kishorbhai Mavani (Mayor)	Chairman	September 22, 2023	-	-
2	Naresh Shantaram Patil - (Dr.Narendra Patil) (Deputy Mayor)	Deputy Chairman	September 22, 2023	-	-
3	Rajan Bakulchandra Patel (Chairperson, Standing Committee)	Member	September 22, 2023	-	-
4	Kishorbhai Babubhai Mayani	Member	September 22, 2023	-	-
5	Dharmeshbhai Jayantibhai Bhanderi	Member	September 22, 2023	-	-
6	Shalini Agarwal (Municipal Commissioner)	Ex Officio Member	September 22, 2023	-	-
7	Dinesh Purohit (Raj Purohit)	Member	June 26, 2024*	-	-

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

*Shri Dinesh Purohit has been appointed by way of resolution in place of Late Shri. Gemarbhai Hirabhai Desai

S.M.C Seminars Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the S.M.C Seminars Committee. S.M.C Seminars Committee is constituted for the purpose of planning seminars regarding cultural, novels, literature, historical seminars and workshops for the promotion of social activities of Surat city. The S.M.C Seminars Committee consists of 9 members. As per the GPMC Act, the term of the members of the S.M.C Seminars Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the S.M.C Seminars Committee includes the following members:

Sr. No.	Name	Designation	Date of Appointment/Resignation [^]	Member of the Committee since (in case of resignation)	Remarks
1	Daxeshbhai Kishorbhai Mavani (Mayor)	Chairman	September 22, 2023	-	-
2	Naresh Shantaram Patil - (Dr.Narendra Patil) (Deputy Mayor)	Member	September 22, 2023	-	-
3	Rajan Bakulchandra Patel (Standing Committee Chairman)	Member	September 22, 2023	-	-
4	Survarnaben Dipakbhai Jadav	Member	September 22, 2023	-	-
5	Rupaben Bhargavbhai Pandya	Member	September 22, 2023	-	-

Sr. No.	Name	Designation	Date of Appointment/ Resignation ^	Member of the Committee since (in case of resignation)	Remarks
6	Swatiben Pragneshbhai Kyada	Member	September 22, 2023	-	-
7	Rajeshbhai Raghavbhai Moradiya	Member	September 22, 2023	-	-
8	Kapildev Shukla	Member	September 22, 2023	-	-
9	Dr. Nanubhai Harkhani	Member	September 22, 2023	-	-

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

Maskati Charitable Hospital Advisory Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Maskati Charitable Hospital Advisory Committee. 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. The Maskati Charitable Hospital Advisory Committee consists of eleven members. As per the GPMC Act, the term of the members of the Maskati Charitable Hospital Advisory Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the Maskati Charitable Hospital Advisory Committee consists of the following members:

Sr. No	Name	Designation	Date of Appointment/ Resignation ^	Member of the Committee since (in case of resignation)	Remarks
1.	Balvantbhai Ratilal Patel	Chairman	September 22, 2023	-	-
2.	Varshaben Mathurbhai Baldaniya	Member	September 22, 2023	-	-
3.	Jyotikaben Vinodbhai Lathiya	Member	September 22, 2023	-	-
4.	Dharmesh Bhalala	Member	September 22, 2023	-	-
5.	Rina Ajitsingh Rajput	Member	September 22, 2023	-	-
6.	Kishorbhai Dharamshibhai Rupareliya	Member	September 22, 2023	-	-
7.	Manisha Ahir	Member	September 22, 2023	-	-
8.	Jamil Merchant	Representatives of Maskati Charitable Properties Trust	September 22, 2023	-	-
9.	Altafbhai Ibrahimbhai Zaveri	Representatives of Maskati Charitable Properties Trust	September 22, 2023	-	-
10.	Taherbhai Kanthawala	Representatives of Maskati Charitable	September 22, 2023	-	-

		Properties Trust			
11.	Saminaben Mogal	Representatives of Maskati Charitable Properties Trust	September 22, 2023	-	-

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

Unknown Soldiers Monument Fund Committee

The General Board of the Surat Municipal Corporation, in accordance with the provisions of Section 30(1) of the Gujarat Provincial Municipal Corporation Act, 1949 has constituted the Unknown Soldiers Monument Fund Committee. 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. The Unknown Soldiers Monument Fund Committee consists of ten members. As per the GPMC Act, the term of the members of the Unknown Soldiers Monument Fund Committee shall be two and a half years or the remaining tenure of the Corporation, whichever is earlier.

Presently, the Unknown Soldiers Monument Fund Committee consists of the following members:

Sr. No.	Name	Designation	Date of Appointment/ Resignation ^	Member of the Committee since (in case of resignation)	Remarks
1	Sonal Sanjaybhai Desai	Member	September 22, 2023	-	-
2	Ajitbhai Ishvarbhai Patel	Member	September 22, 2023	-	-
3	Kanubhai Nagjibhai Gediya	Member	September 22, 2023	-	-
4	Jayshriben Rajenbhai Variya	Member	September 22, 2023	-	-
5	Artiben Henish Patel	Member	September 22, 2023	-	-
6	Dharmendra Chhaganbhai Vavliya	Member	September 22, 2023	-	-
7	Vipulbhai Vashrambhai Suhagiya	Member	September 22, 2023	-	-
8	Shailesh Goti	Member	September 22, 2023	-	-
9	Harilal Thakorabhai Sailor	Member	September 22, 2023	-	-
10	Mukeshbhai Harilal Master	Member	September 22, 2023	-	-

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

Bond Issue Committee

The Standing Committee of the Issuer vide its resolution dated January 18, 2024 and the General Board of the Issuer vide its resolution dated February 20, 2024 have authorized the Municipal Commissioner to take any decisions in relation to the Issue. Pursuant to these approvals, the Municipal Commissioner vide her letter dated June 10, 2024 had constituted the Bond Issue Committee. The Bond Issue Committee is authorized to take all necessary actions and decisions related to the issuance of Green Bonds, including appointing intermediaries, approving terms, structuring mechanisms, executing documents, and ensuring compliance with regulatory requirements. It is also empowered to manage all operational, financial, and legal aspects of the issue, from project selection to allotment and listing.

Presently, the Bond Issue Committee, confirmed by the Municipal Commissioner vide her letter dated May 9, 2025, consists of the following members:

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

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

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

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

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

Not Applicable, as the Issuer is a Municipal Corporation.

For the details of the Director Identification Numbers of members of the Bond Issue Committee, please refer to the table under “*Bond Issue Committee*” in this Section.

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

Swati Pareshkumar Desai

Deputy Municipal Commissioner

Address: Surat Municipal Corporation,

Surat Mahanagar Seva Sadan,

Gordhandas Chokhawala Marg,

Muglisara, Surat, Gujarat, India

Tel: +91-261-2423750/51/52/53/54/55/56 (Ext. No. 243)

E-mail: smcbond@suratmunicipal.org

The responsibility of Swati Pareshkumar Desai as the Compliance Officer and in-charge of investor grievances shall be till she has her designation as Deputy Municipal Commissioner in Surat Municipal Corporation and in case of her transfer/retirement/recuse, SMC shall immediately handover the responsibility of Compliance Officer and Officer in-charge of dealing with investor grievances to any other official of the same cadre holding her post.

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

Accounts Officer:

Bipinchandra Babubhai Modi

I/c Chief Accountant

Address: Surat Municipal Corporation,
Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat, Gujarat, India

Tel: +91-261-2423750/51/52/53/54/55/56, (Ext. No. 243)

E-mail: smcbond@suratmunicipal.org

I. Arranger

Not applicable

J. Debenture Trustee of the Issue

SBICAP Trustee Company Limited

Address: 04th Floor, Mistry Bhavan,
122 Dinshaw Vachha Road,
Churchgate, Mumbai-400020, Maharashtra, India

Tel: 022 4302 5566

Fax: NA

Contact Person: Ardhendu Mukhopadhyay

Compliance Officer: Sandeep Poddar

E-mail: corporate@sbicaptrustee.com / dt@sbicaptrustee.com

Website: www.sbicaptrustee.com

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

SEBI Registration No.: IND000000536

CIN: U65991MH2005PLC158386

K. Registrar to the Issue:

KFin Technologies Limited

Address: Selenium Tower-B, Plot 31 & 32 Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana

Tel: +91-40-67162222 /18003094001

Facsimile: +91 40 6716 1563

Website: www.kfintech.com

Contact Person: M. Murali Krishna

Email (Investor Grievance): einward.ris@kfintech.com

SEBI Registration No.: INR000000221

CIN: L72400TG2017PLC117649

L. Credit Rating Agencies for the Issue:

CRISIL Ratings Limited

Address: Lightbridge IT Park,
Saki Vihar Road, Andheri East,
Mumbai- 400072, Maharashtra, India

Tel: +91 22 6137 3000 (B)

E-mail: crisilratingdesk@crisil.com

Website: www.crisilratings.com

Contact Person: Aditya Jhaver
Compliance Officer: Srilaxmi Pai
Tel. (Compliance Officer): 91-22-6137 3000
Email (Compliance Officer): srilaxmi.pai@crsil.com
SEBI Registration No.: INCRA0011999
CIN: U67100MH2019PLC326247

India Ratings & Research Private Limited
Address: Wockhardt Towers, 4th Floor
 West Wing, Bandra Kurla Complex, Bandra (E)
 Mumbai-400 051, Maharashtra, India
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
E-mail: infogrp@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Suyash Gangwal
Compliance Officer: Arunima Basu
Tel. (Compliance Officer): 022 4035 6190
SEBI Registration No.: IN/CRA/002/1999
CIN: U67100MH1995FTC140049

M. Auditors of the Issuer:

Natvarlal Vepari and Co., Chartered Accountants
Address: First Floor, River Palace II
 Near Navdi Ovara, Nanpura
 Surat- 395 001, Gujarat, India
Contact Person: Hiren Ravindra Vepari
Tel: 0261 2463636
E-mail: info@vepari.com
Website: www.vepari.com
Firm Registration Number: 123626W
Membership Number: 102680

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

Intermediary	Particulars
Lead Manager	A. K. Capital Services Limited Address: Unit no. 603, 6 th Floor, Windsor, Off CST Road, Kalina, Santacruz – East, Mumbai – 400 098 Maharashtra, India Tel: 022 6754 6500 Fax: 022 6610 0594 E-mail: smcmunibonds@akgroup.co.in Investor grievance E-mail: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Aanchal Wagle / Chaitali Chopdekar Compliance Officer: Tejas Davda Tel (Compliance Officer): 022-67546546 Email (Compliance Officer): tejas.davda@akgroup.co.in SEBI Registration No.: INM000010411 CIN: L74899MH1993PLC274881

Intermediary	Particulars
Registrar to the Issue	KFin Technologies Limited Address: Selenium Tower B, Plot – 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India Tel: +91 40 6716 2222/18003094001 Fax: +91 40 6716 1563 Website: www.kfintech.com Contact Person: M. Murali Krishna Email (Investor Grievance): einward.ris@kfintech.com SEBI Registration No.: INR000000221 CIN: L72400TG2017PLC117649
Public Issue Account, Sponsor Bank and Refund Account Bank	Kotak Mahindra Bank Limited Address: Intellion Square, 501, 5 th Floor, A wing Infinity IT Park, Gen A.K Vaidya Marg, Malad- East, Mumbai 400097, Maharashtra, India Contact Person: Siddhesh Shirodkar Tel: 022-69410636 E-mail ID: cmsipo@kotak.com Website: www.kotak.com SEBI Registration Number: INB100000927 CIN: L65110MH1985PLC038137
Escrow Bank	ICICI Bank Limited Address: Capital Market Division, 5 th Floor, HT Parekh Marg, Churchgate, Mumbai- 400 020, Maharashtra, India Tel: 022-68052182 Email: ipocmg@icicibank.com Website: www.icicibank.com Contact Person: Mr. Varun Badai SEBI Registration Number: INB1000000004 CIN: L65190GJ1994PLC021012
Consortium Member(s)/ Syndicate Member(s)	As specified in the Offer Document
Third Party Agency for Green Certification	Climate Bonds Initiative Address: First Floor, 10 Queen Street Place, London EC4R 1BE, United Kingdom Tel: +44 (0) 2045824124 Email: certification@climatebonds.net Investor grievance email: certification@climatebonds.net Website: www.climatebonds.net Contact Person: Marina Strovolidou
Independent Third Party Reviewer	KPMG Assurance and Consulting Services LLP Address: Building No. 10, 4th Floor, Tower – C, DLF Cyber City, Phase – II, Gurugram Tel: 91-124 336 9000 Email: apurbamitra@kpmg.com Website: https://kpmg.com/in/en.html Contact Person: Apurba Mitra CIN: AAT- 0367
Independent Advisor for Green Bonds	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) India Address: B-5/2, Safdargunj Enclave Tel: +91 11 4949 5353 Email: manjunath.sekhar@giz.de Contact Person: Majunath Sekhar

Intermediary	Particulars
URL of SEBI Website listing out details of Recognised Intermediaries	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

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

Intermediaries	Particulars
Company Secretary to the Issuer	Not Applicable
Legal Advisor to the Issuer	JSA Advocates & Solicitors One Lodha Place, 27th Floor, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India Tel: +91 22 4341 8900 Fax: +91 22 4341 8917 Email: smcmunibonds@jsalaw.com Website: www.jsalaw.com Contact Person: Anish Mashruwala
Underwriter to the Issuer	The Issue will not be underwritten.
Bankers to the Issuer*	Not Applicable

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

P. Debenture Trustee to the Issue

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, SMC has appointed SBICAP Trustee Company Limited to act as Debenture Trustee (“**Debenture Trustee**”) for and on behalf of the holder(s) of the Green Bonds.

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

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

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

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

The Debenture Trustee shall be vested with the requisite powers for protecting the interest of the Bond Holders(s). The Debenture Trustee shall monitor the separate escrow account maintained in respect of the earmarked revenue. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis.

Q. Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor's grievance within 21 days of its receipt in such manner as may be specified by the SEBI. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to smcbond@suratmunicipal.org. 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 Green Bonds in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given at point G of this Section at page 144 in this Draft Offer Document. The Corporation has already obtained registration with the SCORES platform of SEBI (SCORES ID: COMZ00551) for the convenience of the investors for filing of any complaint.

R. Minimum subscription

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

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

S. Recovery Expense Fund

SMC will create a recovery expense fund in the manner as specified by the SEBI Master Circular for Debenture Trustees and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by SMC under the terms of the Debenture Trust Deed and the applicable laws, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Corporation in terms of the NCDs proposed to be issued shall be reckoned at each respective ISIN assigned to the respective STRPP issued.

T. Settlement Guarantee Fund

SMC, if applicable will deposit amounts in the settlement guarantee fund in the manner as specified in the SEBI Master Circular. This fund will be created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

U. Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at

www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Applications submitted to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and, or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Consortium at Specified Locations, see the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) or any such other website as may be prescribed by SEBI from time to time.

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

Registered Brokers / Designated RTAs Locations / Designated CDPs Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the RTA Master Circular and the SEBI Master Circular, Applicants can submit ASBA Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

CRTAs / CDPs

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for RTAs and CDPs, as updated from time to time. For further details, see “*Issue Procedure*” on page 154.

V. Utilisation of Net Proceeds

For details on utilisation of Net Proceeds, see “*Objects of the Issue*” on page 72.

W. Issue Programme

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]
PAY IN DATE	Application Date. The entire Application Amount is payable on Application

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

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Corporation, nor the Lead Manager, nor any Trading Member of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

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

A. About the Issuer

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

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

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

(a) Constitution of the Issuer

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

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

(b) About Surat

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

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

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

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

(c) Composition of the Issuer

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

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

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

(d) Elected representatives in SMC

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

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

(e) Administrative Cadre in SMC

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

(f) Roles and Responsibilities of the Issuer

Brief summary of the business/ Activities of the Issuer

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

1. erection of substantial boundary marks of such description and in such position as shall be approved by the State Government defining the limits or any alteration in the limits of the city;
2. the watering, scavenging and cleansing of all public streets and places in the city and the removal of all sweeping therefrom;
3. the collection, removal, treatment and disposal of sewage, offensive matter and rubbish and, if so required by the State Government, the preparation of compost manure from such sewage, offensive matter and rubbish and solid waste management;
4. the construction, maintenance and cleansing of drains and drainage works, and of public latrines, water-closets, urinals and similar conveniences;
5. the entertainment of a fire-brigade equipped with suitable appliances for the extinction of fires and the protection of life and property against fire;
6. the construction or acquisition and maintenance of public hospitals and dispensaries including hospitals for the isolation and treatment of persons suffering or suspected to be infected with a contagious or infectious disease and carrying out other measures necessary for public medical relief;
7. the lighting of public streets, municipal markets and public buildings vested in the Corporation;
8. the maintenance of a municipal office and of all public monuments and open spaces and other property vesting in the Corporation;
9. the naming or numbering of streets and of public places vesting in the Corporation and the numbering of premises;
10. the regulation and abatement of offensive and dangerous trades or practices;
11. the maintenance, change and regulation of places for the disposal of the dead and the provision of new places for the said purpose and disposing of unclaimed dead bodies;
12. the construction or acquisition and maintenance of public markets and slaughter houses and tinneries and the regulation of all markets and slaughter houses and tinneries;
13. the construction or acquisition and maintenance of cattle-pounds and prevention of cruelty to animal;
14. public vaccination in accordance with the provisions of the Bombay District Vaccination Act, 1892;
15. maintaining, aiding and suitably accommodating schools for primary education;
16. the reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;
17. the registration of births and deaths;

18. the construction, maintenance, alteration and improvement of public streets, bridges, sub-ways, culverts, cause-ways and the like;
19. the removal of obstructions and projections in or upon streets, bridges and other public places;
20. the management and maintenance of all municipal water works and the construction or acquisition of new works necessary for a sufficient supply of water for public and private purposes;
21. preventing and checking the spread of dangerous diseases;
22. the securing or removal of dangerous buildings and places;
23. the construction and maintenance of residential quarters for the municipal conservancy staff;
 - 23A. The preparation of plans for economic development and social justice;
 - 23B. The performance of functions and the implementation of schemes that may be entrusted by the State Government.
24. fulfilment of any obligation imposed by or under this Act or any other law for the time being in force; and
25. Subject to adequate provision being made for the matters specified above, the provision of relief to destitute persons in the City in times of famine and scarcity and the establishment and maintenance of relief works in such times.

The Surat Municipal Corporation mainly comprises of the following departments:

SMC Departments – Functions	
Name of Department	Functions of the Department
Engineering	<ul style="list-style-type: none"> • Construction and maintenance of bridges within the limits of SMC • Installation, operation and maintenance of all streetlights on the roads within the limits of SMC. • Installation and maintenance of traffic signals at road junctions • Developing and implementing technical norms/procedures/reforms for the works related to the Corporation • To conduct an in-house energy audit • Long-term planning, design & implementation and monitoring of various water supply schemes according to the master plan.
Health	<ul style="list-style-type: none"> • To improve the system of primary collection of waste. • Health preventive • Health curative • Health promotive
Support	<ul style="list-style-type: none"> • Development of computerized systems for the information systems of the departments. • Organising training for the employees and officers on subjects related to information technology and computerisation. • Archiving the data and information of various computerised processes to reproduce it and provide it to the end user on their demand.
Air Quality Management	<ul style="list-style-type: none"> • To improve and expand the country's ambient air quality monitoring network in order to provide a comprehensive and trustworthy database. • To have an effective data distribution and public outreach system in place for timely actions to prevent and mitigate air pollution, as well as to include the public in the design and execution of government air pollution programmes and policies. • To have feasible management plans for prevention, control and abatement of air pollution.
Revenue	<ul style="list-style-type: none"> • Collection of property tax, • Collection of professional tax, • Collection of octroi • Collection of other taxes

SMC Departments – Functions	
Name of Department	Functions of the Department
Social Welfare	<ul style="list-style-type: none"> • Slum upgradation • Slum rehabilitation
Secretary	<ul style="list-style-type: none"> • The aim of the secretary branch is to receive proposals from various departments through a proper channel like Municipal Commissioner, Auditor or any councilor of the body etc. • To prepare the agenda and proposals to be included in the agenda of the concerned Committees as per the received sequence of the last inward number. • Prepare resolutions for the meeting of all Committees, follow the agenda for their work discussions, and give the opinion/decision to pass the resolutions for work of the same. • The secretary branch should follow the sequence and carry forward the resolution number of the last committee meeting allotted to previous work agenda. The number starting in every succeeding year is carried forward from the last day of the previous year. • Dispatch the relevant file to the concerned authority with the resolution After the resolution procedure, the department should forward the relevant proposal file with resolution to the Municipal Commissioner, Auditor or the relevant channel from where it was received for approval.
Fire and Emergency Services	<ul style="list-style-type: none"> • Fire fighting • Rescue & relief work during flood, earthquake & other natural & man -made disasters • Site inspection for issuing fire NOC • To issue fire certificate • To provide ambulance and dead body van services to the public • Stand-by duty during religious festival and public programmes • Stand - by duty during visits of VIP and V VIP.
Culture	<ul style="list-style-type: none"> • Department of culture organizes various cultural programmes, which involves fundamental art forms of culture such as music, dance, drama etc. Through such activities the city's prominent-amateur, established-fresher artists and sportspersons get a platform and encouragement to showcase their skills and potential.
Watch & Ward	<ul style="list-style-type: none"> • Carrying out vigilance and providing safety and security day and night to all municipal officers, employees and properties. • To provide safety and security to all SMC employees • Providing safety and security in collaboration with the police department during VVIP visits and functions. • Standby duties during religious festivals and public programs. • Controlling crowds and creating a safe passage for emergency vehicles in case of fire and building collapse.

As of March 31, 2025, SMC has invested in the following entities:

- Surat Sitilink Limited, which is a Subsidiary of the Issuer is a special purpose vehicle, facilitating bus rapid transit system for public where the Corporation has a stake in 99.99% of the total paid up share capital.
- Diamond Research and Mercantile City Limited is a special purpose vehicle with an objective of creating infrastructure with facilities and enabling growth of diamond and other trades in Surat wherein the stake of Corporation is 20% of the total equity capital.

- (c) Surat Smart City Development Limited is a company incorporated to implement smart city projects for utilizing Surat city's potential in a smart way for enhancing quality of life for the citizens wherein the total stake of Corporation is ₹ 100 crores.
- (d) The Urban Ring Development Co. Ltd (URDCL) is a company incorporated for the development of transport infrastructure in the outer area of city, wherein the stake of the Corporation amounts to 50% of the total paid up capital.
- (e) Surat Integrated Transportation Development Corporation Limited is a special purpose vehicle for the redevelopment of Surat railway station as a multi modal transportation hub with modern passenger amenities, wherein stake of Corporation amounts to 3% of total paid up capital.
- (f) Tapi Riverfront Development Corporation Limited is a special purpose vehicle for the implementation of Tapi river front development project to transform Tapi into a major asset to improve the efficiency of its infrastructure and quality life in Surat, wherein stake of Corporation amounts to 50% of total paid up capital.

(g) Various Green Initiatives taken by SMC

SMC has undertaken a range of green initiatives aimed at enhancing sustainability as listed below:

- **Water conservation and management:** To strengthen water security in Surat, SMC has undertaken significant measures to promote the adoption of rainwater harvesting and water conservation practices. Furthermore, SMC has developed freshwater storage reservoirs that play a crucial role in mitigating soil erosion and preventing salinity ingress.
- **Wastewater treatment and reuse:** Through the initiatives of SMC, a considerable portion of treated wastewater is presently being utilized for a range of purposes. The supply of treated wastewater to industries conserves potable water for the residents of Surat. Furthermore, SMC has extended its efforts beyond its jurisdiction by establishing a sewage treatment facility to ensure the proper treatment of wastewater before its discharge into the Tapi river.
- **Solid waste management:** SMC has set up an integrated command and control center for efficient collection, transportation and management of solid waste. This initiative operates through door-to-door waste collection, followed by specialized scientific processing and treatment of the waste at the Khajod disposal landfill site.
- **Electricity mobility and sustainable transport:** SMC launched its EV Promotion Policy in 2021, offering tax exemptions, free parking, and rebates in environment improvement charge for electric vehicle users. SMC has developed robust electric vehicle infrastructure with multiple charging stations, e-bus depots, electric waste collection vehicles, and e-pink autos for women and differently abled passengers.
- **Green urban development and biodiversity:** SMC is developing the Wild Valley Biodiversity Park on 80 hectares of reclaimed land, featuring an urban forest with native trees and recreational amenities.

(h) Achievements

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

- Awarded 'All India Rank 1' in 'Swachh Survekshan 2023-Swachh City Award', for achieving Clean City within Gujarat by the MoHUA.
- Awarded first prize in the category of 'Best Urban Local Body' at the 5th National Water Awards 2023, organised by Ministry of Jal Shakti, Government of India.

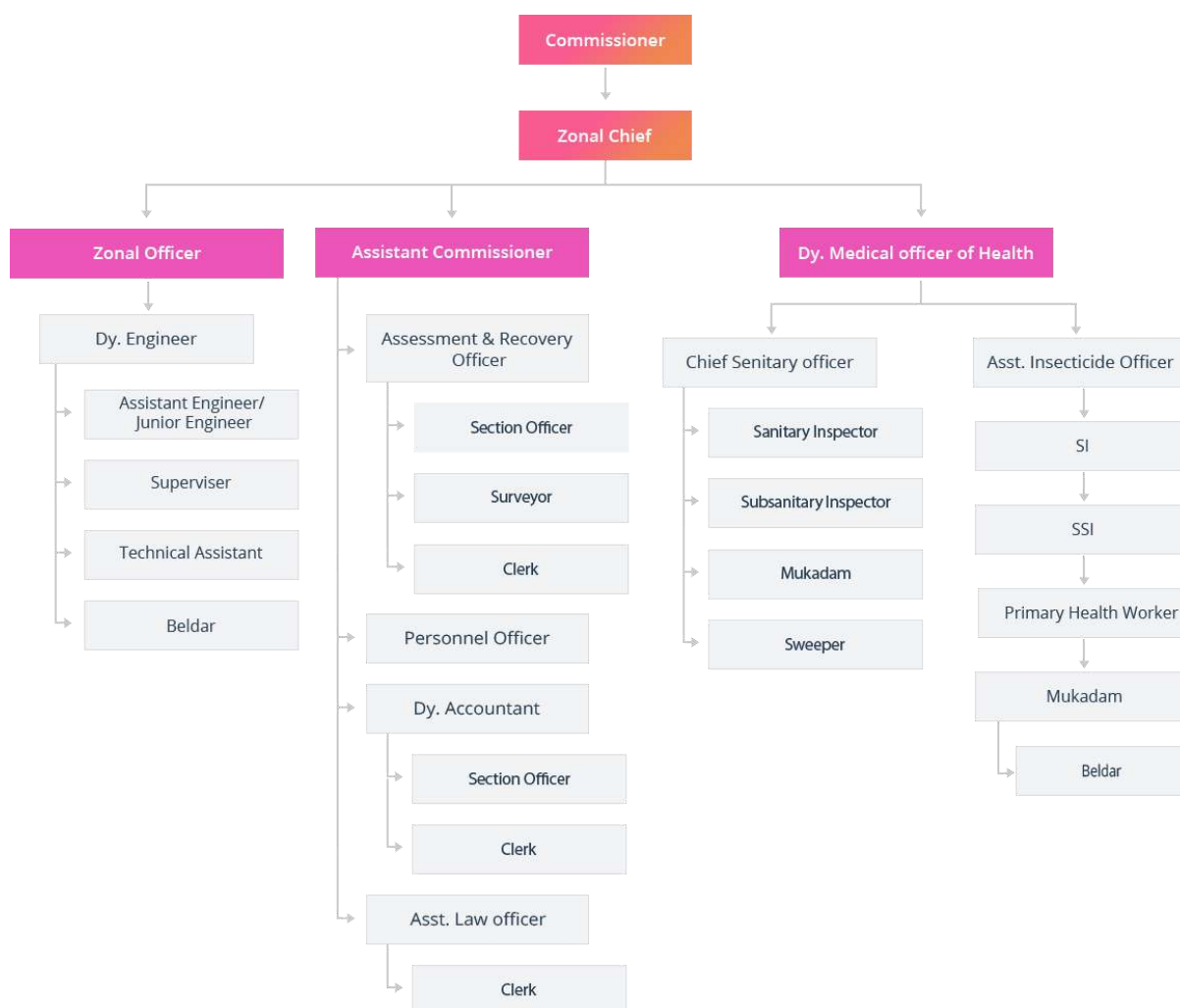
- First rank as ‘National Clean Air City (Category 1- Population Above 10 Lakh) in Swachh Vayu Sarvekshan 2024’ under National Clean Air Program (NCAP) by Ministry of Environment, Forest & Climate Change, Government of India.
- Award of Excellence by Ministry of Housing & Urban Affairs in the category of ‘City with the Best Intelligent Transport System (ITS)’ for the project ‘Application of Intelligent Transport System for value addition in Public Transport System’ on the occasion of 17th Urban Mobility India Conference & Expo 2024.
- Awarded ‘National Smart City Award- second prize’ by the MoHUA in 'India Smart Cities Awards 2022'.

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

The Issuer is a Municipal Corporation and as per GPMC Act, there is no share capital in any municipal corporation.

C. Details of the management structure of the Issuer.

The management structure of the Issuer is presented in the organisational chart below:



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

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

E. Resolution authorizing the borrowing and list of authorized signatories

Approval for the Issue	
1.	Resolution of the Standing Committee bearing No.143/2024 dated January 18, 2024, read with Resolution No. 1125/2024 dated July 18, 2024 approving the issuance of green debt securities, projects and authorizing the Municipal Commissioner to take any decision.
2.	Resolution of the General Board No. 50/2024 dated February 20, 2024 read with Resolution No. 202/2024 dated July 31, 2024 approving the issuance of green debt securities, projects and authorizing the Municipal Commissioner to take any decision.
3.	Order of the Urban Development and Urban Housing Department, Government of Gujarat No. UDUHD/1238/02/2025 dated March 4, 2025, gave its approval to issue taxable green municipal bonds. .
4.	Letter of the Commissioner dated June 10, 2024 approving the formation of the Bond Issue Committee and delegation of power to the members of the Committee.
5.	Letter of the Municipal Commissioner bearing No 695 dated May 9, 2025 confirming the list of members of the Bond Issue Committee
6.	Letters of the Deputy Municipal Commissioner dated February 24, 2025 and April 4, 2025 approving the Green Bond Framework
7.	Resolution of the Bonds Issue Committee dated May 9, 2025 approving the issue of Green Bonds and the eligibility to issue Green Bonds. .
8.	Resolution of the Bond Issue Committee dated May 9, 2025 approving the Draft Offer Document.
9.	Resolution of the Bond Issue Committee dated May 9, 2025 approving the Objects of the Issue.

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

- The Corporation has received the in-principle approvals for listing the Green Bonds from NSE pursuant to the letter bearing no. [●] dated [●] and from BSE pursuant to the letter bearing no. [●] dated [●].
- Bonds Issue Committee shall pass the necessary resolution for allotment of Green Bonds on successful completion of the Issue prior to listing.

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

The Issuer is a Municipal Corporation constituted under the GPMC Act and hence does not have any Memorandum and Articles of Association.

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

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

I. Disclosures pertaining to the Subsidiary of the Issuer

Surat Sitilink Limited (“**Subsidiary**”) was incorporated as a special purpose vehicle and public limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat at Dadra and Nagar Haveli on August 07, 2013, and received its certificate for commencement of business on September 24, 2013. Its registered office is located at Room No. 95-96, 2nd Floor Surat Municipal Corp., Main Office, Muglisara, Surat, Gujarat, India, 395003. It has been set up for facilitating rapid bus transportation system for public.

In accordance with the provisions of the objects clause of its memorandum of association, the Subsidiary is engaged in the business of:

“promoting, organizing, planning, designing, managing, developing, dealing, implementing, operating and maintaining rapid bus transportation system or any other mode of transport for public and to create thereon recreational commercial belts as well as public utilities, facilities, conveniences and amenities and to work as an agent, advisor, consultant, regulating authority or persons and licensee of Surat Municipal Corporation or other Government bodies, Authorities, Organizations, Corporations for developing rapid bus transportation system or any other mode of transportation system in India or abroad either individually and/or in association with other undertakings and/or Companies either incorporated in India and/or abroad from time to time and to establish,

maintain, acquire by any means including purchase, charter, hire, build, lease, rent or other mode, or a combination thereof, passenger coaches, buses and other vehicles of all kinds and description generally to transport passengers, goods and luggage and to let out, hire or charter or otherwise deal with and dispose off any such coaches and buses and other vehicles in India or abroad”.

Capital Structure

The authorized share capital of the Subsidiary is Rs 5,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each and its issued, subscribed and paid-up equity share capital is Rs 50,00,000 divided into 5,00,000 shares of ₹ 10 each.

Shareholding Pattern

The shareholding of the Subsidiary, as on March 31, 2025, is set forth below:

S. No.	Name of the shareholders**	Number of equity shares of face value ₹ 10 each	Percentage of total equity shareholding (%)
1.	Surat Municipal Corporation	4,99,994	99.9988%
2.	Municipal Corporation representative of Surat Municipal Corporation	1	0.0002%
3.	Surat Municipal Corporation represented by Divisional Head* looking after/In Charge of Traffic/BRTS Department	1	0.0002%
4.	Surat Municipal Corporation represented by City Engineer	1	0.0002%
5.	Surat Municipal Corporation represented by Divisional Head* looking after/In-charge of Finance Department	1	0.0002%
6.	Surat Municipal Corporation represented by Executive Engineer, BRTS Department	1	0.0002%
7.	Surat Municipal Corporation represented by Divisional Head* looking after/In-charge of Information System Department	1	0.0002%
	Total	5,00,000	100%

**Divisional Head includes Deputy Commissioner/City Engineer/Additional City Engineer.*

***The shareholders are holding shares in the nomination and respective capacity of the divisional head/departmental head/in-charge only and not in any individual/personal capacity. Further, the board in its 26th meeting held on January 30, 2020 resolved to authorize the managing director to name the divisional head as a shareholder(s) of the Subsidiary.*

Board of Directors

The board of directors of the Subsidiary currently comprises of:

S. No.	Name	DIN	Designation
1.	Kamlesh Bhikhubhai Naik	09325202	Nominee Director
2.	Swati Pareshkumar Desai	09562103	Nominee Director
3.	Akshaykumar Jagdishchandra Pandya*	09614332	Nominee Director
4.	Bipinchandra Babubhai Modi	10558267	Nominee Director
5.	Somnathbhai Raghunath Marathe	10558293	Nominee Director
6.	Shalini Shivkumar Agarwal	08172014	Nominee Director
7.	Dharmesh Bhagwagar	10334896	Nominee Director
8.	Rajan Bakulbhai Patel	10335960	Nominee Director

**Akshaykumar Jagdishchandra Pandya has retired from the office of city engineer, SMC and by virtue of ex-officio, his term as nominee director has been completed. His resignation will be notified in the next board meeting. Further, Rajeshkumar Bhanubhai Bhogayata has been appointed as nominee director and his DIN is under process.*

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

In addition to the projects disclosed in the “*Objects of the Issue*”, the Issuer is presently engaged in the following material projects identified as per the materiality policy of the Issuer:

1. Construction of state-of-the-art high rise office building at T.P.S no. 6, F.P. 234, 235 (Majura-Khatodara) in Surat.

SMC is constructing a new office building that will greatly improve administration and efficiency by bringing all offices together in one central location. The project will consolidate SMC and GOI officials, modernize the corporation facilities, improve productivity and efficiency of administration and provide adequate and secure infrastructure for executive offices. The project is on item rate basis including five years of O&M work.

2. Survey, investigation, planning & construction of conventional barrage for water purpose across river Tapi, near village Rundh – Bhatha with adjoining fly over bridge at left bank of river Tapi.

SMC is constructing barrage for water purposes across river Tapi. The main purpose of the barrage is to have the storage reservoir of water to meet the water supply demand for the Surat city based on the development for the year 2035. Due to this barrage, a new storage reservoir will be formed and tidal effect will move further downstream of the barrage. Also, salinity ingress in the riverbed will be prevented. This will also benefit to further recharge the ground water around the reservoir.

3. Augmentation of existing 134 MLD capacity sewage treatment plant up to 220 MLD capacity including upgradation of existing 134 MLD capacity sewage treatment plant with existing two 330 KW biogas based power plant at Kosad.

SMC is undertaking expansion of the existing 134 MLD capacity sewage treatment plant up to 220 MLD capacity including upgradation of the existing 134 MLD capacity sewage treatment plant with existing two 330 KW Biogas based power plant at Kosad. The main objective of sewage treatment is to stabilize decomposable organic matter present in sewage to produce an effluent and sludge which can be disposed of in the environment without causing health hazards or nuisance. The sewage treatment plant is designed to deliver wastewater 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 of into river Tapi/creek/reuse.

4. Construction of new hospital (ED-1) block and educational (ED-2) block under SMIMER master plan at SMIMER Campus, T.P 08 (Umarwada) F.P 64/P, Umarwada, Surat.

SMC is constructing a new hospital (ED-1) block and educational (ED-2) block under SMIMER master plan at SMIMER campus, T.P 08 (Umarwada) F.P 64/P, Umarwada, Surat new hospital will integrate emergency and casualty, 03 modular operation theatres, ICU, MICU, dialysis, blood bank, super specialty (nephrology, neurology, gastroenterology, and interventional radiology) services and wards.

5. Design, construction, testing & commissioning of 24 x 7 Water Supply System including civil, mechanical, electrical, instrumentation & PLC-SCADA for Valak, Bhada, Laskana, Pasodara, Khadsad and Kahtodara village.

SMC is constructing 24X7 water supply system that will help the newly added area to fulfil the water demand for domestic usage and to meet the rise in water demand requirement due to increase in population and Tapi is the main source of surface raw water. Surface water shall be drawn by the intake wells from Tapi River through raw Water Transmission Line and once the treatment is provided at WTP the water will be conveyed through Feeder Line to various WDS. The water stored at the proposed ground service reservoir & elevated service reservoir, where the conveyance is through rising main and there after supplied through proposed piped network in the project area.

6. Design, construction, testing & commissioning of 24 x 7 water supply system including civil, mechanical, electrical, instrumentation & PLC-SCADA for Abrama, Umra, Gothan, Segva Syadla, Vasvari, Bharthana, Kathor and Velenja village.

SMC is constructing a 24X7 water supply system to provide comprehensive water supply system in the newly added area to fulfil the water demand for domestic usage and to meet the rise in water demand requirements due to increase in population. To provide radial well, feeder line, rising main, GSR, ESR & distribution network and Tapi is the main source of surface raw water. The treated water shall draw from the existing Kosad WTP and will be conveyed through feeder line and conveyed to various WDS.

7. Construction of flood protection work in Tapi river on engineering, procurement and construction (EPC) basis.

SMC is constructing flood protection by using hydrological inputs that play a major role in planning, designing, execution and successful operation of a water resources development project. The hydro-meteorological data is a basic input to finalize the hydrological design parameters of any hydraulic structure.

(₹ in crores)

S. No.	Project Name	Cost of Projects		Project Cost share			Grant Received		
		Approved cost	Awarded (Tender Awarded Cost)	GoI	State	ULB (SMC)	GoI	GoG	Total
1	Construction of state-of-the-art high rise office building at T.P.S no. 6, F.P. 234, 235 (Majura-Khatodara) in Surat.	1472.42	1472.42*	98.26	536.74	837.42	98.26	536.74	635.00
2	Survey, investigation, planning & construction of conventional barrage for water purpose across river Tapi, near village Rundh – Bhatha with adjoining fly over bridge at left bank of river Tapi.	825.91	825.91	100.00	192.08	533.83	100.00	192.08	292.08
3	Augmentation of existing 134 MLD capacity sewage treatment plant up to 220 MLD capacity including upgradation of existing 134 MLD capacity sewage treatment plant with existing two 330 KW biogas based power plant at Kosad.	219	219.00	20.36*	207.72	0.00	20.36#	207.72	228.08*
4	Construction of new hospital (ED-1) block and educational (ED-2) block under SMIMER master plan at SMIMER Campus, T.P 08 (Umarwada) F.P 64/P, Umarwada, Surat.	289.38	289.38	40.02	112.00	137.18	40.02	112.00	152.02
5	Design, construction, testing & commissioning of 24 x 7 Water Supply	320.5	320.5	59.65	134.15	126.07	59.65	134.15	193.08

S. No.	Project Name	Cost of Projects		Project Cost share			Grant Received		
		Approved cost	Awarded (Tender Awarded Cost)	GoI	State	ULB (SMC)	GoI	GoG	Total
	System including civil, mechanical, electrical, instrumentation & PLC-SCADA for Valak, Bhada, Laskana, Pasodara, Khadsad and Kahtodara village								
6	Design, construction, testing & commissioning of 24 x 7 water supply system including civil, mechanical, electrical, instrumentation & PLC-SCADA for Abrama, Umra, Gothan, Segva Syadla, Vasvari, Bharthana, Kathor and Velenja village	474.65	474.65	104.93	172.43	197.29	104.93	172.43	277.36
7	Construction of flood protection work in Tapi river on engineering, procurement and construction (EPC) basis.	526.95	526.95	150.00	40.00	336.95	150.00	40.00	190.00

Source: The cost, cost share and grants received for the projects have been derived from the resolutions of the Standing Committees, work orders/ agreements, 15th finance commission, office memorandums of Ministry of Housing & Urban Affairs, Government of India.

* There has been an increase in estimated project cost due to increase in GST from 12% to 18% which was provided for in the work order, accordingly there has been a corresponding increase in the share of grants of the Government of India.

#Actual amount utilised by SMC out of the 15th Finance Commission Grant.

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

The details of Projects for which funds are proposed to mobilized and the summary of capital cost and sources of funds for such Project are as given below:

(₹ in crores)

Sr. No	Name of the Project	Project Cost*	Amount to be raised through proposed green bonds	SMC Contribution (Internal accruals)/ Grants
1	Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha ("Project I")	55.56**	30.00	25.56

2	Installation of a 6.3 MW Wind Power Plant at Bhimguda-Wankaner site; District – Morbi (“Project II”)	56.10***	43.82	12.28
3	Development of depot for electric bus operations at Kosad (“Project III”)	8.48#	4.19	4.29
4	Centralized Dry and Wet Waste processing plant at Umber (“Project IV”)	407.67##	[●] ^{\$}	[●] ^{\$}
5	Augmentation and upgradation of Water Treatment Plant at Variav and Rander (“Project V”)	250.07###	29.31	220.76
6	Construction of Intake Well and transmission line at Variav (“Project VI”)	87.09&	16.33	70.76
	Total	864.97	Up to 200.00	[●]

* The cost of the Project is inclusive of GST and may vary during the implementation. Any incremental cost shall be borne by SMC.

** The cost of Project I is as approved by Standing Committee vide Resolution no. 262/2024 dated February 7, 2024, (ii) Work Orders No. 1607 dated February 7 2024 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

*** The cost of the Project II is as approved by Standing Committee vide Resolution no. 63/2025 dated January 09, 2025, (ii) Work Orders No. 1456 & 1457 dated February 14, 2025 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

The cost of the Project III is as approved by Standing Committee vide Resolution no. 197/2024 dated January 25, 2024, (ii) Work Order dated February 05, 2024 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

The cost of the Project IV is as approved by Standing committee vide Resolution no. 238/2024 dated February 01, 2024, (ii) Work Orders No. 15 dated February 21, 2024 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

The cost of the Project V is as approved by Standing Committee vide Resolution no. 1328/2022 dated September 01, 2022, (ii) Work Order dated September 08, 2022 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

& The cost of the Project VI is as approved by Standing Committee vide Resolution no. No. 1705/2022, Dated October 20, 2022, (ii) Work Order dated October 29, 2022 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

\$ An amount of up to ₹ 76.35 crores has been proposed to be funded from the proceeds of the Issue. The actual amount to be utilized for Project IV shall be finalized upon determination of the Issue Expense and will be updated in the Offer Document.

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

The details of capital grants approved and received from the Projects are as stated below:

(₹ in crores)

Project	Name of Project	Scheme	Capital Grant Approved	Capital Grant Received
Project I	Installation of a 10 MW (AC) ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha	Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna	25.00*	25.00
		Total	25.00	25.00
Project II	Installation of a 6.3 MW (AC) Wind Power Plant. at Bhimguda-Wankaner site; District – Morbi	Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna	5.00*	5.00
		Total	5.00	5.00
Project III	Development of depot for electric bus operations at Kosad,	Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna	2.66*	2.66
		Total	2.66	2.66

Project IV	Construction of Centralized Dry and Wet Waste processing Plant at Umber	Swachh Bharat Mission 2.0	167.38	41.85
		Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna	30.00*	30.00
		Total	197.38	71.85
Project V	Augmentation and upgradation of Water Treatment Plant at Variav and Rander	15th Finance Commission	12.48**	12.48
		AMRUT 2.0	104.39	104.33
		Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna	103.95*	103.95
		Total	220.82	220.76
Project VI	Construction of Intake Well and transmission line at Variav	15th Finance Commission	20.21**	20.21
		AMRUT 2.0	21.08	20.89
		Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna	29.65*	29.65
		Total	70.94	70.75

*The grant received under SJMMSVY is approved for set of the projects by Gujarat Municipal Finance Board. However, SMC may utilise the funds on first requirement basis for any of the approved project under the SJMMSVY. Thereby the amount actually utilised by SMC for the project is shown as capital grant approved irrespective of the amount indicated in the initial proposal submitted to Gujarat Municipal Finance Board.

** Actual amount utilised by SMC out of the 15th Finance Commission Grant.

M. DETAILS OF STATE FINANCE COMMISSION GRANT ON AN ANNUAL BASIS:

The Corporation has not received any grants from the State Finance Commission in FY 2023-24, FY 2022-23, FY 2021-22 and six months period ended September 30, 2024.

THE REVENUE GRANTS RECEIVED AND SPENT DURING THE LAST THREE YEARS BY THE ISSUER IS SET OUT BELOW:

The revenue grants received and spent during FY 2023-24, FY 2022-23 and FY 2021-22 and six months period ended on September 30, 2024 by the Issuer is set out below:

(₹ in crores)

Revenue Grants Received	Six months period ended September 30, 2024 (unaudited)	FY 2023-24	FY 2022-23	FY 2021-22
Revenue Grants Received during the year				
Compensation in lieu of octroi	397.80	817.30	773.90	723.99
*Other Revenue Grants	84.62	185.72	138.14	361.40
Total	482.42	1003.02	912.04	1085.39

* The Education Cess grant is accounted for on an accrual basis.

(₹ in crores)

Revenue Grants Spent	Six months period ended September 30, 2024 (unaudited)	FY 2023- 24	FY 2022- 23	FY2021- 22
Revenue Grants, Contribution and Subsidies spent based on overall utilisation	482.42	1003.02	912.04	1085.39
Total	482.42	1003.02	912.04	1085.39

SECTION-VII: OBJECTS OF THE ISSUE

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

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

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

(₹ in crores)

Particulars	Estimated amount
Issue Proceeds	Up to 200.00
Less: Issue related expenses*	[●]
Net proceeds	[●]

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

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

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

(₹ in crores)

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

* An amount of up to ₹ 76.35 crores has been proposed to be funded from the proceeds of the Issue. The actual amount to be utilized for Project IV shall be finalized upon determination of the Issue Expense, accordingly, amount to be funded from grants and internal accruals and from Net Proceeds will be updated in the Offer Document.

^Will be updated in the Offer Document

Project Description

Project-I –Installation of 10 MW (AC) Ground Mounted Solar Power Plant at Bural and Vithodar village in District Banaskantha.

The details of Project I based on the Detailed Project Report dated January 31, 2024 (“DPR for Project I”) prepared by Gujarat Energy Research and Management Institute, the project consultant for Project I (“**Project Consultant for Project I**”) and certificate dated May 8, 2025 from the Project Consultant for Project I are listed below:

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

The Corporation is committed to energy conservation through various initiatives, including both in-house and external energy audits. As per the DPR for Project I, these efforts result in annual savings of 33 GWH. As per the Project Consultant certificate for Project I, SMC has already commissioned wind power plants with a capacity of 38.7 MW and solar power plants with a capacity of 19 MW. They are now in the process of setting up a 10 MW (AC) Ground Mounted Solar Power Plant.

As per the certificate dated May 8, 2025 from the Project Consultant for Project I, the electrical energy generated from the proposed 10 MW (AC) capacity will be utilized at approximately 14 different sites with HT electrical connections. This energy will support the Corporation’s water supply, sewage disposal system and other utilities.

Project Impact:

The proposed solar power project is needed to help our Corporation in mitigating the ever increasing electricity bills, mitigating the dependence on electricity grid, help in achieving the renewable energy targets of India for 2030 and will also contribute in achieving Renewable Purchase Obligation (RPO) of Gujarat State. Further, Project I also has environmental benefits and will help in carbon emission reduction.

As per certificate dated May 8, 2025 from Project Consultant for Project I, power generation from the proposed solar plant will be around 2,01,48,001 units of electricity per year which will directly save electricity expenditure for an amount of approximately ₹ 12.12 crores annually in electricity bills for the Corporation.

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

Location	Bural and Vithodar Village; Taluko: Deesa; District: Banaskantha
Plant & Machinery/ Components	<p>Following list of machinery are proposed to be utilised to implement the Project I:</p> <p>DC System:</p> <ul style="list-style-type: none"> • Solar PV Module • Module Mounting Structure (MMS) including all necessary accessories • String Combiner Box with String Monitoring System String Fuses, Surge Protection System including all necessary accessories with String Monitoring capabilities. • DC Array field Lightning Arrestors • Power Conditioning Unit (PCU) including all necessary accessories • Solar Cables along with lugs, glands, ferrules, straight/Y- connectors and other materials required for proper cable termination at both the ends.

	<ul style="list-style-type: none"> • Junction Boxes & all necessary accessories • DC Earthing system including all necessary accessories <p>AC Systems:</p> <ul style="list-style-type: none"> • Power Transformers/Inverter Transformers, Auxiliary Transformers including all necessary accessories • HT Switchgear • LT Switchgear • AC Cabling System-LT Power & Control, HT Cables, Cable Support System along with cable termination kits. • Protection System • All equipment including HT/LT cables, Transformers, Inverters and associated equipment/accessories required for evacuation of power from PV module to 33/132 kV Switchyard shall be provided by the Contractor. • Energy Metering System. • Earthing System & Lightning Protection System with all necessary accessories • Plant illumination system • Auxiliary Power Supply System • Battery System including all necessary accessories • UPS with battery bank of sufficient capacity. • SCADA System with all necessary accessories • Telemetry & Grid interfacing for data transmission from Main Control Room to SLDC/RLDC along with communication system so as to meet statutory requirements and comply with CERC code. All required hardware, Gateway Modem, Radio Link etc. required for data compliance with Regional Load Dispatch Centre (RLDC)/SLDC/STU/CTU <p>The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of Project I.</p>
<p>Process and Technology</p>	<p>Process:</p> <ul style="list-style-type: none"> • Acquisition of Land, Obtaining Power Evacuation Permission from GETCO (STU), Material Procurement, Pile foundation • Module installation, DC Cabling and AC Cabling • 66 KV Power Infrastructure & 11 KV Switchyard, LT panel, HT Panel, Solar Inverter, Control room etc • Pre commissioning of solar plant • Testing and Inspection by Government Agencies • Commissioning of solar plant <p>Technology:</p> <p><u>Solar Photovoltaic Based Monocrystalline PERC Solar Technology</u></p> <p>Monocrystalline and polycrystalline solar cells are the two primary types of silicon-based photovoltaic cells used in solar panels. The key difference between them lies in their manufacturing process and crystal structure. Monocrystalline cells are made from a single, continuous crystal of silicon, resulting in a uniform appearance and higher efficiency.</p> <p>In the context of PERC (Passivated Emitter and Rear Cell) technology, monocrystalline cells are the preferred choice due to their superior performance characteristics. The uniform crystal structure of monocrystalline cells allows for better light absorption and electron flow, which translates to higher energy conversion efficiency. Additionally, the single-crystal composition of monocrystalline cells makes them more compatible with the</p>

	<p>advanced passivation techniques employed in PERC panels, further enhancing their efficiency and performance.</p> <p><u>The PERC (Passivated Emitter and Rear Cell) Technology</u></p> <p>The PERC technology is a ground-breaking innovation that significantly enhances the efficiency of mono solar panels. By adding a passivation layer to the rear surface of the solar cell, PERC minimizes electron recombination and increases light capture, resulting in higher energy output. This passivation layer consists of a thin dielectric film, typically aluminium oxide, which is applied to the back of the cell. The layer is then opened using precise laser ablation, allowing electrical contacts to be made with the silicon wafer.</p> <p>In addition to the passivation layer, PERC cells also feature a reflective back surface field (BSF) that reflects unabsorbed light back into the cell, giving the photons another chance to be absorbed and converted into electricity. This combination of the passivation layer and reflective BSF enables PERC cells to achieve higher efficiencies than traditional mono solar cells.</p> <p>The enhanced efficiency of PERC technology translates to several benefits for solar panel users. With higher energy output per cell, PERC panels can generate more electricity in a smaller area, making them ideal for residential and commercial installations with limited roof space. Additionally, PERC panels perform better under low-light conditions and high temperatures, ensuring consistent energy production even in suboptimal weather conditions.</p> <p>Advantages of Mono-PERC Solar Panels</p> <ul style="list-style-type: none"> • Enhanced Energy Efficiency • Improved Low-Light Performance <p>The successful construction of the Project I involves the integration of these processes and technologies .</p>
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- C. Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, or expansion, etc., the total project cost activity-wise or project wise as the case may be.**

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

(₹ in crores)

S. No.	Item Description	Amount
1.	Supply and Installation of PV Modules	22.49
2.	Supply and Installation of PCU/ Inverters	3.22
3.	Supply and Installation of Module Mounting Structures	7.49
4.	Supply and Installation of 66 KV overhead line/underground cable from project site to GETCO sub-station	19.80
5.	Other civil works	2.56
Total Project Cost		55.56

Note: The activity-wise cost for Project I is as per (i) Work Orders No. 1607 dated February 07, 2024, (ii) the resolution of Bond Issue Committee dated May 9, 2025 and certificate dated May 8, 2025 from Project Consultant for Project I. The cost of the project is inclusive of all taxes including GST, duties and cess.

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

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

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

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

(₹ in crores)

Name of the Project	Approved Project Cost*	Means of the finance	
		SMC Contribution (internal accruals)/ Grant of GoI/GoG**	External Borrowing (Proposed Bonds)
Installation of 10 MW (AC) Ground Mounted Solar Power Plant.	55.56	25.56	30.00

*The cost of the Project I is as approved by Standing Committee vide Resolution no. 262/2024 dated February 7, 2024, (ii) Work Orders No. 1607 dated February 7, 2024 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

** The Corporation shall utilise grant amount under Swarnim Jyanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY), may apply for any other grants under other Central/State Government Schemes or may utilise funds from its internal accruals to fund the SMC contribution.

Note: The cost of Project I is inclusive of all taxes including GST, duties, cess and may vary during implementation. Any incremental cost shall be borne by the Corporation. Further, the cost of Project I given above does not include the cost for land lease and operation and maintenance.

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

F. Schedule of implementation of the Project I

The schedule of implementation for Project I is given below:

S. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
1	Letter of Award & Contract Agreement	Completed		90.00%	46.00%
2	Acquisition of Land, Obtaining Power Evacuation Permission from GETCO (STU), Material Procurement, Pile foundation				
3	Module installation, DC Cabling and AC Cabling				
4	66 KV Power Infrastructure & 11 KV Switchyard, LT panel, HT Panel, Solar Inverter, Control room etc				
5	Pre commissioning of solar plant				
6	Testing and inspection by Govt Agencies	29.04.2025	15.05.2025	95.00 %	46.00%
7	Commissioning of solar plant	16.05.2025	30.05.2025	100.00 %	46.00%
8	Final Payment (within 30 days post completion of work)	-	30.06.2025	100.00%	100.00%

Note:

- The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project I. The above timelines (for pending activities), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.
- Due to unavoidable reasons there is a time overrun in the implementation of the Project I. The application received for the extension of the work order is under process.

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

The indicative milestone dates for the proposed Project I are:

S. No.	Activity	Duration (In Days)	Start Date	Completion Date
1	Letter of Award & Contract Agreement	Completed		
2	Acquisition of Land			
3	Obtaining Power Evacuation Permission from GETCO (STU)			
4	Material Procurement			
5	Pile foundation			
6	Module installation			
7	DC Cabling and AC Cabling			
8	66 KV Power Infrastructure including 66 KV Transmission Line, 66 KV Substation with switchyard, 66 kV Bay at STU substation etc.			
9	11 KV Switchyard, LT panel, HT Panel, Solar Inverter, Control room etc			
10	Pre-commissioning of solar plant			
11	Testing and inspection by Government Agencies	16	29.04.2025	15.05.2025
12	Commissioning of solar plant	14	16.05.2025	30.05.2025

Note:

- (1) Due to unavoidable reasons there is a time overrun in the implementation of the Project I. The application received for the extension of the work order is under process.
- (2) The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project I.

Current Status of the Project I: The tendering process has been completed and work order has been awarded for the Project I and the work is under progress. Due to unavoidable reasons there has been a time overrun in the implementation of the Project I. The application received for the extension of the work order is under process. The current completion status of Project I as per certificate dated May 8, 2025 from Project Consultant for Project I is as follows:

	Physical target achieved	Financial target achieved
Project Construction	75.00%	46.00%

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

The Project I is approved by General Board vide Resolution No. 329/2023, dated June 28, 2023 and Standing Committee vide Resolution No. 262/2024, dated February 7, 2024.

The details of other statutory approvals as required for implementing the Project I and their status is as given below:

S. No.	Required NOC/Clearance	Authority	Current Status
1.	Renewable Energy Connectivity from GETCO (STU)	Gujarat Energy Transmission Corporation Limited	Received vide letter dated June 29, 2024

S. No.	Required NOC/Clearance	Authority	Current Status
2.	Project Registration From State Nodal Agency (GEDA)	Gujarat Energy Development Authority	Received vide letter dated January 03, 2025
3	Laying of 66 KV HT Transmission Line Permission from EPD, Gujarat	Energy & Petrochemical Department, Gujarat	Applied vide letter dated November 15, 2024
4	Drawing approval from Chief Electrical Inspector, Gujarat	Chief Electrical Inspector, Gujarat	Received vide letter dated March 12, 2025
5	Charging Permission from Chief Electrical Inspector, Gujarat	Chief Electrical Inspector, Gujarat	Approval to be obtained upon completion of plant installation and before commissioning of the plant*
6	Wheeling of power permission from GETCO (STU)	Gujarat Energy Transmission Corporation Limited	Approval to be obtained upon completion of plant installation and before commissioning of the plant*
7	Commissioning certificate from State Nodal Agency (GEDA)	Gujarat Energy Development Authority	Approval to be obtained upon completion of plant installation and after commissioning of the plant**

**The Issuer undertakes to ensure that all necessary approvals are applied and obtained within one month completion of plant installation.*

*** The Issuer undertakes ensure that necessary approvals are applied and obtained within one month of commissioning of plant.*

Based on the certificate dated May 8, 2025 from Project consultant for Project I, other than the approval mentioned herein, there are no other regulatory approvals/licenses/permissions/NOCs required to be obtained by the Corporation for implementation of Project I.

Project-II – Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi.

The details of Project II based on the Detailed Project Report dated January 25, 2024 (“DPR for Project II”) prepared by Power and Energy Consultants India Private Limited, the Project Consultant for Project II (“**Project Consultant for Project II**”) and certificate dated May 8, 2025 from the Project Consultant for Project II are listed below:

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

The Corporation is consistently striving for energy conservation through various initiatives. As per the DPR for Project II, the Corporation has installed a 3 MW wind power plant at Adodar for its Sarthana water works and head water works in November 2010. Thereafter, another 35.7 MW aggregate capacity WPPs at 5 different sites had been commissioned by our Corporation.

As per the DPR for Project II, the Corporation is a bulk consumer of electricity. It has 116 HT Services and 6,000+ low tension (LT) services, which are getting power from Dakshin Gujarat Vij Company Ltd. (DGVCL) and Torrent Power Ltd. (TPL). As per certificate dated May 8, 2025 from Project Consultant for Project II, its total contract demand for all High-Tension (HT) utilities/ facilities is 89 MVA at present. This HT services’ total annual consumption is 363 GWH, and it is increasing every year. Present overall average energy rate of energy comes around ₹ 8.10 per KWH. Approx. 84.5% of total electrical energy is used in these HT Services. Considering all of the above, SMC desires to install another Wind Power Plant (WPP) for these HT connections.

As per the DPR for Project II, the Corporation is planning to increase its renewable energy capacity to mitigate its energy requirements through captive power plants. The Gujarat Renewable Energy Policy 2023 has been considered for renewable energy capacity addition by the Corporation and same had been referred for newly proposed 6.3 MW Wind Power Project. The Project II comprises of all equipment and accessories, power evacuation system, all kinds of civil works, electrical supply system and electrical Line and provision of land for aggregate 6.3 MW capacity Wind Turbine Generation System (WTGS).

Project Impact:

The proposed wind power project is needed to help the Corporation in mitigating the ever-increasing electricity bills, mitigating the dependence on electricity grid, help in achieving the renewable energy targets of India for 2030 and will also contribute in achieving Renewable Purchase Obligation (RPO) of Gujarat State. Further, The Project II also has environmental benefits and will help in carbon emission reduction.

The energy generated from the proposed 6.3 MW (maximum capacity) wind power plants is proposed to be utilised at 24 HT connections of water supply, sewerage disposal system and various utilities of the Corporation. Currently, these sites consume around 39 GWH per annum and do not yet use energy from the commissioned wind power plants.

As per certificate dated May 8, 2025 from Project Consultant for Project II, power generation from the proposed wind power plants will be around 31.53 lakh units/MW/Year of electricity per year which will directly save electricity expenditure for an amount of around ₹ 12.30 crores annually in electricity bill for SMC.

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

Location	Bhimguda - Wankaner site; District - Morbi
Plant & Machinery/ Components	Following list of machinery are proposed to be utilised to implement the Project II: A. A Wind Turbine Generator consisting of the following major components: - <ul style="list-style-type: none">• A set of turbine blades mounted on metallic hub.

	<ul style="list-style-type: none"> • The hub, to seize power from the up-stream wind and rotate turbine blades which drives generator coupled with turbine shaft. • The generator to produce electric power. The generator, along with its associated components is housed in a common enclosure, called the nacelle. • The tower/ tubular pole, for better reach to un-obstructed wind. • The drive train in WECs, the rotor (rotating parts including the blades, hub etc.) moves at a slow rpm (revolution per minute). A gear box is included in the drive train, which increases the speed at the generator end of the shaft. The power captured by the turbine blades is transferred to the generator through the drive train. • A mechanical brake disc is provided which is mounted on the shaft. • The shaft works as back up for aero-dynamic braking system attached to the blades. • A yaw mechanism (multi-motor drive using 2 to 6 numbers of small motors) turns the nacelle and the rotor assembly to face the wind as it changes its direction. This change is sensed by a wind vane. • There is a wind vane which is mounted on the top of the nacelle. • An anemometer is also mounted on the top of the nacelle to monitor wind speed. • The WECs are designed for un-attended operation with minimum maintenance and provided with a comprehensive control system housed in a control panel. • The control panel is placed at/close to the base of the tower. <p>B. Transformers; C. Electric cables/lines; D. Sub-Station and Power Evacuation System.</p> <p>The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of Project II.</p>
Process and Technology	<p>Process:</p> <ul style="list-style-type: none"> • Power Purchase Agreement (PPA) Signing & Statutory approval, Notice to Proceed to WTG OEM, Site Mobilization, Tower assembly delivery at Site, Foundation, Hub assembly, Nacelle Assembly, and other material delivery at Site • Wind Turbine Generator Erection • 33 kV Line erection, Construction of Pooling Substation • Construction of EHV line to Transco GSS • Commissioning • Completion and COD <p>Technology:</p> <p>Creating Electricity from Wind energy:</p> <p>The air surrounding Earth is made up of many gases and the wind is essentially a moving (kinetic) gas molecule. If these molecules are slowed down, these tend to ‘release’ their kinetic energy. Wind turbines capture the kinetic energy in surface winds during release action and in turn convert it into electricity.</p> <p>To achieve this three basic parts are used. These are: blades, a shaft and a generator. As wind moves over the turbine blades, it creates high-pressure air below the turbine blades and low-pressure air above them, causing ‘lift’ similar to airplane wings. Lift makes the blades rotate since each blade is slightly angled. The blades turn a shaft that moves magnets in the generator, which in turn creates electricity. This electricity can be used onsite by a home, business, farm, etc. or can be ‘pumped’ into a nearby electrical grid for transmission to other areas of need.</p> <p>Energy generated will be wheeled to HT connections of water supply system, sewage disposal system & utilities through Long Term Open Access under the “Gujarat Renewable Energy Policy 2023.</p>

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

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

(₹ in crores)

Sr. No.	Item Description	Total Cost
1.	Supply of WEG with all necessary components including blades, towers and without transformers	38.65
2.	Supply of 2300 KVA, 33/0.690 KV, copper wound transformer along with all accessories, etc.	0.99
3.	Land development including facilitation charges towards procurement of land including cost of land	3.48
4.	Civil works within the wind farm complete in all respect	3.48
5.	Erection, Testing, Commissioning of Wind Electric Generators	2.44
6.	Erection, Testing, Commissioning of unit substation and shared internal lines for evacuation of power	4.04
7.	Erection, Testing, Commissioning of external evacuation system and grid extension work including interconnection at State grid	2.98
8.	All fees/charges towards application(s), statutory approvals, clearances etc.	0.04
Total Cost		56.10

Note: The activity-wise cost for Project II is as per (i) Work Orders No. 1456 and 1457 dated February 14, 2025 (ii) the resolution of Bond Issue Committee dated May 9, 2025 and (iii) certificate dated May 8, 2025 from Project Consultant for Project II. The cost of the project is inclusive of all taxes including GST, duties and cess.

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

Not Applicable, as the Project II is being executed in single phase.

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

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

(₹ in crores)

Name of the Project	Approved project cost*	Means of the finance	
		SMC Contribution (internal accruals)/ Grant of GoI/GoG**	External Borrowing (proposed bonds)
Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi.	56.10	12.28	43.82

*The cost of the Project II is as approved by Standing Committee vide Resolution no. 63/2025 dated January 09, 2025, (ii) Work Orders No. 1456 & 1457 dated February 14, 2025 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

**The Corporation shall utilise grants under, Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY) or may utilise funds from its internal accruals to fund the Corporation's contribution.

Note: The cost of Project II is inclusive of all taxes including GST, duties and cess and may vary during implementation. Any incremental cost shall be borne by the Corporation. Further, the cost of Project II, as given above does not include operating and maintenance costs.

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

F. Schedule of implementation of the Project;

The schedule of implementation for Project II is given below:

S. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
1	Letter of Award & Contract Agreement	Completed		10.00%	0.00%
2	Power Purchase Agreement (PPA) Signing & Statutory approval, Notice to Proceed to Wind Turbine Generator Original Equipment Manufacturer (OEM), Site Mobilization, Tower assembly delivery at Site, Foundation, Hub assembly, Nacelle Assembly, and other material delivery at Site	15.02.2025	17.06.2025	55.00%	35.00%
3	Wind Turbine Generator Erection	17.06.2025	15.08.2025	65.00%	50.00%
4	33 kV Line erection & Construction of Pooling Substation	15.08.2025	12.11.2025	80.00%	70.00%
5	Construction of EHV line to Transco GSS	12.11.2025	11.12.2025	90.00%	85.00%
6	Commissioning	11.12.2025	19.01.2026	95.00%	95.00%
7	Completion and COD	19.01.2026	01.02.2026	100.00 %	100.00%

Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project II. The above timelines (for pending activities), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.

G. Benchmarks for commencement and completion of the Project including milestone dates for all components of the Project;

The indicative milestone dates for the proposed Project II are:

S. No.	Activity	Duration (Days)	From	To
1	Letter of Award and Contract Agreement	Completed		
2	Power Purchase Agreement (PPA) Signing & Statutory approval, Notice to Proceed to WTG OEM, Site	122	15.02.2025	17.06.2025

	Mobilization, Tower assembly delivery at Site, Foundation, Hub assembly, Nacelle Assembly, and other material delivery at Site			
3	Wind Turbine Generator Erection	59	17.06.2025	15.08.2025
4	33 kV Line erection, Construction of Pooling Substation	89	15.08.2025	12.11.2025
5	Construction of EHV line to Transco GSS	29	12.11.2025	11.12.2025
6	Commissioning	39	11.12.2025	19.01.2026
7	Completion and COD	13	19.04.2026	01.02.2026

**Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project II*

Current Status of the Project II: The tendering process has been completed and work order has been awarded for the Project II and the work is under progress. The current completion status of Project II as per certificate dated May 8, 2025 from Project Consultant for Project II is as follows:

	Physical target achieved	Financial target achieved
Project Construction	10.00%	9.00%

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

The Project II is approved by General Board vide Resolution No. 328/2023, dated June 28, 2023 and by Standing Committee vide Resolution No. 63/2025, dated January 09, 2025.

The details of other approvals as required for implementing the Project II and their status is as given below:

Sr. No.	Name of the Authority/Agency*	Authority	Current Status
1	Renewable Energy Connectivity from GETCO (STU)	Gujarat Energy Transmission Corporation Limited	Received vide letter dated May 31, 2024
2	Project Registration From State Nodal Agency (GEDA)	Gujarat Energy Development Authority	Received vide letter dated July 29, 2024
3	Laying of 66 KV HT Transmission Line Permission from EPD, Gujarat	Energy & Petrochemical Department, Gujarat	Received vide letter dated November 30, 2024
4	Drawing approval from Chief Electrical Inspector, Gujarat	Office of Chief Electrical Inspector	Received vide letters dated January 17, 2025, February 12, 2025 February 13, 2025.
5	Charging Permission from Chief Electrical Inspector, Gujarat	Office of Chief Electrical Inspector	Approval to be obtained upon completion of plant installation and before commissioning of the plant*
6	Wheeling of power permission from GETCO (STU)	Gujarat Energy Transmission Corporation Limited	Approval to be obtained upon completion of plant installation and before commissioning of the plant*
7	Commissioning certificate from State Nodal Agency (GEDA)	Gujarat Energy Development Authority	Approval to be obtained upon completion of plant installation and after commissioning of the plant**

**The Issuer undertakes to apply and obtain for all necessary approvals within one month completion of plant installation.*

*** The Issuer undertakes to apply and obtain for all necessary approvals within one month of commissioning of plant.*

Based on certificate dated May 8, 2025 from Project consultant for Project II, other than the approval mentioned herein, there are no other regulatory approvals/licenses/permissions/NOCs required to be obtained by the Corporation for implementation of Project II.

Project-III - Development of depot for electric bus operations at Kosad

The details of Project III based on the Detailed Project Report dated January 31, 2024 (“DPR for Project III”) prepared by Jayesh A Dalal Project Management Consultant the project consultant for Project III (“**Project Consultant for Project III**”) and certificate dated May 8, 2025 from the Project Consultant for Project III are listed below:

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

As per the certificate of Additional City Engineer (Civil) and certificate from Project Consultant for Project III dated May 8, 2025, the Corporation is moving towards transitioning to electric vehicles, with an aim to de-carbonize the transport sector. Towards this, the Corporation’s Subsidiary is already operating 450 nos. of electric buses and is moving towards including more electric buses and municipal vehicles. The Issuer’s Subsidiary, Surat Sitilink, which is the public transit agency of Surat, is expected to increase its fleet size of e-buses to 1050 by 2026-27, with the addition of 600 new electric buses.

As a part of the overall project towards transitioning to electric vehicles, Project III aims at the development of bus depot at Kosad to facilitate the operations of electric buses. The Kosad depot will cater to the operation of 100 electric buses used for the bus rapid transit system as well as city bus routes, wherein the buses will be charged, maintained, and parked.

These 100 electric buses, which will be operated from Kosad depot, on a Gross Cost Contract (GCC) model, for which a concession agreement between operator and Traffic BRTS Project Cell, SMC shall be signed. Operator will be responsible for the procurement, supply, operations, and maintenance of the buses and the charging infrastructure. Approx. 20 nos. of charging stations would be installed at the depot as part of the project. The Corporation would be responsible for the provisioning of routes for the bus operations, and handover of depots for charging of buses.

For the project, the Corporation will bear the cost of the e-bus operations, by paying per km rate to the bus operator, which will include the cost of bus operations, maintenance and charging infrastructure including electricity bills. SMC intends to raise the finances for depot development through green bonds. Project III comprises of development of various components of the Kosad depot like compound wall, site development including landscaping, washing platform, underground water tank (domestic + fire), security cabin etc. electrification works, fire system, CCTV camera, etc.

However, the scope of work of bus operator and corporation will differ according to finalization of tender to be published by Convergence Energy Services Limited (CESL) under PM E-Drive scheme by Ministry of Heavy Industries (MHI), Government of India.

Project Impact

The Kosad depot will cater to the provision of electric buses as a public transport mode and offer a sustainable mode of transit system to the city and also support in reducing congestion of the city. The addition of these new e-buses will enhance the frequency of the buses to citizens, hence improving the service levels of the bus service, which will facilitate in mode shift to public transport systems and increase the city bus service ridership.

A. Details of location, plant and machinery, technology, process etc. for Project III is as stated below:

Location	At Kosad- North Zone (Katagram), Surat
Plant & Machinery/ Components	Following List of machinery are proposed to be utilised to implement the Project III; <ul style="list-style-type: none">• Digital/Manual Mixer Machine• Santering & Shuttering of Plywood

	<ul style="list-style-type: none"> • Machine Vibrator • Mini Roller or Plate Vibrator machine • Excavator(JCB) • Heavy Vibrate Roller (8-10 tone) • Auto Level or Dumpy Level Machine. <p>The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of Project III.</p>
Process and Technology	<p>1. Site Selection and Surveying:</p> <ul style="list-style-type: none"> • Process: Initial site selection involves evaluating factors such as elevation, topography, and proximity to water sources. Surveying is conducted to assess the geological and geotechnical conditions. • Technology: Surveying instruments such as total stations and GPS are used for accurate site measurements and data collection. <p>2. Design and Planning:</p> <ul style="list-style-type: none"> • Process: Engineers develop detailed structural and architectural plans considering water demand, hydraulic calculations, and safety standards. • Technology: Computer-Aided Design (CAD) software is commonly used for creating detailed blueprints, and hydraulic modelling software aids in optimizing water distribution. <p>3. Excavation and Foundation Construction:</p> <ul style="list-style-type: none"> • Process: Site preparation involves excavation for foundation pits and trenches. • Technology: Earthmoving equipment, including excavators and bulldozers, is utilized for efficient excavation. <p>4. Reinforcement and Formwork:</p> <ul style="list-style-type: none"> • Process: Reinforcement bars are cut and bent according to design specifications. Formwork is erected to mold and shape the concrete. • Technology: Rebar cutters and benders, along with advanced formwork systems, enhance precision and efficiency. <p>5. Concrete Placement:</p> <ul style="list-style-type: none"> • Process: High-quality concrete is mixed and poured into the formwork to create the structural components. • Technology: Concrete batching plants and transit mixers ensure consistent and quality concrete mixes, while concrete pumps facilitate precise placement. <p>6. Curing and Quality Control:</p> <ul style="list-style-type: none"> • Process: Proper curing methods are employed to enhance concrete strength. Quality control measures are implemented throughout the construction process. • Technology: Temperature and moisture sensors, along with non-destructive testing methods, contribute to quality assurance. <p>7. Structural Monitoring:</p> <ul style="list-style-type: none"> • Process: Continuous monitoring of structural elements during and after construction.

	<ul style="list-style-type: none"> Technology: Structural health monitoring systems may include sensors to detect stresses, deformations, and other parameters affecting the reservoir's integrity. <p>9. Final Inspection and Commissioning:</p> <ul style="list-style-type: none"> Process: Comprehensive inspection is conducted to ensure adherence to design specifications and safety standards. <p>10. Landscaping and Surrounding Infrastructure:</p> <ul style="list-style-type: none"> Process: Landscaping is performed around the reservoir, and surrounding infrastructure is developed. Technology: Advanced landscaping techniques and civil engineering technologies contribute to the aesthetic and functional aspects of the project. <p>The successful construction of the Project III involves the integration of these processes and technologies.</p>
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- B. Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, or expansion, etc., the total project cost activity-wise or project wise as the case may be.**

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

(₹ in crores)		
Sr. No.	Item Description	Amount
1	Site Development and Infrastructure development (including Domestic and Fire Underground Water-Tank, Recharge Bore-well, Landscaping, Paver and V.D.S., Pump Room, Machine, Compound Wall, Washing Platform & Security Cabin.)	7.68
2	Electrification Work (External & Security Cabin and Pump room)	0.25
3	Fire System	0.51
4	CCTV System	0.04
Total Project Cost		8.48

Note: The activity-wise cost for Project III is as per (i) Work Order dated February 05, 2024, (ii) the resolution of Bond Issue Committee dated May 9, 2025 and certificate dated May 8, 2025 from Project Consultant for Project III. The cost of the project is excluding cost of operations and maintenance.

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

Not Applicable, as the project is being executed in single phase.

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

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

(₹ in crores)

Name of the Project	Approved Project Cost*	Means of the finance	
		SMC Contribution (internal accruals)/ Grant of GoI/GoG**	External Borrowing (Proposed Bonds)
Development of depot for electric bus operations at Kosad	8.48	4.29	4.19

*The cost of the Project III is as approved by Standing Committee vide Resolution no. 197/2024 dated January 25, 2024, (ii) Work Order dated February 05, 2024 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

** The Corporation shall utilise grants under, Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY), may apply for any other grants under other Central/State Government Schemes and/or utilise internal accruals of the Corporation to fund the Corporation's contribution.

Note: Cost of Project III is inclusive of all taxes included GST and cess and may vary during implementation. Any incremental cost shall be borne by SMC.

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

E. Schedule of implementation of the Project

The schedule of implementation for Project III is given below:

S. No.	Activity	Indicative Period		Physical Target (%)	Financial Target (%)
		From	To		
1	Demolition Work	Completed		84.00%	50.50%
2	Excavation for Foundation				
3	Providing laying and placing plain concrete cement				
4	Providing laying and placing reinforced concrete cement for foundation				
5	Providing laying and placing reinforced concrete cement for Ground Beam & Column				
6	Slab Casting M-20				
7	Fly Ash Brick Work				
8	Inner and Outer Sand face Plaster Work				
9	Box Cutting/Surface Dressing				
10	Sub-Grade GSB-Metteling & Rolling				
11	Murum Filing & Rolling				
12	Base PCC (1:2:4) for Trimix				

13	V.D.S. Trimix Concrete				
14	Subgrade & Base Preparation for Paver				
15	Fitting Paver Block with bedding (M-35)				
16	Recharge Bore-Well				
17	Domestic & Fire underground water-tank				
18	Putty & Color Work				
19	Electrification Work (External)	08.03.2025	17.05.2025	87.00%	50.50%
20	Electrification Work (Security Cabin & Pump Room)	12.03.2025	29.05.2025	89.00%	50.50%
21	Fire System	10.03.2025	30.05.2025	96.00%	50.50%
22	CCTV System installation	04.05.2025	11.06.2025	98.00%	50.50%
23	Landscaping	28.03.2025	12.06.2025	100.00%	100.00%

Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project III. The above timelines (for pending activities), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.

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

The indicative milestone dates for the proposed Project III are:

S. No.	Activity	Duration (In Days)	Date of Start	Date of Completion
1	Demolition Work			Completed
2	Excavation for Foundation			
3	Providing laying and placing plain concrete cement			
4	Providing laying and placing reinforced concrete cement for foundation			
5	Providing laying and placing reinforced concrete cement for Ground Beam & Column			
6	Slab Casting M-20			
7	Fly Ash Brick Work			
8	Inner and Outer Sand face Plaster Work			
9	Box Cutting/Surface Dressing			
10	Sub Grade GSB-Metteling & Rolling			
11	Murum Filing & Rolling			
12	Base PCC(1:2:4) for Trimix			
13	V.D.S. Trimix Concrete			
14	Subgrade & Base Preparation for Paver			
15	Fitting Paver Block with bedding (M-35)			
16	Bus Parking shed work/fabrication work			

S. No.	Activity	Duration (In Days)	Date of Start	Date of Completion
17	Bus Parking shed work/ fabrication work			
18	Domestic & Fire underground water-tank			
19	Putty& Color Work			
20	Electrification Work (External)	70	08.03.2025	17.05.2025
21	Electrification Work (Security Cabin & Pump Room)	78	12.03.2025	29.05.2025
22	Fire System	81	10.03.2025	30.05.2025
23	CCTV System installation	38	04.05.2025	11.06.2025
24	Landscaping	76	28.03.2025	12.06.2025

Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project III.

Current Status of the Project III: The tendering process has been completed and work order has been awarded for the Project III and the work is under progress. The current completion status of Project III as per certificate dated May 8, 2025 from Project Consultant for Project III is as follows:

	Physical target achieved	Financial target achieved
Project Construction	84.00%	50.50%

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

The Project III is approved by General Board Resolution No. 32/2023 dated January 31, 2023 and by Standing Committee Resolution No. 197/2024 dated January 25, 2024.

Based on the certificate dated May 8, 2025 from Project consultant for Project III, other than the approval mentioned herein, there are no other regulatory approvals/licenses/permissions/NOCs required to be obtained by the Corporation for implementation of the Project III.

Project - IV – Construction of Centralized Dry and Wet Waste processing Plant at Umber.

The details of Project IV based on the Detailed Project Report dated July 23, 2023 (“**DPR for Project IV**”) prepared by Green Design & Engineering Services Pvt. Ltd., the project consultant for Project IV (“**Project Consultant for Project IV**”) and certificate dated May 8, 2025 from the Project Consultant for Project IV are listed below:

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

As per the DPR for Project IV, Solid Waste Management is one of the most essential services for maintaining the quality of life in the urban areas and for ensuring better standards of health and sanitation.

In order to keep the level and achieve the higher standards in sanitation and SWM and set a role model for other cities in India, Surat is making proactive efforts under Swachh Bharat Mission (GoI) and Mahatma Gandhi Swachhata Mission (GoG).

The Corporation is developing a waste management park for Surat City such that it caters all the necessary processes pertaining to Municipal Solid Waste Management (Treatment and Disposal), and efficiently manage the solid waste generated and treated in the city. The Corporation has taken up the project of development of Dry Waste and Wet Waste Processing plant along with necessary infrastructure and its operations and maintenance for 10 years as whole at block no. 197 and 199 at Umber, Surat as per SWM Rules 2016 under Swachh Bharat Mission and Smart City Mission.

Project Impact:

With a vision of providing quality infrastructure and work, the development of waste management park and Project IV aim to achieve following:

- a. Improve the efficiency of the SWM system for the city of Surat
- b. Make Surat a Garbage Free City by efficient waste collection, economical transportation, and treatment of waste and safe disposal in environmentally safe and sustainable manner;
- c. Create a waste management park that can treat and dispose Solid waste of 3000 TPD for design period of 10 to 15 years
- d. Provide adequate infrastructure components at Umber waste management park like roads, water supply, sewer network, power supply, storm drain, drain to divert rainwater, Waste treatment Unit, Sanitary Landfill Cell etc;
- e. Ensure all the waste generated is collected, segregated, treated, reused, and disposed of in a safe and scientific way.
- f. Reduce and prevent air, land, and water pollution caused by solid waste;
- g. All the waste generated is collected, treated, reused, and disposed of in a safe and scientific way.
- h. Promotes public health: Proper processing and disposal of solid waste will help to prevent the spread of disease and promote public health.
- i. Supports economy: Recycling and composting programs can create new jobs in industries such as manufacturing and agriculture. Effective solid waste processing practices will also reduce costs associated with waste disposal, such as landfill fees, and generate revenue from the sale of recyclable materials.] The overall projects includes:
 - A. Infrastructure development work at Umber site;
 - Infrastructure required for Diverting Existing Creek,
 - Infrastructure required at site.
 - B. 3000 TPD MSW Processing plant at Umber Site;
 - C. Sanitary Landfill (SLF) cell at Umber Site;
 - D. Operation & Maintenance for 10 years.

The proceeds of the Issue shall not be utilised towards construction of SLF cell or operation and maintenance of the project. Accordingly, Project IV comprises of following project components:

- A. Infrastructure development work at Umber site;
- Infrastructure required for Diverting Existing Creek,
 - Infrastructure required at site.
- B. 3000 TPD MSW Processing plant at Umber Site.

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

Location	Block No. 197 and 198 at Umber, Surat.
Plant & Machinery/Components	<p><u>Plant Components:-</u></p> <ol style="list-style-type: none"> Auto Feeding & Radial Loader Grab System:- This system is designed to discharge MSW vide grab loaders directly into feed hopper allowing a controlled feed of material into Auto feeder and then into trommels; Bag openers:- These waste bag openers are to be installed at the head of treatment plants for municipal solid waste. They allows the opening and emptying of bags containing the material, without cutting or damaging the contents. The bag opener ensures optimum opening of bags of different sizes and a constant supply to the waste to trommels; Trommels:- It is a rotating circular mesh drum which sorts materials based on their size. The mesh allows small materials to fall through and be collected by a conveyer under the drum. The larger materials flow to the end of the trommels, where they are gathered into another pile. Trommels screens of various perforations are included to ensure maximum waste recovery along with processing; Conveyor sytem:- This system is designed for easy transportation of MSW along with recovered materials within the entire plant area. This system minimizes human error, lowers workplace risks and reduces labor costs — among other benefits; Bagging Assembly:- This system is to be used after the composting process, so that the matured quality compost can be filled directly and economically. The system can be used to fill the material into various bag materials (textile, paper and plastic) and into various bag sizes; Ballistic Separator with Air density Separator:- A ballistic separator sorts waste based on shape and size, while an air density separator (also known as a wind shifter) separates materials based on their density, with ballistic separators typically used for 2D/3D separation and air density separators for heavy/light separation. This system will ensure greater material recovery with minimum inert generation; Automated BOT segregation system:- A "bot segregation system" for Municipal Solid Waste (MSW) refers to robotic or automated systems that use technology to sort and separate mixed waste into different categories like biodegradable, recyclable, and non-recyclable materials, improving efficiency and reducing reliance on manual sorting. This shall include optical segregation unit or other image based sorting units to identify and sort particular material; High durability Shredder:- MSW shredders, are used to reduce the volume of municipal solid waste (MSW) for more efficient recycling, waste disposal, and to create refuse-derived fuel (RDF); Bailing & Wrapping systems:- Waste wrapping machine, usually use together with baling machine, is used to compress and bind small size waste materials(RDF) into compact, manageable bales. These machines play a crucial role in reducing the volume of waste, facilitating storage, transportation, and recycling processes; Automated Sprinkler Systems:- For managing odour problems; Firefighting system:- High pressure water pumps, pipelines, water storage tanks, etc. <p><u>Machineries:-</u></p> <ul style="list-style-type: none"> • Skid Steer Loader for material movement; • Tractor; • Vibrating Roller Compacter for compaction of waste;

	<ul style="list-style-type: none"> Excavator for waste feeding and excavation, levelling of waste; Two-Wheel Hydraulic Tipper Trolley with associated Accessories complete for easy transportation of recovered materials; Front End Loader Front End Loader for loading of waste and transportation; Fully Automatic Transmission Fork Lift for internal movement of MSW bales, recovered materials etc.; Dumper Trucks for transportation of MSW, compost, RDF and Inert; Blowers, Control Panels & SCADA, Flare Systems.
Process and Technology	<p>A. Pre-sorting Area: Waste Reception, Screening & Shredding, Grinding, Waste Handling.</p> <p>B. Automatic Material Recovery and Refuse-Derived Fuel (RDF) Processing: It is designed to recover valuable recyclables and produce high-quality RDF efficiently. This is achieved through advanced sorting, screening, and processing technologies to maximise resource recovery and sustainability.</p> <p>C. Composting Pads: The compost pads are designed to convert organic waste into high-quality compost using mechanized systems and enzyme-based treatments to accelerate the composting process despite space constraints. Windrow formation and treatment, aeration and turning, Leachate treatment and mechanised aeration system with SCADA are few technologies used for it.</p> <p>D. Composting section: It focuses on refining composted solid waste through screening, storage, packaging and proper disposal of non-compostable materials.</p> <p>E. Sheds: The facility consists of multiple sheds, each serving a specific function in the waste sorting, recycling, and composting processes.</p> <p>The successful construction of the Project IV involves the integration of these processes and technologies.</p>

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

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

		(₹ in crores)
S. No.	Description	Amount
1	Capital Expenditure Infrastructure required for Diverting Existing Creek and other Infrastructure required at site. (Including gabion works for Existing Creek diversion & plant protection, filing, roads, parking & workshop area, internal storm water network, water supply distribution network within site, drainage network, weighbridge with office, admin building, labour colony, common toilet block, CCTV cameras, electric light pole, dg set, landscaping and gardening, main entry/exit gate and compound wall, entry/exit security cabin, office furniture, power provision, fire fighting system, lab equipment's, communication system)	105.74
2	Capital Expenditure for 3000 TPD Municipal Solid Waste (MSW) Processing Plant. (Including Civil works for processing plant, Processing Machines and Equipment for Waste Processing Plant and Material handling Equipment for Waste Processing Plant)	263.12
3	Sanitary Landfill (SLF) cell at Umber Site	38.81
Total Cost		407.67

Note: The activity-wise cost for Project IV is as per the resolution of Bond Issue Committee dated May 9, 2025 (ii) Work Order No. 15 dated February 21, 2024 and certificate dated May 8, 2025 from Project Consultant for Project IV. The cost of the project is exclusive of the O&M expenses and inclusive of all taxes including GST.

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

Not Applicable, as the project is being executed in single phase.

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

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

(₹ in crores)

Name of the Project	Approved Project Cost*	Means of the finance	
		SMC Contribution (internal accruals)/ Grant of GoI/GoG**	External Borrowing (proposed bonds)
Construction of Centralized Dry and Wet Waste processing Plant at Umber.	407.67	[●]***	[●]***

*The cost of the Project IV is as approved by Standing committee vide Resolution no. 238/2024 dated February 01, 2024, (ii) Work Orders No. 15 dated February 21, 2024 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

**The Corporation shall utilize grants approved under Swachh Bharat Mission 2.0, Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY) to fund the SMC contribution. Further, the Corporation may apply for any other grants under State Finance Commission, International Finance Commission (IFC), and other Centra/State Government Schemes, utilize its own revenues or may consider further borrowings to fund the SMC contribution.

*** An amount of up to ₹ 76.35 crores has been proposed to be funded from the proceeds of the Issue. The actual amount to be utilized for Project IV shall be finalized upon determination of the Issue Expense and will be updated in the Offer Document.

Note: Cost of Project IV is exclusive of O&M cost and is inclusive of all taxes including GST. The cost of project may vary during implementation. Any incremental cost shall be borne by SMC.

Out of the various Project Components, the Issuer confirms that the Issue Proceeds shall be utilized only for the capital expenditure towards Infrastructure required for Diverting Existing Creek and other Infrastructure required at site and for capital expenditure towards 3000 TPD MSW Processing Plant at Umber site only.

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

F. Schedule of implementation of the Project

S. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
A	Civil Work				
1	Signing of contract agreement, Site preparation & mobilisation & pre-clearance from Engineer In-charge	Completed		0.00%	0.00%
2	Earthwork (Excavation, Rolling, Watering, filling)	T+1.5 Months	T+15 Months	8.50%	9.50%
3	Water Diversion Related Work (Canal Diversion Gabion Structure, plant protection system, etc.)	T+1.5 Months	T+15 Months	14.00%	16.00%
4	Civil Work (Construction of roads, parking, storm water network, etc. and civil works for processing plant)	T+8 Months	T+16 Months	52.00%	58.50%
B	Mechanical Work				
5	Mechanical equipment's & Instruments (Placing Order, Lab Testing, Delivery)	T+7 Months	T+16 Months	85.00%	91.50%
6	Mechanical Work (Installation of machineries)	T+13 Months	T+17 Months	90.00%	97.00%
C	Commission & Trial run				

S. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
7	Commissioning & Trial run	T+16 Months	T+18 Months	100.00%	100.00%

Note: (1) T stands for the date of award of Work order i.e. February 21, 2024. (2) The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project IV.

The above timelines (for pending activities), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.

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

S. No.	Activity	Duration (In Months)	Date of Start	Date of Completion
A	Civil Work			
1	Signing of contract agreement, Site preparation & mobilisation & pre-clearance from Engineer In-charge	1.5	Completed	
2	Earthwork (Excavation, Rolling, Watering, filling)	13.5	T+1.5 Months	T+15 Months
3	Water Diversion Related Work (Existing Creek Diversion Gabion Structure, plant protection system, etc.)	13	T+1.5 Months	T+15 Months
4	Civil Work (Construction of roads, parking, storm water network, etc. and civil works for processing plant)	8	T+8 Months	T+16 Months
B	Mechanical Work			
5	Mechanical equipment's & Instruments (Placing Order, Lab Testing, Delivery)	9	T+7 Months	T+16 Months
6	Mechanical Work (Installation of machineries)	4	T+13 Months	T+17 Months
C	Commission & Trial run			
7	Commission & Trial run	2	T+16 Months	T+18 Months

Note: (1) T stands for the date of award of Work order i.e. February 21, 2024.

(2) The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project IV.

Current Status of the Project IV: The tendering process has been completed and work order has been awarded for the Project IV and the work is under progress.

	Physical target achieved	Financial target achieved
Project Construction	20.00%	16.50 %

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

The Project IV is approved by General Board vide Resolution no. 750/2023 dated November 28, 2023 & resolution no. 786/2023 dated December 29, 2023 and Standing Committee vide Resolution no. 238/2024 dated February 01, 2024.

The details of other statutory approvals as required for implementing the Project IV and their status is as given below:

Sr. No.	Required NOC/Clearance	Authority	Current Status
1	Environment Clearance	Ministry of Environment, Forest and Climate Change (MoEFCC)	Received vide letter dated March 06, 2024
2	Airport NOC	Airports Authority of India (AAI)	Received vide letter dated December 04, 2024*

3	GPCB NOC	Gujarat Pollution Control Board	Received vide letter dated May 18, 2024
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**Valid till December 3, 2032*

Based on the certificate dated May 8, 2025 from Project Consultant for Project IV, other than the approval mentioned herein, there are no other regulatory approvals/licenses/permissions/NOCs required to be obtained by the Corporation for implementation of Project IV.

Project-V - Augmentation and upgradation of Water Treatment Plant at Variav and Rander,.

The details of Project V based on the Detailed Project Reports dated May 6, 2022 and May 19, 2022 (“**DPR for Project V**”) prepared by Green Design and Engineering Services Pvt. Ltd., the project consultant for Project V (“**Project Consultant for Project V**”) and certificate dated May 8, 2025 from the Project Consultant for Project V are listed below:

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

As per the DPR for Project V, the primary source of water for Surat is the Tapi River, which flows through the city. Surface water is extracted year-round from the river's perennial channel using intake wells. This water is then treated at water treatment plants and supplied to residents after undergoing post-chlorination. The current total capacity of all water treatment plants in Surat is 1954 MLD, with an average production of 1550 MLD.

However, along with rapid population growth due to urbanization and industrialization, there is also a significant increase in untreated sewage and waste disposal into the Tapi River, which has severely degraded water quality. Despite the ample water availability and effective management by the Surat Municipal Corporation, which has ensured potable water supply to most of the city, the growing demand and deteriorating water quality have created a gap between supply and demand. With no alternative water sources, addressing this issue has become critical.

To tackle the water supply challenges in both existing and newly merged areas of the North, West, and South-West Zones, the Surat Municipal Corporation has initiated to implement the proposed water supply scheme for the New North, West & South-West Zone of Surat. Various components proposed under the Water Supply Scheme have been mentioned hereunder;

1. 400 MLD Intake Well at Variav with pump house, approach bridge and control room.
2. 250 MLD Rising Main/Trunk Main from Intake Well to proposed Water Treatment Plant of capacities 250 MLD.
3. 250 MLD Water Treatment Plants at Variav including Treated water sump and other ancillaries.
4. 290 Lac Liter WDS at proposed WTP for 340 MLD Treated water.

Project Components:

The Project V consists of construction of following;

- (i) New 250 MLD capacity WTP at Vairav, Jahangirpura.
- (ii) Augmenting 160 MLD water treatment Plant with advanced filtration system at one of the units which is currently 50 MLD at Rander Water Works, thereby enhancing the total capacity of WTP at Rander to 360 MLD WTP from existing 250 MLD WTP.

These projects are being executed on a turnkey basis. A single tender was issued for the construction of both water treatment plants: (i) the 250 MLD plant at Vairav and (ii) the 160 MLD plant at Rander. The work order for the Project V has been awarded on September 8, 2022 and the work is under process.

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

Location	250 MLD WTP at Variav, Jahangirpura (Surat). 160 MLD WTP at Rander Water Works (Surat)
Plant & Machinery/ components	Following list of machinery are proposed to be utilised to implement the water treatment plants under Project V: <u>250 MLD WTP</u>

	<ul style="list-style-type: none"> • Cascade Aerator: It uses gravity to aerate water by allowing it to flow over a series of steps or trays, promoting air-water contact to increase dissolved oxygen in Raw Water of the water treatment system. • Stilling Chamber: It is a chamber designed to capture and remove silt, sediment, and other debris from water before it enters chlorination • Inlet Chamber & Parshall Flume: It is designed to control & measure the flow & quantity of water. • Flash Mixer: It is used to mix PAC (Poly Aluminum Chloride) in raw water. • Lamella Clarifiers with Flocculation Unit: It is a part of Water Treatment System which uses inclined plates to enhance settling and clarify water by separating suspended solids from wastewater and acts as a Primary treatment to reduce turbidity. • Filter House: In this the water passes through granular media to remove impurities. • Chemical House cum Control Room: It is a Chemical storage with administration & a Laboratory for Quality monitoring • Dirty Water Sump and Back Wash Tank: It is used to store back washed water from filter house in dirty water sump and to store back wash water for filter bed in back wash tank. • Treated Water Sump: Treated water post treatment is being stored in this sump. • Thickener Feed Sump: The sump is used to collect dirty water and supply it to the sludge thickener. • Sludge Thickener: Used to thicken the sludge in dirty water. • Thickener Sludge Sump & Pump House: It collects thickened sludge and supply to centrifuge building. • Centrifuge Building: It uses rotational force (centrifugal force) separate water and sludge. • Filtrate Sump: It collects water separated by centrifuge and supply to the inlet chamber. <p>160 MLD WTP at Rander Water Works:</p> <ul style="list-style-type: none"> • Cascade Aerator: It uses gravity to aerate water by allowing it to flow over a series of steps or trays, promoting air-water contact to increase dissolved oxygen in Raw Water of the water treatment system. • Inlet Unit & Parshall flume: It is designed to control & measure the flow & quantity of water. • Filter House: In this the water passes through granular media to remove impurities. • Dirty Water Sump: It is used to store back washed water from filter house in dirty water sump and to store back wash water for filter bed in back wash tank. • Chemical House cum Control Room: It is a Chemical storage with administration & a Laboratory for Quality monitoring • MCC Room & Transformer Area: Built to house the equipment's for supply power to the water treatment plant. • Treated Water Sump: Treated water post treatment is being stored in this sump. <p>The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of Project V.</p>
Process and Technology	<p>Process:</p> <p>A. Design & Drawing</p> <ul style="list-style-type: none"> • Process: Engineers develop detailed structural and architectural plans considering water demand, hydraulic calculations, and safety standards. • Technology: Computer-Aided Design (CAD) software is commonly used for creating detailed blueprints, and hydraulic modeling software aids in optimizing water distribution. <p>B. Civil & Piping Works</p>

1. Surveying:

- Process: Initial site selection involves evaluating factors such as elevation, topography, and proximity to water sources. Surveying is conducted to assess the geological and geotechnical conditions.
- Technology: Surveying instruments such as total stations and GPS are used for accurate site measurements and data collection.

2. Excavation and Foundation Construction:

- Process: Site preparation involves excavation for foundation pits and trenches.
- Technology: Earthmoving equipment, including excavators and bulldozers, is utilized for efficient excavation.

3. Reinforcement and Formwork:

- Process: Reinforcement bars are cut and bent according to design specifications. Formwork is erected to mold and shape the concrete.
- Technology: Rebar cutters and benders, along with advanced formwork systems, enhance precision and efficiency.

4. Concrete Placement:

- Process: High-quality concrete is mixed and poured into the formwork to create the structural components.
- Technology: Concrete batching plants and transit mixers ensure consistent and quality concrete mixes, while concrete pumps facilitate precise placement.

5. Curing and Quality Control:

- Process: Proper curing methods are employed to enhance concrete strength. Quality control measures are implemented throughout the construction process.
- Technology: Temperature and moisture sensors, along with non-destructive testing methods, contribute to quality assurance.

C. Mechanical, Electrical & Instrumentation works

1. Structural Monitoring:

- Process: Continuous monitoring of structural elements during and after construction.
- Technology: Structural health monitoring systems may include sensors to detect stresses, deformations, and other parameters affecting the reservoir's integrity.

2. Installation of Mechanical Components:

- Process: Installation of inlet and outlet pipes, valves, and other mechanical components.
- Technology: Advanced welding and jointing technologies may be employed for connecting pipes, and leak detection systems enhance overall functionality.

3. Final Inspection and Commissioning:

- Process: Comprehensive inspection is conducted to ensure adherence to design specifications and safety standards.
- Technology: Inspection may involve the use of drones, cameras, and other technologies to assess the overall condition.

4. Automation and Control Systems:

- Process: Implementation of automated control systems for water level monitoring and distribution.
- Technology: SCADA (Supervisory Control and Data Acquisition) systems enable remote monitoring and control of reservoir operations

Technology:

250 MLD WTP

Filtration Technology - Rapid Gravity Sand Filter (RSF)

Under the process, the Filtration unit consists of Filter Beds, Feed Channel, Pure Water Channel and Waste Water Channel. The Rapid Gravity Sand Twin Bed Filters with flow measuring device shall be provided as the filtration unit. Air Blowers shall be provided

	<p>in blower room of Filter House for the air backwashing. The rate of air scouring, and backwash water is considered as 600 LPM/Sq.mt. area and 400 LPM/sq.mt. area respectively for the design of filter backwashing system. A backwash tank shall be provided over the dirty water sump to supply the water required for backwash of filter beds.</p> <p>The treated water from the filter beds shall be conveyed through RCC channel to the proposed underground clear water reservoir. The clarifier sludge and backwash water of filter beds is drained by gravity mains and collected in dirty water sump.</p> <p><u>Zero liquid Discharge technology (ZLD)</u></p> <p>The clarifier sludge and backwash water of filter beds from WTP shall be collected in dirty water sump and shall be pumped to the thickener feed sump for further treatment. Thickener will receive the dirty water from 250 MLD treatment plant at Variav. In the RCC gravity sludge thickener; the concentration of sludge will increase from 1% up to 3-4 % by gravity settlement of the inlet solids.</p> <p>The sludge thickener is designed to achieve a minimum solid concentration of 3-4%. The thickener shall be designed on solid loading rate of max. 70 kg/sq.m./day with plant inlet turbidity of 100 mg/l. The minimum SWD shall be 4.0 m. The conditioning poly electrolyte shall be added to thickener for enhancing gravity separation if required with the help of poly dosing tank & pumps.</p> <p>The underflow from sludge thickener shall be collected in thickened sludge sump and pumped through screw pumps to centrifuge while the supernatant from the thickener shall be collected in filtrate sump and recycled to the primary unit of the 250 MLD proposed treatment plant. The centration generated at Centrifuge shall be collected at Dirty Water Sump.</p> <p>The overflow from thickener shall be collected in RCC filtrate sump. The detention time provided for the filtrate sump shall be 15 minutes.</p> <p>Filtrate shall be recycled by Horizontal / Vertical non-clog pumps to the stilling chamber of the proposed treatment plant. ZLD unit recycles almost 100% water which saves upto 10 MLD water and helps environment by as no waste water is to be released in drain.</p> <p><u>160 MLD WTP</u></p> <p><u>Ceramic Membrane Base Filtration Technology:</u> Ceramic membrane technology is robust and resilient filtration technology for future proof plants and is making its mark on municipal water and wastewater treatment, while also exploring a variety of industrial and application-based niches.</p> <p>The Ceramic Membrane technology can integrate micropollutant-targeting solutions such as adsorption or ozone dosing in conjunction with a membrane system. Generally, an active layer is added to the membrane to facilitate the adsorption of contaminants. The Per-and Polyfluoroalkyl substances (PFAS) are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease, and water. Fluoropolymer coatings can be in a variety of products. These include clothing, furniture, adhesives, food packaging, heat-resistant non-stick cooking surfaces, and the insulation of electrical wire.</p> <p>The successful construction of the Project V involves the integration of these processes and technologies.</p>
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C. Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, or expansion, etc., the total project cost activity-wise or project wise as the case may be.

The activity wise project cost for the water treatment plants forming part of Project V is given below:

(₹ in crores)

Sr. No.	Activity	Amount	
		250 MLD WTP	160 MLD WTP
1	Design, Drawing and Documentation	2.58	2.42

Sr. No.	Activity	Amount	
		250 MLD WTP	160 MLD WTP
2	Civil Works	90.30	6.05
3	Piping Works	11.61	8.48
4	Electrical Works	2.58	3.63
5	Mechanical Works	19.35	96.86
6	Instrumentation / PLC/ SCADA	2.58	3.63
Total Cost		129.00	121.07
Total Project Cost		250.07	

Note: The activity-wise cost for Project V is as per (i) Work Order dated September 8, 2022, (ii) resolution of Bond Issue Committee dated May 9, 2025 and (iii) certificate dated May 8, 2025 from Project Consultant for Project V. The cost of the project is excluding the cost of operations & maintenance.

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

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

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

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

(₹ in crores)

Name of the Project	Approved Project Cost	Means of finance	
		SMC Contribution (internal accruals)/ Grant of GoI/GoG**	External Borrowing (proposed bonds)
Augmentation and upgradation of Water Treatment Plant at Variav and Rander, Surat	250.07*	220.76	29.31

**The cost of the Project V is as approved by Standing Committee vide Resolution no. 1328/2022 dated September 01, 2022, (ii) Work Order dated September 08, 2022 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.*

*** The Corporation shall utilize grants approved under Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY), AMRUT 2.0, 15th Finance Commission to fund the SMC contribution. Further, SMC may apply for any other grants under other Central/State Government Schemes, utilize its own revenues or may consider further borrowings to fund the Corporation's contribution.*

Note: Cost of Project V is inclusive of GST and may vary during implementation. Any incremental cost shall be borne by the Corporation. The cost of the project is excluding the cost of Operations & Maintenance.

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

F. Schedule of implementation of the Project

The schedule of implementation for the water treatment plants forming part of Project V is given below:

(i) 250 MLD WTP

Sr. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
1	Design Engineering and Drawings	Completed		91.00%	88.00%
2	Cascade Aeration Unit				

Sr. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
3	Stilling Chamber				
4	Inlet Channel and Parshall Flume				
5	Flash Mixer with Distribution Chamber				
6	Lamella Clarifier with Flocculation Unit				
7	Chemical House				
8	Dirty Water Sump with Back wash Overhead Tank				
9	Treated Water Sump				
10	Thickener Feed Sump				
11	Sludge Thickener				
12	Thickener Sludge Sump and Pump House				
13	Centrifuge Building				
14	Filter Sump				
15	Storm Water Drain				
16	Piping Works				
17	Mechanical Works				
18	Electrical Works	01/01/2023	15/05/2025	92.00%	88.00%
19	Compound Wall	01/03/2023	15/04/2025	92.00%	88.00%
20	Filter House	20/04/2023	30/05/2025	98.00%	88.00%
21	Instrumentation / PLC / SCADA Works:	01/07/2024	31/05/2025	98.00%	88.00%
22	Road Work	01/01/2025	31/05/2025	99.00%	88.00%
23	Pathway	01/04/2025	31/05/2025	99.00%	88.00%
24	Trial Run*	15/05/2026	15/06/2026	100.00%	100.00%

Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project V.

The above timelines (for pending activities), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.

*The trial run for 250 MLDWTP & 160 MLD shall be conducted together post completion of the work for 160 MLD WTP.

(ii) 160 MLD WTP

Sr. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
1	Design Engineering and Drawings	Completed		91.00%	87.00%
2	Cascade Unit				
3	Inlet Unit and Parshall Flume				
4	Dirty Water Sump				
5	Chemical Storage Shed				
6	MCC Room and Transformer Area				
7	Treated Water Sump and Pump House				
8	Administrative Building				

Sr. No.	Activity	Indicative Timeline		Physical Target (%)	Financial Target (%)
		From	To		
9	Storm Water Drains				
10	Roads Work				
11	Mechanical Works	01/01/2023	28/04/2026	93.00%	87.00%
12	Electrical Works	01/01/2023	30/04/2026	95.00%	87.00%
13	Filter House	20/04/2023	01/05/2026	97.00%	87.00%
14	Piping Work	12/12/2023	10/05/2026	96.00%	87.00%
15	Instrumentation / PLC / SCADA Works:	01/07/2024	15/05/2026	98.00%	87.00%
16	Trial Run	15/05/2026	15/06/2026	100.00%	100.00%

Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project V.

The above timelines (for pending activities), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.

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

The indicative milestone dates for the water treatment plants forming part of Project V is given below:

(i) 250 MLD WTP

Sr. No.	Activity	Duration (days)	Start Date	Completion Date
1	Design Engineering and Drawings	Completed		
2	Cascade Aeration Unit			
3	Stilling Chamber			
4	Inlet Channel and Parshall Flume			
5	Flash Mixer with Distribution Chamber			
6	Lamella Clarifier with Flocculation Unit			
7	Chemical House			
8	Dirty Water Sump with Back wash Overhead Tank			
9	Treated Water Sump			
10	Thickener Feed Sump			
11	Sludge Thickener			
12	Thickener Sludge Sump and Pump House			
13	Centrifuge Building			
14	Filter Sump			
15	Storm Water Drain			
16	Piping Works			
17	Mechanical Works			
18	Electrical Works	865	01/01/2023	15/05/2025
19	Compound Wall	806	01/03/2023	15/05/2025
20	Filter House	771	20/04/2023	30/05/2025

21	Instrumentation / PLC / SCADA Works:	334	01/07/2024	31/05/2025
22	Road Work	150	01/01/2025	31/05/2025
23	Pathway	60	01/04/2025	31/05/2025
24	Trial Run	31	15/05/2026	15/06/2026

**Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project V*

(ii) 160 MLD WTP

Sr. No.	Activity	Duration (days)	Start Date	Completion Date
1	Design Engineering and Drawings	Completed		
2	Cascade Unit			
3	Inlet Unit and Parshall Flume			
4	Dirty Water Sump			
5	Chemical Storage Shed			
6	MCC Room and Transformer Area			
7	Treated Water Sump and Pump House			
8	Administrative Building			
9	Storm Water Drains			
10	Roads Work			
11	Mechanical Works:	1213	01-01-2023	28/04/2026
12	Electrical Works:	1215	01-01-2023	30/04/2026
13	Filter House	742	20-04-2023	01/05/2025
14	Piping Work	880	12-12-2023	10/05/2026
15	Instrumentation / PLC / SCADA Works:	683	01-07-2024	15/05/2026
16	Trial Run	31	15/05/2026	15/06/2026

**Note: (1) T stands for the date of award of Work order i.e. September 08, 2022.*

The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project V

Current Status of the Project V: The tendering process has been completed & work order has been awarded for Project V and the work is under progress. The current completion status of Project V as per certificate dated May 8, 2025 from Project Consultant for Project V is as follows:

	Physical target achieved	Financial target achieved
(i) 250 MLD WTP	93.00%	88.00%
(ii) 160 MLD WTP	92.00%	87.00%

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

The Project V is approved vide General Board Resolution No. 358/2022, dated May 31, 2022 reconvened on June 06, 2022 and Resolution No. 434/2022, dated June 29, 2022 and vide Standing Committee Resolution No. 1328/2022, dated September 1, 2022.

Based on the certificate dated May 8, 2025 from Project Consultant for Project V, other than the approval mentioned herein above, there are no other regulatory approvals/licenses/permissions/NOCs required to be obtained by the Corporation for implementation of Project V.

Project-VI - Construction of Intake Well transmission line at Variav.

The details of Project VI based on the Detailed Project Report dated May 6, 2022 (“**DPR for Project VI**”) prepared by Green Design and Engineering Services Pvt. Ltd., the project consultant for Project VI (“**Project Consultant for Project VI**”) and certificate dated May 8, 2025 from the Project Consultant for Project VI are listed below:

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

As per the DPR for Project VI, the area as well as the population of Surat city is rising exponentially. There is massive increase in population due to agglomeration, urbanization and industrialization. The stagnant water builds up in the upstream of river due to increase in growth of water hyacinth has further depleted the water quality. Further few areas are recently added to the North, West and South-West zones of the corporation which are having inadequate water supply system.

The main source of water for Surat is the River Tapi flowing through the city. Surface water is drawn by intake wells from perennial channels of the river throughout the year. Water thus drawn is treated by the water treatment plants and then the same is supplied to the citizens after post-chlorination. Presently, there is an availability of 2193 MLD of surface water-based intake wells meant for drawing surface water at different sources for the SMC area with a total treatment capacity of 1598 MLD. Water from all these sources is taken to treatment plants supplying water to the SMC region. SMC has developed well-established, networked water supply system to supply the drinking water to the Citizens of Surat City. The present gross average daily water supply to the citizens of Surat City is 1250 MLD with a net per capita water supply of 146 litres per day. The population coverage of Surat city is about 97.5% which includes the new area added to the Corporation limits in 2006.

Due to ample amount of water availability and proper management by the Corporation, potable water is catered to the majority of the city area. But few newly added areas in North, West & South-West zone does not have any water source uptill now and thus no water transmission system, but due to various reasons, mainly due to high increase in population at new North, West & South-West zones and taking in consideration the current capacity of water supply system, which is not adequate to cover the current water requirement demand, there is a gap in the demand and supply of potable water. Due to urban agglomeration, few areas of the city are still lacking water supply facilities.

Out of various components of the Water Supply Scheme planned by SMC, Project VI comprises of construction of 400 MLD capacity raw water Intake Well and other ancillary works and laying of the proposed 1829 mm dia. raw water transmission line from the Intake Well to proposed 250 MLD capacity Variav WTP.

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

Location	Jahangirpura, Variav (Surat)
Plant & Machinery/components	<p>Following List of machinery are proposed to be utilised to implement the Project VI:</p> <ol style="list-style-type: none">1. Excavators: These machines are essential for digging and excavating the foundation and trenches required for the reservoirs.2. Concrete Batching Plants: The plants are used to produce large quantities of concrete with specified mix designs, ensuring the structural integrity of the reservoirs.3. Concrete Pump Trucks: Used to pump and place concrete in hard-to-reach areas, ensuring proper filling and consolidation.4. Formwork Systems: To mold and shape the concrete during construction, formwork systems are employed for creating walls, slabs, and other structural elements.5. Rebar Cutters and Benders: Essential for cutting and bending reinforcing steel bars to the required specifications for structural reinforcement.6. Compactors: Vibratory compactors help in achieving proper compaction of soil and backfill materials around the foundation of the reservoirs.

	<p>7. Concrete Mixers: Used to mix concrete batches on-site, ensuring a consistent and quality mix for construction.</p> <p>8. Surveying Instruments: Precision instruments such as total stations and GPS systems are used for accurate layout and alignment of the reservoir structures.</p> <p>9. Concrete Vibrators: Ensure proper consolidation of concrete to eliminate air voids and enhance structural strength.</p> <p>10. Batching and Mixing Plants: For the preparation of various construction materials and ensuring consistency in the mix.</p> <p>11. Water Pumps: Used for dewatering and managing water levels during construction.</p> <p>Other components proposed to be utilised:</p> <ol style="list-style-type: none"> Pumping Machinery – Vertical turbine pump sets of motor standard rating 315 KW; Motor Capacity 379.93 HP and motor standard rating 160 KW; Motor Capacity 191.22 HP Transformers – 11/0.433 KVA transformers of capacity 1600 KVA. Bus bars & switchgear, APFC panels, capacitors, etc. Mild Steel 1829 mm dia. raw water transmission line <p>The Water supply system design is carried out using as per design criteria given in CPHEEO Manual of Water Supply and Treatment.</p> <p>The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of construction projects.</p>
Process and Technology	<ol style="list-style-type: none"> Intake Well: It is a structure that is built in a water source (like a river, lake, or reservoir) to collect and withdraw water, typically for treatment and distribution. The Intake well shall serve as a point of entry for water from the river into a system that conveys it to a water treatment plant. Approach Bridge: The access bridge is constructed to provide base for raw water transmission line and provide access to the intake well for maintenance works. Chlorination Building: It is a specialized structure, also known as a chemical shelter or building, designed to safely store and handle chlorine, a chemical used for water disinfection and treatment, protecting both workers and the environment. Chlorine is used for pre-chlorination process of raw water. H.T.Room & Transformer Yard: HT (High Tension) room houses electrical equipment for high-voltage power distribution, while transformer yard shall provide area for transformers & associated equipment's for providing power to plant machinery. Raw Water Transmission line: The pipeline shall be used to supply raw water from Intake well to the Water Treatment Plant (WTP). Mechanical, Electrical & Instrumentation (MEI) work -Encompasses the design, installation, maintenance, and operation of systems that involve mechanical, electrical, and instrumentation components, required for the completion of the project. <p>Surface water is drawn by intake wells from perennial channel of River Tapi. The extracted water from the surface water from sources is sent to the treatment plants for further process.</p> <p>Technology: The Water supply system design is carried out using as per design criteria given in CPHEEO Manual of Water Supply and Treatment.</p> <p>The successful construction of the Project VI involves the integration of these processes and technologies.</p>

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

The breakup of activity-wise project cost for the Project VI is given below:

(₹ in crores)		
Sr. No.	Item Description	Amount
1	Intake Well (with approach bridge)	40.83
2	Chlorination Building	0.47
3	H.T. Room & Transformer Yard	0.39
4	Toilet Block	0.12

Sr. No.	Item Description	Amount
5	Raw Water Transmission Line	30.77
6	Mechanical Works	9.71
7	Electrical Works	4.49
8	Instrumentation Works	0.31
	TOTAL	87.09

Note; The activity-wise cost for Project VI is as per (i) Work Order dated October 29, 2022 (ii) the resolution of Bond Issue Committee dated May 9, 2025 & (iii) certificate dated May 8, 2025 from Project Consultant for Project VI.

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

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

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

A summary of capital cost and sources of funds for the proposed Project VI are presented in the table below:
(₹ in crores)

Name of the Project	Approved project cost	Means of finance	
		SMC Contribution (internal accruals)/ Grant of GoI/GoG**	External Borrowing (proposed bonds)
Construction of 400 MLD capacity raw water intake well and other ancillary works and laying of 1829 mm dia. raw water transmission line from proposed intake well to proposed 250 MLD capacity Variav WTP, Surat.	87.09*	70.76	16.33

*The cost of the Project VI is as approved by Standing Committee vide Resolution no. No. 1705/2022, Dated October 20, 2022, (ii) Work Order dated October 29, 2022 and (iii) resolution passed by the Bond Issue Committee dated May 9, 2025.

** SMC shall utilize grants under Swarnim Jayanti Mukhya Mantri Shahri Vikas Yojna (SJMMSVY), AMRUT 2.0, 15th Finance Commission to fund the SMC contribution. Further, SMC may apply for any other grants under other Central/State Government Schemes, utilize its own revenues or may consider further borrowings to fund the SMC contribution.

Note: Cost of Project VI is inclusive of GST & may vary during implementation. Any incremental cost shall be borne by SMC.

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

F. Schedule of implementation of the Project

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

Sr. No.	Activity	Indicative Period		Physical Target (%)	Financial Target (%)
		From	To		
1	Site Cleaning, Designing	Completed		86.00	81.00
2	Alignment, Cutting Edge				
3	Well Kerb				
4	Pile				
5	Pile cap / Abutment				

Sr. No.	Activity	Indicative Period		Physical Target (%)	Financial Target (%)
		From	To		
6	Pier/Abutment				
7	Pier cap / Abutment cap				
8	Coffer Dam				
9	Well Wall Up to Sinking				
10	Sinking of Well				
11	Plugging				
12	Well Wall After Sinking	17/04/2025	31/05/2025	88.00	81.00
13	Girder	16/10/2023	25/06/2025	90.00	88.00
14	Slab Span	01/01/2024	10/07/2025	91.00	89.00
15	Cross Barrier	10/03/2024	20/07/2025	92.00	90.00
16	Chlorination, HT/LT Room	01/04/2024	30/07/2025	93.00	91.00
17	Expansion Joint	16/11/2025	20/11/2025	94.00	92.00
18	Pump House	16/06/2025	20/11/2025	95.00	93.00
19	Wearing Coat	21/11/2025	25/11/2025	97.00	95.00
20	Electrical, and Mechanical Works	15/06/2024	10/05/2026	100.00	100.00

Note: The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project VI.

*The above timelines (for pending approvals), the Physical Target and Financial Target are indicative and may vary basis actual completion of work.

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

Based on the similar projects completed by the Corporation in past, the indicative milestone dates for the completion of activities of proposed Project VI are as below:

Sr. No.	Activity Description	Duration (Days)	Start Date	Completion Date
1	Site Cleaning, Designing	Completed		
2	Alignment, Cutting Edge			
3	Well Kerb			
4	Pile			
5	Pile cap / Abutment			
6	Pier/Abutment			
7	Pier cap / Abutment cap			
8	Coffer Dam			
9	Well Wall Up to Sinking			
10	Sinking of Well			
11	Plugging			
12	Well Wall After Sinking	44	17/04/2025	31/05/2025
13	Girder	618	16/10/2023	25/06/2025
14	Slab Span	556	01/01/2024	10/07/2025
15	Cross Barrier	497	10/03/2024	20/07/2025
16	Chlorination, HT/LT Room	485	01/04/2024	30/07/2025
17	Expansion Joint	4	16/11/2025	20/11/2025

Sr. No.	Activity Description	Duration (Days)	Start Date	Completion Date
18	Pump House	157	16/06/2025	20/11/2025
19	Wearing Coat	4	21/11/2025	25/11/2025
20	Electrical, and Mechanical Works	694	15/06/2024	10/05/2026

Note: (1) T stands for the date of award of Work order i.e. October 29, 2022.

(2) The details above are based on the certificate dated May 8, 2025 from Project Consultant for Project VI.

Current Status of the Project VI: The tendering process has been completed & work order has been awarded for the Project VI and the work is under progress. The current completion status of Project VI as per certificate dated May 8, 2025 from Project Consultant for Project VI is as follows:

	Physical target achieved	Financial target achieved
Project Construction	86.00%	81.00%

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

The Project VI is approved by General Board Resolution No. 434/2022, Dated May 31, 2022 reconvened on June 06, 2022 and by Standing Committee Resolution No. 1705/2022, Dated October 20, 2022

Based on the certificate dated May 8, 2025 from Project consultant for Project VI, other than the approval mentioned herein, there are no other regulatory approvals/licenses/permissions/NOCs required to be obtained by the Corporation for implementation of the Project VI.

Funding requirement and deployment of Issue Proceeds

The funding requirement, proposed deployment of funds and the intended use of the proceeds of the Issue set out above is based on (a) the policies, current initiatives and development plans of our Corporation; (b) internal estimates of the Corporation (including grants); (c) prevailing regulatory framework and market conditions; (d) other technical and commercial considerations; and (e) Detailed Project Reports (f) Independent Limited Assurance Statement dated April 4, 2025 assuring the “Framework for Green Bonds” in accordance with the requirements of the Climate Bonds Standard V4.0 and a verification report dated April 4, 2025 based on Pre-Issuance Requirements of the Climate Bonds Standard version 4.0 issued by KPMG. However, these fund requirements and proposed deployment of Issue Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rates fluctuation, access to capital, change in government policies and other external factors such as changes in the business environment or regulatory framework, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Issue Proceeds at the discretion of our Corporation including rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our Corporation, subject to compliance with applicable laws. For details on risks involved, see “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on internal estimates and estimates provided by the Project Consultants, derived from quotations and bids received during the tendering process, pursuant to which work orders have been issued. These estimates have not been independently appraised by any third-party expert, bank, or financial institution” on page 18.

Further, in the event the proceeds of the Issue are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Corporation; and (iii) any other economic, business and commercial considerations, the remaining proceeds of Issue shall be utilized in subsequent periods in such manner as may be determined by our Corporation, in accordance with applicable laws. Further, our Corporation may also utilise any portion of the proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above.

Subject to compliance with applicable laws, in case of any variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from

internal accruals, debt or other financing arrangements.

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

Aligned with the Government of India's commitment for green and climate-positive infrastructure, the Corporation proposes financing a few of the infrastructure projects aimed at reducing Corporation's carbon footprint by issuing "green municipal bonds,". Issuing a debt instrument such as a green bond aligns with Corporation's objective of promoting sustainability, addressing climate change challenges, and fostering inclusive economic growth in Surat. By leveraging the financial markets to fund green projects, the Corporation aims to achieve its objectives of promoting sustainability, addressing climate change challenges, fostering inclusive economic growth and meet environmental goals while delivering long-term value to the city and its residents.

Independent Advisor for Green Bonds

As part of the Green Urban Mobility Partnership between Government of Germany and Government of India, Ministry of Housing and Urban Affairs (MoHUA) is implementing the 'Sustainable Urban Mobility - Air quality, Climate action and Accessibility (SUM-ACA) project in association with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

As part of the project, Surat is identified as one of the partner city by MoHUA. In this regard as per the Letter of Support between SMC and SUM-ACA, GIZ, SUM-ACA has collaborated with SMC towards implementing solutions focusing on sustainable urban mobility, climate actions and improved accessibility and provide technical support to plan and implement activities/ projects which can promote transition to green and integrated mobility. The technical cooperation includes providing advisory and guidance support through various activities to SMC for raising funds through the issuance of green bonds for implementing projects recognised as "green" as per SEBI guidelines. A Memorandum of Understanding dated January 12, 2024 has been entered between GIZ and SMC for the project of supporting SMC for raising funds through issuance of green bonds. ("MOU")

With the support of GIZ, SMC has formulated a Green Bond Framework complying with:

- (i) the International Capital Market Association (ICMA) Green Bonds Principles,
- (ii) the Government of India framework for sovereign green bonds and
- (iii) SEBI's regulations regarding green municipal debt securities

The Green Bond Framework has been prepared with the support of the Indo-German Development Cooperation project, "Sustainable Urban Mobility- Air Quality, Climate Action and Accessibility (SUM-ACA)." This project is implemented jointly by the Ministry of Housing and Urban Affairs (MoHUA) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

Green Bond Framework prepared by SMC outlines the governing framework for execution and managing the green bonds on an ongoing basis based on requirements of Climate Bonds Standard V4.0 issued by the Climate Bonds Initiative, London and applicable guidelines for Green municipal bonds and has been duly approved by the Deputy Municipal Commissioner vide letters dated February 24, 2025 and April 4, 2025.

The Green Bond Framework sets forth SMC's obligation as an issuer of "green municipal bonds". The Framework describes the process of using green bonds issued under a Green Bond Facility or a Green Tranche of a Bond Facility (collectively referred to as "Green Bonds") to finance or refinance projects assets or activities with environmental benefits. The Framework will apply to any Green Bonds issued by SMC and will be applied as long as any such instrument is outstanding.

Assurance Statement and Verification Report

SMC has appointed KPMG Assurance and Consulting Services LLP ("KPMG") for providing services as Assurance Service Provider, to undertake an independent assurance on their Green Bond Framework to be used for issuance of green bonds by SMC. KPMG Assurance and Consulting Services LLP, as the Independent Third Party Reviewer, have conducted a review of the Green Bond Framework developed by SMC for projects to be funded through the proposed Issue. KPMG has issued (i) an Independent Limited Assurance Statement dated April

4, 2025 assuring the “Framework for Green Bonds” in accordance with the requirements of the Climate Bonds Standard V4.0 (“**KPMG Assurance Report**” annexed as Annexure VI) and (ii) a verification report dated April 4, 2025 based on Pre-Issuance Requirements of the Climate Bonds Standard version 4.0 showing Assessment of Issuer’s Green Bond Framework against Climate Bonds Standard V4.0 that reflects their opinion on conformance of Issuer’s framework with the Climate Bonds Standard V4.0 issued by the Climate Bonds Initiative, London.

Pre-Issue Certification

The Climate Bonds Standards Board has approved the Pre-Issue Certification of SMC Green Municipal Bonds on March 28, 2025 as per the application documents and verification report provided by Surat Municipal Corporation. The Pre-issuance certification comes into force once the debt instrument is issued. The Climate Bonds Initiative vide certificate dated April 6, 2025 certified that the SMC Green Municipal Bond issued by Surat Municipal Corporation has met the criteria for certification by the Climate Bond Standard Board on behalf of the Climate Bonds Initiative and consented the usage of Climate Bond Certified logo in the information materials relating to debt instruments.

The Green Bond Framework approved by the Deputy Municipal Commissioner vide letters dated February 24 2025 and April 4, 2025, verified by KPMG vide Verification Report dated April 4, 2025 and certificated by Climate Bonds Initiative vide certificate dated April 6, 2025 is herein after referred to as “**Green Bond Framework**” in the Draft Offer Document.

The disclosures pertaining to the Green Bonds have been certified by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Independent Advisor for Green Bonds vide its certificate dated May 9, 2025.

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

As per the Green Bond Framework, SMC is committed to using resources to develop "Green Projects" that align with India’s objective of climate change mitigation. Screening of the green projects is based on the following principles:

1. Encourages energy efficiency in resource utilisation;
2. Reduces carbon emissions and greenhouse gases;
3. Promote climate resilience and adaptation;
4. Values and improves natural ecosystems and biodiversity, especially according to the SDG principles.

SMC will use the proceeds raised from the issuance of Green Bonds to finance eligible projects. These projects will be categorised based on the Government of India's green bond framework and fulfil the following criteria::

1. Be aligned with SMC's obligatory functions under the BPMC Act
2. Meet SEBI’s criteria for eligible green projects.

As per the Green Bond Framework, the following category of projects has been identified by SMC as eligible for green bond financing:

Green Project Category	Environmental Objective	Eligibility Criteria
Renewable Energy (SDG 7 and 13)	Climate change mitigation	<ul style="list-style-type: none"> Investments in solar/ wind/ biomass projects that reduce the use of energy from fossil fuels
Energy Efficiency (SDG 7 and 13)	Climate change mitigation	<ul style="list-style-type: none"> Design and construction of energy-efficient and energy-saving systems in municipal buildings, including Support for public lighting improvements (such as the use of e.g. LED use).
Clean Transportation (SGD 9, 11 and 13)	Climate change mitigation	<ul style="list-style-type: none"> Promote public transportation infrastructure, including electrification of public transport (e.g., metro rail systems, electric

Green Project Category	Environmental Objective	Eligibility Criteria
		buses) and related infrastructure development for the same.
Sustainable Water and Waste Management (SDG 6)	Climate change mitigation	<ul style="list-style-type: none"> Promote energy-efficient pumping systems for water supply, encourage circularity in water use and installation/upgradation of wastewater infrastructure (including transport, treatment, and disposal systems). Water resource conservation and flood defence systems such as storm water drainage networks.
Pollution Prevention and Control (SDG 12 and 13)	Climate change mitigation, Environmental protection	<ul style="list-style-type: none"> Projects targeting the reduction of air emissions, greenhouse gas control, waste management, waste prevention, waste recycling, waste reduction, and energy/emission efficient waste-to-energy systems.

SMC proposes to use the proceeds raised from Green Bonds to finance below nominated projects falling in above 'Eligible Categories' defined in Green Bond Framework:

1. Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha ("Project I")
2. Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi ("Project II")
3. Development of depot for electric bus operations at Kosad ("Project III")
4. Construction of Centralized Dry and Wet Waste processing plant at Umber ("Project IV")
5. Augmentation and upgradation of Water Treatment Plant at Variav and Rander ("Project V")
6. Construction of Intake Well and transmission line at Variav ("Project VI")

(Project I, Project II, Project III, Project IV, Project V and Project VI are collectively referred to as "Projects")

As per Green Bond Framework and the certificate dated May 9, 2025 from Independent Advisor for Green Bonds, the Projects have the following Environmental Objectives/ Technical/ Economical Advantages amongst others:

A. Project I:

- Renewable Energy Source- Solar energy is a clean and sustainable source of power, reducing reliance on fossil fuels and associated greenhouse gas emissions. This aligns with India's national commitments to renewable energy targets.
- Grid Security and Independence- Solar power contributes to grid stability by diversifying the energy mix and reducing dependence on traditional power sources. It can also enhance energy security by providing some level of energy independence, especially during grid outages.
- Carbon Credits- The project can potentially generate carbon credits, which can be sold or traded, providing additional revenue.
- The project aims to install non-fossil fuel-based energy resources.
- The implementation of the project will support the Government of India in achieving its NDC targets and also cater to Sustainable Development Goal 7.
- Project I contributes towards Sustainable Development Goal 7: Access to Sustainable and Modern Energy and National Mission/ Scheme: National Solar Scheme.
- The table below provides the expected environmental and social impact of the project.

Installed renewable energy installed (MW)	10 MW
Annual renewable energy generated (MWh)	17.32 GWh
Annual GHG emissions avoided (tCO2)	19681.81 tCO2

B. Project II

- Sustainable and Clean- Harnesses wind instead of fossil fuels, aligning with India's green goals and

reducing greenhouse gas emissions.

- Grid Stability- Diversifies the energy mix, making the grid more resilient and reducing dependence on traditional sources.
- The project aims to install non-fossil fuel-based energy resources.
- The implementation of the project will support the Government of India in achieving its NDC targets and also cater to Sustainable Development Goal 7.
- Project II contributes towards Sustainable Development Goal 7: Access to Sustainable and Modern Energy.
- The below table provides the expected environmental and social impact of the project:

Installed renewable energy installed (MW)	6.3 MW
Annual renewable energy generated (GWh)	16.48
Annual GHG emissions avoided (tCO ₂)	18727.27

C. Project III

- Project III contributes towards Sustainable Development Goal 11: Sustainable Cities and Communities and National Mission/ Scheme: National Electric Vehicle Policy and Surat Electric Vehicle Policy.
- The project aims towards the development of depot infrastructure for operating electric buses. While the depot would be developed through proceeds of green bonds and proceeds from internal accruals and grants; the operations of the electric buses, is on public private partnership. The infrastructure development will help in the operations of clean transportation systems for the city of Surat, which will help climate change mitigation.
- The implementation of the project will provide sustainable and affordable means of mobility to all people.
- The project will also help the city and India achieve the target as per the Electric Vehicle Policy
- The below table provides the expected environmental and social impact of the project

Number of people expected to use the public transport system	~60,000 passengers per day (based on current ridership per bus per day)
Number of buses	100
Annual GHG emissions avoided (tCO ₂)	5296 kg CO ₂

D. Project IV

- Project IV contributes towards Sustainable Development Goal 12: Sustainable Consumption and Production Patterns and National, Mission/ Scheme: Swachh Bharat Mission 2.0- Objective of Garbage free cities
- Improved waste management: Consolidates waste management activities into a central location, improving efficiency and control over waste disposal.
- Reduced environmental impact-GHG emissions: The project aims to reduce GHG emissions, and land and water pollution and improve public health.
- The dry and wet waste processing plant diverts waste from the sanitary landfill site, reducing landfill space usage and minimised methane emissions from decomposing waste in anaerobic landfill conditions.
- The table below provides the expected environmental and social impact of the project:

Processing of waste	The dry and wet waste processing plant will process upto 80% - 90% of the waste generated, depending on the type of incoming waste.
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E. Project V and Project VI

- Project V and Project VI contribute towards Sustainable Development Goal 6 and 11: Sustainable management of water and sanitation for all and National Mission/ Scheme: AMRUT 2.0.
- Increases water supply capacity: Development of intake well and augment the capacity of the existing water treatment plant to cater to provide potable 24/7 water supply to the newly added areas. The use of advanced technology will ensure better water quality supplied to the citizens.
- Environmental Sustainability- The advanced technology will ensure improved quality of water supplied to the citizens, and zero water discharge through the ZLD technology. Using the ZLD technology for the treatment of raw water, minimizes the environmental impact by preventing contaminated water from being released into water bodies, protecting aquatic ecosystems and public

health.

- The project promotes sustainable resource management and aims to provide additional households with access to potable water.
- The table below provides the expected environmental and social impact of the project

Volume of water treated	149650 MLD
Additional population with potable water supply	327439 (by 2025), 873171 (by 2030)
Increase in households with potable water supply	2.2%
Increased water efficiency of the system	4%

Accordingly, as per certificate dated May 9, 2025 from Independent Advisor for Green Bonds, the Projects fall within the 'Eligible Categories' defined in Green Bond Framework.

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

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

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

- SMC has formed a "Green Municipal Bond Committee," led by the Municipal Commissioner as Chairperson. The committee includes 4 to 5 members, such as the Deputy Commissioner, City Engineer, Chief Accountant, and Additional City Engineer.
- The committee is tasked with the process of selecting projects to be financed by green municipal bond issuance. The committee evaluates projects considering the eligibility criteria of "green projects" as per SEBI guidelines, considering both environmental and social impacts.
- SMC identifies potential projects that align with the sectors defined by SEBI as "green,"- which includes renewable energy, energy efficiency, sustainable management of water resources, clean transport, sustainable water, and green buildings and also qualify as per the Climate Bonds Initiative Standards V4.0.
- Relevant documents such as project plans, detailed project reports, technical specifications, environmental impact reports, and financial feasibility are reviewed to examine the project's alignment with the green bonds framework.
- Multiple stakeholders, such as project developers, consultants, and financial experts, are consulted to examine the robustness of the project and compliance with SEBI guidelines. A thorough due diligence process is conducted to verify the accuracy and reliability of the projects, which includes site visits, technical assessments, and third-party verification, to ensure that the selected projects meet SEBI's guidelines.

Based on the procedures outlined above, SMC has selected the Projects for financing through the proposed green bond issuance.

These Projects would enable SMC to reduce green house gas emissions and improve the coverage of basic services

Chapter IX: 'Green Debt Securities' of the SEBI Master Circular aligns the classification of green projects defined under SEBI NCS Regulations. Regulation 2 (1)(q).

Independent Advisor for Green Bonds vide its certificate dated May 9, 2025 has confirmed that the said Projects qualify under following categories of Regulation 2(1)(q) of SEBI NCS Regulations:

Project	Category under Regulation 2(1)(q) of SEBI NCS Regulations
1. Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha ("Project I")	2(1)(q) (i) renewable and sustainable energy including wind, bioenergy, other sources of energy which use clean technology
2. Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi ("Project II")	2(1)(q) (i) renewable and sustainable energy including wind, bioenergy, other sources of energy which use clean technology
3. Development of depot for electric bus operations at Kosad ("Project III")	2(1)(q) (ii) clean transportation including mass/public transportation 2(1)(q) (iii) climate change adaptation including efforts to make infrastructure more resilient to impacts of climate change and information support systems such as climate observation and early warning systems
4. Construction of Centralized Dry and Wet Waste processing plant at Umber ("Project IV")	2(1)(q) (v) sustainable waste management including recycling, waste to energy, efficient disposal of wastage
5. Augmentation and upgradation of Water Treatment Plant at Variav and Rander ("Project V")	2(1)(q) (x) blue bonds which comprise of funds raised for sustainable water management including clean water and water recycling, and sustainable maritime sector including sustainable shipping, sustainable fishing, fully traceable sustainable seafood, ocean energy and ocean mapping
6. Construction of Intake Well and transmission line at Variav ("Project VI")	2(1)(q) (x) blue bonds which comprise of funds raised for sustainable water management including clean water and water recycling, and sustainable maritime sector including sustainable shipping, sustainable fishing, fully traceable sustainable seafood, ocean energy and ocean mapping

Accordingly, as per certificate dated May 9, 2025 from Independent Advisor for Green Bonds the Projects qualify as per the categories of Regulation clause 2(1)(q) of SEBI NCS Regulations and can be treated as eligible projects for issue of green bonds ("**Eligible Green Projects for Green Bonds**")

Accordingly, the Bond Issue Committee while making note that the Projects for which the proceeds are been raised through issuance of Green Bonds is fit to be qualified as eligible green project as per categories suggested in relevant circular for issue of green debt securities, vide its resolution dated May 9, 2025 approved the issue of Green Bonds.

ii. The criteria making the project(s) and/ or asset(s) eligible for using the green debt securities proceeds; and

As per the Green Bond Framework, the proceeds of the issue of Green Bonds will be utilised towards the eligible green projects which are expected to mainly contribute to environmental conservation, renewable energy adoption, and climate resilience in the city. Further it is stated that the bond proceeds will be allocated towards financing the eligible green projects, which is in line with the list of broad categories as recognized by Climate Bonds Initiative Standards V4.0. as well as SEBI's regulations regarding green municipal debt securities.

Independent Advisor for Green Bonds has confirmed vide its certificate dated May 9, 2025 that the said Projects qualify under following categories of Regulation clause 2(1)(q) of SEBI NCS Regulations: Category (i) renewable and sustainable energy including wind, bioenergy, other sources of energy which use clean technology; Category (ii) clean transportation including mass/public transportation; Category (iii) climate change adaptation including efforts to make infrastructure more resilient to impacts of climate change and information support systems such as climate observation and early warning systems; Category (v) sustainable waste management including recycling, waste to energy, efficient disposal of wastage; Category (x) blue bonds which comprise of funds raised for sustainable water management including clean water and water

recycling, and sustainable maritime sector including sustainable shipping, sustainable fishing, fully traceable sustainable seafood, ocean energy and ocean mapping (“**Eligible Green Projects for Green Bonds**”)

Accordingly, the Bond Issue Committee while making note that the Projects for which the proceeds are been raised through issuance of Green Bonds is fit to be qualified as eligible green project as per categories suggested in relevant circular for issue of green debt securities, vide its resolution dated May 9, 2025 approved the issue of Green Bonds.

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

SMC has developed a Green Bond Framework to comply with four components and key recommendations of the International Capital Market Association (ICMA) Green Bond Principles and keeping in view SEBI’s regulations regarding green municipal debt securities.

Green Bond Framework outlines the governing framework for execution and managing the green bonds on an ongoing basis based on requirements of Climate Bonds Standard V4.0 issued by the Climate Bonds Initiative, London and applicable guidelines for Green municipal bonds.

KPMG has issued (i) an Independent Limited Assurance Statement dated April 4, 2025 assuring the “Framework for Green Bonds” in accordance with the requirements of the Climate Bonds Standard V4.0 (“KPMG Assurance Report” annexed as Annexure VI) and (ii) a verification report dated April 4, 2025 based on Pre-Issuance Requirements of the Climate Bonds Standard version 4.0 showing Assessment of Issuer’s Green Bond Framework against Climate Bonds Standard V4.0 that reflects their opinion on conformance of Issuer’s framework with the Climate Bonds Standard V4.0 issued by the Climate Bonds Initiative, London.

As certified by Independent Advisor for Green Bonds, the proposed Eligible Green Projects for Green Bonds are in alignment of projects with said taxonomies of Climate Bonds Standard V4.0 issued by the Climate Bonds Initiative, London and SEBI’s regulations regarding green municipal debt securities including the related eligibility criteria, and exclusion criteria, as applicable.

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

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

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

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

1. The net proceeds from the issuance of the Green Financing Instrument will be allocated to finance the identified Green Projects, to be referred as the ‘Green Project Portfolio’.
2. The bond proceeds will be transferred to the Public Issue Account account in accordance with SEBI regulations. Thereafter, the proceeds shall be transferred into the designated holding account for these green projects by the banker to the issue after receipt of directions for the said transfer from the merchant banker and registrar.
3. The Net Proceeds of the debt instrument will be credited to a separate bank account designated as the Green Bond Account so that it is easily identified appropriately documented.
4. The unallocated proceeds will not be allocated to any greenhouse gas-intensive projects that are inconsistent with the delivery of a low-carbon and climate-resilient economy.
5. The proceeds from the green bond will be managed through a separately assigned project code. This

code is specifically designated to record and track transactions related exclusively to green bond-funded projects. This structured approach aids in earmarking, managing, and accounting for funding allocated to the nominated projects and assets. Furthermore, it enables the estimation of the share of the Net Proceeds being utilised for financing, ensuring transparency and accurate allocation of funds for the intended environmentally sustainable initiatives.

6. SMC proposes to use the proceeds from the green bonds for projects that have already been tendered. These projects are currently in progress, and the proceeds from the bond issue will be utilized to support their implementation.
7. SMC, on a best-effort basis, will strive to fully allocate the net proceeds of any Green Finance Instrument within 24 months after the bond issuance to facilitate the utilisation of proceeds from the bond issue and as per the Climate Bond Standards (CBS) v4.0.
8. SMC will provide a Post-Issuance Verification Report by an Approved Verifier confirming that 100% of the proceeds have been allocated.
9. In the case of any inadvertent delays in project execution, SMC will inform the trustee of the bond issue, stock exchanges, SEBI, and Climate Bonds Initiative about any potential delays in the utilisation of proceeds and provide revised timelines for balance fund utilisation and obtain necessary approvals.

As per the Green Bond Framework, Eligible Green Projects financed by Net Proceeds of any Green Finance Instrument will not be affected by ex-ante changes to the Green Finance Framework and will remain in the Green Portfolio for as long as they meet the Eligibility Criteria prevailing at the time of the raising such Green Finance Instrument and remain internally/virtually allocated to an outstanding Green Finance Instrument.

Monitoring mechanisms for impact assessment

An appointed Executive Engineer will oversee green bond framework projects, including evaluating and monitoring project progress at every level. An annual audited report will be submitted to SEBI by SMC, which will provide the following details:

1. Utilisation of funds
2. Project development stage
3. Impact of the projects as per the indicators mentioned above

The officer will conduct comprehensive assessments independently, ensuring diligent oversight and effective management of each project's activities. Their responsibilities encompass thorough evaluation and supervision, ensuring alignment with project objectives and standards. With executive officers designated from each department, there is enhanced coordination and specialized attention to the unique requirements and goals of the green bond initiatives. Additional monitoring will occur through reporting to various authorities specified in the reporting section below.

After the Issue, SMC will engage an accredited verifier to conduct a post-issuance review to assess:

1. Allocation of proceeds usage
2. Ongoing eligibility of projects and assets
3. Adequacy and effectiveness of the Issuer's internal controls and systems
4. Management of unallocated funds

Based on a successful post-issuance review, SMC will then seek certification from the Climate Bonds Initiative, verifying adherence to the established Green Finance Framework.

Reporting

As per the Green Bond Framework, SMC is committed to transparent reporting on the allocation of proceeds from the green bonds and the environmental and social impact of projects funded by the proceeds, in accordance with SEBI regulations and Climate Bonds Standards V4.0. Reporting will be made to Trustee of the Issue, Registrar of the Issue, Credit Rating Agencies for the Issue, Auditors of the Issue, SEBI, Climate Bonds Initiative, Green Bond Framework Verifier (KPMG India), Government of India (GOI) for overall project monitoring (water project) through the AMRUT 2.0 portal.

A. *Allocation Reporting*

1. A statement on the climate-related objectives of the Bond.
2. The list of Nominated projects and assets to which Net Proceeds have been allocated.
3. Utilization of the proceeds of the issue as per tracking by the issuer using internal processes as disclosed in the offer document. This shall be verified by a report of an external auditor.
4. An estimate of the respective shares of the Net Proceeds used for financing and which nominated projects and assets have been reallocated.
5. Details of unutilized proceeds at the end of the reporting period and their deployment in financial securities as per treasury policies stated in the offer document.

B. *Eligibility Reporting*

1. Confirmation that the Nominated projects and assets continue to meet the relevant eligibility requirements applicable when obtaining the Certification.
2. Information on the environmental characteristics or performance of Nominated projects and assets, which is prescribed by the relevant Sector Criteria.

C. *Impact Reporting*

1. Report the impact of the project based on the indicators identified above for the nominated projects till the repayment of the amount raised through green bonds.
2. Provide the methods and the key underlying assumptions for the calculation of the performance indicators and metrics.

d. **Details of the project(s) and/or asset(s) or areas where the issuer, proposes to utilise the proceeds of the issue of green debt securities, including towards refinancing of existing green project(s) and/or asset(s), if any**

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

- a) Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha ("Project I")
- b) Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi ("Project II")
- c) Development of depot for electric bus operations at Kosad ("Project III")
- d) Construction of Centralized Dry and Wet Waste processing plant at UMBER ("Project IV")
- e) Augmentation and upgradation of Water Treatment Plant at Variav and Rander ("Project V")
- f) Construction of Intake Well and transmission line at Variav ("Project VI")

(Project I, Project II, Project III, Project IV, Project V and Project VI are collectively referred to as "Projects")

Independent Advisor for Green Bonds has confirmed vide its certificate dated May 9, 2025 confirmed that the said Projects qualify as "Eligible Green Projects for Green Bonds".

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

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

(Rs in Cr)

Sr. No	Name of the Project	Project Cost	Amount to be raised through proposed green bonds
1	Installation of a 10 MW ground-mounted solar power plant	55.56	30.00
2	Installation of a 6.3 MW Wind Power Plant	56.10	43.82
3	Development of Kosad depot for electric bus operations	8.48	4.19
4	Construction of Centralized Dry and	407.67	[●]*

Sr. No	Name of the Project	Project Cost	Amount to be raised through proposed green bonds
	Wet Waste processing Plant		
5	Augmentation and upgradation of Water Treatment Plant at Variav and Rander	250.07	29.31
6	Construction of Intake Well	87.09	16.33
	Total	864.97	Up to 200.00

** An amount of up to ₹ 76.35 crores has been proposed to be funded from the proceeds of the Issue. The actual amount to be utilized for Project IV shall be finalized upon determination of the Issue Expense and will be updated in the Offer Document.*

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

As per the Verification Report, the Green Bond Framework states that the balance proceeds will be held in cash, cash equivalents, and/or other liquid marketable instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy. to.

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

As per certificate dated May 9, 2025 from Independent Advisor for Green Bonds, all the Projects are aimed at providing social and economic benefits and there are no perceived risk associated with the Projects.

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

Assurance Statement and Verification Report

SMC has appointed KPMG Assurance and Consulting Services LLP (“KPMG”) for providing services as Assurance Service Provider, to undertake an independent assurance on their Green Bond Framework to be used for issuance of green bonds by SMC. KPMG Assurance and Consulting Services LLP, as the Independent Third Party Reviewer, have conducted a review of the Green Bond Framework developed by SMC for projects to be funded through the proposed Issue. KPMG has issued (i) an Independent Limited Assurance Statement dated April 4, 2025 assuring the “Framework for Green Bonds” in accordance with the requirements of the Climate Bonds Standard V4.0 (“KPMG Assurance Report” annexed as Annexure VI) and (ii) a verification report dated April 4, 2025 based on Pre-Issuance Requirements of the Climate Bonds Standard version 4.0 showing Assessment of Issuer’s Green Bond Framework against Climate Bonds Standard V4.0 that reflects their opinion on conformance of Issuer’s framework with the Climate Bonds Standard V4.0 issued by the Climate Bonds Initiative, London

The Issuer has also appointed Climate Bonds Initiative as Third Party Agency for Green Certification for its proposed Green Bonds Issue. The Climate Bonds Standard Board approved the Pre-Issuance Certification of the above debt instruments,

Pre-Issue Certification

The Climate Bonds Standards Board has approved the Pre-Issue Certification of SMC Green Municipal Bonds on March 28, 2025 as per the application documents and verification report provided by Surat Municipal corporation. The Pre-issuance certification comes into force once the debt instrument is issued. The Climate Bonds Initiative vide certificate dated April 6, 2025 certified that the SMC Green Municipal Bond issued by Surat Municipal Corporation has met the criteria for certification by the Climate Bond Standard Board on behalf of the Climate Bonds Initiative and consented the usage of Climate Bond Certified logo in the information materials relating to debt instruments.

The Green Bond Framework approved by the Deputy Municipal Commissioner vide letters dated February 24, 2025 and April 4, 2025, verified by KPMG vide Verification Report dated April 4, 2025 and certificated by Climate Bonds Initiative vide certificate dated April 6, 2025 is herein after referred to as “**Green Bond Framework**” in the Draft Offer Document.

i. **Undertaking by the Issue:**

The Issuer hereby undertakes the following:

1. It shall comply with the monitoring and continuous disclosure requirements suggested for the issue of green debt securities by SEBI from time to time.
2. Maintain a decision-making process which it uses to determine the continuing eligibility of the project(s) and/or asset(s). This includes, without limitation statement on the environmental objectives of the green debt securities and a process to determine whether the project(s) and/or asset(s) meet the eligibility requirements.
3. Ensure that all project(s) and/or asset(s) funded by the proceeds of green debt securities, meet the documented objectives of green debt securities;
4. Utilise the proceeds only for the stated purpose, as disclosed in the offer document; and
5. Ensure compliance with “Dos and don’ts relating to green debt securities to avoid occurrences of greenwashing” stated in Chapter IX-A of SEBI Master Circular.
 - a. To address the concerns of market participants, regarding greenwashing, an issuer of green debt securities shall ensure the following to avoid its occurrence:
 - b. While raising funds for transition towards a greener pathway, it shall continuously monitor to check whether the path undertaken towards more sustainable form of operations is resulting in reduction of the adverse environmental impact and contributing towards sustainable economy, as envisaged in the offer document.
 - c. It shall not utilize funds raised through green bonds for purposes that would not fall under the definition of ‘green debt security’ under the NCS Regulations.
 - d. In case any such instances mentioned in (ii) above come to light regarding the green debt securities already issued, it shall disclose the same to the investors and, if required, by majority of debenture holders, undertake early redemption of such debt securities.
 - e. It shall not use misleading labels, hide trade-offs or cherry pick data from research to highlight green practices while obscuring others that are unfavorable in this behalf.
 - f. It shall maintain highest standards associated with issue of green debt security while adhering to the rating assigned to it.
 - g. It shall quantify the negative externalities associated with utilization of the funds raised through green debt security.
 - h. It shall not make untrue claims giving false impression of certification by a third-party entity.

Expenses of the Issue:

The expenses for this Issue include, inter alia, lead management fees to the Lead Manager and selling commission to the consortium member and intermediaries as provided in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue.

The Corporation proposes to utilise the Net Proceeds towards the Objects of the Issue. Basis the finalization of the Issue Expenses, the actual amount to be utilized for Project IV from the Net Proceeds and amount to be utilized from grants and internal accruals will be determined. The amounts payable towards indicative Issue expenses and amount to be utilized for Project IV will be updated in the Offer Document.

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

Expenses Head	Amount (in ₹) (Excluding Taxes)**	Percentage of total issue expenses**	Percentage of total issue size**
Fees to Lead Manager(s) (including underwriting commissions, if any)	[●]	[●]	[●]
Brokerage, selling commission and upload fees (including charges for Sponsor Banks)	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Fees to the Legal Advisor to the Issue	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchange	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (fees of Rating Agencies, Debenture Trustee, Depositories etc.)	[●]	[●]	[●]
Total (exclusive of taxes)	[●]	100.00%	[●]

** To be updated in the Offer Document

The Issuer has not and any person who is connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

SECTION-VIII: TAX BENEFITS

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

To,
Surat Municipal Corporation
Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395 003, Gujarat

Dear Sir/Madam,

Re: Statement of Special Tax Benefits available to the debenture holders in connection with the proposed public issue of rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds (in the nature of Debentures) of face value of ₹1,000/(rupees one thousand)-each (“Green Bonds” / “NCDs” / “Debentures”), (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPPS”) namely, 1 STRPP A of face value of ₹500 and 1 STRPP B of face value of ₹500), amounting to ₹100 Crore (“Base Issue Size”) with an option to retain over- subscription up to ₹100 Crore (“Green Shoe Option”) aggregating up to ₹200 Crore (“Issue”).

1. We, M/s. Natvarlal Vepari & Co., Chartered Accountants, refer to the proposed Issue by Surat Municipal Corporation (the “**Issuer**”), and enclose the statement of special tax benefits available to the Issuer and its investors under direct and indirect tax laws including the Income Tax Act, 1961 (the “**Statement**”) showing the special tax benefits on the issue of green bonds applicable to the Issuer and its investors as per the provisions of the Income Tax Act, 1961 (the “**Act**”) and Income Tax Rules, 1962 including amendments made by Finance Act, 2025 for inclusion in the Draft Offer Document and Offer Document which are proposed to be filed by the Issuer with the Stock Exchanges, the Securities and Exchange Board of India and any other regulatory authority in connection with the Issue. Several of these benefits are dependent on the investors fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the investors to derive these tax benefits is dependent upon their fulfilling such conditions.
2. The benefits discussed in the enclosed Statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Issuer. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the investors to invest money based on the Statement. We do not express any opinion or provide any assurance as to whether:
 - The Issuer or its investors will continue to obtain these benefits in similar manner in future;
 - the conditions prescribed for availing the benefits have been / would be met with; and
 - the revenue authorities/courts will concur with the views expressed herein.
3. We hereby give our consent to include the Statement in the Draft Offer Document and the Offer Document in connection with the Issue to be filed by the Issuer with the Stock Exchange(s), the Securities and Exchange Board of India and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.
4. **Limitations**

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and their reasonable interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

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

This Statement may be relied upon by the Lead Manager and Legal Advisor to the Issue in respect of the Issue.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Draft Offer Document or the Offer Document.

For Natvarlal Vepari & Co.

Chartered Accountants

Firm registration no.: 123626W

s/d

Authorised Signatory

Name: Hiren R Vepari

Partner

Membership no.: 102680

UDIN: 25102680BNUKAV8174

Place: Surat

Date: May 9, 2025

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS

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

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

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

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

DIRECT TAXES

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

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

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

Benefits to the Issuer

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

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

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

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

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

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

Benefits to the Bond Holders

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

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

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

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

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

“(1) Any person who is responsible for paying to a person being a Foreign Institutional Investor or a Qualified Foreign Investor, any income by way of interest referred to in sub-Section (2), shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.

(2) The income by way of interest referred to in sub-Section (1) shall be the interest payable

(a) on or after the 1st day of June, 2013 but before the 1st day of July, 2023 in respect of investment made by the payee in—

(i) a rupee-denominated bond of an Indian company; or

(ii) Government security;

(b) on or after the 1st day of April, 2020 but before the 1st day of July, 2023 in respect of the investment made by the payee in municipal debt securities;

Provided that the rate of interest in respect of bond referred to in clause, (i) of clause (a) shall not exceed the rate as the Central Government may, by notification in the Official Gazette, specify. Explanation – For the purpose of this section a) ‘Foreign Institutional Investor’ is a registered institution that invests in a country other than its own.

b) ‘Qualified Foreign Investor’ is a subcategory of FII who is a foreign individual, group or association restricted from those countries, which are the members of FATF.

c) ‘Rupee-denominated bond’ is a bond issued by an Indian entity in a foreign market where the buying, selling and repayment are expressed in rupees.

d) ‘Government security’ is a Government issued bond, which is of low risk.”

e) “municipal debt securities” shall mean non-convertible debt securities which create or acknowledge indebtedness, and include debenture, bonds and such other securities of an issuer;

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

Deduction of Tax at Source on interest on Green Bonds

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

Particulars	Contact Details of the Issuer	Contact Details of the RTA
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Name	Surat Municipal Corporation	KFin Technologies Limited
Correspondence Address	Surat Mahanagar Seva Sadan, Gordhandas Chokhawala Marg, Muglisara, Surat – 395003	Selenium, Tower B, Plot No- 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032, Telangana
Contact Person	Smt. Swati Pareshkumar Desai	Mr. Srinivas Sudheer Venkatapuram
Designation	Compliance Officer	VP- Corporate Registry
E-mail ID	smcbond@suratmunicipal.org	srinivassudheer.venkatapuram@kfintech.com
Tel. No.	+91-261- 2423750/51/52/53/54/55/56, (Ext. 243)	0-40-67162222 /
Fax No.	-	040-23001153
Link for online submission	N.A.	https://ris.kfintech.com/form15/forms.aspx?q=0

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

India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

- c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of Section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;
 - d) All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Bond Holders under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of Section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
 - e) For any Green Bonds held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on Green Bonds may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of an Indian Company between June 1, 2013 and July 1, 2023] provided such rate does not exceed the rate as may be notified by the Government. Further, in case where Section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under Section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;
 - f) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
 - g) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);
 - h) Any other specific exemption available to any other category of investors under the IT Act.
6. In case(s) where the Bond Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the Green Bonds, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the Bond Holders would be required to directly take up with the tax authorities for refund, if any.

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

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

- a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Corporation before the prescribed date of closure of books for payment of debenture interest;
- b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial

year in which such income is to be included in computing his total income will be NIL. However, under Section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

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

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

S. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under Section 193 of the IT Act,	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Corporation. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (iii) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.
2	Non-residents- (Other than FIIs/FPIs)	For Non-deduction or lower deduction of tax at source u/s 195 of the IT Act	A certificate under Section 197 of the IT Act from the Indian Assessing Officer for nil / lower deduction of tax at source by making an application in the prescribed form (i.e. Form No.13.)
3	Life insurance Corporation of India	Clause vi of Proviso to Section 193	a. Copy of Registration certificate

4	a. General Insurance Corporation of India, b. companies formed under Section 16(1) of General Insurance Business Act, 1972 and c. any company in which GIC has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 193	b. Copy of Registration certificate Copy of shareholding pattern
5	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
6	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
7	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions and Copy of Registration Certificate
8	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 10(25) and 10(25A) and CBDT Circular - 18/2017	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 10(25) and 10(25A)
9	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under Section Indian Trusts Act, 1882
10	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	Declaration that they fall within the relevant income-tax Section and eligible for income-tax exemption on their income Copy of Registration Certificate
11	Alternative Investment Funds (Category I and II)	Section 197A(1F)	Copy of Registration certificate issued by SEBI

INDIRECT TAXES

Benefits to the Issuer

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

Benefits to the Bond Holders

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

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

SECTION-IX: ISSUE SPECIFIC INFORMATION

A. ISSUE STRUCTURE

This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in the chapter titled “*Terms of the Issue*” beginning on page 133 under this section.

Authority for this Issue

The Green Bonds being offered as part of the Issue are subject to the provisions of the SEBI ILMDS Regulations, SEBI Master Circular, the Gujarat Provincial Municipal Corporations Act, 1949, the Listing Agreements, the terms of this Draft Offer Document and the Offer Document, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of Green Bonds and any other documents that may be executed in connection with the Green Bonds.

The Corporation has obtained approvals for the Issue of bonds from the Standing Committee vide its resolutions no. 143/2024 dated January 18, 2024 and no.1125/2024 dated July 18, 2024 which was approved by its General Board vide its resolutions no. 50/2024 dated February 20, 2024 and no.202/2024 dated July 31, 2024 and the Urban Development and Urban Housing Department, Government of Gujarat vide its Order bearing no. UDUHD/1238/02/2025 dated March 04, 2025 for issuing green municipal bonds.

This Draft Offer Document has been approved by the Bond Issue Committee at its meeting held on May 9, 2025. The Green Bonds pursuant to this Issue will be issued on terms and conditions as set out in the Offer Document.

The key terms and conditions of the Green Bonds are mentioned in the Section titled “*Term Sheet*”.

Participation by any of the investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that, if required by them, they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, see “*Issue Procedure*” beginning on page 154.

Indicative Specific Terms for NCDS

Type of Instrument	Secured NCDs	
Face Value / Issue Price of NCDs (₹ / NCDs)	₹1,000 per NCD comprising of 1 STRPP A of Face value of ₹ 500, 1 STRPP B of Face value of ₹ 500;	
Minimum Application	₹10,000 (10 NCDs comprising of 10 STRPP A and 10 STRPP B)	
In Multiples of thereafter (₹)	₹1,000 (1 NCD comprising of 1 STRPP A and 1 STRPP B)	
STRPP with different ISIN	STRPP A	STRPP B
Tenor	4 Years	5 Years
Face value per STRPP (₹)	₹ 500	₹ 500
	Aggregating to ₹ 1,000 (i.e., 1 NCD)	

Coupon (% per annum) for NCD Holders in Category I, Category II, Category III & Category IV	As specified in the Offer Document	As specified in the Offer Document
Effective Yield (% per annum) for NCD Holders in Category I, Category II, Category III & Category IV	As specified in the Offer Document	As specified in the Offer Document
Frequency of Interest Payment	Half yearly	Half yearly
Mode of Interest Payment	Through Various Modes available	
Maturity/Redemption (from the Deemed Date of Allotment)	4 years	5 years
Put and Call Option	N.A.	N.A.

For example: With respect to each STRPP where Coupon is to be paid on a half yearly basis, relevant Coupon will be paid on each 6 months anniversary of the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The last Coupon Payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

Subject to applicable tax deducted at source, if any. For further details, please see the section titled “*Tax Benefits*” on page 122 of this Draft Offer Document.

Coupon and Payment of Coupon

As specified in the Offer Document.

Application Size

The minimum application size would be ₹ 10,000 (i.e. 10 NCDs) and thereafter in multiples of ₹1,000 (i.e., 1 NCD) thereof. For each NCD allotted, the investors will be allotted 2 STRPPs of different ISINs which are individually tradable post listing. To extend the clarity on the number of STRPPs being issued to the investor on allotment, against the application made for NCDs under this Issue, set of illustrations have been detailed below:

Case I – Application amount- ₹ 10,000

NCDs to be allotted – 10 NCDs which will comprise of 10 STRPP A and 10 STRPP B as under:

STRPP	A	B	Total
Tenor	4 Years	5 Years	
Face Value(X)	₹ 500	₹ 500	₹ 1000
No. of STRPPs(Y)	10	10	20
Total Face Value (X x Y)	₹ 5,000	₹ 5,000	₹ 10,000

Case II – Application amount- ₹ 12,000

NCDs to be allotted – 12 NCDs which will comprise of 12 STRPP A and 12 STRPP B as under:

STRPP	A	B	Total
Tenor	4 Years	5 Years	
Face Value(X)	₹ 500	₹ 500	₹ 1000
No. of STRPPs(Y)	12	12	24
Total Face Value (X x Y)	₹ 6,000	₹ 6,000	₹ 12,000

Upon Allotment, an Investor will be allotted all 2 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size, as explained in Case I and Case II. However, subsequent to listing, the Trading Lot shall be of 1 (one) STRPP forming part of any NCD, bearing individual ISIN will be tradable by the NCD Holders.

B. TERMS OF THE ISSUE

Issue/instrument specific regulations

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI ILMDS Regulations, the relevant provisions of the Gujarat Provincial Municipal Corporations Act, 1949, the SEBI Master Circular, other applicable statutory and/or regulatory authorities.

The Corporation is undertaking this public issue of Green Bonds in accordance with Section 109 and Section 118 of the GPMC Act.

The Corporation has obtained all required approvals for issuing green municipal bonds of face value of ₹ 1,000 each, (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPPs”) namely 1 STRPP A of face value of ₹ 500 and 1 STRPP B of face value of ₹ 500 for an amount aggregating up to ₹ 200 crores.

The NCDs being offered as part of this Issue will be issued on terms and conditions as set out in this Draft Offer Document and the Offer Document.

Rating and Rating Rationale

India Rating has vide its letter dated January 22, 2024, as revalidated vide rating letter dated April 28, 2025, assigned a rating of ‘Provisional IND AA+/Stable’ and has issued a rating rationale dated January 21, 2025. CRISIL has vide its letter dated January 9, 2024, as revalidated vide rating letter dated April 21, 2025, assigned a rating of ‘Provisional CRISIL AA+/Stable’ and has issued a rating rationale dated March 17, 2025.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. For credit rating of Bonds and detailed rationale of the ratings, please refer to Annexure- III. There are no unaccepted rating and any other than as specified in this Draft Offer Document.

Ranking of NCDs

The Green Bonds when issued will constitute secured debt obligations of the Corporation and subject to any obligations under applicable statutory and/or regulatory requirements.

The Green Bonds shall inter se rank *pari passu* in relation to their rights and benefits, without any preference, priority or privilege whatsoever on account of date of issue or allotment or otherwise.

The Green Bonds would constitute secured and senior obligations of our Corporation and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured via exclusive charge by way of hypothecation over present and future receivables pertaining to entire Own Revenues, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed and/or the Deed of Hypothecation, such that the Minimum Security Cover is maintained at all times until the Final Redemption Date.

As exclusive charge by way of hypothecation over the Hypothecated Property of the Corporation is being provided as security for this Issue and no consent is required to be obtained or intimation to be sent for creation of security in relation to this Issue.

Any payments received from the Issuer or realized by the Debenture Trustee upon enforcement of any rights, shall be distributed to the Debenture Holders in proportion to the amounts outstanding to such Debenture Holder in equal proportions without any preference or priority whatsoever.

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

There has been no change in terms and conditions of debt securities issued by the Issuer in past 5 years.

Credit Enhancement Mechanisms, if any.

Please refer to Annexure-I for Structured Payment Mechanism.

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 / delay 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 STRPPs for the defaulting period.

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

In case of delay in listing of the NCDs beyond 6 (six) working days from Issue Closing Date, the Issuer shall pay penal interest of 2 % per annum which shall be paid over and above the Coupon Rate for the period of delay in listing.

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

Security

The Secured Obligations of the Issuer has been secured by way of:

- (a) Exclusive charge by way of hypothecation over present and future receivables pertaining to entire Own Revenues with minimum security cover of 1(one) time of the total amount borrowed along with the Coupon thereon and other costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof
- (b) Exclusive charge by way of hypothecation over the Escrow Account and the account(s) where the Own Revenues gets collected and/ or pooled by the Issuer in each case to the extent of the Own Revenues gets collected and/ or pooled in each of such accounts;
- (c) Exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount), Sinking Fund Account opened for the Issue and funds lying in each such account and any investment(s) made from these account(s);
- (d) Exclusive charge by way of hypothecation over the investments made in terms of the Permitted Investments;
The security interest stipulated above shall be collectively referred to as the "Security"

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

Our Corporation is not required to obtain permissions or consents from the prior creditors for proceeding with this Issue. Pursuant to SEBI Master Circular for Debenture Trustees, our Corporation undertakes, inter alia, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the permissions or consent to create second or pari passu charge on the assets of the Issuer have been obtained from the earlier creditors.

Security Creation Timelines:

- (a) Our Corporation intends to enter into an indenture/deed with the Debenture Trustee, ("Debenture Trust Deed") terms of which will govern the powers, authorities and obligations of the Debenture Trustee. Our Corporation proposes to complete the execution and registration of the Debenture Trust Deed within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created.
- (b) Our Corporation further confirms that the funds shall not be utilized until the Debenture Trust Deed is executed, as required under Regulation 20(4) of the SEBI ILMDS Regulations. Under the terms of the Debenture Trust Deed, our Corporation will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date (Redemption Amounts for respective STRPPs) and also that it will pay the interest due on NCDs at the rate specified in the Offer Document and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our

Corporation shall intimate the Debenture Trustee before withdrawing any portion of the security and replacing with another asset of the same or a higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

- (c) The Corporation undertakes that the necessary documents for the creation of the security, where applicable, would be executed within the time frame prescribed as per applicable law and in accordance with applicable law.
- (d) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchanges.
- (e) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant security documents.

The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover as stipulated herein.

Debenture Redemption Reserve / Sinking Fund

As per SEBI ILMDS Debt Regulations and the requirements of the SEBI Continuous Disclosures Circulars and GPMC Act, the Issuer is required to create Sinking Fund for due repayment of principal amount of the NCDs. Accordingly, the Issuer shall create Sinking Fund as mentioned in the Structured Payment Mechanism for redemption of the Bonds. For further details of Structured Payment Mechanism, please refer to Annexure-I of this Draft Offer Document.

Recovery Expense Fund

The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the SEBI Master Circular for Debenture Trustees as amended from time to time with the Designated Stock Exchange and inform the Debenture Trustee regarding transfer of amount toward such fund. The recovery expense fund may be utilised by the Debenture Trustee, in the event of default by the Corporation under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Corporation in terms of the NCDs proposed to be issued shall be reckoned at each respective ISIN assigned to the respective STRPP.

Face Value

The face value of NCDs shall be of ₹ 1,000/- each (comprising of 2 (two) STRPP namely 1 STRPP A of face value of ₹ 500 and 1 STRPP B of face value of ₹ 500).

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

The Corporation has appointed A. K. Capital Services Limited as Lead Manager to the Issue vide work order dated November 7, 2023 and Issue Agreement dated May 9, 2025.

The Lead Manager, either directly or through its affiliates or its associates or its subsidiaries may invest in the Issue.

Disclosures in accordance with the SEBI Master Circular for Debenture Trustees

Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 50,000 with annual fee amounting to ₹ 50,000 to be charged annually for the services as mutually agreed.

The Corporation has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

- (i) The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Document and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/management consultants appointed by the Debenture Trustee;
- (ii) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Issuer or any other person, are registered / disclosed;
- (iii) The Debenture Trustee shall have the power to either independently appoint, or direct the Issuer to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer;
- (iv) The Issuer has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;
- (v) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Terms of carrying out due diligence:

As per the SEBI Master Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debentures of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to:

- (i) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Document and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents/advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/valuers/consultants/ lawyers/technical-experts/management consultants appointed by the Debenture Trustee.
- (ii) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Issuer or any other person, are registered / disclosed.
- (iii) Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in

accordance with the Applicable Laws.

- (iv) The Debenture Trustee shall have the power to independently appoint or direct the Issuer to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently from an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on Debentures at all times.
- (v) The Debenture Trustee shall, at the time of filing of the Draft Offer Document furnish a due diligence certificate confirming that it has carried out due diligence for the clauses other than that related to security creation.
- (vi) All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.
- (vii) Process of Due Diligence to be carried out by the Debenture Trustee: Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI ILMDS Regulations and circulars issued by SEBI from time to time.
- (viii) The Debenture Trustee shall monitor the Transaction Documents including the Debenture Trust Deed, Escrow Agreement, Disclosure Documents, Deed of Hypothecation, etc. during the entire tenor of the Debentures. At the time of issuance of the Offer Document, when the issue structure including the terms related to security has been determined and finalized, the Debenture Trustee shall issue a Due Diligence Certificate.

Trustees for the NCD Holders

Our Corporation has appointed SBICAP Trustee Company Limited to act as the Debenture Trustee for the NCD Holders. Our Corporation and the Debenture Trustee will execute a Debenture Trust Deed as per Regulation 20 of the SEBI ILMDS Regulations, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and our Corporation. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Green Bonds as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

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

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the Debenture Holders or with the sanction of a resolution, passed at a meeting of the Debenture Holders in the manner provided in the Debenture Trust Deed shall, give notice to the Issuer specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below and as further detailed in the Debenture Trust Deed occurs.

Notwithstanding anything to the contrary contained herein, on occurrence of any event of default specifically identified under the Debenture Trust Deed, the Debenture Holder shall be entitled, in the manner provided in the Debenture Trust Deed, to instruct the Debenture Trustee to issue notice and/or to take actions as stipulated under the Debenture Trust Deed, including a right to appoint a nominee director on the Board of the Issuer in consultation with holders of such debt securities and in accordance with applicable law.

The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities, creation of recovery expense fund and debenture redemption reserve, as applicable. The debenture trustee shall monitor the security cover in relation to secured debt securities in the manner as specified by the Board.

The description below is indicative and a complete and detailed list of events of defaults and the terms of occurrence of such events of default and related consequences will be specified in the Debenture Trust Deed.

Indicative list of events of default as will be more specifically set out in the Debenture Trust Deed:

- i. default is committed in payment of the principal amount of the NCDs on the due date(s);
- ii. default is committed in payment of any interest/coupon on the NCDs on the due date(s).
- iii. default is committed in payment of any other amounts outstanding on the NCDs;
- iv. any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer;
- v. distress being enforced or levied against whole or substantial part of the assets of the Issuer and any order relating thereto is not discharged or stayed within a period of 30 (thirty) days from the date of enforcement or levy;
- vi. if in the opinion of the Debenture Trustee, the Security is in jeopardy.
- vii. Default is committed in the performance of covenants, conditions or agreements on the part of the Issuer in the manner provided under the Debenture Trust Deed other than any payment defaults under the Debenture Trust Deed or the other Transaction Documents;
- viii. Any information furnished or any representation and / or warranty given by the Issuer to the NCD Holders: (a) in this Draft Offer Document, Offer Document or any other Transaction Documents until the date of listing of the NCDs on the Stock Exchanges, is or proves to be untrue or inaccurate in any respect or omits any disclosure of fact which may make the information furnished therein, in light of circumstances under which it was furnished, false or misleading; or (b) under the Transaction Documents on an ongoing basis after the date of listing of the NCDs on the Stock Exchanges, is or proves to be misleading or incorrect in any respect or is found to be incorrect in any respect;
- ix. If the Security Cover Ratio falls below the Minimum Security Cover in the manner set out in the Debenture Trustee Deed;
- x. If the Issuer voluntarily creates or attempts to create any encumbrance on the hypothecated property or any part thereof, other than as expressly permitted under the transaction documents;
- xi. If the Security (or any part thereof) becomes unenforceable, illegal or invalid or any restriction, imposition, attachment or any similar event has been levied on the Hypothecated Property;;
- xii. The occurrence of any other event or condition which leads to occurrence of a material adverse effect, as set out in the Debenture Trust Deed;

Any event of default shall be called by the Debenture Trustee in accordance with applicable laws including the

SEBI Master Circular for Debenture Trustees and as per the terms as set out in the Debenture Trust Deed.

In accordance with the SEBI Master Circular for Debenture Trustees, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “ICA”)/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Any default committed by the Issuer shall be reckoned at the International Securities Identification Number level notwithstanding the debt securities and/or non-convertible redeemable preference shares being issued under different offer documents.

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

Where the Issuer has defaulted in payment of interest or redemption of debt securities or in creation of security under a specific ISIN in accordance with the terms of the offer document, any distribution of dividend shall require approval of the debenture trustee acting on instructions of the Special Majority.

It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Master Circular for Debenture Trustees issued by SEBI.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The rights and privileges of the NCD Holders shall be as provided in the Debenture Trust Deed, the Gujarat Provincial Municipal Corporation Act 1949 and the SEBI ILMDS Regulations.
2. The Corporation hereby undertakes that the rights of the NCD Holders will be protected as per the governing Act, agreement/deed executed/to be executed between the Corporation and the Debenture Trustee. The Debenture Trustee Agreement/Deed shall contain such clauses as may be prescribed under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and various other circulars. Further the Debenture Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Debenture Trustee or Corporation in relation to any rights or interests of the holder(s) of the NCDs; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI ILMDS Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustee or Corporation for loss or damage caused by their act of negligence or commission or omission. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI ILMDS Regulations, the Gujarat Provincial Municipal Corporations Act, 1949, the terms of this Draft Offer Document, the Offer Document, the Application Form, the terms and conditions of the Debenture Trust Deed, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository.
6. Subject to applicable laws, the Green Bonds can be rolled over only by a special resolution of the NCD Holders after providing 21 days prior notice for such roll over and in accordance with Section 21 of the SEBI ILMDS Regulations. Our Corporation shall redeem the NCDs of all the NCD Holders, who have not given their positive consent to the roll-over.

Following the initial issue of the NCDs, the trading lot shall be 1 (one) STRPP forming part of any NCD (pursuant to which 1 STRPP of any NCD bearing individual ISIN shall be tradable by the NCD Holders). Therefore, rights available to any NCD Holder shall also be available to each holder(s) of any STRPP of an NCD. The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

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

Jurisdiction

The NCDs and the Transaction Documents (other than the Public Issue Account and Sponsor Bank Agreement) shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Surat, Gujarat. The Public Issue Account and Sponsor Bank Agreement shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Mumbai.

Application in the Issue

Green Bonds being issued through the relevant Offer Document can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only. (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 4C of the SEBI ILMDS Regulations, our Corporation has entered into an arrangement with a depository registered with the Board for dematerialisation of the municipal debt securities that are proposed to be issued, in accordance with the Depositories Act, 1996, rules and regulations made thereunder and make public issue of the NCDs in the dematerialised form .

As per the provisions of the Depositories Act, investors have an option to hold the Bonds in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Market Lot

The market lot for the proposed Issue of Green Bonds shall be 1 (one) STRPP bearing individual ISIN (“**Market Lot**”).

Mode of Transfer/Transmission of NCDs

The NCDs / STRPPs shall be transferred or transmitted freely in accordance with the provisions of applicable law and/or as provided in the Debenture Trust Deed. The NCDs / STRPPs which are held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed under applicable law. 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 register of debenture holders. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see "*Issue Structure*" beginning on page 130, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

Any trading of the NCDs / STRPPs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs / STRPP which are held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories. The Corporation 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; and
- the NCDs / STRPPs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by the Corporation, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs / STRPPs and no person will be liable for so treating the NCD Holder.

No transfer of title of an NCD or STRPP will be valid unless and until entered on the register of NCD Holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Corporation and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs or STRPPs will need to be settled with the seller of the NCDs or STRPPs and not with the Corporation or the Registrar.

Succession

In the event of the demise of the sole/first holder of the NCD(s) / STRPPs or the last survivor, in case of joint holders for the time being, the Corporation shall recognize the executor or administrator of the deceased NCD Holder, or the holder of succession certificate or other legal representative as having title to the NCD(s) / STRPPs, the Corporation 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 Corporation may, where it thinks fit, may take into consideration any other documentary evidence for this purpose, in accordance with the Applicable Law. . The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCD(s) / STRPPs by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCD(s) / STRPPs was acquired by the NRI as part of the legacy left by the deceased NCD holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.
- c. Such holding by the NRI will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s) / STRPP(s), they shall be deemed to hold the same as joint holders with benefits of survivorship.

Restriction on transfer or transmission of NCDs / STRPPs

There are currently no restrictions on transfers and transmission of NCDs / STRPPs allotted pursuant to this Issue. However, such transfer or transmission shall be in dematerialised form only.

Procedure for re-materialization of NCDs

Subject to the RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their depository participant at any time after Allotment in accordance with the applicable procedure stipulated by the depository participant, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. NCDs Holders who propose to re-materialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Issuer and the depository participant. No proposal for re- materialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

Period of subscription

ISSUE PROGRAMME*	
ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]
PAY IN DATE	Application Date. The entire Application Amount is payable on Application
DEEMED DATE OF ALLOTMENT	The date on which the Bond Issue Committee approves the Allotment of the NCDs for this Issue or such date as may be determined by the Bond Issue Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment.

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

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Corporation, nor the Lead Manager, nor any Trading Member of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis..

Taxation

Income Tax is deductible at source at the rate of 10% on interest on Green Bonds held by resident Indians in

accordance with Section 193 of the IT Act. In cases where interest is to be paid to an Individual or Hindu Undivided Family (“HUF”) (being the Bond Holder) is less than ₹ 10,000 and interest is to be paid by way of account payee cheque then the relevant Bond Holder may seek non deduction of tax at source on the interest on Green Bonds by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date. For details of possible tax benefits available to the Corporation and the NCD Holders under the applicable laws in India, please see the section titled “*Tax Benefits*” on page 122.

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

- a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Registrar or the Corporation before the prescribed date of closure of books for payment of debenture interest;
- b) When the resident Debenture Holder with Permanent Account Number (‘PAN’) (not being a company or a firm) submits a declaration as per the provisions of Section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under Section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in Section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of Section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Corporation/ Registrar, at least 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document as may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Corporation/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted at least 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar or our Corporation as per below details or any other details as may be updated on the website of the Issuer or the Registrar at www.kfintech.com, from time to time.

Registrar to the Issue



KFin Technologies Limited
Selenium Tower B, Plot No.31 & 32,
Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032,
Telangana, India
Tel: +91-40-67162222
Fax No.: +91-40-23001153
Contact Person: Srinivas Sudheer Venkatapuram
Email: srinivassudheer.venkatapuram@kfintech.com
Website: www.kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

Contact details of the Issuer

Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg, Muglisara,
Surat – 395 003, Gujarat

Contact Person cum Compliance Officer: Swati Pareshkumar Desai, Deputy Municipal Commissioner
Tel: +91-261-2423750/51/52/53/54/55/56 (Ext. No. 243)
E-mail: smcbond@suratmunicipal.org
Website: www.suratmunicipal.gov.in

Link for availability of formats of declaration/ certificates and online submission of tax exemption forms:
<https://ris.kfintech.com/form15/forms.aspx?q=0>

The investors need to submit Form 15H/ 15G/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Corporation's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, “*Tax Benefits*” on page 122. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled “*Issue Procedure*” on page 154, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Offer Document, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Offer Document and Offer Document, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

Procedure for deciding and adjusting Payment Dates

The amount of interest/coupon payable shall be as specified in the Offer Document and rounded off to the nearest Rupee. In the event, the interest/payout of total coupon /redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

If the date of interest/coupon payment falls on Sundays or holidays of commercial banks in Surat, then interest as due and payable on such day, would be paid on the immediately succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated schedule. The dates of the future interest payments would be as per the originally stipulated schedule and shall not be changed because of postponement of such interest payment on account of it falling on a non-Working Day. Payment of interest would be subject to the

deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated May 22, 2024 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54, as amended from time to time and detailed in the Summary Term Sheet on page 240 of the Draft Offer Document.

If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. The dates of the future payments would continue to be as per the schedule originally stipulated in the Draft Offer Document/ Term Sheet in line with applicable guidelines/ regulations/ circulars as issued by SEBI from time to time.

If the redemption/maturity date of the STRPPs falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPPs shall also be paid on the previous working day as per the cash flows provided under Annexure – VI “Illustration of Bond Cash Flow” of Draft Offer Document.

If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - VI “Illustration of Bond Cash Flow” of the Draft Offer Document. Investors should note that this example is shall be solely for illustrative purposes.

We have not considered the effect of public holidays as it is difficult to ascertain for future dates. 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 commercial banks are open for business in Surat.

For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - VI “Illustration of Bond Cash Flow” of the Draft Offer Document. Investors should note that this example is shall be solely for illustrative purposes. We have not considered the effect of public holidays as it is difficult to ascertain for future dates.

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 commercial banks are open for business in Surat.

In the event, the interest, refund or redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.

The bank details will be obtained from the Depositories for payment of interest, refund or redemption, as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the Depository Participant.

Please note that failure to do so could result in delays in credit of interest / refund / redemption amount to the Applicant at the applicant’s sole risk, and none of the Lead Manager, the Corporation or the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular will be as disclosed in the Offer Document.

Basis of Payment of Interest

The tenor, coupon rate / yield and redemption amount applicable for each STRPP of each NCDs shall be determined at the time of Allotment of the NCDs. NCDs once allotted shall continue to bear the applicable tenor, coupon/yield and redemption amount as at the time of original Allotment irrespective of the category of NCD

Holder on any record date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any STRPP of NCDs between the categories of persons or entities in the secondary market.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of rematerialisation

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Corporation may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

Secured NCDs held in electronic form

No action is required on the part of Bond Holder(s) at the time of redemption of NCDs.

Maturity and Redemption

Each of the STRPPs shall be redeemed on respective Redemption/Maturity Dates

Record Date

The record date for payment of interest in connection with the Green Bonds or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issue Committee/ authorised officer(s) of the Bond Issue Committee from time to time in accordance with the applicable law.

In case the record date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issue Committee to the Stock Exchanges, will be deemed as the record date.

In case of Redemption Date/Maturity Date of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Redemption Date/Maturity Date.

Payment on Redemption

Each STRPP of each NCD would be paid on the relevant Maturity Date. On the relevant Redemption/Maturity Date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to our Corporation. These names would be as per the Depositories’ records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Such payment will be a legal discharge of the liability of the Issuer towards the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

If the Redemption Date or Maturity Date of the STRPPs falls on a Sunday or a holiday, the redemption amount shall be paid on the immediately preceding Working Day along with interest accrued on such STRPPs. The interest payments shall be made only on the subsequent day when the Banks are functioning in Surat. Interest shall be computed on an actual/actual basis i.e., on the principal outstanding on the NCDs/STRPPs as per the SEBI Master Circular.

Terms of payments and procedure and time schedule for allotment and issue certificates/ demat credit

The entire issue price per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, the Issuer shall unblock the excess amount paid on application to the applicant in accordance with the terms of the Offer Document.

The allotment of Green Bonds and credit of the Green Bonds in the accounts of the Successful Applicants shall be completed as per the prescribed timelines.

Deemed Date of Allotment

The date on which the Bonds Issue Committee approves the Allotment of the NCDs for this Issue or such date as may be determined by the Bonds Issue Committee (as permitted under applicable law) and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment.

Put/ Call Option

Not Applicable

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Manager, our Corporation or the Registrar shall have no responsibility and undertake no liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our

Corporation and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that the Corporation shall not be responsible to the holder of NCDs/STRPPs, for any delay in receiving credit of interest / refund / redemption so long as the Corporation has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of bank particulars on interest or redemption warrants

As a matter of precaution against possible fraudulent encashment of refund orders, and interest or redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the Depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter, as specified in this Draft Offer Document. Each NCD shall consist of two STRPPs, i.e., 1 STRPP A and 1 STRPP B. Each of the STRPPs shall have a different maturity and ISIN, and shall be redeemable at par on relevant Maturity Date;

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Buy Back of NCDs

The Corporation may, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back of the NCDs/ any STRPPs, upon such terms and conditions as may be decided by the Bond Issue Committee in accordance with applicable laws.

Form and Denomination of NCDs

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Bond Holder for the aggregate amount of the NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of NCD certificates in denomination of one STRPP ("**Market Lot**"). In case the Bond holder In case of STRPPs or different Maturity, are held by a Bond Holder, separate Consolidated Certificates will be issued to the Bond Holder for the aggregate amount of the STRPPs held. It is however distinctly to be understood that the NCDs/STRPPs pursuant to this issue shall be traded only in demat form.

In respect of Consolidated Certificates, we will, only upon receipt of a request from the Bond Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the Bond Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

As per the provisions of the Applicable Law, the trading of the NCDs/STRPPs on the Stock Exchanges shall be in dematerialized form only in multiples of 1 (one) STRPP ("**Market Lot**"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see "*Issue Procedure*" beginning on page 154.

Right to Reissue Green Bonds

Subject to the provisions of the SEBI ILMDS Regulations and the Gujarat Provincial Municipal Corporation Act, 1949, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the NCDs or by issuing other NCDs in their place subject to applicable laws. The aforementioned right includes the right to reissue original NCDs.

Right to Recall or Redeem prior to Maturity

Not Applicable

Transfer of NCDs/STRPPs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for

transfer of the NCDs/STRPPs held in electronic form. The Bond Holder (seller) should give delivery instructions containing details of the buyer's Depository Participant account to her/his Depository Participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs/STRPPs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs/STRPPs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Common form of transfer

The Corporation undertakes that there shall be a common form of transfer for the NCDs/STRPPs and the provisions of all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Sharing of Information

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

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily national newspaper at the place where the head office of the Corporation is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the Green Bond(s) from time to time.

Future Borrowings

Our Corporation will be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency, in accordance with Gujarat Provincial Municipal Corporation Act, 1949, so long as (i) the Minimum Security Cover is maintained in the manner set out in the Transaction Documents; (ii) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and/or the Sinking Fund Account which has not been made good by the Issuer in terms of the Transaction Documents; (iii) the Financial Covenants and Conditions are met (iv) consents and approvals and other conditions, as may be required under Applicable Law or financing agreements, including intimations, if applicable under any Transaction Documents, are obtained or provided, as the case may be, and (v) no event of default has occurred and is continuing. However, until the Debentures are fully redeemed, the Issuer shall not create any charge on any of the Hypothecated Property, without the prior written approval from the Debenture Trustee acting on the instructions of the Majority Debenture Holders.

Pre-closure

Our Corporation, in consultation with the Lead Manager reserve the right to close the Issue at any time prior to the Issue Closing Date (subject to Issue being kept open for the minimum statutory period of three working days), subject to receipt of minimum subscription or as may be specified in this Draft Offer Document. Our Corporation shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described in the Offer Document and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Corporation shall ensure that public notice of such early closure is published on or before such early date of closure as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Minimum subscription

In terms of the SEBI ILMDS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Corporation does not receive the minimum subscription of 75% of Base Issue Size, prior to the Issue Closing Date the entire Application

Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within prescribed time period under applicable law or such time as may be specified by SEBI provided wherein in case of any delay by the Issuer in making the aforesaid refund, the Corporation will become liable to refund the Application Amount along with interest at the rate of 10 (ten) percent per annum for the delayed period.

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

Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI ILMDs Regulations, the trading of the NCDs is in dematerialised form.

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

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

Allotment in this Issue will be in electronic form in multiples of one NCD. For further details of Allotment, please see the chapter titled "*Issue Procedure*" on page 154.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deed and on receipt of listing and trading approval from the Stock Exchanges as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

Our Corporation certifies that:

- (i) all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in the SEBI ILMDs Regulations, and our Corporation will comply with the conditions as stated therein, and these monies will be transferred to Corporation's bank account after receipt of listing and trading approvals;
- (ii) the allotment letter shall be issued, or application money shall be refunded in accordance with the applicable law failing which interest shall be due to be paid to the applicants in accordance with applicable law for the delayed period
- (iii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
- (iv) details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;
- (v) we shall utilize the Issue Proceeds only upon creation of security as stated in this Draft Offer Document in the chapter titled "*Terms of the Issue*" on page 133 and after (a) permissions or consents for creation of charge over the assets of the Corporation and for further raising of funds from the creditors, if required; (b) receipt of the minimum subscription of 75% of the Issue Size pertaining to the Issue; (d) creation of security and confirmation of the same in terms of Green Bonds and (e) receipt of listing and trading approval from Stock Exchanges;
- (vi) the Issue Proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any property;

- (vii) the Issue Proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by SEBI or any other statutory authority from time to time. Further the Issue Proceeds shall be utilised only for the purpose and objects stated in the Draft Offer Documents; and
- (viii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Pre-Issue Advertisement

Our Corporation will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 9 of SEBI ILMDS Regulations and shall contain the information as prescribed in the SEBI ILMDS Regulations.

Material updates, if any, between the date of filing of the Draft Offer Document with SEBI and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI ILMDS Regulations.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Corporation shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see “*Issue Procedure - Rejection of Applications*” beginning on page 181.

Listing

The NCDs offered through this Draft Offer Document are proposed to be listed on the BSE and NSE. Our Corporation has obtained an ‘in-principle’ approval for the Issue from the NSE *vide* their letter bearing reference number [●] dated [●] for BSE and reference number [●] dated [●] for NSE. For the purposes of the Issue, NSE shall be the Designated Stock Exchange. Final Application for listing of the NCDs will be made to the Stock Exchanges in terms of SEBI ILMDS Regulations and the SEBI Master Circular.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Corporation will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Offer Document within seven days from the earliest intimation rejecting the application for listing of the NCDs, and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer will repay that money with interest at the rate of fifteen percent per annum till such refund is made.

Our Corporation will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI ILMDS Regulations. The Corporation shall monitor the utilization of the proceeds of the Issue. Our Corporation will disclose the status of implementation of project(s) which is being financed using the proceeds of the Issue along with reasons for delay, if any and the utilizations of Issue Proceeds for execution of the Project as stated in the Draft Offer Document, as applicable, on a half yearly basis to the Stock Exchanges. Further, the Corporation shall in disclose in its balance sheet the purpose for which the Issue Proceeds have been utilized until the whole proceeds are utilised for the Objects of the Issue.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or if there be no further space on the back thereof for endorsement of transfer of NCDs, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Lien

Our Corporation will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, whether in single name or joint name, to the extent of all outstanding dues, if any by the NCD Holder to our Corporation.

Lien on Pledge of NCDs

Subject to applicable law, our Corporation, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Interim use of proceeds

Pending utilization of the proceeds of the Issue for the Objects described in this Draft Offer Document, the Issuer may temporarily invest the Issue proceeds in government securities or treasury bills or fixed deposit with scheduled commercial bank or liquid mutual fund or gilt fund or debt mutual funds or debt ETFs with a lien in favour of the debenture trustee in accordance with SEBI circular dated November 13, 2019.

C. ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the SEBI Master Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI Master Circular, SEBI has provided the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchanges and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹5 lakhs or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Master Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the Stock Exchanges. In this regard, SEBI has also stipulated that the Stock Exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the Stock Exchanges' website.

Further, pursuant to SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128 dated September 24, 2024 all individual investors applying in public issues of such securities through intermediaries (viz. syndicate members, registered stock brokers, registrar to an issue and transfer agent and depository participants), where the application amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum application form submitted with intermediaries. Further, individual investors shall continue to have the choice of availing other modes (viz. through SCSBs and Stock Exchanges Platform) for making an application in the public issue.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through the app and/or web based interface/platform of the Stock Exchanges, as applicable. ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 179.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Offer Document.

Please note that this section has been prepared based on the SEBI Master Circular and other related circulars. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (to participate in the public issue for an amount up to ₹ 5,00,000 for issue of debt securities pursuant to the SEBI Master Circular, or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchanges or through intermediaries (Syndicate Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

The Issuer and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Offer Document. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Issuer, the Lead Manager and the Members of the Consortium do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE SYSTEM/ PLATFORM FOR SUBSCRIPTION IN ELECTRONIC MODE PROVIDED BY THE STOCK EXCHANGES ("ELECTRONIC APPLICATION PLATFORM") WILL NEED TO APPROACH THE STOCK EXCHANGE(S) AND FOLLOW THE

REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFTOFFER DOCUMENT AND OFFER DOCUMENT, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE CONSORTIUM MEMBER(S) AND THE ISSUER SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBER/ DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.

For purposes of this Issue, the term “Working Day” means all days on which commercial banks in the Surat are open for business. In respect of announcement or bid/issue period, working day/business day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day/business day shall mean all trading days of the Stock Exchanges for NCDs, excluding Saturdays, Sundays and bank holidays, as specified .

The information below is given for the benefit of the Investors. The Issuer and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Offer Document.

PROCEDURE FOR APPLICATION

Availability of this Draft Offer Document, Offer Document, Application Forms and Term Sheet.

Physical copies of the Offer Document Application Forms and Term Sheet may be obtained from:

- (a) The Issuer’s Head Office ;
- (b) Offices of the Lead Manager/Consortium Members;
- (c) Offices of the Registrar to the Issue
- (d) the CRTA at the Designated RTA Locations;
- (e) the CDPs at the Designated CDP Locations;
- (f) Trading Members at the Broker Centres; and
- (g) Designated Branches of the SCSBs.

Electronic copies of this Draft Offer Document, Offer Document together with the downloadable version of the Application Form and Term Sheet will be available on the websites of the Lead Manager, the Stock Exchanges, SEBI and the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations. The Term Sheet shall be available for download on the website of the Registrar to the Issue.

Electronic Application Forms may be available for download on the website of the Stock Exchanges and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number (“UAN”) will be generated for every Application Form downloaded from the website of the Stock Exchanges. The Issuer may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the website of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

UPI Investors making an Application up to ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I Investor (Institutional Investor)

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 Crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State Industrial Development Corporations;
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, Union of India;
- Systemically Important NBFCs registered with the RBI and having a net-worth of more than ₹ 500 Crore as per the last audited financial statements;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India; and
- Mutual funds registered with SEBI

Category II Investor (Non Institutional Investors)

- Companies within the meaning of Section 2(20) of the Companies Act 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs ;
- Partnership firms in the name of the partners ;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III Investor (High Net Worth Individual Investors)

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 in this Issue.

Category IV Investor (Retail Individual Investors)

Resident Indian Individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 in the Issue and shall include Retail Individual Investors who have submitted bid for an amount not more than UPI Application Limit (i.e. up to ₹5,00,000 for issues of debt securities) in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Manager, Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. The Issuer and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Offer Document.

Please note that there is a single Application Form for, persons resident in India.

Who are not eligible to apply for NCDs?

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

- i. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- ii. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- iii. Persons resident outside India and other foreign entities;
- iv. Foreign Institutional Investors;
- v. Foreign Portfolio Investors;
- vi. Non-Resident Indians;
- vii. Foreign Venture Capital Funds;
- viii. Qualified Foreign Investors;
- ix. Overseas Corporate Bodies**; and
- x. Persons ineligible to contract under applicable statutory/regulatory requirements.

- xi. Other foreign entities; and
- xii. Any other category of Applicants not provided for under “*Issue Procedure - Who can apply?*” on page 156 of this Draft Offer Document.

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

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

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

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

Please see “*Issue Procedure - Rejection of Applications*” on page 181 for information on rejection of Applications.

The information below is given for the benefit of Applicants. The Issuer and the Lead Manager are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Offer Document.

Method of Application

In terms of SEBI Master Circular, an eligible investor desirous of applying in the Issue can make Applications only through the ASBA process only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or Public Issue Account Bank or Sponsor Bank.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Master Circular.

Applicants should submit the Application Form only at the bidding centres, *i.e.* to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with any of the Designated Branches at any Specified Location of the SCSB with whom the relevant ASBA Accounts are maintained.

Pursuant to SEBI Circular No: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/128 dated September 24, 2024, all individual investors applying in public issues where the application amount is up to ₹5,00,000 shall use UPI and shall also provide their UPI ID in the bid cum application form submitted with any of the entities mentioned herein below:

1. a syndicate member;
2. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
3. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
4. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. *Through Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)*

- (a) An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchanges bidding platform and blocking of funds in investors account by the SCSB would continue.
- (b) An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
- (c) An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5 lac or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. *Through Stock Exchanges*

- (a) An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.
- (b) The Stock Exchanges have extended their web-based platforms i.e., 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to ₹ 5 Lac. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.
- (c) An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>; and NSE: <https://www.nseindiaipo.com>.
- (d) The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications

- (e) To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. Similar circulars by NSE can be found here: <https://www1.nseindia.com/content/circulars/IPO46907.zip> and <https://www1.nseindia.com/content/circulars/IPO46867.zip>. Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities.

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with any of the Designated Branches at any Specified Location of the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchanges, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a Retail Individual Investor who is not applying using the UPI Mechanism. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI mechanism, as applicable.

The Issuer, the Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

OPERATIONAL INSTRUCTIONS AND GUIDELINES

Certain relevant operational instructions and guidelines, for using BSE Direct/ NSE goBID to make an Application in the Issue, are listed below:

a. General Instructions –

- i. Applicants are required to preregister themselves with BSE Direct/ NSE goBID. For the detailed process of registration and Applications under the BSE Direct Platform/ NSE goBID Platform, see “*Issue Procedure - Process of Registration and Application on BSE Direct Platform/Mobile App/ NSE goBID platform/Mobile App*” on page 163.
- ii. Applicants can access BSE Direct platform via internet at <https://www.bsedirect.com> or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.
- iii. Applications can access NSE goBID via internet at <https://eipo.nseindia.com/eipodc/rest/login> or through the mobile app (on android phones only) called NSE goBID which can be downloaded from the Google Playstore.
- iv. The Stock Exchanges shall make this Draft Offer Document and Issue related details available on its website under the ‘Forthcoming Issues’ a day prior to the Issue Opening Date and the details of the Issue shall also be made available on the issue page of BSE Direct/NSE goBID.
- v. The BSE Direct platform/NSE goBID platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds upto ₹5 lakhs through the UPI Mechanism.
- vi. The mode of allotment for Applications made through the BSE Direct platform/NSE goBID platform, shall mandatorily be in dematerialised form only.

b. Order Entry Parameters -

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

- i. The Issue symbol will remain same across all series/options;
- ii. Applicants can enter order for a single Application having different series within one order entry screen;
- iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname);

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

c. Modification and cancellation of orders

- i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.
- ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
- iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchanges, see “*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*” on page 169.

d. Re-initiation of Bids

- i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.
 - ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.
 - iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.
- e. **Acceptance of the UPI Mandate**
 - i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchanges platform except for the last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the next Working Day. As the Issuer reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct/NSE goBID.
 - ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
 - iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
 - iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.
 - v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.
- f. **Order book and T+1 Modification**
 - i. The order book will be available in the Debt module of the Stock Exchanges in real time basis.
 - ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on T+1 day for a validated bid (T being issue closing date).
- g. **Applicant's responsibilities**
 - i. Applicants shall check the Issue details before making an Application.
 - ii. Applicants shall only be able to make an Application for an amount up to ₹5 lakhs.
 - iii. Applicants shall have only UPI as the payment mechanism with ASBA.
 - iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.
 - v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.
 - vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.
 - vii. Applicants must accept the UPI Mandate request within stipulated timelines.

- viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
- ix. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
- x. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

The Issuer, Lead Manager, the Registrar to the Issue or the Stock Exchanges shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons

Process of Registration and Application on BSE Direct Platform/Mobile App/NSE goBID Platform/Mobile App

a. Process of Registration for Investor

- i. To make an Application on the BSE Direct platform/ mobile app/NSE goBID Platform/Mobile App an Applicant is required to register themselves with the platform/mobile app.
- ii. At the time of registration, the Applicant shall be required to select the option of "New Registration without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
- iii. The Stock Exchanges shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
- iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("OTP") sent on their respective mobile phones and email IDs to complete the registration process.
- v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
- vi. At the time of demat account verification, the Stock Exchanges shall also validate Applicant's client type (investor category) present in demat account.
- vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
- viii. Post the verification of the demat account, the Stock Exchanges shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform/ NSE goBID platform.
- ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
- x. To modify their details, an Applicant must login to the BSE Direct portal/ NSE goBID portal and click on 'My profile'.
- xi. The Stock Exchanges shall revalidate the modified details with Depository.
- xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
- xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.

- xiv. Existing investors, who are already registered for “GSec AND T-Bills investment”, can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value upto ₹5 lakhs.

b. Process to place Bid via BSE Direct platform/ mobile app/ NSE goBID platform/mobile app

- i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app/ NSE goBID platform / mobile app.
- ii. Upon successful login, an Applicant can select the Issue to make an Application.
- iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
- iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname).
- v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
- vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
- vii. Applicants must check the Issue details before making an Application.
- viii. Applicant will only be able to make an Application for an amount of upto ₹5 lakhs.
- ix. Applicants shall only have UPI as a payment mechanism with ASBA.
- x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchanges, see “*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*” on page 169.

c. SMS from the Exchange

- i. Post completion of the blocking process, the Stock Exchanges shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. Modification and Cancellation of Orders

- i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
- ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. Re-initiation of Bid

- i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
- ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see “*Issue Procedure – Operational Instructions and Guidelines - Acceptance of the UPI Mandate*” on page 162.

The Issuer, Lead Manager, the Registrar to the Issue or the Stock Exchanges shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Since the process of making an Application through BSE Direct/ NSE goBID is based on notifications issued by the Stock Exchanges, Applicants are requested to check the website of the Stock Exchanges for any further notifications by the Stock Exchanges amending, supplementing, updating or revising the process of Applications through BSE Direct/ NSE goBID.

APPLICATIONS BY VARIOUS CATAGORIES FOR ALLOTMENT OF NCDs

Investors are advised to check the laws and regulations applicable to them to determine eligibility to invest in Green Bonds.

Applications by Mutual Funds

Pursuant to the SEBI master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMC or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, (i) a certified copy of their SEBI registration certificate, (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories must be submitted with the Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a board resolution authorising investments, memorandum and articles of association/charter of constitution, power of attorney, specimen signature of authorised signatories, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Application by scheduled commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required, along with Power of Attorney / Letter of Authorisation, to be attached to the Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Pursuant to SEBI Master Circular, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India (“**IRDAI**”), (i) a certified copy of certificate of registration issued by IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories must be lodged along with Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by (i) certified true copies of SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by ‘Associations of Persons’ and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) **Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person.

Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be lodged along with the Application Form. In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Issuer, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that the Issuer and the Lead Manager may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and the Issuer are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Offer Document. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<https://www.sebi.gov.in>) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchanges at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchanges. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchanges.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchanges. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

- (b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at <https://www.sebi.gov.in>).
- (c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on

the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

- (d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct/ NSE goBID, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges. Post which:

- (a) **for Applications other than under the UPI Mechanism** - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.
- (b) **for Applications under the UPI Mechanism** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct/ NSE goBID, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchange's platform, the Stock Exchange shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchanges shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by the Issuer. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchanges. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediaries,

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Offer Document is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants

after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see “*General Information – Issue Programme*” on page 56.

Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Please note in accordance with SEBI Master Circular instructions to investors for completing the application form as specified in Annex- IID of the aforesaid master circular shall be disclosed on the websites of the Issuer, Lead Manager and Consortium Members during the Issue Period and a copy of the Term Sheet shall be made available on the websites of Issuer, Lead Manager and Registrar to the Issue and a link for downloading the Term Sheet shall be provided in issue advertisement for the Issue.

Accordingly, a copy of the Term Sheet including instructions to investors for completing the application form shall be disclosed on the website of the Issuer, Lead Manager, Consortium Member(s) and the Registrar to the Issue.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Offer Document and the Application Form. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. Not more than five applications can be made from one single ASBA account;
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. Applicants must note that each NCDs shall comprise two STRPPs, i.e., STRPP A, and STRPP B, bearing individual ISINs;

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- It shall be mandatory for Applicants to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule of the Constitution of India needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants need to tick the Series of NCDs in the Application Form that they wish to apply for;
- All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form;
- All Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected.
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the stock exchanges (i.e., NSE and BSE) on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Locations, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Issuer or the Registrar to the Issue.

- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified Location for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip ("TRS"). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

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

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

B. Applicant's Beneficiary Account Details

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

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

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

By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details

received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither the Issuer, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Offer Document, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

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

C. Unified Payments Interface (UPI)

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

D. Permanent Account Number

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

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

E. Joint Applications

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

F. Additional/Multiple Applications

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

Do's and Don'ts

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

Do's

1. Check if you are eligible to apply as per the terms of the Offer Document and applicable law, rules, regulations, guidelines and approvals.
2. Read all the instructions carefully and complete the Application Form in the prescribed form.
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.
4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.
6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.
7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.
8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.

9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.
11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.
12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.
13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.
14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/ Designated Branch of the SCSB.
15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.
16. Ensure that you have been given an TRS and an acknowledgement as proof of having accepted the Application Form from the Designated Branch or the concerned Designated Intermediary or Trading Members of the stock exchange(s) , as the case may be, for the submission of the Application Form.
17. Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes
18. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
20. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.

21. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date.
22. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
23. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same..
24. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
25. All Applicants should choose the relevant option in the column “Category of Investor” in the Application Form.
26. Choose and mark the option of NCDs in the Application Form that you wish to apply for.
27. Check if you are eligible to Apply under ASBA.
28. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹5,00,000 (or as stipulated by SEBI).
29. Read all the instructions carefully and complete the bid- cum-application form, as the case may be, in the prescribed form.
30. Guardians applying for minor applicants need to mention the PAN of the minor.
31. Ensure that the application form bears the stamp of the relevant designated intermediary(ies) to whom it is submitted.
32. In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

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

Don'ts:

1. Do not apply for lower than the minimum Application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.

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

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

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

Please see “*Issue Procedure – Rejection of Applications*” on page 181 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at <https://www.sebi.gov.in>).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants’ bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant’s ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchanges (except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day), have been completed.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the

Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	If using <u>physical Application Form</u> , (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or If using <u>electronic Application Form</u> , to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	Through the Designated Intermediary, physically or electronically, as applicable; or Through BSE Direct/ NSE goBID.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchanges. **The Members of Syndicate, the Issuer and the Registrar to the Issue or the Lead Manager is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchanges or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchanges and the corresponding failure for blocking of funds under the UPI Mechanism.**

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

- (c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - UPI ID (if applicable)
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Location
 - Application amount
- (d) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - UPI ID (if applicable)
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Location
 - Application amount
- (e) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by the Issuer. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (f) **Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.** The permission given by the Stock Exchanges to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Issuer, the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Issuer, the management or any scheme or project of the Issuer; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Offer Document; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- (g) **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment.** The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields

uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

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

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

- (a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;
- (c) Applications not being signed by the sole/joint Applicant(s);
- (d) Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- (e) Applications submitted without blocking of the entire Application Amount. However, the Issuer may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as per the Offer Document;
- (f) Applications not made through the ASBA facility
- (g) Investor Category in the Application Form not being ticked;
- (h) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, the Issuer may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- (i) Applications where a registered address in India is not provided for the non-Individual Applicants;
- (j) In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
- (k) Application Amounts blocked not tallying with the number of NCDs applied for;
- (l) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- (m) PAN not mentioned in the Application Form., except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- (n) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;
- (o) GIR number furnished instead of PAN;
- (p) Applications by OCBs;
- (q) Applications for an amount below the minimum Application size;
- (r) Submission of more than five ASBA Forms per ASBA Account;

- (s) Applications by persons who are not eligible to acquire NCDs of the Issuer in terms of applicable laws, rules, regulations, guidelines and approvals;
- (t) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;
- (u) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;
- (v) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- (w) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;
- (x) Date of birth for first/sole Applicant for persons applying for allotment not mentioned in the Application Form;
- (y) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
- (z) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (aa) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;
- (bb) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;
- (cc) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN not available in the Depository database;
- (dd) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- (ee) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- (ff) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- (gg) Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- (hh) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- (ii) Applications by any person outside India;
- (jj) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- (kk) The UPI Mandate Request is not approved by the Retail Individual Investor within prescribed timelines;
- (ll) Applications not uploaded on the online platform of the Stock Exchanges;
- (mm) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;

- (nn) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Offer Document and as per the instructions in the Application Form and the Offer Document;
- (oo) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- (pp) Applications providing an inoperative demat account number;
- (qq) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;
- (rr) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);
- (ss) Investor category not ticked;
- (tt) Forms not uploaded on the electronic software of the Stock Exchanges;
- (uu) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- (vv) where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- (ww) Where Demat details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Despositories;
- (xx) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the next Working Day; and
- (yy) An Application under the UPI Mechanism for an amount more than ₹5 lakhs.

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

Information for Applicants

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

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

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

Retention of oversubscription/Green Shoe Option

The Issuer shall have the option to retain over- subscription up to the Issue limit.

Basis of Allotment for NCDs

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

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

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

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

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

Allocation Ratio:

Particulars	Category I	Category II	Category III	Category IV
% of the Issue size	[●]%	[●]%	[●]%	[●]%
Base Issue Size in amount (₹ in crore)	[●]	[●]	[●]	[●]
Total Issue Size in amount (₹ in crore)	[●]	[●]	[●]	[●]

(a) Allotments in the first instance:

- (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

As per the SEBI Master Circular, the allotment in this Issue is required to be made on date priority basis i.e., on first-come first-serve basis, based on the date of upload of each application into the electronic book of the Stock

Exchanges, in each Portion subject to Allocation Ratio. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Under Subscription

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

Allotments in case of oversubscription

In case of an oversubscription of the overall Issue, for the purpose of allotment oversubscription will be considered Portion wise and allotments to the maximum extent, as possible, will be made on date priority basis i.e. on first-come first-serve basis, based on the date of upload of each application into the electronic book of the Stock Exchanges, in each Portion subject to Allocation Ratio, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and thereafter proportionate allotment of NCDs to the applicants from the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion) up to the last day of the Issue Period.

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

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

In case of an oversubscription of the overall Issue and where any Portion(s) gets

oversubscribed on the first day of the Issue, all valid applications in such Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall get proportional allotment.

Proportionate Allotments:

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

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

Unblocking of funds

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

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

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

The Issuer and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within six Working Days from the Issue Closing Date, for the delay beyond five Working Days; and
- d) The Issuer will provide adequate funds to the Registrar to the Issue for this purpose

ISSUANCE OF ALLOTMENT ADVICE

The Issuer shall ensure dispatch of Allotment Advice and give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by ordinary post to their addresses as per the Demographic Details received from the Depositories.

The Issuer shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken to ensure listing within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be unblocked within prescribed timelines, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

The Issuer will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

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

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

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment but not later than 2 (two) Working Days from the Issue Closing Date or early closure date, as applicable.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice no. NSE/CML/2012/0672 dated August 07, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an

Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

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

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

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

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between the Issuer, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form. In this context:

- (i) Tripartite agreement dated February 27, 2019 among the Issuer, the Registrar and NSDL and tripartite agreement dated February 15, 2019 among the Issuer, the Registrar and CDSL, respectively for offering depository option to the investors.
- (ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- (iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant’s respective beneficiary account(s) with the DP.
- (v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.
- (vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges has connectivity with NSDL and CDSL.
- (vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Allottees will have the option to rematerialize the NCDs/STRPPs allotted under this Issue as per the provisions of the SEBI ILMDS Regulations and the Depositories Act.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF STRPPs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE STRPP.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue related problems and/or post Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any post Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant stock exchanges (i.e., NSE or BSE).

Interest in case of delay

The Issuer undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "*Risk factors*" on page 16.

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

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the draft offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the Green Bonds are listed."

As per the SEBI ILMDS Regulations and SEBI Master Circular, the following are the details of applicable interest or penalty required to be paid by the Issuer if it fails to refund / unblock the amounts in timely manner for each instance:

Reason for Refund / Unblocking	Applicable Interest / Penalty
Delay in refund of application monies	No interest is payable on Application monies. In case of any delay in refund/ unblocking of application monies due to withdrawal of application/ withdrawal of Issue beyond prescribed timelines, interest at the rate of fifteen percent per annum shall be payable.
Failure to receive minimum subscription in connection with the Base Issue Size and any delay in making refunds/ unblocking the funds within 12 days from the Issue Closing Date	In case of any delay, interest at the rate of ten per cent. per annum shall be payable for the delayed period
Delay in receipt of listing approval within the timelines prescribed under Applicable Law	In case of delay in listing of the NCDs beyond 6 (six) working days from Issue Closing Date, the Issuer shall pay penal interest of 2 % per annum which shall be paid over and above the Coupon Rate for the period of delay in listing.
Failure to obtain the final approval from the Stock Exchanges for listing of the Green Bonds, application monies to be refunded within seven days of receipt of intimation from stock exchange	In case of any delay in refund of application monies, interest at the rate of fifteen percent per annum shall be payable till such refund is made.

In case of delay in allotment/ non allotment due to technical rejections or over subscriptions- amount to be refunded / unblocked within the timelines prescribed under Applicable Law	In case of any delay in refund, interest at the rate of fifteen percent per annum shall be payable till such refund is made
Delay/Default in payment of coupon/ redemption amount	In case of default/delay in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate shall be payable by the Issuer for the defaulting period.
Delay in execution of Debenture Trust Deed and security documents	In case of delay in execution of Debenture Trust Deed and security documents, the Issuer will pay an interest of at least @ 2% p.a. over the Coupon Rate or such other rate as specified by the Board till the execution of the Debenture Trust Deed.

For further details, please see, “*Risk Factor - There may be a delay in making refund/ unblocking of funds to Applicants*”.

Other Undertakings by the Issuer

The Issuer undertakes that:

- a) The Draft Offer Document does not omit disclosure of a material fact which may make the statements made therein misleading .
- b) The Draft Offer Document or term sheet or any advertisement issued , in connection with debt securities shall not contain any false or misleading statement.
- c) The Draft Offer Document contains all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.
- d) The Issuer shall treat the applicants in public issue of municipal debt securities in a fair and equitable manner as per the procedures as may be specified by the Board.
- e) The Issuer shall comply with the conditions of listing specified in Schedule V of SEBI ILMDS regulations including continuous disclosure and other requirements specified by the SEBI from time to time.
- f) The information in respect of issues such as issuer details, instrument details, ratings, rating migration, coupon, buyback etc. shall be required to be reported to a common database as may be specified by the Board.
- g) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by the Issuer expeditiously and satisfactorily;
- h) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- i) The Issuer will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days from the Issue Closing Date;
- j) Funds required for dispatch of Allotment Advice will be made available by the Issuer to the Registrar to the Issue;
- k) The Issuer will forward details of utilisation of the proceeds of the Issue, duly certified by the Auditor, to the Debenture Trustee;
- l) We Issuer shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by the from time to time;
- m) The Issuer will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Offer Document;
- n) The Issuer will disclose the complete name and address of the Debenture Trustee on its website;
- o) We shall create a recovery expense fund in the manner as specified by SEBI from time to time; and inform the Debenture Trustee about the same.

SECTION-X: FINANCIAL INFORMATION

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

EXAMINATION REPORT ON FINANCIAL INFORMATION

To,

Surat Municipal Corporation

Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395 003, Gujarat

Dear Sir/Madam,

1. We have examined the financial information comprising the abridged balance sheet, income and expenditure statements and cash flow statements as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “**Financial Information**”) of Surat Municipal Corporation (the “**Issuer**”) annexed to this report for the purpose of inclusion in the Draft Offer Document and Offer Document to be filed by the Issuer with the Securities and Exchange Board of India (“**SEBI**”), BSE and NSE where the Green Bonds are proposed to be listed (“**Stock Exchanges**”) for public issue by the Issuer of upto 20,00,000 listed, rated, secured, non-convertible, redeemable, taxable green bonds in the nature of debentures of the aggregate face value of Rs. 1,000 (Rupees one thousand only) each (“**Green Bonds**”/ “**NCDs**”/ “**Debentures**”), (Comprising of 2 (Two) Separately Transferable and Redeemable Principal Parts (“**STRPP**”) (namely 1 STRPP A of a face value of ₹ 500 and 1 STRPP B of face value of ₹ 500) for an amount aggregating up to ₹ 200 crores (Rupees Two Hundred Crores Only) (“**Issue**”) under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulation, 2015, as amended from time to time.

The Financial Information has been prepared by the management of the Issuer in connection with its proposed Issue prepared in terms of the requirement of:

- a) Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time (“**Regulations**”);
- b) The National Municipal Account Manual;
- c) The Gujarat Provincial Municipal Corporations Act, 1949 (“**Act**”) and the rules framed thereunder;
- d) The guidance notes issued from time to time by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Notes**”)

The Financial Information has been sourced from the audited financial statements of the Issuer, audited by us for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 pursuant to the Auditors’ Reports dated October 23, 2024, October 31, 2023 and October 3, 2022 respectively, hereinafter collectively referred to as “**Audited Financial Statements**”. However, for the financial years ended March 31, 2023, and March 31, 2022, the signed notes to financial statements, summary of significant accounting policies and other explanatory information are not traceable in the records of SMC. Accordingly, reliance has been placed on the notes to financial statements, summary of significant accounting policies, and other explanatory information annexed to the Auditor’s Report for the audited accounts prepared as per GAAP for the financial years ended March 31, 2023, and March 31, 2022.

Management Responsibility

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

Auditors' Responsibility

3. We have examined such Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 6th February 2024 in connection with the proposed Issue of the Green Bonds of the Issuer;
- b) The Guidance Notes. We are required to comply with the ethical requirements of the code of ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Financial Information; and
- d) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Notes, in connection with the proposed Issue of Green Bonds/ Debentures.

Opinion

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

The Financial Information is accurately extracted from the Audited Financial Statements of the Corporation for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

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

For Natvarlal Vepari and Co.
Chartered Accountants
Firm registration no.: 123626W

s/d
Hiren R Vepari
Partner

Membership No. 102680
UDIN: 25102680BNUKAT9478

Place: Surat
Date: May 9, 2025

ABRIDGED BALANCE SHEET**(Rs. in Crores)**

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
LIABILITIES			
Reserve & Surplus			
Municipal Funds	2,748.50	2,651.22	2,728.50
Earmarked Funds	886.55	988.61	917.53
Reserves and Surplus ¹	21,393.58	17,739.31	16,275.82
Total Reserves and Surplus	25,028.63	21,379.14	19,921.85
Loan Funds			
Secured Loans ²	-	200.00	200.00
Unsecured Loans ³	480.10	-	-
Total Loans	480.10	200.00	200.00
Current Liabilities and Provisions			
Deposits Received ⁴	603.89	549.20	476.25
Deposits Works	1,200.01	1,055.10	957.64
Other Liabilities (Sundry Creditors) ⁵	313.24	605.03	369.64
Total Current Liabilities and Provisions	2,117.14	2,209.33	1,803.53
TOTAL LIABILITIES	27,625.87	23,788.47	21,925.38
ASSETS			
Fixed Assets			
Gross Block	20,644.27	18,210.57	16,646.03
<u>Less:</u> Accumulated Depreciation	(6,216.80)	(5,461.39)	(4,756.65)
Net Block	14,427.47	12,749.18	11,889.38
Capital Work-in-Progress ⁶	8,929.82	8,164.35	7,216.78
Total Fixed Assets	23,357.29	20,913.53	19,106.16
Investments			
Total Investments	130.81	130.81	125.81
Current Assets, Loans and Advances			
Stock in Hand (Inventories) ⁷	65.02	50.52	39.67
Sundry Debtors (Receivables)	-		
Gross amount outstanding ⁸	191.21	156.98	143.75
Less: Accumulated provision against bad & doubtful Receivables		-	-
Net amount outstanding	191.21	156.98	143.75
Prepaid Expenses	-	-	-
Cash and Bank Balances ⁹	1,580.27	576.04	603.41

Loans, advances and deposits ¹⁰	2,301.27	1,960.59	1,906.58
Less: Accumulated provisions against Loans	-	-	-
Net Amount outstanding	2,301.27	1,960.59	1,906.58
Total Current Assets, Loans & Advances	4,137.77	2,744.13	2,693.41
TOTAL ASSETS	27,625.87	23,788.47	21,925.38

Notes:-

1. The significant increase in reserves during FY 2023-24 can be attributed to an overall increase in capital receipts and contributions/grants received from various government entities, including the Central Government, State Government, and Surat Urban Development Authority. Key grants from various schemes such as the Swachh Bharat Mission, Swarnim Jayanti Mukhyamantri Mahila Samman Yojana (SJMSVY), and AMRUT 2.0 further bolstered capital income. Further, the Corporation recorded a surplus in FY 2023-24, marking a reversal from the losses incurred in FY 2021-22 and 2022-23. This shift from deficit to surplus contributed to the growth in revenue reserves during the fiscal year 2023-24.
2. Secured loans reduced to NIL in FY 2023-24 as the corporation had repaid the previously issued municipal bonds of Rs. 200 cr in FY 23-24
3. Unsecured loans increased in FY2023-24 on account of 50 year interest free loan received from Government under 'scheme for special assistance to States for Capital Investment'. This program is designed to provide states with funding for capital expenditure projects.
4. The increase in deposits received in F.Y. 23-24 compared to F.Y. 22-23 is primarily due to a ₹23.42 crore rise in security deposits from various parties.
5. The sharp increase in Other Liabilities (Sundry Creditors) in FY 2022-23 compared to FY 2021-22 was due to the non-payment of provisions related to Contractors and General Purpose Creditors. Conversely, the significant decrease in Sundry Creditors in FY 2023-24 from FY 2022-23 resulted from the settlement of these creditors, for whom provisions had been made at the end of FY 2022-23. Payments were made towards outstanding dues of Contractors and General Purpose Creditors resulting in reduction in provisions for outstanding payments in F.Y. 2023-24.
6. The increase in capital Work-in-Progress across the years was on account of the significant annual increase in new capital projects undertaken, along with a gradual rise in grants allocated for capital assets.
7. The sharp increase in Stock in Hand (Inventories) across the years was on account of an overall increase in the Stores in hand related to Central Stores and Hydraulic Stores.
8. The increase in Sundry Debtors (Receivables) in FY 2023-24 was mainly due to the increase in arrears of Non tax revenues.
9. The significant increase in cash and bank balances in FY 2023-24 is primarily due to the net surplus generated during the year, unlike previous years, along with a rise in grants received. This includes an approx of Rs.470.29 crore increase in **General FDR (Fixed Deposit)(GLAC 6045)**, as grants received are required to be placed in short-term fixed deposits as per policy. Additionally, there is an increase of approximately Rs.379.62 crores in unspent grants, including certain grants like **MLA grants, SJMSVY, and Amrut 2.0, compensation in lieu of octroi, etc.** The rise in tax collection, amounting to around Rs.112.67 crores(approx), has also contributed to the overall increase in cash and bank balances.
10. The increase in Loans, advances and deposits in F.Y. 2023-24 is on account of an increase of ₹40.87 crores in **the Deposit for State Nodal Accounts (Virtual Limit)**, where the grant amount for the virtual limit is maintained as a deposit. Additionally, apart from the SNA account, deposits given to various parties have increased by ₹140.21 crores, while deposits given for expenses have risen by ₹65.92 crores. Furthermore, receivables from property tax have increased by ₹85.76 crores compared to the previous year, primarily due to a rise in property tax rates.

B.) INCOME & EXPENDITURE ACCOUNT

(Rs. in Crores)

Particulars	For the Financial year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Income			
Tax Revenues ¹¹	1,853.15	1,526.54	1,341.81
Assigned Revenues and Compensation	817.30	773.90	723.99
Rental Income From Municipal Properties	36.57	30.95	22.94
Fees and User Charges	352.25	322.19	248.28
Sales And Hire Charges	13.87	11.25	5.40
Revenue govt. grants, contr.& Subsidies ¹²	185.72	138.14	361.40
Interest Earned	81.21	72.85	65.82
Other Income ¹³	1,066.75	661.90	543.71
Total Income	4,406.82	3,537.72	3,313.35
Expenditure			
Establishment Expenses	1,979.16	1,743.34	1,609.47
Administration Expenses	470.32	461.96	515.32
Operations & Maintenance	873.39	755.24	544.73
Interest & Finance Charges	35.83	30.28	51.06
Program Expenses	1.72	0.36	0.53
Revenue govt. grants, contr.& Subsidies ¹⁴	233.49	156.19	115.32
Depreciation	755.41	704.75	643.18
Total Expenditure	4,349.32	3,852.12	3,479.61
Gross Surplus/ (Deficit) of income	57.50	(314.40)	(166.26)
Over expenditure before Prior Period adjustments			
Add/(Less) : Prior Period adjustments(Net) ¹⁵	55.08	40.85	(35.51)
Gross Surplus/ (Deficit) of income	112.58	(273.55)	(201.77)
Over expenditure after Prior Period adjustments			
Less: Transfer to Reserve Funds		-	
Net Balance being Surplus / Deficit carried over to Municipal Fund	112.58	(273.55)	(201.77)

Notes:

11. The increase in tax revenues in FY 2023-24 is on account of increase in tenements as well as increase in the tax rates pertaining to various forms of taxes in the form of Property Tax, Water Tax, Sewerage Tax and other relevant taxes. In FY 2022-23 the Property Tax rate for Residence property was Rs 10/- per. sq. mt. per annum which has been increased to Rs 12/- in FY 2023-24. Similarly, for Non residence property, property tax rate was Rs 25/- per. sq. mt. per annum which has increased to Rs 35/- in FY 2023-24. This increase in Property Tax Rate is as per General board resolution No.230/2023 of Surat Municipal Corporation-.
12. The sharp decrease in income from Revenue Govt. Grants, Contributions and Subsidies in FY 2022-23 from FY 2021-22 is on account of the receipt of COVID 19 Grant in 2021-22 which wasn't received in the subsequent years.

Further, the sharp increase in FY 2023-24 from FY 2022-23 is on account of increase in State Government Grant and Subsidy.

- 13. The increase in other income over the years is primarily due to a significant rise in Paid Infrastructure Charges in the form of FSI. This surge is mainly driven by the increase in sanctioned construction projects across Surat. Additionally, the collection of FSI charges has risen due to the rapid development of newly added areas, which were added as per Notification No. KV/46 of 2020/SMN/902019/9933/P dated 18th June 2020 of Urban Development and Urban Housing Department, Government of Gujarat.*
- 14. Increase in expenses of Revenue govt. grants, contr.& Subsidies, is due to overall increase in the expenses from Compulsory and Discretionary grants including the increase in the revenue grants offered to Municipal Primary Education.*
- 15. Prior period adjustments represent the net effect of prior period income and expenditure. The **prior period income** primarily includes property tax revenue from previous years, arising due to revisions in property data during the current year, which are retrospectively applied for the past 4 to 5 years, depending on individual cases. The **prior period expenditure** includes payments related to salary and pension adjustments resulting from changes in pay commission, as released by the government from time to time.*

C.) CASH FLOW STATEMENT

(Rs. in Crores)

Particulars	For the Financial Years ended		
	March 31, 2024	March 31, 2023	March 31, 2022
A. Cash flows from Operating Activities:			
Gross surplus/(deficit) over expenditure	57.50	(314.40)	(166.26)
Add:			
Depreciation and Amortisation Expense	755.41	704.74	643.19
Interest & Finance Cost	17.38	17.36	17.36
Capital Receipts	3,560.54	1,737.04	1,230.28
Less:			
Interest Income	(24.92)	(15.70)	(16.55)
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	4,365.91	2,129.04	1,708.02
Changes in current assets and current liabilities			
(Increase) / decrease in Sundry debtors	(34.23)	(13.23)	17.70
(Increase)/ decrease in Stock in hand	(14.50)	(10.85)	(4.83)
(Increase)/ decrease in Prepaid Expenses	(0.02)	(0.05)	0.01
(Increase) / decrease in Other current assets	(340.67)	(53.95)	(96.42)
(Decrease)/ increase in Deposits received	54.69	72.95	47.33
(Decrease)/ increase in Deposits works	144.91	97.46	(9.58)
(Decrease)/ increase in Other current liabilities	(291.79)	235.39	89.89
Extraordinary Items(Specify)	55.09	40.85	(35.51)
Net cash generated from/ (used in) operating activities (A)	3,939.39	2,497.61	1,716.61
B. Cash flows from Investing Activities			
Purchase of fixed assets	(2,433.71)	(1,564.55)	(2,730.56)
Investment in Capital WIP	(765.47)	(947.58)	883.07
Purchase of Investments	-	(5.00)	-
Increase/(Decrease) in Debt Service Reserve Fund	(18.85)	-	-
Increase/(Decrease) in Special funds /Grants	97.28	(77.27)	821.27
Increase/(Decrease) in Earmarked Funds	(102.05)	71.08	(810.81)
Add:			
Interest Income Received	24.92	15.70	16.55
Net cash generated from/ (used in) investing activities (B)	(3,197.88)	(2,507.62)	(1,820.48)
C. Cash flows from Financing Activities			
Add:			
Loans from banks/others received	480.10	-	-
Less:			
Loan Repaid	(200.00)	-	-
Finance expenses	(17.38)	(17.36)	(17.36)

Net cash generated from (used in) financing activities (C)	262.72	(17.36)	(17.36)
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	1004.23	(27.37)	(121.23)
Cash and cash equivalents at beginning of period	576.04	603.41	724.64
Cash and cash equivalents at end of period	1,580.27	576.04	603.41
Cash and Cash equivalents at the end of the year comprises of the following account balances at the end of the year			
a) Cash Balances	40.32	48.12	53.21
b) Bank Balances	770.35	120.34	309.09
c) Scheduled co-operative banks		-	-
d) Balances with post offices		-	-
e) Balances with other banks (Fixed deposits)	769.60	407.58	241.11
Total	1,580.27	576.04	603.41

**II. Following details as per the financial statements for six months period ended September 30, 2024
in tabular format:**

CERTIFICATE ON UNAUDITED FINANCIAL STATEMENTS

To,

Surat Municipal Corporation
Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395 003, Gujarat

Dear Sirs,

Sub: PROPOSED PUBLIC ISSUE BY THE SURAT MUNICIPAL CORPORATION (“CORPORATION” / “SMC” / “ISSUER”) OF RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS (IN THE NATURE OF DEBENTURES) OF FACE VALUE OF ₹1,000/(RUPEES ONE THOUSAND) EACH (“GREEN BONDS” / “NCDs” / “DEBENTURES”), (COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS (“STRPPs”) NAMELY, 1 STRPP A OF FACE VALUE OF ₹500 AND 1 STRPP B OF FACE VALUE OF ₹500), AMOUNTING TO ₹100 CRORE (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVER- SUBSCRIPTION UP TO ₹100 CRORE (“GREEN SHOE OPTION”) AGGREGATING UP TO ₹200 CRORE (“ISSUE”).

We have examined the unaudited financial statement comprising the abridged balance sheet, income and expenditure statements and cash flow statements as at and for the six months period ended September 30, 2024 (“**Unaudited Financial Statements**”) of Surat Municipal Corporation (the “**Issuer**”) as annexed to this certificate for the purpose of inclusion in the Draft Offer Document and Offer Document to be filed by the Issuer with the Securities and Exchange Board of India (“**SEBI**”) and the Stock Exchanges where the Green Bonds are proposed to be listed (“**Stock Exchanges**”), for Issue of rated, listed, taxable, secured, redeemable, non-convertible municipal bonds in the nature of debentures of face value of ₹ 1,000/- each (Rupees One Thousand) (“**Green Bonds**”/ “**NCDs**”/ “**Debentures**”), (comprising of 2 (two) separately transferable and redeemable principal parts (“**STRPPs**”) namely 1 STRPP A of face value of ₹ 500 and 1 STRPP B of face value of ₹ 500, amounting to ₹100.00 crore (“**Base Issue Size**”) with an option to retain over- subscription up to ₹100.00 crore (“**Green Shoe Option**”) aggregating up to ₹200.00 crore (“**Issue**”).

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

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

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Notes in connection with the proposed Issue of Debentures.

This certificate should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this certificate be construed as a new opinion on any of the financial statements referred to herein.

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

Our report is intended solely for use of the purpose set out in first paragraph and in connection with the proposed issue of Bonds. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. We hereby provide our consent for sharing of our report with SEBI, the Stock Exchange(s) or any other statutory/ regulatory authority, as may be required and A.K. Capital Services Limited (**“Lead Manager”** to the Issue).

Capitalised terms shall have the meaning ascribed to them in the Draft Offer Document or the Offer Document.

Sincerely,

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm registration no.: 123626W

s/d

Authorised Signatory

Name: Hiren R Vepari

Partner

Membership no.: 102680

UDIN: 25102680BNUKAP4769

Place: Surat

Date: May 9, 2025

CC:

A. K. Capital Services Limited,
Unit No. 603,6th floor, Windsor,
Off CST Road, Kalina, Santacruz-(East),
Mumbai- 400098
(Lead Manager to the Issue)

Abridged Balance Sheet*(₹ In Crores)*

Particulars	As at September 30, 2024
LIABILITIES	
Reserve & Surplus	
Municipal Funds	2674.36
Earmarked Funds	944.99
Reserves and Surplus ¹	22842.83
Total Reserves and Surplus	26462.18
Loan Funds	
Secured Loans	-
Unsecured Loans	602.22
Total Loans	602.22
Current Liabilities and Provisions	
Deposits Received	633.63
Deposits Works	1245.78
Other Liabilities (Sundry Creditors)	522.18
Total Current Liabilities and Provisions	2401.58
TOTAL LIABILITIES	29465.98
ASSETS	
Fixed Assets	
Gross Block	20961.66
<u>Less: Accumulated Depreciation</u>	6609.86
Net Block	14351.81
Capital Work-in-Progress	9339.36
Total Fixed Assets	23691.17
Investments	
Total Investments	130.81
Current Assets, Loans and Advances	
Stock in Hand (Inventories)	57.45
<u>Sundry Debtors (Receivables)</u>	
Gross amount outstanding	223.97
<u>Less: Accumulated provision against bad & doubtful Receivables</u>	00.00
Net amount outstanding	223.96

Particulars	As at September 30, 2024
Prepaid Expenses	-
Cash and Bank Balances	2185.12
Loans, advances and deposits	3177.48
Less: Accumulated provisions against Loans	
<i>Net Amount outstanding</i>	3177.48
<i>Total Current Assets, Loans & Advances</i>	5644.01
TOTAL ASSETS	29465.98

Income and Expenditure Statement*(₹ In Crores)*

Particulars	For the six months period ended September 30, 2024
Income	
Tax Revenues	963.96
Assigned Revenues and Compensation	397.80
Rental Income From Municipal Properties	19.35
Fees and User Charges	147.19
Sales And Hire Charges	7.45
Revenue govt. grants, contr.& Subsidies	84.62
Interest Earned	45.09
Other Income	583.10
Total Income	2248.56
Expenditure	
Establishment Expenses	1020.15
Administration Expenses	226.84
Operations & Maintenance	429.30
Interest & Finance Charges	20.72
Program Expenses	0.12
Revenue govt. grants, contr.& Subsidies	100.26
Depreciation	393.05
Total Expenditure	2190.44
Gross Surplus/ (Deficit) of income	58.12
Over expenditure before Prior Period adjustments	
Add/(Less) : Prior Period adjustments(Net)	62.82
Gross Surplus/ (Deficit) of income	120.93
Over expenditure after Prior Period adjustments	
Less: Transfer to Reserve Funds	
Net Balance being Surplus / Deficit carried over to Municipal Fund	120.93

C. Cash Flow Statement

(₹ In Crores)

Particulars	For the six months period ended September 30, 2024
A. Cash flows from Operating Activities:	
Gross surplus/(deficit) over expenditure	58.12
Add:	
Depreciation and Amortisation Expense	393.05
Interest & Finance Cost	
Capital Receipts	1328.32
Less:	-
Interest Income	33.37
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	1746.12
<u>Changes in current assets and current liabilities</u>	
(Increase) / decrease in Sundry debtors	(32.75)
(Increase)/ decrease in Stock in hand	7.58
(Increase)/ decrease in Prepaid Expenses	0.11
(Increase) / decrease in Other current assets	(876.32)
(Decrease)/ increase in Deposits received	29.74
(Decrease)/ increase in Deposits works	45.77
(Decrease)/ increase in Other current liabilities	208.94
Extraordinary Items(Specify)	62.82
Net cash generated from/ (used in) operating activities (A)	1192
B. Cash flows from Investing Activities	
Purchase of fixed assets	(317.39)
Investment in Capital WIP	(409.54)
Purchase of Investments	
Increase/(Decrease) in Debt Service Reserve Fund	
Increase/(Decrease) in Special funds /Grants	(74.15)
Increase/(Decrease) in Earmarked Funds	58.44
Add:	
Interest Income Received	33.37

Net cash generated from/ (used in) investing activities (B)	(709.27)
C. Cash flows from Financing Activities	
Add:	
Loans from banks/others received	122.13
Less:	
Loan Repaid	
Finance expenses	
Net cash generated from (used in) financing activities (C)	122.13
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	604.85
Cash and cash equivalents at beginning of period	1580.27
Cash and cash equivalents at end of period	2185.12
Cash and Cash equivalents at the end of the year comprises of the following account balances at the end of the year	
a) Cash Balances	8.58
b) Bank Balances	1089.29
c) Scheduled co-operative banks	
d) Balances with post offices	
e) Balances with other banks (Fixed deposits)	1087.24
Total	2185.12

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

The financial information regarding the Corporation can be obtained from the following link:
<https://www.suratmunicipal.gov.in/Departments/Accounts/SMCBondInformation>

b) COPY OF BUDGET DOCUMENTS FOR PREVIOUS THREE YEARS

The summary of budget of the Issuer for previous three financial years FY 2021-2022, FY 2022-2023, FY 2023-2024 and FY 2024-25 and for the current FY 2025-2026 are annexed herewith as Annexure V.

For complete budget documents for previous three financial years (FY 2021-2022, FY 2022-2023 and FY 2023-2024) and for the FY 2024-2025 and FY 2025-26 please refer to the link below:
<https://www.suratmunicipal.gov.in/Departments/Accounts/Budget>

c) FINANCIAL PARAMETERS

(₹ in crores, except ratios)			
Key Financial Figures	2023-24	2022-23	2021-22
(A) Revenue Income ¹	4,470.41	3,603.11	3,363.42
(B) Revenue expenditure (Excl. Interest) ²	3,585.03	3,154.56	2,904.65
(C) Operating revenue Surplus	885.38	448.55	458.77
(D) Interest expense ³	17.38	17.36	17.36
(E) Principal repayment (outside sinking Fund)	-	-	-
(F) Contribution to Sinking fund ⁴	43.00	40.00	40.00
(G) Revenue Surplus ⁵	868.00	431.19	441.41
(H) Capital Income	3,560.54	1,737.03	1,230.28
(I) Capital Expense ⁶	3,199.16	2,517.12	1,847.49
(J) Capital Surplus	361.38	(780.09)	(617.21)
(K) Overall Surplus(G+J)	1,229.38	(348.90)	(175.80)
(L) Deposits and Advances ⁷	1493.48	1246.62	973.28
(M) Initial Cash/Bank balance	576.04	603.41	724.64
(N) Change in Cash/Bank balance	1,004.23	(27.37)	(121.23)
(O) Final Cash / Bank Balance	1,580.27	576.04	603.41
(P) Loan repayment from sinking fund	200.00	-	-
(Q) Initial Sinking fund Balance	179.88	137.32	97.32
(R) Change in sinking fund	(161.89)	42.55	40.00
(S) Final sinking fund balance ⁸	17.98	179.88	137.32
(T) Total Debt	480.10	200.00	200.00
(U) Total Expenditure ⁹	6,801.57	5,689.04	4,769.50
(V) Total Revenue ⁹	8,030.96	5,340.14	4,593.71
(W) Ratio of Total Expenditure/ Total Revenue	0.85	1.07	1.04
(X) Cash Surplus / Total Revenue ¹⁰	0.15	(0.07)	(0.04)
(Y) Ratio of Debt Service / Total Revenue ¹¹	0.008	0.01	0.01

1. Revenue Income includes Prior period Income.
2. Revenue Expenditure includes Prior period Expense and excludes depreciation. Further interest expense as per point (D) in above table has been excluded.
3. Only interest expense on loans and NCDs has been considered. Other bank charges and rebate allowed on property tax not considered.
4. Contribution made to Sinking Fund for bond redemption.
5. Revenue surplus is calculated by deducting interest expense under point (D) from operating revenue surplus under point (C) and therefore depreciation is not deducted while calculating the same.
6. Capital Expenditure includes purchase of Long term Investment.
7. Loans, Advances and Deposits (Net) given by the Corporation.
8. The final sinking fund balance consists of two components: ₹3.00 crores allocated for the Special Assistance Loan and ₹14.98 crores designated as a common sinking fund. Approval for the transfer of sinking fund balance of ₹14.98 crores is currently pending with State Government.
9. Total Expenditure and Total Revenue is inclusive of prior period items. Further total expenditure is inclusive of interest expense but exclusive of depreciation.
10. Overall surplus under point (K) is considered as cash Surplus.
11. Total debt service has been calculated by adding interest expense (Point D), principal repayment (outside sinking fund) (Point E) and contribution to sinking fund (Point F).

The following financial parameters are true and correct and derived from the Unaudited Financial Statements:

(₹ in crores, except ratios)

Key Financial Figures	Six months period ended September 30, 2024
	2311.47
(A) Revenue Income ¹	
	1797.48
(B) Revenue expenditure(Excl. Interest) ²	
	513.98
(C) Operating revenue Surplus	
	0.00
(D) Interest expense ³	
	0.00
(E) Principal repayment (outside sinking Fund)	
	6.83
(F) Contribution to Sinking fund	
	513.98
(G) Revenue Surplus ⁴	
	1328.32
(H) Capital Income	
	726.93
(I) Capital Expense ⁵	
	601.39
(J) Capital Surplus	
	1115.37
(K) Overall Surplus(G+J)	
	1929.92
(L) Deposits and Advances ⁶	
	1580.27
(M) Initial Cash/Bank balance	
	604.85
(N) Change in Cash/Bank balance	
	2185.12
(O) Final Cash / Bank Balance	
	0.00
(P) Loan repayment from sinking fund	
	17.98
(Q) Initial Sinking fund Balance	
	6.83
(R) Change in sinking fund	
	24.81
(S) Final sinking fund balance ⁷	
	602.22
(T) Total Debt	
	2524.41
(U) Total Expenditure ⁸	
	3639.78
(V) Total Revenue ⁸	
	0.69
(W) Ratio of Total Expenditure/ Total Revenue	
	0.31
(X) Cash Surplus / Total Revenue ⁹	
	0.002
(Y) Ratio of Debt Service / Total Revenue ¹⁰	

¹Revenue Income includes Prior period Income.

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

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

⁴Revenue surplus is calculated by deducting interest expense under point (D) from operating revenue surplus under point (C) and therefore depreciation is not deducted while calculating the same.

⁵Capital Expenditure includes purchase of Long term Investment.

⁶Loans, Advances and Deposits given by the Corporation.

⁷The final sinking fund balance consists of two components: ₹ 9.83 crores allocated for the Special Assistance Loan and ₹14.98 crores designated as a common sinking fund. Approval for the transfer of sinking fund balance of ₹14.98 crores is currently pending with State Government.

⁸Total Expenditure and Total Revenue is inclusive of prior period items. Further total expenditure is inclusive of interest expense but exclusive of depreciation.

⁹Overall surplus under point (K) is considered as cash Surplus.

¹⁰Total debt service has been calculated by adding interest expense (Point D), principal repayment (outside sinking fund) (Point E) and contribution to sinking fund (Point F).

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

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

(₹ in crores)

Revenue Receipts Type	FY 2023-24	FY 2022-23	FY 2021-22
Tax Revenues	1853.15	1526.54	1341.81
Compensation in lieu of Octroi (Assigned Revenues and Compensation)	817.30	773.90	723.99
Add. Infrastructure Charges (Paid FSI)	1021.57	623.55	494.61
Fees and User Charges	352.25	322.19	248.28
Revenue Govt. Grants, Contr. & Subsidies	185.72	138.14	361.40

The following details of the top 5 revenue sources for the six months period ended September 30, 2024 are true and correct and derived from the Unaudited Financial Statements:

(₹ in crores)

Revenue Receipts Type	Six months period ended September 30, 2024
Tax Revenues	963.96
Compensation in lieu of Octroi (Assigned Revenues and Compensation)	397.80
Add. Infrastructure Charges (Paid FSI)	558.52
Fees and User Charges	147.19
Revenue Govt. Grants, Contr. & Subsidies	84.62

III. Details of property tax collection

(₹ in crores, except ratios)

Particulars	Demand Raised			Collections			Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Arrears	Current	Total		
FY 2023-24	533.11	1458.98	1992.09	122.19	1251.02	1373.21	68.93%	85.75%
FY 2022-23	498.31	1159.71	1658.03	124.42	1000.50	1124.92	67.85%	86.27%
FY 2021-22	432.02	1059.86	1491.88	130.54	863.02	993.56	66.60%	81.43%

The following details of property tax collection are true and correct and derived from the Unaudited Financial Statements:

(₹ in crores, except ratios)

Particulars	Demand Raised			Collections			Overall Collection Ratio*	Current Collection Ratio*
	Arrears	Current	Total	Arrears*	Current*	Total*		

Six months period ended September 30, 2024	618.88	746.75	1365.63	3.51	299.37	302.88	22.18%	40.09%
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**The collection ratio for six months period ended September 30, 2024 is not comparable with the annual collection ratios, which is generally much higher due to the higher collections in the second half of the financial year.*

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

i. Reforms on E-Governance

The Issuer has taken various steps towards improving e-governance by adopting information technology which enables SMC to not only provide better and timely services to citizens but also enhance transparency and reduce the need for visits to municipal offices. SMC has taken various e-Governance and m-Governance initiatives over a period of time with a view to enhance the citizen service delivery and optimizing internal operational efficiencies.

- **SERVICES THROUGH SMC'S WEBSITE**

SMC has started the virtual civic centre which has a very comprehensive public website that offers host of information and services to the citizens. That offers following online services:

- a. Payment of Property Tax including Advance Tax
- b. Payment of Profession Tax for Enrolment Certificate (EC) & Registration Certificate (RC)
- c. Payment of Water Meter Bills for residential and non-residential connections
- d. Online Registration and Renewal of Shops & Establishment Registration Certificate
- e. Issuance of Birth Certificate
- f. Issuance of Death Certificate
- g. Booking of Community Hall & Party Plot
- h. Booking of Auditorium
- i. Society Civic Facility for Water Connection, Drainage Connection, Road and Street Lights
- j. Download of various forms available at free of cost. Citizens can download and use forms such as Form for Birth Certification, Death Certificate, Registration of Marriage, Property tax, Profession tax Water and Drainage Connection etc. The same will be accepted at concern offices of Surat Municipal Corporation without paying prescribed form fee.
- k. Grievance Registration & status check
- l. Feedback regarding services offered

- **SMC Mobile Application (Citizens Connect)**

SMC has launched comprehensive Mobile Application designed as one stop solution for the citizens, enabling the service delivery and information sharing using the latest mobile technology.

Following are the key features of the App :

- a. Check Property Tax details with outstanding amount information
- b. Check Profession Tax (EC) details with outstanding amount information
- c. Check Water Meter connection details with outstanding amount information
- d. Check Birth & Death Registration details
- e. Check Shops & Establishment Registration Certificate details
- f. Elected Wing details (committee wise and ward wise)
- g. Admin Wing details

h. Active Tender information

- **EVolute Surat Mobile App**

SMC has developed EVolute mobile app to streamline the process of locating charging stations on the move and to book and pay for EV charging services online ensuring convenience and efficiency for electric vehicle (“EV”) users.

Following are key features of the App:

- a. **Map:** Locate the EVolute charging stations
- b. **Real Time Availability Check:** Show which EVolute charging stations are available to charge
- c. **Reservation:** Book the time slot in advance to secure Charge Spot to save time
- d. **Charge Now:** Charge at the charge spot without prior booking for Walk-in EV Drivers
- e. **Payment:** Make payment easier and faster with wallet/credit/debit/Net Banking

- **E-Tendering**

SMC has adopted e-Tendering process and all tenders are invited through online e-tendering portal with a view to increase the participation and adopt transparent tendering process.

ii. **Reforms on Solid Waste Management**

The following reforms are initiated with reference to Solid Waste Management programs:

- **Plastic Waste Management**

SMC has taken proactive measures to establish a plastic waste processing plant on land admeasuring 2 acres area at Bhatar under a 20-year Concession Agreement with Ecovision Environmental Resources L.L.P. The initiative is intended to design, construct, develop, establish, finance and maintain the aforesaid project as per the norms of Plastic Waste Rules, 2011 and Environment(Protection) Act, 1986, rule and regulations and various guidelines/circulars issued by the GoG and GOI from time to time. designed Additionally, SMC is actively educating consumers on responsible plastic waste disposal through authorized channels.

- **C&D(construction and demolition)Waste Management**

SMC has taken active steps to enhance municipal and civic services by establishing C&D waste management facility at Kosad. Under a 20-year Concession Agreement, 3 acres of land have been allocated to Surat Green Precast Pvt Limited for the project's development on a Build, Own, Operate, and Transfer basis. The facility encompasses collection, transportation, and treatment of C&D waste, adhering to the C&D Waste Rules, 2016, the Environment (Protection) Act, 1986, and various regulations and guidelines issued by the Government of Gujarat and the Government of India.

- **Biomedical Waste Treatment Facility**

SMC has established a centralized biomedical waste treatment facility at the Bhatar disposal site, equipped with an autoclave, a double-chambered incinerator, and other necessary equipment. The facility operates in accordance with the standards and specifications set for biomedical waste disposal, ensuring compliance with the Bio-Medical Waste (Management and Handling) Rules, 1998.

- **E-Waste processing facility**

SMC has taken steps to implement an efficient e-waste management system in the city by entering into a Concession Agreement with Pruthvi E-Waste Recycle Pvt Limited. Under this

agreement, a 1-acre land at the Bhatar disposal site has been allocated for the establishment of an E-Waste Treatment Plant on a Build, Own, Operate, and Transfer basis. The project is designed to ensure compliance with the E-Waste Rules, 2011, the Environment (Protection) Act, 1986, and various regulations and guidelines issued by the Government of Gujarat and the Government of India.

iii. **Reforms in Property Tax**

The Issuer is allowed to levy property tax under the Act. Property tax is the source of own revenue for the Issuer and it is an important revenue income source comprising about 33.11% of the tax revenues received by the Issuer in the Financial Year 2023-24.

The various initiative taken by the Issuer to increase the property tax are as under:

- **Online Tax Payment System:** SMC has initiated an online tax payment facility through its official website and mobile application, enabling citizens to conveniently and securely pay their taxes from any location.
- **GIS tagging:** SMC has initiated GIS tagging of properties situated in Surat city helping locate properties over Google Maps and also improving compliance and recovery efforts of the Organisation. The SMC GIS Portal is a user-friendly platform available on the SMC website that provides various information to the citizens of Surat and the entire nation. Citizen and others can access GIS Portal features a variety of data layers, including remote sensing imagery and an open street map (OSM) base map, town planning, town development, infrastructure, demographics, topography, and public amenities. Users can explore the data using interactive maps, perform spatial queries, and generate custom reports. The GIS technique is used in SMC for urban planning, building permission, demography, topography, utility data like water supply, drainage etc.

iv. **Reforms on Double Entry Accounting**

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

- The National Municipal Accounting Manual has been followed by the Issuer to provide adequate civic services on a timely basis to its citizens, with a view to providing better Financial management, improved governance, accountability and transparency of Management.
- SMC is maintaining e-Accounting Systems that help in maintain bill information of all zone and department level. Department or zone level all types of bill (internal or external) entered in this system and forward to account department for further payment process.

v. **Reforms on water supply**

SMC, has implemented transformative water management reforms to address urbanization challenges and ensure sustainable water supply.

Following are the initiatives, focusing on equitable distribution, reducing losses, and enhancing efficiency through technology and infrastructure upgrades and cost recovery on water supply

- SMC has developed well established networked water supply system to supply drinking water to citizens of surat city
- SMC has set up an online portal for collection of water meter charges. Automated meters have been installed to monitor water consumption and improve billing accuracy. This technological advancement helps in better managing water resources and ensuring fair billing practices

- SMC has also made strides in Water Recycling and Reuse by establishing sewage treatment plants (STPs). These plants treat wastewater, which is then reused for industrial purposes and landscaping, thereby conserving fresh water.
- SMC has launched Public Awareness Campaigns to promote rainwater harvesting and water conservation. These campaigns engage the community and encourage sustainable water practices among residents and promotes to motivate citizens of Surat for early tax payments and recovery of water tax each year.
- SMC has initiated steps to ensure that annual expenditure on water supply services are included within the user charges of water supply services and accordingly the rate of user charges are proposed to be increased.
- SMC has initiated steps to ensure that annual expenditure on water supply services are included within the user charges of water supply services and accordingly the rate of user charges are proposed to be increased.
- SMC is working on reducing the expenditure incurred in water supply services.

V. DETAILS OF ISSUER'S OUTSTANDING BORROWING

a. Details of borrowings of the Issuer, as on the latest quarter end as on March 31, 2025

As on March 31, 2025, we have unsecured borrowings of approximately ₹ 1,015.23 crores.

b. Details of Secured Loan Facilities:

We do not have any secured borrowings outstanding as on March 31, 2025.

c. Details of Unsecured Loan Facilities:

The details of unsecured loans outstanding as on March 31, 2025 is as given below:

Lender's Name	Nature of Facility	Amount Sanctioned (₹ in crores)	Principal Amount Outstanding (₹ in crores)	Repayment Date/ Schedule
Government of Gujarat	Interest free loan under Special Assistance Scheme for Capital Investment	1015.23*	1,015.23	Loan is having a tenor of 50 years and received in various tranches from the Government under Special Assistance Scheme for Capital Investment.

**Refers to actual amount disbursed by the Government of Gujarat to the Corporation out of the Amount Sanctioned by GoI in various tranches during F.Y. 2024 and F.Y. 2025.*

d. Details of NCDs/Bonds:

The Issuer does not have any NCDs/Bonds outstanding as on March 31, 2025.

e. List of Top 10 Debenture Holders

Not Applicable

f. Details of Commercial Paper

NIL

g. Details of Rest of Borrowings

NIL

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

NIL

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

The Bonds issued are proposed for servicing through a Structured Payment Mechanism. Under the Structured Payment Mechanism all funds deposited on account of own revenues/cash flows that shall be collected (Collection Accounts(s)) shall be transferred to a separate no-lien Escrow Account for debt servicing.

In order to ensure timely servicing and redemption, the Issuer shall establish 2 (Two) accounts solely for the purpose of servicing the debt. The Interest Payment Account shall be established with a deposit such that at any point of time the Interest Payment Account holds an amount equivalent to annual interest payments for bonds in the form of DSRA. Further, the monthly amounts shall be deposited in interest payment account for half yearly payments of interest obligations. To ensure adequacy of funds for redemption of the Bonds, a Sinking Fund Account shall be opened where amounts shall be deposited on monthly basis for redemption of the principal amounts of the Debentures. As per the certificate dated May 9, 2025 from the Auditor, there is sufficient revenue generation/collection from Own Revenues/cash flows for timely servicing and redemption. The total Revenue from Own Revenues is approximately ₹ 1766.14 (Six months period ended September 30, 2024), ₹ 3403.80 crores (Financial Year 2023-2024), ₹ 2625.68 crores (Financial Year 2022-2023) and ₹ 2227.96 crores (Financial Year 2021-2022).

VII. Issue Estimated Scenarios of Asset Liability Mis-matches

As there is sufficient Own Revenue collection, there does not seem to be any scenario of asset liability mismatch. As per the certificate dated May 9, 2025 from the Auditor, there is sufficient revenue generation/collection from Own Revenues/cash flows for timely servicing and redemption. With respect to the repayment of bonds, the Debentures are to be paid from the collection of own revenues/cash flows of the Issuer. The current collections are sufficient to ensure the redemption of the Debentures. The structured payment mechanism as provided in this Draft Offer Document shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further own revenue collections are estimated to remain sufficient; therefore, we do not foresee any scenario of Asset Liability mismatch in future as well. Further, any shortfall towards payments to be made in respect of the Debentures will be transferred in terms of the Transaction Documents.

SECTION-XI : LEGAL AND OTHER INFORMATION

LEGAL AND OTHER INFORMATION

Our Corporation, from time to time, is involved in various legal proceedings in the ordinary course of our operations. These legal proceedings are primarily in the nature of property tax disputes, criminal cases, civil cases and tax proceedings.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Corporation's 'policy on materiality' adopted by the Bond Issue Committee pursuant to its resolution dated May 9, 2025. Further, as on the date of this Draft Offer Document, except as disclosed hereunder, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchange against the Issuer in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; or (v) material litigation (as mentioned below), involving the Issuer and the Subsidiary.

For the purpose of disclosures in this Draft Offer Document, our Corporation has considered the following litigation as 'material' litigation:

(a) all pending proceedings whether civil, arbitral, or otherwise, of value exceeding 0.25% the net surplus of income over expenditure as per the latest audited financial statements i.e. Financial Year 2023-24, amounting to ₹ 0.28 crores;

(b) any other outstanding legal proceeding which is likely to have a material adverse effect on (i) the financial position, profitability and cash flows of our Corporation; (ii) the Project proposed to be funded out of the proceeds of the Issue; (iii) the Issue; or the investor's decision to invest/continue to invest in the NCDs.

Further there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchange in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; (v) outstanding material litigation (as mentioned above), involving the members of the Bonds Issue Committee.

It is clarified that for the purposes of the above, pre-litigation notices received by our Corporation have not been considered as litigation until such time that the Issuer is not impleaded as a defendant in litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Corporation. For this purpose, our Bonds Issue Committee in its meeting held on May 9, 2025 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors.

In terms of our Materiality Policy, outstanding dues to any creditor of our Corporation having monetary value exceeding 0.25% of Net Surplus of income over expenditure as per the latest audited financial statements, i.e. Financial Year 2023-24, of the Corporation, amounting to ₹ 0.28 crores have been considered as material outstanding dues for the purposes of disclosure in this section.

Details of outstanding dues to creditors as required under the SEBI ILMDS Regulations have been disclosed on our website at: <https://www.suratmunicipal.gov.in/Departments/Accounts/SMCBondInformation>

LITIGATIONS INVOLVING THE ISSUER

A. LITIGATIONS AGAINST THE ISSUER

CRIMINAL LITIGATION

1. Vishnubhai Babubhai Zaveri ("**Complainant**") had filed a Criminal Miscellaneous Application before the Chief Judicial Magistrate for initiating an investigation under section 156(3) of the Code of Criminal Procedure, 1973. in relation to unlawful acquisition of land and submission of forged power of attorney. The Chief Judicial Magistrate by his order dated March 14, 2016, had directed the Complainant to remain present for recording his statement ("**Order**"). The Complainant has filed the present Special Criminal Application No. SCR(A)/3782/2016 before the Hon'ble High Court of Gujarat for quashing and setting

aside the Order and to direct the concerned police authorities to lodge an FIR and/or to initiate police investigation u/s. 156(3) of the Code of Criminal Procedure, 1973. The matter is pending before the Hon'ble High Court of Gujarat.

MOTOR ACCIDENT CLAIMS

1. Vijay Shankar Shukla & Others ("**Petitioners**") have filed a Motor Accident Claim Petition bearing no. M.A.C.P. NO. 470/2022 against the Municipal Commissioner, Surat Municipal Corporation and others before the Motor Accident Claims Tribunal. The Petitioners have claimed compensation of ₹ 0.12 crores for the death of their son on a public road due to reckless driving and negligence of the other respondent. The Corporation has filed a written statement before the Tribunal denying the allegations and claims of the Petitioners. The matter is pending.
2. Madhuriben Wd/o. Natwarlal Harkishandas Teilor ("**Petitioner**") have filed a Motor Accident Claim Petition bearing no. M.A.C.P. NO. 157/2022 against the Municipal Commissioner, Surat Municipal Corporation and another before the Motor Accident Claims Tribunal. The Petitioner has claimed compensation of ₹ 0.70 crores for the death of her husband on a public road due to reckless driving of the negligence of the other respondent. The Corporation has filed a written statement before the Tribunal denying negligence of the Respondents in the accident. The matter is pending.
3. 2 (two) proceedings have been initiated before the District & Sessions Court Motor Accident, Claim Tribunal, Surat, and the District Court, Surat, bearing nos. M.A.C.P/241/2020 and M.A.C.P/546/2023 respectively. The cases involve motor accidents caused by vehicles affiliated to the Corporation, resulting in death. The matters have been filed by the relatives of the deceased. The compensation claimed in the 2 matters is 0.57 crores in aggregate (approx. figure).

ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

Nil

DISCIPLINARY ACTIONS INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGE(S) AGAINST THE ISSUER AND MEMBERS OF ITS BONDS ISSUE COMMITTEE DURING THE PAST 5 (FIVE) FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

Nil

DIRECT AND INDIRECT TAX

S. No.	Nature	No. of Cases	Amount involved (₹ in crores)
Indirect Tax			
1.	Property tax	6	31.75*
Direct tax			
1.	Income Tax	-	-

**To the extent quantifiable*

OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER:

1. An appeal bearing no. 3475/2021 has been filed before the Hon'ble Gujarat High Court by M/s Airtech Private Limited ("**Plaintiff**") against Surat Municipal Corporation & Others in relation to the order dated December 31, 2019 passed by Surat Civil Court in the Special Civil Suit no. 56 of 1997 ('Suit'). The Plaintiff had entered into a contract with the Corporation July 12, 1996, for delivery of two truck mounted high velocity Sewer Jetting Machines. The goods supplied by the Plaintiff were rejected by the Corporation due to defects. The Special Civil Judge while dismissing the Suit of the Plaintiff had held that the Corporation had not acted illegally as the hose pipes supplied to the Corporation were defective and therefore the Plaintiff was not entitled to the damages special cost and overdue interest prayed for.

The matter involves a potential liability of ₹ 0.65 crores and is currently pending before the Gujarat High Court.

2. The Surat Sudhrai Kamdar Staff Mandal, a staff association acting through its president, has filed two contempt proceedings against the Corporation before the Hon'ble Gujarat High Court (bearing nos. MCA (for contempt) No.1778/2024 in SCA NO.6943/2022 and MCA (for contempt) No. 1814/2024 in SCA NO.17195/2023), alleging wilful disobedience of previous High Court orders dated July 20, 2023 and November 10, 2023. The proceedings pertain to the corporation's failure to implement the court-mandated increment and pension revision for one of its employees. The potential financial liability in relation to the 2 matters is ₹ 0.56 crores, in aggregate. The matters are currently pending.
3. A civil proceeding (bearing no. SPCS 27 of 2023) has been filed by Mukeshbhai Khimjibhai Zanzmera (**"Petitioner"**) against Surat Municipal Corporation before the Civil and District Court, Surat, claiming compensation to the extent of ₹ 0.40 crores for burn injuries sustained by the Petitioner near Nirmal Nagar, Katagram, due to alleged negligence of Surat Municipal Corporation. The matter involves a potential financial liability ₹ 0.40 crores and is currently pending.
4. An appeal has been filed by the Modern Construction Company, a limited company carrying on business as engineers and constructions (**"Company"**) against the Surat Municipal Corporation before the Hon'ble Gujarat High Court (bearing no. First Appeal No. 298 of 2020) being aggrieved by the judgement and order passed in the Court of the 10th Additional Senior Civil Judge in Special Civil Suit No. 48 of 1982 (**"Impugned Order"**). The Corporation had entered into various contracts with the Company for construction of overhead tank and water distribution at Umarwada, Khatodra, Katagram and Warachha. The Company had made a claim of ₹ 0.48 crores in respect of the outstanding dues under these contracts. The Corporation had filed a counter claim for the alleged excess payment of ₹ 1,18,536/- made by the Corporation. The Impugned Order dated July 4, 2018 had dismissed the suit of the Company and the counterclaim of the Corporation. The matter involves a potential financial liability ₹ 0.48 crores and is currently pending before the High Court.
5. A civil proceeding has been filed by Torrent Power Limited against the Corporation before the Civil Court, Surat, bearing no. MTA 01/2012 for revision of assessment rate of a receiving station. The potential financial liability in relation to the matter is ₹ 0.50 crores. The matter is currently pending for final hearing.
6. Rajkamal Builders Infrastructure Private Limited ('Plaintiff') has filed a Special Civil suit no. 352 of 2019 against the Surat Municipal Corporation in respect of the final bill, price escalation and star rate difference concerning the tender awarded to the Plaintiff for Construction of Flyover Bridge at Delhi Gate Junction on Ring Road at Surat. The Corporation has filed a written statement alleging that the Plaintiff had shown unprofessional behaviour in completion of work and prayed for the suit to be dismissed. The Suit involves a potential financial liability of ₹ 14.03 crores and is pending before the Hon'ble Civil Judge at Surat.
7. A civil proceeding has been filed by Gammon India Limited (**"Plaintiff"**) against the Corporation before the Commercial Court, bearing no. Comm CS/65/2019 challenging its blacklisting for five years through an official notice, alleging the action was without jurisdiction and unlawful. The Plaintiff seeks a judgment declaring the blacklisting invalid and claims compensation. The potential financial liability in relation to the matter is ₹ 155.00 crores. The matter is currently pending.
8. Cube Construction Engg. Ltd. (**"Plaintiff"**), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/63/2019 before Surat District Civil Court, with respect to disputes between the Plaintiff and the

Corporation in relation to construction and development along the BRT corridor on Surat-Navasari Road and from Dumas Resport Club to Kharwarnagar junction. The potential financial liability in relation to the matters is ₹ 52.65 crores (approx. figure). The matter is pending.

9. Cube Construction Engg. Ltd. (“**Plaintiff**”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/70/2019, before Surat District Civil Court, with respect to disputes between the Plaintiff and the Corporation in relation to the construction and development along the BRT corridor on Surat-Navasari Road. The potential financial liability in relation to the matters is ₹ 14.63 crores (approx. figure). The matter is pending.
10. Cube Construction Engg. Ltd. (“**Petitioner**”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/69/2017 before the Commercial Court at Vadodara, with respect to disputes between the Plaintiff and the Corporation in relation to the construction and development of new bus stations/terminals at Central Bus station, Marakpura, Vadodara. The potential financial liability in relation to the matters is ₹ 52.65 crores (approx. figure). The matter is pending.
11. R & B Infra Project Private Limited. (“**Plaintiff**”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/179/2023, before Surat District Civil Court, with respect to disputes between the Plaintiff and the Corporation in relation to fabrication and erection of 6 (six) bus stations along the BRTS corridor from BRC temple to Bhestangam junction. The potential financial liability in relation to the matters is ₹ 10.92 crores (approx. figure). The matter is pending.
12. R & B Infra Project Private Limited. (“**Plaintiff**”), a company engaged in the business of construction and development of infrastructure has filed a commercial suit against the Corporation bearing no. Comm CS/180/2023, before Surat District Civil Court, with respect to disputes between the Plaintiff and the Corporation in relation to fabrication and erection of 6 (six) bus stations along the BRTS corridor from Udhana Darwaja to BRC temple. The potential financial liability in relation to the matters is ₹ 10.96 crores (approx. figure). The matter is pending.
13. A civil proceeding has been filed by SAP Project (“**Plaintiff**”) against the Corporation before the Commercial Court, bearing no. Comm CS/55/2019. The dispute pertains to payments being due from the Corporation to the Plaintiff pursuant to completion of 2 (two) work orders – construction of a health club and a swimming pool. The potential financial liability in relation to the matter is ₹ 19.28 crores. The matter is currently pending.

B. LITIGATIONS BY THE ISSUER

CRIMINAL LITIGATIONS

1. 12 (twelve) criminal proceedings have been initiated by the Corporation before the District Court, Surat, against several persons, in relation to appointment of candidates for certain jobs which were secured by the candidates either through proxy applicants or by way of misrepresentation or fraudulently procuring recruitment letters. Upon verification, the Corporation had determined that the qualification of such candidates did not match with the prescribed criteria outlined in the recruitment notification. Consequently, such appointments were annulled, and a formal police complaint was lodged against such candidates, or the persons involved in such appointments. The matters are currently pending before the court.

2. A criminal proceeding has been filed by the Corporation against one Mo. Amir Mo. Yunus Sopariwala bearing matter no. CC/107852/2021, before the Civil & District Court, Surat, with respect to certain illegal constructions carried out by the accused.
3. A criminal proceeding has been filed by the Corporation against one Jitu Alajibhai Rathod, bearing matter no. CC/3457/2022, before the District Court, Surat, with respect to theft of galvanized iron pipes installed on the river front on the banks of Tapi by the accused.
4. 67 (sixty-seven) criminal proceedings have been initiated by the Corporation in relation to dishonour of cheques, under section 138 of the Negotiable Instruments Act, 1881, before various courts in Surat, which are currently pending, including 1 (one) appeal filed by the accused pursuant to orders passed against him.

TAXATION MATTERS

Nil

OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

1. The Corporation filed a complaint against S.N. Bhole & Associates Private Limited (“**Respondent**”) before the National Consumer Disputes Redressal Commission, bearing no. CC/1841/2016. The Corporation had hired the Respondent for providing services in relation to construction of bridges under the agreement dated April 24, 2008. The Corporation has claimed in its submission that the design flaws and negligence or of the Respondent has resulted in collapse of a bridge, which resulted in the death of 10 labourers and injuries to 6 labourers. The Corporation has claimed a compensation of ₹ 56.97 crores for loss suffered by the Corporation due to deficiency of services of the Respondent. The matter is currently pending.

C. LITIGATIONS INVOLVING THE MEMBERS OF THE BOND ISSUE COMMITTEE

There are no:

- (i) outstanding criminal proceedings involving the members of Bond Issue Committee;
- (ii) actions by statutory or regulatory authorities;
- (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the members of Bond Issue Committee in the last five financial years including outstanding action;
- (iv) claims relating to direct and indirect taxes; or
- (v) outstanding legal proceedings involving the members of Bond Issue Committee which have been considered material in accordance with policy on materiality’ adopted by the Bond Issue Committee.

D. LITIGATIONS INVOLVING THE SUBSIDIARY

Except as disclosed below, there are no:

- (i) outstanding criminal proceedings involving the Subsidiary.
- (ii) actions by statutory or regulatory authorities;
- (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Subsidiary in the last five financial years including outstanding action;
- (iv) claims relating to direct and indirect taxes; or
- (v) outstanding legal proceedings involving the Subsidiary which have been considered material in accordance with policy on materiality’ adopted by the Bond Issue Committee.

DIRECT AND INDIRECT TAX

S. No.	Nature	No. of Cases	Amount involved (₹ in crores)
Indirect Tax			
1.	GST^	2	36.17*

S. No.	Nature	No. of Cases	Amount involved (₹ in crores)
Direct tax			
1.	Not applicable	Nil	Not applicable

**To the extent quantifiable*

^ Following are details of the GST matters involving Subsidiary (i) Order dated 29.04.2024 has been passed by the Additional Commissioner, CGST and Central Excise, Surat, against Surat Sitilink in relation to payment of GST. An appeal has been filed against the order before the Gujarat High Court. (ii) Order dated 10.12.2024 has been passed by the Additional Commissioner, CGST and Central Excise, Surat, against Surat Sitilink in relation to credit of input tax charged on goods or services. An appeal has been filed against the order.

E. OUTSTANDING DUES TO CREDITORS

According to the Materiality Policy of the Issuer, as on March 31, 2025, SMC had 3 (three) material creditors. Details of the outstanding dues to the material creditors is given below:

(₹ in crores)

Particulars	Outstanding Dues
Total Outstanding dues to Material Creditors	1.09
Total Outstanding dues creditors other than Material Creditors*	4.00
Total	5.09

** The outstanding Creditors as on March 31, 2025 include several creditors with small-value balances that have remained unpaid for a period exceeding 18 years, collectively aggregating to ₹ 1.92 crores. The Issuer is not able to recognize the name and amount of such creditors. Although the same has been considered as other than material creditors in the above table.*

Further the Issuer does not categorize its creditors as SSU/MSME and the creditors also do not submit their SSU/MSME registrations and hence the dues to SSU/MSME are not disclosed in this Draft Offer Document.

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link: <https://www.suratmunicipal.gov.in/Departments/Accounts/SMCBondInformation>

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

As per the certificate of the Auditor dated May 9, 2025, the Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer.

G. MATERIAL AGREEMENTS AND CONTRACTS:

Except as disclosed below and except for the agreements entered into by the Issuer in the normal course of business, the details of the Material agreements and contracts are as provided in the section titled “*Material Contracts and Documents*” on page 252 of this Draft Offer Document:

Based on the materiality threshold as defined by the Bond Issue Committee, the contracts and agreements for the value exceeding ₹ 213.94 crores have been considered as material. Set out below is the list of all material contracts entered by the Corporation immediately preceding 2 (two) years from the date of this Draft Offer Document:

(₹ in crores)

Date of the agreement	Counter Party	Type of Work	Amount Involved*
March 1, 2023	PSP Projects Limited	Construction of state of the art high rise building	1,344.01
January 18, 2024	Shanti Construction (Guj) Pvt. Ltd.	Construction of new hospital (Ed-1) block and educational (Ed-2) block under SMIMER Master Plan	289.38
June 21, 2024	Unique Construction	Design, construction, testing and commissioning of 24*7 water supply system	491.20

Date of the agreement	Counter Party	Type of Work	Amount Involved*
		including civil, mechanical, electrical, instrumentation & PLC-SCADA and its successive operations and maintenance	
July 18, 2024	Unique Construction	24*7 Water Supply and civil works(Package 01)	320.50
March 15, 2024	Unique Construction	Construction of flood Protection Work in River Tapi on EPC Basis	526.95

**The amount involved in this project is excluding GST.*

H. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER, RESULTING IN MATERIAL LIABILITIES, RESTRUCTURING EVENT, ETC.) AT THE TIME OF THE ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTORS' DECISION TO INVEST/ CONTINUE TO INVEST IN THE MUNICIPAL DEBT SECURITIES.

The Issuer hereby confirms that, except for the routine transfers of the officials of the Issuer and for any information disclosed in this Draft Offer Document, there has been no material event, development or change having implications on the financial condition or 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 an investors' decision to invest or continue to invest in the Green Bonds to be issued by the Issuer.

I. DETAILS OF NON-PAYMENT OF STATUTORY DUES

As per the Auditor's certificate dated May 9, 2025, as on date of this Draft Offer Document, there are no instance of non-payment of statutory dues applicable on the Corporation.

J. DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENT ISSUED BY THE ISSUER, IN THE PAST 3 YEARS.

Nil

K. CONTINGENT LIABILITIES OF THE ISSUER

As per the Auditor's certificate dated May 9, 2025, as on the date of this Draft Offer Document, there are no contingent liabilities of the Issuer.

L. DISCIPLINARY ACTION, IF ANY, TAKEN BY SEBI OR ANY FINANCIAL SECTOR REGULATORY AUTHORITY AGAINST THE ISSUER, LEAD MANAGER, DEBENTURE TRUSTEE ETC., DURING THE LAST 5(FIVE) YEARS

I. Against the Issuer

Nil

II. Against the Debenture Trustee

SEBI / Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI / Name of regulatory authority	Nil

III. Against the Lead Manager

SEBI / Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI	Nil

IV. Against the Credit Rating Agencies**(a) Crisil Ratings Limited**

SEBI / Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI / Name of regulatory authority	Nil/NA

(b) India Ratings & Research Private Limited

SEBI / Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI	<p>1. The Securities Exchange Board of India (SEBI) had passed an adjudication order dated December 26, 2019, imposing a penalty of Rs 25 lacs on India Ratings in respect of assigning ratings to Infrastructure Leasing & Financial Services Limited. India Ratings has filed an appeal to Securities Appellate Tribunal (SAT) on February 10, 2020, against the SEBI order imposing a penalty of ₹ 25 lacs on India Ratings.</p> <p>On September 22, 2020, the penalty was enhanced to Rs 1 crore. India Ratings has filed an appeal to SAT on November 6, 2020, against the SEBI order dated September 22, 2020 which enhanced the penalty to ₹ 1 crore.</p> <p>SAT at its hearing on February 03, 2025, directed the Appeals to be listed for hearing next on April 15, 16 and 17, 2025.</p> <p>2. SEBI imposed a fine of Rs 3 lakhs on India Ratings vide its Order dated November 30, 2023, in respect of the delay in recognition of default by M/s Altico Capital India and the delay in recognition of material event in case of M/s Hindustan Cleanenergy Limited. The payment towards the same was done by India Ratings on 18 December 2023 and the matter stands closed.</p>

V. Against the Registrar

SEBI / Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI / Name of regulatory authority	Nil

I. Against the Banker to the Issue

SEBI / Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
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Nil	Nil
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SECTION-XII: OTHER REGULATORY AND STATUTORY DISCLOSURES

I. Authority for this Issue

The Corporation has obtained approvals for the Issue of Green Bonds from the Standing Committee vide its resolution no. 143/2024 dated January 18, 2024 read with resolution no.1125/2024 dated July 18, 2024 which was approved by the General Board vide its resolution no. 50/2024 dated February 20, 2024 read with the resolution no. 202/2024 dated July 31, 2024 and the Urban Development and Urban Housing Department, Government of Gujarat vide its Order bearing no. UDUHD/1238/02/2025 dated March 04, 2025 for issuing green municipal bonds. The Bond Issue Committee through its resolution dated May 9, 2025 approved the Issue.

For details of the abovementioned resolutions of Standing Committee, General Board and Bond Issue Committee, Order of Urban Development and Urban Housing Department, Government of Gujarat Government, please refer to the Annexure III of this Draft Offer Document at page A-28.

The Corporation has received in-principle approvals of the NSE vide its letter bearing reference no. [●] dated [●] and BSE vide its letter bearing reference no. [●] dated [●] for the listing of the NCDs.

II. Prohibition by SEBI and Identification as Wilful Defaulter

The Corporation, its Subsidiary and the members of the Bonds Issue Committee are not: (i) restrained, prohibited or debarred from accessing the securities market by any order or direction by SEBI; (ii) named in the list of wilful defaulter.

III. Eligibility for the Issue

The Corporation is eligible to file this Draft Offer Document and the Offer Document in accordance with the SEBI ILMDS Regulations as it fulfils the following criteria:

- a) The Corporation is eligible to raise funds under its constitution documents;
- b) The Corporation has prepared its accounts in accordance with National Municipal Accounts Manual;
- c) The Corporation has not defaulted in repayment of debt securities or loans obtained from banks or financial institutions, during the preceding three hundred and sixty five days;
- d) Neither the Corporation nor the members of the Bonds Issue Committee is: (i) restrained, prohibited or debarred from accessing the securities market by any order or direction by SEBI; or (ii) named in the list of wilful defaulter;
- e) The members of the Bonds Issue Committee have not been declared as a fugitive economic offender;
- f) the Issuer has surplus income as per its Income and Expenditure Statement in one of the immediately preceding three financial years i.e. FY 2023-24;

IV. Disclosures

1. DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT OFFER DOCUMENT, OFFER DOCUMENT OR IN ANY ADVERTISEMENT OR 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 THEIR OWN RISK.

2. UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA,

INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE “RISK FACTORS” CHAPTER ON PAGE 16 OF THIS DRAFT OFFER DOCUMENT.

ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT OFFER DOCUMENT CONTAINS TRUE, FAIR AND ADEQUATE INFORMATION TO ENABLE INVESTORS TO MAKE A WELL INFORMED DECISION REGARDING THEIR INVESTMENT IN THE PROPOSED ISSUE AND THAT THERE IS NO MIS-LEADING OR UNTRUE STATEMENTS OR MIS-STATEMENT IN THE DRAFT OFFER DOCUMENT.

THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS DRAFT OFFER DOCUMENT ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE WEBSITE WHERE THE NCDs ARE PROPOSED TO BE LISTED.

THE ISSUER UNDERTAKES THAT CHARGE SHALL BE CREATED IN FAVOUR OF THE DEBENTURE TRUSTEE AS PER THE TERMS OF ISSUE.

THE ISSUER DECLARES THAT NOTHING IN THIS DRAFT OFFER DOCUMENT IS CONTRARY TO THE PROVISIONS OF SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS 2015, THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

THE ISSUER SHALL SUBMIT THE DOCUMENTS DISCLOSED IN THE DRAFT OFFER DOCUMENT TO THE DEBENTURE TRUSTEE IN ELECTRONIC FORM (SOFT COPY).

ALL STEPS FOR COMPLETION OF THE NECESSARY FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING AT ALL STOCK EXCHANGES WHERE THE SECURITIES ARE TO BE LISTED ARE TAKEN WITHIN THE PERIOD SPECIFIED BY THE BOARD.

ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE TRANSFERRED TO A SEPARATE BANK ACCOUNT.

THAT THE ISSUER HAS NOT ISSUED ANY SECURITIES BY WAY OF PUBLIC ISSUE IN THE PAST

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

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

4. DISCLAIMER CLAUSE OF GOVERNMENT OF GUJARAT

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

5. DISCLAIMER OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED

AS REQUIRED, A COPY OF THE DRAFT OFFER DOCUMENT SHALL BE FILED WITH NSE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, ISSUED VIDE NOTIFICATION NO. SEBI/ LAD-NRO/GN/2015-16/006 (DATED JULY 15, 2015) AS AMENDED FROM TIME TO TIME. NSE HAS GIVEN VIDE ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, IT'S MEMBERS OF BOND ISSUE COMMITTEE OR ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

6. DISCLAIMER OF BSE LIMITED

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER NO [●] DATED [●] PERMISSION TO THIS ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THE ISSUER. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS DRAFT OFFER DOCUMENT; OR
- B. WARRANT THAT THE ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS MEMBERS OF BOND ISSUE COMMITTEE, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER

REASON WHATSOEVER.

7. DISCLAIMER OF THE RATING AGENCIES

DISCLAIMER OF CRISIL RATINGS LIMITED:

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. SURAT MUNICIPAL CORPORATION WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDISK AT 1800-267-3850.

DISCLAIMER OF INDIA RATINGS AND RESEARCH PRIVATE LIMITED:

INDIA RATINGS & RESEARCH PRIVATE LIMITED ("INDIA RATINGS") RELIES ON INFORMATION OBTAINED FROM MULTIPLE SOURCES AND THERE MAY BE INSTANCES WHERE THE INFORMATION IS NOT ACCURATE/INCOMPLETE, DESPITE EFFORTS BEEN TAKEN TO VERIFY THE SAME. ULTIMATELY, THE ISSUER /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 RATING, INDIA RATINGS RELIES 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 MAY NOT HAVE BEEN ANTICIPATED AT THE TIME A RATING WAS ISSUED OR AFFIRMED.

IT NEEDS TO BE NOTED THAT RATINGS ARE NOT A RECOMMENDATION OR SUGGESTION, DIRECTLY OR INDIRECTLY, TO YOU OR ANY OTHER PERSON, TO BUY, SELL, MAKE OR HOLD ANY INVESTMENT, LOAN OR SECURITY OR TO UNDERTAKE ANY INVESTMENT STRATEGY WITH RESPECT TO ANY INVESTMENT, LOAN OR SECURITY OF ANY ISSUER. CREDIT RATINGS DO NOT COMMENT ON THE ADEQUACY OF MARKET PRICE, THE SUITABILITY OF ANY INVESTMENT, LOAN OR SECURITY FOR A PARTICULAR INVESTOR (INCLUDING WITHOUT LIMITATION, ANY ACCOUNTING AND/OR REGULATORY TREATMENT), OR THE TAX-EXEMPT NATURE OR TAXABILITY OF PAYMENTS MADE IN RESPECT OF ANY INVESTMENT, LOAN OR SECURITY. THE RATING AGENCY SHALL NEITHER CONSTRUED TO BE NOR ACTING UNDER THE CAPACITY OR NATURE OF AN 'EXPERT' AS DEFINED UNDER SECTION 2(38) OF THE COMPANIES ACT,

2013. INDIA RATINGS DOES NOT PROVIDE ANY FINANCIAL, LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES IN ANY MANNER. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. INVESTORS MAY FIND OUR 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.

8. DISCLAIMER OF THE DEBENTURE TRUSTEE:

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

9. DISCLAIMER OF THE LEAD MANAGER:

THE ISSUER HAS AUTHORISED THE LEAD MANAGER TO DISTRIBUTE THIS DRAFT OFFER DOCUMENT IN CONNECTION WITH THE PLACEMENT OF THE GREEN BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS DRAFT OFFER DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH OFFER OR PLACEMENT WOULD BE IN VIOLATION OF ANY LAW, RULE OR REGULATION. EACH PERSON RECEIVING THIS DRAFT OFFER DOCUMENT ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE DRAFT OFFER DOCUMENT AND THE RISK FACTORS STATED IN SECTION IV (RISK FACTORS) ON PAGE 16 OF THIS DRAFT OFFER DOCUMENT AND RELY ON ITS OWN EXAMINATION OF THE ISSUER AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE GREEN BONDS. THE LEAD MANAGER: (A) ARE NOT ACTING AS TRUSTEE OR FIDUCIARY FOR THE POTENTIAL INVESTOR; AND (B) ARE UNDER NO OBLIGATION TO CONDUCT ANY "KNOW YOUR CUSTOMER" OR OTHER PROCEDURES IN RELATION TO ANY PERSON ON BEHALF OF ANY POTENTIAL INVESTOR. NEITHER THE LEAD MANAGER NOR THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES ARE RESPONSIBLE FOR ANY DETERMINATION AS TO WHETHER ANY INFORMATION PROVIDED OR TO BE PROVIDED TO ANY FINANCE PARTY IS NON-PUBLIC INFORMATION THE USE OF WHICH MAY BE REGULATED OR PROHIBITED BY APPLICABLE LAW OR REGULATION OR OTHERWISE.

THE LEAD MANAGER IS NOT ACTING AND HAS NOT BEEN ENGAGED TO ACT AS AN UNDERWRITER WITH RESPECT TO THE GREEN BONDS.

THE ISSUER HAS PREPARED THIS OFFER DOCUMENT AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS OFFER DOCUMENT HAS BEEN PROVIDED BY THE ISSUER OR IS FROM PUBLICLY AVAILABLE INFORMATION, THE USE OF WHICH ISN'T REGULATED OR PROHIBITED BY APPLICABLE LAW OR REGULATION RELATING TO INSIDER DEALING OR OTHERWISE AND THAT SUCH INFORMATION HAS NOT BEEN INDEPENDENTLY VERIFIED BY THE LEAD MANAGER.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS DRAFT OFFER DOCUMENT. HOWEVER, THE POTENTIAL INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS DRAFT OFFER DOCUMENT AS INVESTMENT, LEGAL, ACCOUNTING, REGULATORY OR TAX ADVICE, AND THE POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN ADVISORS AS TO ALL LEGAL, ACCOUNTING, REGULATORY, TAX, FINANCIAL

AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE GREEN BONDS. THIS DRAFT OFFER DOCUMENT IS NOT INTENDED TO BE (AND SHOULD NOT BE USED AS) THE BASIS OF ANY CREDIT ANALYSIS OR OTHER EVALUATION AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE LEAD MANAGER THAT ANY RECIPIENT PARTICIPATES IN THE ISSUE OR ADVICE OF ANY SORT. IT IS UNDERSTOOD THAT EACH RECIPIENT OF THIS DRAFT OFFER DOCUMENT WILL PERFORM ITS OWN INDEPENDENT INVESTIGATION AND CREDIT ANALYSIS OF THE PROPOSED FINANCING AND THE BUSINESS, OPERATIONS, FINANCIAL CONDITION, PROSPECTS, CREDITWORTHINESS, STATUS AND AFFAIRS OF THE ISSUER, BASED ON SUCH INFORMATION AND INDEPENDENT INVESTIGATION AS IT DEEMS RELEVANT OR APPROPRIATE AND WITHOUT RELIANCE ON THE LEAD MANAGER OR ON THIS DRAFT OFFER DOCUMENT.

THE LEAD MANAGER IS ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE GREEN BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE DRAFT OFFER DOCUMENT. THE RECEIPT OF THE DRAFT OFFER DOCUMENT BY ANY RECIPIENT IS NOT TO BE CONSTITUTED AS THE GIVING OF INVESTMENT ADVICE BY THE LEAD MANAGER TO THAT RECIPIENT, NOR TO CONSTITUTE SUCH A RECIPIENT A CUSTOMER OF THE LEAD MANAGER. THE LEAD MANAGER IS NOT RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTION AFFORDED TO THE CUSTOMERS OF THE LEAD MANAGER NOR FOR PROVIDING ADVICE IN RELATION TO THE GREEN BONDS.

EACH RECIPIENT OF THE DRAFT OFFER DOCUMENT ACKNOWLEDGES THAT EACH RECIPIENT HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM THE ISSUER AND TO REVIEW AND HAS RECEIVED FROM THE ISSUER ALL ADDITIONAL INFORMATION CONSIDERED BY THE RECIPIENT TO BE NECESSARY TO VERIFY THE ACCURACY AND THE LEAD MANAGER SHALL NOT BE RESPONSIBLE FOR ANY INFORMATION RECEIVED BY THE RECIPIENT OF THE DRAFT OFFER DOCUMENT OTHER THAN THE INFORMATION SET OUT HEREIN.

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

PLEASE NOTE THAT:

(A) THE LEAD MANAGER AND/ OR THEIR AFFILIATES MAY, NOW AND/ OR IN THE FUTURE, HAVE OTHER INVESTMENT AND COMMERCIAL BANKING, TRUST AND OTHER RELATIONSHIPS WITH THE ISSUER AND OTHER ENTITIES RELATED TO THE ISSUER;

(B) AS A RESULT OF THOSE OTHER RELATIONSHIPS, THE LEAD MANAGER 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 LEAD MANAGER 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 DRAFT OFFER DOCUMENT;

(C) THE LEAD MANAGER AND/ OR THEIR AFFILIATES MAY, NOW AND IN THE FUTURE HAVE FIDUCIARY OR OTHER RELATIONSHIPS UNDER WHICH IT, OR THEY MAY EXERCISE VOTING POWER OVER SECURITIES OF VARIOUS PERSONS. THOSE SECURITIES MAY FROM TIME TO TIME INCLUDES SECURITIES OF THE ISSUER;

(D) THE LEAD MANAGER 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 GREEN BONDS.

10. DISCLAIMER IN RESPECT OF JURISDICTION

ISSUE OF THESE GREEN BONDS HAVE BEEN/ WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER PARAGRAPH [●] (ELIGIBLE INVESTORS) OF SECTION IX: ISSUE

SPECIFIC INFORMATION ON PAGE 130 OF THIS DRAFT OFFER DOCUMENT. THE DRAFT OFFER DOCUMENT IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO GREEN BONDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. . ANY PERSON INTO WHOSE POSSESSION THIS DRAFT OFFER DOCUMENT AND THE OFFER DOCUMENT COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

11. DISCLAIMER OF THIRD PARTY AGENCY FOR GREEN CERTIFICATION

THE INFORMATION CONTAINED IN THIS DOCUMENT DOES NOT CONSTITUTE INVESTMENT ADVICE IN ANY FORM OR ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY AND THE CLIMATE BONDS INITIATIVE IS NOT AN INVESTMENT ADVISER. ANY REFERENCE TO A FINANCIAL ORGANISATION OR DEBT INSTRUMENT OR INVESTMENT PRODUCT IS FOR INFORMATION PURPOSES ONLY. LINKS TO EXTERNAL WEBSITES ARE FOR INFORMATION PURPOSES ONLY. THE CLIMATE BONDS INITIATIVE ACCEPTS NO RESPONSIBILITY FOR ANY CONTENT ON ANY EXTERNAL WEBSITE. CERTIFICATION UNDER THE CLIMATE BONDS STANDARD RELATES EXCLUSIVELY TO THE CONFORMITY OF ONE OR MORE DESIGNATED DEBT INSTRUMENTS, DESIGNATED ASSETS AND/OR DESIGNATED ENTITIES WITH THE APPLICABLE CLIMATE BONDS STANDARD AT THE TIME OF CERTIFICATION. CERTIFICATION UNDER THE CLIMATE BONDS STANDARD CARRIES NO IMPLICATION (AND SHOULD NOT BE UNDERSTOOD AS CARRYING ANY IMPLICATION) AS TO ANY OTHER ASPECT OF ANY DEBT INSTRUMENT OR INVESTMENT PRODUCT OR ANY COLLECTION OF DEBT INSTRUMENTS OR INVESTMENT PRODUCTS OR ANY ASSET OR ENTITY OR GROUP OF ASSETS OR ENTITIES OR AS TO CONTINUING CONFORMITY AT ANY TIME AFTER THE TIME OF CERTIFICATION. SUCH CERTIFICATION CARRIES NO IMPLICATION (AND SHOULD NOT BE UNDERSTOOD AS CARRYING ANY IMPLICATION) THAT ANY STATED TARGET HAS BEEN OR WILL AT ANY TIME BE MET OR THAT ANY PARTICULAR LEGAL OR REGULATORY REQUIREMENT HAS BEEN OR WILL BE SATISFIED. THE CLIMATE BONDS INITIATIVE IS NOT ENDORSING, RECOMMENDING OR ADVISING ON THE FINANCIAL MERITS OR (SUBJECT TO THE PREVIOUS PARAGRAPH) ANY OTHER ASPECT OF ANY DEBT INSTRUMENT OR INVESTMENT PRODUCT OR ANY COLLECTION OF DEBTINSTRUMENTS OR INVESTMENT PRODUCTS OR ANY ASSET OR ENTITY OR GROUP OF ASSETS OR ENTITIES AND NO INFORMATION WITHIN THIS DOCUMENT SHOULD BE TAKEN AS SUCH, NOR SHOULD ANY INFORMATION IN THIS DOCUMENT BE RELIED UPON IN MAKING ANY INVESTMENT DECISION. THE DECISION TO INVEST IN ANYTHING IS SOLELY YOURS. THE CLIMATE BONDS INITIATIVE ACCEPTS NO LIABILITY OF ANY KIND, FOR ANY INVESTMENT MADE BY AN INDIVIDUAL OR ORGANISATION, NOR FOR ANY INVESTMENT MADE BY THIRD PARTIES ON BEHALF OF AN INDIVIDUAL OR ORGANISATION, BASED IN WHOLE OR IN PART ON ANY INFORMATION CONTAINED WITHIN THIS, OR ANY OTHER CLIMATE BONDS INITIATIVE DOCUMENT.

12. DISCLAIMER OF INDEPENDANT THIRD PARTY REVIEWER

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

FORCE MAJEURE

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE ISSUE AT ANY TIME PRIOR TO THE ISSUE CLOSING DATE IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND/ OR REGULATORY ENVIRONMENT OR OTHERWISE. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION MONEY, IF ANY, COLLECTED IN RESPECT OF THE ISSUE WITHOUT ASSIGNING ANY REASON, SUBJECT TO APPLICABLE LAW.

Utilization details regarding the previous issues of the issuer for the past 3 years;-

The details of the previous issuance are as follows:-

Previous public issue of Municipal Debt Securities

The Corporation has previously not undertaken public issue of municipal debt securities.

Private placements by Issuer:

During Financial Year 2018-19, SMC had issued listed, unsecured, taxable, non-convertible, redeemable bonds in the nature of debentures of face value of ₹ 10 lakhs each at par aggregating to ₹ 200 crores in relation to its five major capex projects under AMRUT Scheme which has been fully exhausted and utilized. Furthermore, in adherence to the stipulated time the bonds were redeemed on their maturity date, March 01, 2024

Please see below the details of any private placements undertaken by our Issuer in the three years prior to the date of this Draft Offer Document.

ISIN	Date Of Allotment	Date of Redemption	Objects of the Issue	Utilization of Proceeds
INE05NX24015	March 01, 2019	March 01, 2024	Utilization towards projects falling under Atal Mission for Rejuvenation and Urban Transformation ("AMRUT").	The proceeds were utilised for meeting the objects of the issue.

Other Confirmations

NCDs shall be considered as secured only if the charged asset is registered with CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

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

SBICAP TRUSTEE COMPANY LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED MAY 9, 2025 AS PER THE FORMAT SPECIFIED IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR WHICH READS AS FOLLOWS:

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

WE CONFIRM THAT:

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

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

Debenture Trust Deed

The Corporation and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Issuer, as per SEBI ILMDS Regulations applicable for the proposed NCD Issue within timelines prescribed therein.

Track record of past public issues handled by the Lead Managers:

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, is available at the following websites:

Name of Lead Manager	Website
A. K. Capital Services Limited	www.akgroup.co.in

Trading

The marketable lot for the purpose of trading of Green Bonds shall be 1 (one) STRPP A/STRPP B of face value of R. 500 (Rupees Five Hundred) each. Trading of NCDs/STRPPs would be permitted in demat mode only and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Green 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.

Consents

Consents in writing of: (a) the Compliance Officer, (b) members of the Bonds Issue Committee (c) the Lead Manager, (d) the Registrar to the Issue, (e) the Debenture Trustee to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) Project Consultants, (i) Auditor (j) Banker to the Issue (k) Consortium Member (*which shall be procured at the time of filing of Offer Document*) (l) Independent Advisor for Green Bonds have been

obtained (m) Chief Accounts and Finance Officer (m) Third Party Agency for Green Certification (n) Independent Third Party Reviewer.

The consent of the Auditors of our Corporation, M/s Natvarlal Vepari, for (a) inclusion of their names as the Auditors, (b) examination report on the Audited Financial Statements comprising the abridged balance sheet, income and expenditure account and cash flow statements for the last three financial years, ending March 31, 2024 and March 31, 2023 and March 31, 2022 (c) certificate on the Unaudited Financial Statements for the six months period ended September 30, 2024 in the form and context in which they appear in this Draft Offer Document along with the statement of possible tax benefits, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Draft Offer Document.

Filing of this Draft Offer Document

In terms of Regulation 7 of the SEBI ILMDS Regulations, a copy of this Draft Offer Document has been filed with the SEBI and the Stock Exchanges for dissemination on their website.

Filing of the Offer Document

A copy of the Offer Document shall be filed with SEBI, NSE and BSE in accordance with the SEBI ILMDS Regulations.

Recovery Expense Fund:

Issuer has shall create a recovery expense fund in the manner as specified in the SEBI Master Circular for Debenture Trustees with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Underwriting

This Issue will not be underwritten.

Reservation

No portion of this Issue has been reserved.

Default / delay in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued additional interest of at least 2% p.a. over the coupon rate shall be payable by the Issuer for the defaulting period.

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on NSE and BSE. An Application will be made to the BSE and NSE simultaneously with the filing of the Offer Document for permission to deal in and for official quotation in NCDs. NSE has been appointed as the Designated Stock Exchange.

In case of delay in listing of the NCDs beyond 6 (six) working days from Issue Closing Date, the Issuer shall pay penal interest of 2 % per annum which shall be paid over and above the Coupon Rate for the period of delay in listing.

As per provisions of the SEBI ILMDS Debt Regulations, In case the issuer fails to obtain listing or trading permission from any of the recognized stock exchanges where the municipal debt securities were proposed to be listed, it shall refund the entire monies received within seven days of receipt of intimation from stock exchange or within seven days from the earliest intimation rejecting the application for listing of municipal debt securities, and if any such money is not repaid after the issuer becomes liable to repay it, the issuer shall be liable to repay that money with interest at the rate of fifteen percent per annum till such refund is made.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and May not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Offer Document and the Offer Document may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Delay in allotment of securities

Issuer confirms that there have been no delays in allotment of securities in the past and all allotments have been made within the prescribed timelines. Issuer shall pay interest at a rate of 15% per annum to investors where allotment has not been made and/or the application monies are not refunded or unblocked within the prescribed timelines.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Surat, India.

Mechanism for redressal of investor grievances

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor’s grievance within 21 days of its receipt and in such manner as may be specified by the SEBI. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to chiefaccountant@suratmunicipal.org. 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 at point G of this Section at page 144 in this Draft Offer Document. The Corporation has already got itself registered with the SCORES platform of SEBI (SCORES ID: COMZ00551) for the convenience of the investors for filing of any complaint.

KFIN Technologies Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated May 9, 2025 between the Registrar to the Issue and our Corporation will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchanges where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible

for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

KFIN TECHNOLOGIES LIMITED

Selenium Tower-B, Plot 31 & 32 Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032, Telangana
Tel: +91-40-67162222 / 18003094001

Email: surat.ncdipo@kfintech.com

Investor Grievance email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M.Murali Krishna

SEBI Registration No.: INR000000221

CIN: L72400TG2017PLC117649

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The compliance officer of the Corporation is Swati Pareshkumar Desai, Deputy Municipal Commissioner her contact details are as follows:

Swati Pareshkumar Desai, Deputy Municipal Commissioner

Address: Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395 003, Gujarat

Tel: +91-261-2423750/51/52/53/54/55/56 (Ext. No. 243)

E-mail: smcbond@suratmunicipal.org

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice cum unblocking intimation, demat credit of allotment of NCDs and non-receipt of funds by electronic mode.

Auditor's Remark

Except as disclosed below, there are no reservations or qualifications or adverse remarks in the financial statements of our Corporation in the F.Y. 2023-24, FY 2022-23 and FY 2021-22:

Our statutory auditors have highlighted few observations / notes in the audit reports dated in the audit reports dated October 23, 2024 for F.Y. 2023-24, dated October 31, 2023 for FY 2022-23 and dated October 3, 2022 for FY 2021-22.

Observations/ Notes for FY 2023-24, FY 2022-23 and FY 2021-22:

- a. Non-tax Revenues like Additional Infrastructure Charges (Paid F.S.I) Income which is measured either on the basis of the agreement entered with the party or on the usage charges/ fees prescribed by the authority, is recognized on receipt basis.
- b. Other incomes like Interest Income, Miscellaneous Incomes are recognized on receipt basis.
- c. Grants/Subsidies (Other than Education Cess Grants and Compensation for Octroi) which are revenue in nature are credited to Income & Expenditure Account on their receipts.
- d. Capital Receipts and Government Capital Grants are accounted on receipt basis as Capital Income. Grants which have been sanctioned during the year are accounted on accrual basis.

- e. Expenses are recognized in the books as and when paid. Expenses related to General Stores are recognized on accrual basis. All material known liabilities are provided for, on the basis of available information/estimates.
- f. Contingent Assets/ Liabilities- Considering the nature and complexities of various capital work contracts, precise commitment on capital contracts cannot be ascertained

Additional notes in FY 2023-24:

- a. Professional Tax (E.C.) is recognized on a collection basis.
- b. The Corporation primarily operates on a payment-based expense recognition model, limiting the scope for Provisions. Provisions are made at the year-end for all the bills received up to a cut-off date pertaining to the current financial year.
- c. SMC currently has outstanding property tax receivables for previous periods. In accordance with the National Municipal Accounts Manual (NMAM) provisioning norms, required provision is to be made in respect of property tax demand outstanding beyond the specified period. However, as per Section 152 of the Bombay Provincial Municipalities Corporation Act, 1949, any tax amount can only be written off by the Commissioner with the approval of the Standing Committee if it is deemed irrevocable. SMC believes that there is a possibility of future recovery for property tax revenues, and therefore, no provision has been made.
- d. Bank balance comprise of balances taken from book records on account of non-operative and dormant bank accounts.

SECTION-XIII : GOVERNMENT APPROVALS

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

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Offer Document.

A. Approvals in relation to the Issue

For details in relation to the approvals and authorizations in relation to the Issue, see “*Other Regulatory and Statutory Disclosures – Authority for this Issue*” on page 224.

B. Investment approvals, letter of intent or industrial license from GoI, RBI, etc., as applicable and declaration of the Central Government, Reserve Bank of India or any regulatory authority about the non-responsibility for financial soundness or correctness of the statements:

As the Issuer is a municipal corporation, no such investments approvals, letter of intent or industrial license from GoI, RBI, etc. are required to be obtained by the Issuer.

C. All Government and other approvals which are material and necessary for carrying on the business and operations of the issuer and material subsidiaries:

Surat Municipal Corporation:

There are no specific approvals which are material and necessary for carrying on the business of the Issuer. The Issuer has registrations as listed below:

S. No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (“PAN”)	AAALS0678Q	Income Tax Department, Government of India	October 01, 1966*	Permanent Registration
2.	GST Registration Certificate (“GST”)	24AAALS0678Q1ZE	Government of India	July 07, 2018	Permanent Registration
3.	Tax deduction Number (“TAN”)	SRTS05591F	Income Tax Department, Government of India	Not Available	Permanent Registration
4.	Legal Entity Identifier	984500PJC0AB50D5E568	Legal Entity Identifier India Limited	January 05, 2024	January 05, 2026
5.	Registration under Employees’ Provident Fund	SRSRT0035026000	Employees Provident Fund Organisation	June 28, 2019	Permanent Registration
6.	National Pension Scheme	DTA Registration Number - 3104566	National Securities Depositories Limited	July 20, 2018	Permanent Registration

**Date mentioned on the Pan Card*

Surat Sitilink Limited:

There are no specific approvals which are material and necessary for carrying on the business of the Subsidiary of the Issuer. The Subsidiary has registrations as listed below:

S.No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (“PAN”)	AATCS6546D	Income Tax Department, Government of India	August 07, 2013*	Permanent Registration
2.	GST Registration Certificate (“GST”)	24AATCS6546D1Z2	Government of India	April 03, 2025	Permanent Registration
3.	Tax deduction Number (“TAN”)	SRTS13965A	Income Tax Department, Government of India	September 24, 2013	Permanent Registration

*Date mentioned on the Pan Card

The details of the approvals obtained/ required to be obtained by the Issuer for undertaking the proposed Eligible Green Projects are set out in ‘*Objects of the Issue*’ on page 72 of this Draft Offer Document.



Surat Municipal Corporation

Muglisara, Surat-395003

UNDERTAKING BY THE ISSUER

The Issuer hereby agrees and undertakes:

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

For Surat Municipal Corporation

[Signature]
9/10/2015

Name: Smt. Shalini Agarwal, IAS
Designation: Municipal Commissioner
Place: Surat
Date: 09/05/15



SECTION-XV : SUMMARY TERM SHEET

SECTION-XV: TERM SHEET

SUMMARY OF OFFER

A. Primary business of the Issuer:

The Surat Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under Section 5 of the Bombay Provincial Municipal Corporations Act, 1949 (“BPMC Act”). SMC came into existence from October 01, 1966. The BPMC Act (now GPMC Act) has been amended vide Section 3 read with Schedule (Serial No. 36) of The Gujarat Short Titles (Amendment) Act, 2011 to be renamed as The Gujarat Provincial Municipal Corporations Act, 1949. The Corporation carries out all the obligatory functions and discretionary functions entrusted by the GPMC Act with the following mission:

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

B. Size of the Issue:

Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Green Municipal Bonds in the nature of debentures of the face value of ₹ 1000/- (Rupees One Thousand only) each, comprising of 2 (two) Separately Transferable and Redeemable Principal Parts (“STRPPs”), namely 1 STRPP A of face value of ₹500 and 1 STRPP B of face value of ₹500 for an amount for an Amount Of ₹100 crores (“**Base Issue Size**”) with an Option to retain over- subscription up to ₹100 crore (“**Green Shoe Option**”) aggregating up to ₹200 crores (Rupees Two Hundred crores Only) (“**Issue**”) (“**Green Bonds**” Or “**Debentures**”) by Surat Municipal Corporation (“**Issuer**”), proposed to be listed on NSE (“**Issue**”).

C. Object of the Issue:

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

(₹ in crores)				
S. No	Name of the Project	Project Cost	Amount to be raised through proposed green bonds	Percentage of Project Cost proposed to be financed from Issue Proceeds
1	Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha (“ Project I ”)	55.56	30.00	[●]%
2	Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi (“ Project II ”)	56.10	43.82	[●]%
3	Development of depot for electric bus operations at Kosad (“ Project III ”)	8.48	4.19	[●]%
4	Construction of Centralized Dry and Wet Waste processing plant at Umber (“ Project IV ”)	407.67	[●]*	[●]%
5	Augmentation and upgradation of Water Treatment Plant at Variav and Rander (“ Project V ”)	250.07	29.31	[●]%
6	Construction of Intake Well and transmission line at Variav (“ Project VI ”)	87.09	16.33	[●]%
Total		864.97	Up to 200.00	[●]%

* An amount of up to ₹ 76.35 crores has been proposed to be funded from the proceeds of the Issue. The actual amount to be utilized for Project IV shall be finalized upon determination of the Issue Expense, accordingly, amount to be funded from grants and internal accruals and from Net Proceeds will be updated in the Offer Document.

D. Summary table of pending litigation

Particulars	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary by the SEBI or Stock actions Exchanges	Other Material litigations	Aggregate amount involved*
Issuer						
By the Issuer	4	-	-	-	1	56.97
Against the Issuer	4	6	-	-	13	415.37
BIC Members						
By the BIC Members	-	-	-	-	-	-
Against the BIC Members	-	-	-	-	-	-
Subsidiary						
By the Subsidiary	-	-	-	-	-	-
Against the Subsidiary	-	2	-	-	-	36.17

*To the extent quantifiable.

For the details of litigation proceedings, please refer the Section titled “*Legal and Other Information*” on page 215 of this Draft Offer Document.

E. Risk Factors

For Risk Factor please refer to section titled “*Risk Factors*” beginning on page 16 of this Draft Offer Document.

F. Summary of Contingent Liabilities

As per the Auditor’s certificate dated May 9, 2025, as on the date of this Draft Offer Document, there are no contingent liabilities of the Issuer.

G. Summary of Related Party Transactions

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

H. Escrow payment mechanism for the repayment of the interest/principal.

Please refer to the row titled ‘*Structured Payment Mechanism*’ under *Summary Term Sheet* of Section XV (*Term Sheet*) on page 240 of this Draft Offer Document.

SUMMARY OF TERM SHEET

Security Name	___% SMC STRPP A 2029 -----% SMC STRPP B 2030
Issuer	Surat Municipal Corporation (“SMC”)
Type of Instrument	Rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds in the nature of debentures (hereinafter referred to as “Green Bonds”/ “Debentures”/ “NCDs”)
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Public Issue by Surat Municipal Corporation of Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Green Municipal Bonds (in the nature of debentures) of face value of ₹ 1,000/- each, (comprising of 2 (two) separately transferable and redeemable principal parts (“STRPPs”) namely 1 STRPP A of face value of ₹ 500/- and 1 STRPP B of face value of ₹ 500/-, for an amount aggregating up to ₹ 200 crores (“Issue Size”) under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
Eligible investors	Please see the section titled “Issue Procedure – Applicable Process” on page 154 of the Draft Offer Document.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The Green Bonds/ NCDs are proposed to be listed on BSE Limited and National Stock Exchange of India Limited. The NCDs shall be listed within 6(six) Working Days from the Issue Closing Date.
Rating of the Instrument	The Bonds proposed to be issued by the Surat Municipal Corporation have been rated by CRISIL and India Ratings. CRISIL has assigned a rating of ‘Provisional CRISIL AA+/Stable’ vide its letter dated January 9, 2024, as revalidated vide letter dated April 21, 2025 and has issued a rating rationale dated March 17, 2025. India Ratings has assigned a rating of ‘Provisional IND AA+/Stable’ January 22, 2024, as revalidated vide letter April 28, 2025, in respect of the Bonds and has issued a rating rationale dated January 21, 2025.
Base Issue Size	₹ 100 crores
Option to retain over subscription	Upto ₹ 100 crores
Total Issue Size	Upto Rs 200 crore (including Green Shoe option)
Minimum Subscription	75% of the Base Issue Size
Objects of the issue	The Net Proceeds of the Issue of Green Bonds will be utilized for the following: <ol style="list-style-type: none"> 1. Installation of a 10 MW ground-mounted solar power plant at Bural & Vithodar village in District Banaskantha (“Project I”) 2. Installation of a 6.3 MW wind power plant at Bhimguda-Wankaner site; District – Morbi (“Project II”) 3. Development of depot for electric bus operations at Kosad (“Project III”) 4. Construction of Centralized Dry and Wet Waste processing plant at Umber (“Project IV”) 5. Augmentation and upgradation of Water Treatment Plant at Variav and Rander (“Project V”) 6. Construction of Intake Well and transmission line at Variav (“Project VI”)
Details of the utilization of the proceeds	The Net Proceeds of the Issue shall be utilized for the Projects. The details of the Projects along with the details/ status of any prior requisite approvals required, if any for such Projects have been detailed in the section titled “Objects of the Issue” in Draft Offer Document.
Coupon rate	As specified in the Offer Document.
Taxable/Tax free	Taxable
Step up/step down coupon rate	N.A.
Coupon payment frequency	On a half yearly basis
Coupon payment dates	As specified in the Offer Document
Coupon Type	Fixed
Coupon reset process (including rates, spread,	N.A.

effective date, interest rate cap and floor etc.	
Day Count Basis	Actual/ Actual
Interest on Application Money	N.A.
Tenor	STRPP A of an NCD – 4 years from Deemed Date of Allotment; STRPP B of an NCD – 5 years from Deemed Date of Allotment;
Redemption Date/ Maturity Date	The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows: <ul style="list-style-type: none"> • STRPP A - at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A; • STRPP B – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B;
Redemption Amount	Principal repayment to happen on the expiry of 4 (Four) years from the Deemed Date of Allotment for STRPP A and on the expiry of 5 (Five) years from the Deemed Date of Allotment for STRPP B as follows : STRPP A – aggregate principal amount of ₹ 100 crores (rupees hundred crores) to be repaid at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A; STRPP B – aggregate principal amount of ₹ 100 crores (rupees hundred crores) to be repaid at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B; Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued Coupon and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.
Redemption Premium / Discount	Not applicable
Issue Price	Face Value of ₹ 1,000/- per NCD consisting of 2 (Two) STRPPs (i.e. 1 STRPP A and 1 STRPP B) with face value of each STRPP being ₹ 500/- (Rupees five hundred only)
Discount at which security is issued and the effective yield as a result of such discount	Not applicable
Put Option Date	Not applicable
Call Option Date	Not applicable
Put Option Price	Not applicable
Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Face Value	Each NCD shall have a face value aggregating to ₹ 1,000/- (Rupees One Thousand only). Each NCD would comprise of 2 (Two) STRPPs having different ISINs (i.e. 1 STRPP A & 1 STRPP B) with face value of each STRPP being ₹ 500/- (Rupees Five Hundred) each.
Minimum Application size	₹ 10,000/- (i.e. 10 NCDs comprising of 10 STRPP A and 10 STRPP B) and in multiple of 1(One) NCD (comprising of 1STRPP A and 1 STRPP B) thereafter.
Trading Lot	1 (One) STRPP of ₹ 500/- (Rupees Five Hundred)
Issue Timing	As specified in the Offer Document
Issuance mode of the Instrument	Dematerialised form only
Trading mode of the Instrument	STRPPs will be traded in dematerialised form only
Settlement mode of the Instrument	As specified in the Offer Document
Depository	NSDL and CDSL
Business/ Working Day Convention	Business day/Working day shall mean all days on which commercial banks in the Surat are open for business. Except, with reference to Issue Period, working day shall mean all days, excluding Saturdays, Sundays and bank holiday in Mumbai. In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchanges and with respect to the record date, working day shall mean all trading days of the Stock Exchanges

	<p>for Bonds, excluding Saturdays, Sundays and bank holidays in Mumbai, as specified by SEBI.</p> <p>If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated May 22, 2024 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54, as amended from time to time.</p> <p>If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Offer Document.</p> <p>If the redemption/maturity date of the STRPP falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided under Annexure – V “Illustration of Bond Cash Flow” of the offer Document.</p> <p>If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly.</p> <p>For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - V” Illustration of Bond Cash Flow” of the Offer Document.</p> <p>Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 1961 (if applicable) or any statutory modification or re-enactment thereof for the time being in force.</p>
Record Date	<p>The record date for payment of coupon/interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law.</p> <p>In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchange, will be deemed as the record date.</p> <p>In case of Redemption Date/ Maturity Date of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date/Redemption Date.</p>
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<p>The principal amount of the Debentures/NCDs (Green Bonds) to be issued together with all the Interest/Coupon due on the Debentures/NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of:</p> <p>(a) Exclusive first charge by way of hypothecation over present and future receivables pertaining to entire Own Revenues/ cash flows with minimum security cover of 1(one) time of the outstanding Secured Obligations (“Minimum Security Cover”);</p> <p>Own Revenues/cash flows’ here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc.), entire Non Tax Revenues and other income.</p> <p>(b) Exclusive first charge by way of hypothecation over the Escrow Account and the account(s) where the Own Revenues gets collected and/ or pooled by Surat Municipal Corporation in each case to the extent of the Own Revenues gets collected and/ or pooled in each of such accounts;</p>

	<p>(c) Exclusive charge by way of hypothecation over the Interest Payment Account (including the DSRA Amount), Sinking Fund Account opened for the Issue and funds lying in each such account and any investment(s) made from these account(s);</p> <p>(d) Exclusive charge by way of hypothecation over the investments made in terms of paragraph 11 and paragraph 12 under the head of term 'Structured Payment Mechanism' below ("Permitted Investment(s)").</p> <p>The security interest/security documents stipulated above shall be collectively referred to as the "Security"</p> <p>Secured Obligations refers to all obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Bond Holders in respect of the Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds under the Transaction Documents.</p> <p>The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security.</p> <p>Security Creation Timelines</p> <p>(a) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchanges.</p> <p>(b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents.</p> <p>The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover.</p>
Required DSRA Amount	<p>For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 2 (Two) succeeding coupon payments (i.e. one year interest obligation) required to be paid by the Issuer in respect of the Debentures ("Required DSRA Amount"). The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount, shall be hereinafter referred to as the "DSRA Amount". In the event of any utilisation from the DSRA Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below.</p> <p>Further, as the interest liability would progressively come down after the peak, the Issuer would be permitted to take out the excess DSRA progressively under intimation to the Debenture Trustee, subject to: (i) no unresolved breach of any covenant or event of default, (ii) no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.</p>
Structured Payment Mechanism	<p>1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the NCDs for the exclusive benefit of the NCD Holders: ("Payment Accounts")</p> <ol style="list-style-type: none"> Escrow Account Interest Payment Account Sinking Fund Account <p>2. SMC is creating a first charge and escrow mechanism in favour of the NCD Holders on own revenues/cash flows of SMC and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected and/or pooled by the Issuer. The funds from the account(s) where the Own Revenues/cash flows</p>

of the Corporation are collected and/or pooled by the Issuer will get transferred to Escrow account on a daily basis to accumulate the Minimum Balance. Further, the fund lying in this escrow account would be available towards the debt service requirements for the Issue on first priority basis.

‘Own Revenues/cash flows’ here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc), Non Tax Revenues, and other income.

3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) will also be maintained as per the requirements of the SEBI circular in relation to ‘Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015’ dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019.

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

5. The funds lying in the Escrow Account shall be used in the following priority:

- (a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and sinking fund account as per the interest payment and sinking fund mechanism defined below;
- (b) Therefore, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last date of any monthly period) shall be the amount to be transferred to the Interest Payment Account and Sinking Fund Account on the Transfer Date;
- (c) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;
- (d) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) in accordance with the directions of the Issuer from time to time, after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

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

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

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

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

- b. Sinking Fund Account (SFA) – Total issue size of the Debentures (Rs 200 crore)

shall be divided into 5 parts and each part (₹ 40 crore) shall be transferred to SFA in each of the 1st to 5th year.

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

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

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

- (a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose, the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.
- (b) The DSRA Amount lying in the Interest Payment Account, can be used to meet (i) any shortfall in the Interest Payment Account for the Coupon payment to be made on any Coupon Payment Date; and thereafter (ii) can be used to meet any shortfall at the time of redemption of the STRPP (upto the excess DSRA amount) on the respective Redemption Date. However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except at the time of Redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account except at the time of actual payment of Coupon on the Debentures.
- (c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the STRPPs on the Redemption Dates.
- (d) The funds lying in the Sinking Fund Account can be used to redeem the Debentures.
- (e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilised for any purpose other than as mentioned in paragraph (a) to (d) above.
- (f) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).

8. The Debenture Trustee, on behalf of the NCD Holders shall have first ranking charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are being collected/pooled by the Issuer. The NCD Holders shall have first charge on the funds lying in account (s) where the own revenues/cash flows are being collected/pooled by the Issuer, the Escrow Account and any Permitted Investment(s) made from these account(s).

9. The Debenture Trustee, on behalf of the NCD Holders shall have exclusive charge over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account. The Debenture Holders shall have exclusive charge on the funds lying in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account and any Permitted Investment(s) made from these account(s).

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

11. The funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow account shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.

12. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and also Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.

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

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

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

Interest Payment Mechanism

The Debenture Trustee shall check the amount lying to the credit of Interest Payment Account (which is over and above the Required DSRA Amount) at 25 (Twenty Five) days prior to the Coupon Payment Date (T-25 days). In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate the Issuer of the shortfall and the Issuer shall make good the short fall in the Interest Payment Account prior to the date falling 10 (Ten) days prior to the Coupon Payment Date (T-10 days). Further, the amounts lying or credited in the escrow account shall flow into the interest payment account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 9 (Nine) days prior to the Coupon Payment Date (T-9 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the DSRA Amount to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date on or prior to the date falling 8 (Eight) days prior to the Interest Payment Date (T-8 days). The Coupon shall be paid by the Issuer on the Coupon Payment Date (T).

	<p>In case the DSRA Amount (or part thereof) is utilized to fund the shortfall in the amount required to make payment of the Coupon in respect of any Coupon Payment Date, immediately after the Debenture Trustee has instructed the Bank to utilise the DSRA Amount as above and in any event prior to 7 (Seven) days prior to the relevant Coupon Payment Date (T-7), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall within next 15 (Fifteen) days (T+8). Further, immediately after the DSRA utilization, the amounts lying or credited in the escrow account shall flow into the interest payment account for DSRA replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required DSRA amount is replenished.</p> <p>It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in interest payment account (including the required DSRA amount), the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.</p> <p>Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicings. If any overdues on account of past servicings from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice.</p> <p>In any of the milestone days mentioned in the T-Structure above happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action.</p> <p style="text-align: center;">Principal Repayment (Sinking Fund) Mechanism</p> <p>The Debenture Trustee shall check the balance in the Sinking Fund Account prior to the end of each 12 month block - and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:-</p> <p>The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account at 45 (Forty Five) days prior to the end of each 12 month block. In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 12 month block (T-15 days).</p> <p>In case of shortfall still persists in in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall issue a final notice to the issuer. On the issuance of such notice, the issuer shall remit the funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T).</p> <p>Further, in case of shortfall on T-45 days, the amounts lying or credited in the escrow account shall flow into the sinking fund account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded.</p> <p>It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in sinking fund account, the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.</p> <p>The redemption shall be made by the Issuer on the relevant Redemption Dates. The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount) and Sinking Fund Account.</p>
Financial Covenants	<ol style="list-style-type: none"> 1. The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 2 (Two) times of the Annual Payments Amount. For the purpose of this term sheet, the term 'Annual Payments Amount' shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present Green Bonds Issue

	<p>and any further borrowings); and (b) the portion of principal amount of the Debentures which are required to be deposited by the Issuer into the Sinking Fund Account in such financial year (in relation to the present Green Bonds issue, and any further borrowings), in terms hereof.</p> <p>2. The Issuer shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year:</p> <p>DSCR: Debt Service Coverage Ratio (“DSCR”) for the SMC shall not be less than 1.25 times as the below:</p> <p>DSCR = operating surplus / total debt service</p> <p>i. Operating surplus calculated as the below:</p> <p>Operating Surplus = Total Income – Adjusted Expenditure</p> <p>Total income = Total income of the corporation as per the audited Income and Expenditure statement.</p> <p>Adjusted Expenditure = Total expenditure as per the audited Income and Expenditure statement – Depreciation – Finance charges</p> <p>ii. Total debt service = interest payment of loans and bonds + transfers made to the sinking fund account towards principal repayment/redemption + principal repayment/ redemption (where sinking fund is not created)+ transfer of debt service reserve account.</p> <p>3. So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of the debenture trustee.</p> <p>For the purpose of this term sheet, the term ‘Eligibility Conditions’ shall mean the following conditions: (a) the Annual Payments Ratio is maintained by the Issuer; (b) The debt service coverage ratio of 1.25 times is maintained (c) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and/or the Sinking Fund Account which has not been made good by the Issuer in terms of the Transaction Documents; (d) no Event of Default has occurred.</p> <p>4. Other financial covenants as defined in the Transaction Documents</p>
Transaction Documents	<p>The documents executed in relation to or which are relevant to the Issue including the Draft Offer Document, Offer Document, the Debenture Trustee Agreement, Registrar Agreement, Issue Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Escrow Agreement, Public Issue Account and Sponsor Bank Agreement, Consortium Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).</p>
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI ILMDS Regulations in this regard:</p> <ol style="list-style-type: none"> 1. Rating letters for provisional rating from two credit rating agencies (“Rating Agency(ies)”) not being more than one month old from the Issue Opening Date; 2. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s); 3. In-principle approval from the Stock Exchanges for listing of the Debentures. 4. Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations, there are no conditions precedents to the Issue.
Conditions Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents:</p>

	<p>1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the regulations;</p> <p>2. Listing of the Debentures within 6 (Six) days from the Issue Closing Date;</p> <p>3. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable;</p> <p>4. Other than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILDMS Regulations, there are no conditions subsequent to the Issue.</p>
Events of Default	As will be stated in the Offer Document and more specifically set out in the Debenture Trust Deed
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As will be stated in the Offer Document and as per the Debenture Trust Deed to be executed in accordance with applicable law
Default Interest	<p>a. In case of default/delay in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate shall be payable by the Issuer for the defaulting period;</p> <p>b. In case of delay in execution of Debenture Trust Deed and security documents, the Issuer will pay an interest of at least @ 2% p.a. over the Coupon Rate or such other rate as specified by the Board till the execution of the Debenture Trust Deed;</p> <p>c. In case of delay in listing of the Debentures beyond 6 (Six) days from the Issue Closing Date, the Issuer shall pay penal interest of at least 2% p.a. (two percent per annum) which shall be paid over and above the Coupon Rate for the period of delay in listing.</p> <p>d. Other provisions as set out in the Transaction Documents.</p>
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed.
Governing Law and Jurisdiction	The NCDs and the Transaction Documents (other than the Public Issue Account and Sponsor Bank Agreement) shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Surat, Gujarat. The Public Issue Account and Sponsor Bank Agreement shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Mumbai, Maharashtra.

SECTION XVI: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to herein below (not being contracts entered into in the ordinary course of the business carried out by the Issuer) which are or may be deemed to be material, have been entered into by the Issuer. Copies of these contracts together with the copies of the documents may be inspected at the Head Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the Issue Closing Date.

Material Contracts

- a) Copy of Tripartite Agreement dated February 15, 2019 between CDSL, the Issuer and the Registrar to the Issue;
- b) Copy of Tripartite Agreement dated February 27, 2019 between NSDL, the Issuer and the Registrar to the Issue;
- c) Debenture Trustee Agreement dated April 17, 2025 between the Issuer and the Debenture Trustee;
- d) Issue Agreement dated May 9, 2025 between the Issuer and the Lead Manager to the Issue;
- e) Registrar Agreement dated May 9, 2025 between the Issuer and the Registrar.
- f) Consortium Agreement dated [●] entered into between the Issuer, Lead Manager and the Consortium Member(s)
- g) Public Issue Account and Sponsor Bank Agreement dated [●] between the Issuer, the Lead Manager, Registrar and the Banker to the Issue;
- h) Escrow Agreement dated [●] between the Issuer, the Debenture Trustee and the Escrow Banker;
- i) Debenture Trust Deed to be entered into between the Issuer and the Debenture Trustee;
- j) Deed of Hypothecation to be entered into between the Issuer and the Debenture Trustee

Material Documents

- a) Copy of Notification dated September 9, 1966, bearing reference number KP/773/SMC/1066/5620/P pursuant to which the Issuer is constituted.
- b) Copy of the Gujarat Provincial Municipal Corporations Act, 1949.
- c) Order of the Urban Development and Housing Department, Government of Gujarat bearing no. UDUHD/1238/02/2025 dated March 04, 2025 for approval of Issuing taxable green municipal bonds.
- d) Copy of the resolution of the General Board of the Issuer bearing no. 50/2024 dated February 20, 2024 read with resolution of the General Board bearing no. 202/2024 dated July 31, 2024 approving the Issue of green debt securities, projects and authorizing the Commissioner to take any decision in relation to the Issue.
- e) Copy of the resolution of the Standing Committee of the Issuer bearing no. 143/2024 dated January 18, 2024 read with resolution of the Standing Committee bearing no. 1125/2024 dated July 18, 2024 approving the Issue of green debt securities, projects and authorizing the Commissioner to take any decision in relation to the Issue.
- f) Copy of the Letter of the Municipal Commissioner dated June 10, 2024 for the formation of the Bond Issue Committee and delegation of powers to the members of the Committee.
- g) Letter from the Municipal Commissioner of the Issuer dated May 9, 2025 confirming the list of members of the Bonds Issue Committee.
- h) Consents of the Compliance Officer, members of the Bonds Issue Committee, Lead Manager, Debenture Trustee, Credit Rating Agencies, Registrar to the Issue, Legal Advisor, Escrow Bank, Banker to the Issue, Auditors, Independent Advisor for Green Bonds to include their names in the Offer Document.
- i) Copy of the letters of the Deputy Municipal Commissioner dated April February 24, 2025 and April 4, 2025 approving the Green Bond Framework for the Surat Municipal Corporation.
- j) Copy of the resolution of the Bond Issue Committee dated May 9, 2025 approving the Issue of Green Bonds and the eligibility to issue Green Bonds.
- k) Copy of the resolution of the Bond Issue Committee dated May 9, 2025 approving the Objects of the Issue.
- l) Copy of the resolution of the Bond Issue Committee dated May 9, 2025 approving the Materiality Policy.
- m) Copy of the resolution of the Bond Issue Committee dated May 9, 2025 appointing Deputy Municipal Commissioner as the Compliance Officer and Officer in Charge of dealing with Investor Grievances.
- n) Examination report dated May 9, 2025 issued by the Auditor of the Issuer.
- o) Certificate of the Auditor on the Unaudited Financial Statements as on September 30, 2024 dated May 9, 2025.

- p) Statement of tax benefits dated May 9, 2025 issued by the Auditor of the Issuer.
- q) Audited financial statements of the Corporation, for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.
- r) Budget Documents for the last three financial years.
- s) Certificates dated May 9, 2025 by the Project Consultants confirming the Project details inserted in the Draft Offer Document.
- t) Certificate from the Independent Advisor for Green Bonds dated May 9, 2025 in relation to Project qualifying for issuing Green Debt Security under SEBI Regulations and other greenbonds related disclosures.
- u) Certificate dated April 6, 2025 for the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative.
- v) Independent Third Party Reviewer Assurance Report dated April 4, 2025.
- w) Rating letter dated January 22, 2024 by India Ratings and Research Private Limited , revalidated vide letter dated April 28, 2025, and rating rationale January 21, 2025 issued by India Ratings and Research Private Limited.
- x) Rating letter dated January 09, 2024 by CRISIL Ratings Limited, revalidated vide letter dated April 21, 2025, and rating rationale March 17, 2025 issued by CRISIL Rating Limited.
- y) Copy of the resolution of the Bond Issue Committee dated May 9, 2025 approving the Draft Offer Document.
- z) Copy of notification number dated April 7, 2025 issued by the MoHUA, Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB in relation to AMRUT Incentive.
- aa) Due diligence certificate dated May 9, 2025 filed by the Lead Manager with SEBI in relation to the Draft Offer Document.
- bb) Due diligence certificate dated May 9, 2025 filed by the Debenture Trustee with SEBI.
- cc) In principle approval of NSE bearing reference no. [●] dated [●].
- dd) In- principle approval of BSE bearing reference no. [●] dated [●].



Daxesh Kishorbhai Mavani

Mayor

Surat Municipal Corporation

DECLARATION

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

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

Name: Shri Daxesh Kishorbhai Mavani

Designation: Mayor, Surat Municipal Corporation

Place: Surat

Date: 09/05/15

DECLARATION

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

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

Shalini Agarwal
9/12/2015

Name: Smt. Shalini Agarwal, IAS

Designation: Municipal Commissioner, Surat Municipal Corporation

Place: Surat

Date: 09/05/15



ANNEXURES

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Annexure - I

Structured Payment Mechanism

1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the NCDs for the exclusive benefit of the NCD Holders: (“**Payment Accounts**”)

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

2. SMC is creating a first charge and escrow mechanism in favour of the NCD Holders on own revenues/cash flows of SMC and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected and/or pooled by the Issuer. The funds from the account(s) where the Own Revenues/cash flows of the Corporation are collected and/or pooled by the Issuer will get transferred to Escrow account on a daily basis to accumulate the Minimum Balance. Further, the fund lying in this escrow account would be available towards the debt service requirements for the Issue on first priority basis.

‘Own Revenues/cash flows’ here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc), Non Tax Revenues, and other income.

3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) will also be maintained as per the requirements of the SEBI circular in relation to ‘Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015’ dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019.

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

5. The funds lying in the Escrow Account shall be used in the following priority:

- (a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and sinking fund account as per the interest payment and sinking fund mechanism defined below;
- (b) Therefore, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last date of any monthly period) shall be the amount to be transferred to the Interest Payment Account and Sinking Fund Account on the Transfer Date;
- (c) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;
- (d) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) in accordance with the directions of the Issuer from time to time, after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

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

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

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

issuance and any shortfall in earlier contribution) shall be transferred to IPA each month as follows:-

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

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

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

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

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

- (a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose, the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.
- (b) The DSRA Amount lying in the Interest Payment Account, can be used to meet (i) any shortfall in the Interest Payment Account for the Coupon payment to be made on any Coupon Payment Date; and thereafter (ii) can be used to meet any shortfall at the time of redemption of the STRPP (upto the excess DSRA amount) on the respective Redemption Date. However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except at the time of Redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account except at the time of actual payment of Coupon on the Debentures.
- (c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the STRPPs on the Redemption Dates.
- (d) The funds lying in the Sinking Fund Account can be used to redeem the Debentures.
- (e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilised for any purpose other than as mentioned in paragraph (a) to (d) above.
- (f) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).

8. The Debenture Trustee, on behalf of the NCD Holders shall have first ranking charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are being collected/pooled by the Issuer. The NCD Holders shall have first charge on the funds lying in account (s) where the own revenues/cash flows are being collected/pooled by the Issuer, the Escrow Account and any Permitted Investment(s) made from these account(s).

9. The Debenture Trustee, on behalf of the NCD Holders shall have exclusive charge over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account. The Debenture Holders shall have exclusive charge on the funds lying in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account and any Permitted Investment(s) made from these account(s).

10. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have an exclusive first charge on the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account and any Permitted Investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). The amount deposited in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account shall be

used solely for meeting the dues to the Debenture Holders. Any surplus in the above account(s) after the Debentures have been redeemed in full and all the dues to the Debenture Holders have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee. No amount can be withdrawn from these account(s) without the approval of Debenture Trustee.

11. The funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow account shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.

12. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and also Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.

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

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

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

Interest Payment Mechanism

The Debenture Trustee shall check the amount lying to the credit of Interest Payment Account (which is over and above the Required DSRA Amount) at 25 (Twenty Five) days prior to the Coupon Payment Date (T-25 days). In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate the Issuer of the shortfall and the Issuer shall make good the short fall in the Interest Payment Account prior to the date falling 10 (Ten) days prior to the Coupon Payment Date (T-10 days). Further, the amounts lying or credited in the escrow account shall flow into the interest payment account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 9 (Nine) days prior to the Coupon Payment Date (T-9 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the DSRA Amount to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date on or prior to the date falling 8 (Eight) days prior to the Interest Payment Date (T-8 days). The Coupon shall be paid by the Issuer on the Coupon Payment Date (T).

In case the DSRA Amount (or part thereof) is utilized to fund the shortfall in the amount required to make payment of the Coupon in respect of any Coupon Payment Date, immediately after the Debenture Trustee has instructed the Bank to utilise the DSRA Amount as above and in any event prior to 7 (Seven) days prior to the relevant Coupon Payment Date (T-7), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall within next 15 (Fifteen) days (T+8). Further, immediately after the DSRA utilization, the amounts lying or credited in the escrow account shall flow into the interest payment account for DSRA replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required DSRA amount is replenished.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in interest payment account (including the required DSRA amount), the obligation of the Issuer to fund

the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicings. If any overdues on account of past servicings from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice.

In any of the milestone days mentioned in the T-Structure above happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action.

Principal Repayment (Sinking Fund) Mechanism

The Debenture Trustee shall check the balance in the Sinking Fund Account prior to the end of each 12 month block - and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:-

The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account at 45 (Forty Five) days prior to the end of each 12 month block. In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 12 month block (T-15 days).

In case of shortfall still persists in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall issue a final notice to the issuer. On the issuance of such notice, the issuer shall remit the funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T).

Further, in case of shortfall on T-45 days, the amounts lying or credited in the escrow account shall flow into the sinking fund account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in sinking fund account, the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

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

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

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RL/SURMUNC/364831/GMB/0425/115369/165583359

April 21, 2025

Mr. Bipin B. Modi

Chief Accountant

Surat Municipal Corporation

Head Quarter Surat Mahanagar Seva Sadan

Gordhandas Chokhawala Marg, Muglisara,

Surat - 395003

9427421402

Dear Mr. Bipin B. Modi,

Re: Crisil Rating on the Rs.200 Crore Green Municipal Bonds¹ of Surat Municipal Corporation (SMC)

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated March 17, 2025 bearing Ref. no: RL/SURMUNC/364831/GMB/0325/111538/165583359

Rating outstanding on the captioned debt instruments is Provisional Crisil AA+/Stable (pronounced as Provisional Crisil double A plus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Kindly note that the provisional rating will be converted to final rating after Crisil Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps, within 90 days from the date of issuance of the instrument and to the satisfaction of Crisil Ratings.

- Escrow agreement
- Representation and warranties letter
- Debenture trustee awareness letter
- Final term sheet

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of Crisil Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. Crisil Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, Crisil Ratings has assumed that the representations made by SMC are true and that the structure, shall work and operate as represented by SMC. Crisil Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to Crisil Ratings and/or the representations made in the transaction documents. Crisil Ratings is not responsible for any acts of commission or omission of the SMC and/or the Trustee.

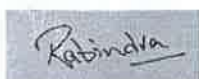
As per our Rating Agreement, Crisil Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. Crisil Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (ref. no.: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN), along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. Further, SEBI circular dated June 30, 2017 (ref. no. SEBI/ HO/ MIRSD/ MIRSD4/ CIR/ P/ 2017/ 71), requires you to inform Crisil Ratings with the details of Securities as per the format prescribed, refer Annexure A, immediately but not later than seven (7) days from the date of placing the debt security. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Rabindra Man Verma
Associate Director - Crisil Ratings



Nivedita Shibu
Director - Crisil Ratings



Disclaimer: A rating by Crisil Ratings reflects Crisil Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by Crisil Ratings. Our ratings are based on information provided by the issuer or obtained by Crisil Ratings from sources it considers reliable. Crisil Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by Crisil Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. Crisil Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. Crisil Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. Crisil Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. Crisil Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by Crisil Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at Crisilratingsdesk@crisil.com or at 1800-267-1301

Crisil Ratings Limited

Corporate Identity Number: U67100MH2019PLC326247

Office Address: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai - 400 072, India.

Registered Office Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400 076, India.

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& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures, and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015, directive 'Standardising the term, rating symbol, and manner of disclosure with regards to conditional/provisional/in-principle ratings assigned by credit rating agencies' and April 27, 2021, circular 'Standardising and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' issued by the Securities and Exchange Board of India (SEBI)

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RL/SURMUNC/334250/BOND/0124/76899/81326018
January 09, 2024

Mr. Bipin B. Modi
Chief Accountant
Surat Municipal Corporation
Munglisara , Main Road,
Surat - 395003
9427421402



Dear Mr. Bipin B. Modi,

Re: CRISIL Rating on the Rs.200 Crore Green Municipal Bonds* of Surat Municipal Corporation (SMC)

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a Provisional CRISIL AA+/Stable (pronounced as Provisional CRISIL double A plus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Kindly note that the provisional rating will be converted to final rating after CRISIL Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps, within 90 days from the date of issuance of the instrument and to the satisfaction of CRISIL Ratings.

- Escrow agreement
- Representation and warranties letter
- Debenture trustee awareness letter
- Final term sheet

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of CRISIL Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. CRISIL Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, CRISIL Ratings has assumed that the representations made by SMC are true and that the structure, shall work and operate as represented by SMC. CRISIL Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to CRISIL Ratings and/or the representations made in the transaction documents. CRISIL Ratings is not responsible for any acts of commission or omission of the SMC and/or the Trustee.

As per our Rating Agreement, CRISIL Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. CRISIL Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (ref. no.: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. Further, SEBI circular dated June 30, 2017 (ref. no. SEBI/ HO/ MIRSD/ MIRSD4/ CIR/ P/ 2017/ 71), requires you to inform CRISIL Ratings with the details of Securities as per the format prescribed, refer Annexure A, immediately but not later than seven (7) days from the date of placing the debt security. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Gautam Shahi
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

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& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures, and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015, directive 'Standardising the term, rating symbol, and manner of disclosure with regards to conditional/provisional/in-principle ratings assigned by credit rating agencies' and April 27, 2021, circular 'Standardising and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' issued by the Securities and Exchange Board of India (SEBI)

**Annexure A: Details of the Rs.200 Crore Green Municipal Bonds of
Surat Municipal Corporation**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301

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Rating Rationale

March 17, 2025 | Mumbai

Surat Municipal Corporation

Rating Reaffirmed

Rating Action

Rs.200 Crore Green Municipal Bonds^{&}	Provisional Crisil AA+/Stable (Reaffirmed)
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& A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures, and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015, directive 'Standardising the term, rating symbol, and manner of disclosure with regards to conditional/provisional/in-principle ratings assigned by credit rating agencies' and April 27, 2021, circular 'Standardising and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' issued by the Securities and Exchange Board of India (SEBI)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its 'Provisional Crisil AA+/Stable' rating on the Rs 200 crore proposed green municipal bonds of Surat Municipal Corporation (SMC).

The rating continues to reflect the strong creditworthiness and low performance risk of SMC, along with moderate debt service coverage ratio (DSCR) leading to low impact of future flow on other obligations of the corporation. The linkage of inflow to the performance of SMC is low as the inflow is dependent on own revenue. Expected high DSCR, coupled with stable (yet growing) inflow and modest debt, will keep financial risk profile comfortable. The proposed bonds have a well-defined structure for an escrow account, payment structure and points of recourse in case of shortfall in cash flow. The rating also reflects the strength of the trustee-administered escrow account, payment mechanism and adequate liquidity in the form of a debt service reserve account (DSRA) equivalent to 12 months of interest obligation.

As per discussion with SMC, the corporation is expected to issue the green municipal bonds in the first quarter of fiscal 2026, subject to execution of documents and fulfilment of other requirements mentioned in this rating rationale.

The rating also considers the continued robust operating performance and strong financial risk profile of the corporation, driven by healthy operating surplus, modest debt, superior liquidity and adequate debt protection metrics. Furthermore, SMC has sound economic base, adequate service levels, optimal collection efficiency of taxes and charges, and good reform orientation.

These strengths are partially offset by the significant reliance on state government grants and large capital expenditure (capex) requirement.

Analytical Approach

Crisil Ratings has applied its criteria on future flow securitisation.

Key Rating Drivers & Detailed Description

Strengths:

Strength of the escrow mechanism

The escrow and bond payment mechanism provides adequate strength to the proposed bond issuance. For the green municipal bonds, own-revenue escrowed at collection, trustee-managed escrow mechanism and payment structure with recourse to the originator ensure sufficient safety for timely debt servicing. Creation of the DSRA in case of the green municipal bonds before pay-in and maintenance of the same throughout the tenure of the bonds enhance the strength of the structure. The DSCR is expected to be high throughout the tenure of the bonds.

Strong financial performance, as reflected in healthy operating surplus

Revenue includes income from collection of property tax, user charges for water and sewerage service, income from other taxes such as professional tax, octroi compensation, other revenue grants and other non-tax income. The revenue surplus is healthy, backed by strong property tax collection and steady grants from the state government in lieu of octroi and non-tax income, comprising town development income. Revenue surplus in fiscal 2024 stood at Rs 832 crore (vs Rs 393 crore in fiscal 2023) primarily on the back of revision in tax rate coupled with increased user charges. The corporation is expected to sustain the same in the near term. Further, operating surplus of Rs 734 crore was reported in the first 11 months of fiscal 2025.

Comfortable financial risk profile

A healthy operating surplus along with support from the state government in the form of grant has helped the corporation to fund the growing capex through internal cash accrual, leading to no reliance on debt. As on December 31, 2024, the

corporation had nil outstanding debt. Robust cash flow provides ample liquidity to the corporation. Unencumbered cash and equivalent including bank balance and fixed deposits stood over Rs 1627 crore as on March 31, 2024. Cash balance is expected to be maintained over the medium term.

The corporation has large capex planned under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart City projects, which is being funded through a mix of government grants and own-revenue surplus. Despite the debt, debt protection metrics will remain strong over the medium term. Regular receipt of octroi compensation and capital grants from the state government will be monitorable.

Adequate service levels and healthy collection efficiency of taxes and charges

SMC has strong civic infrastructure and healthy delivery systems, which are reflected in good water supply coverage, adequate road and sewerage networks, and improving drainage and solid waste management practices.

The current collection efficiency of property tax stood at ~92% in fiscal 2024 (around 94% in fiscal 2023 and 91% in fiscal 2022). Property tax collection efficiency is expected to be healthy going forward. The cost of recovery for essential services is among the highest compared with other corporations in the state. The implementation of AMRUT and Smart City projects should further drive improvement in service levels and collection efficiency of taxes and charges.

Sound economic base

The robust industrial base of Surat, its favourable location, strategic importance in the state and high per-capita income have led to a sound economic base. Industries in Gujarat have flourished because of favourable state government policies, affordable cost of living, surplus labour and low transportation cost.

Weaknesses:

High dependence on state government grants

Although the share of grants and compensation from the state government has steadily reduced to 22% in fiscal 2024 from 45% in fiscal 2013, it continues to be a major part of the revenue receipts. Since the abolition of octroi in fiscal 2008, the corporation has been consistently receiving compensation from the state government. In fiscal 2024, Rs 817 crore was received as octroi compensation. With rise in property tax and non-tax revenue, dependence on government grants is likely to reduce over the medium term. Additionally, SMC has strong liquidity to partly fund its proposed capex in case of delay in receipt of grants.

Large capex requirement

The corporation has large capex planned over the medium term for implementing AMRUT, Dumas sea face development project, barrage projects, among others. The estimated project cost under these schemes is around Rs 10,000 crore, spread over five fiscals.

Healthy operating surplus is likely to be maintained, and no sizeable debt (other than the proposed green municipal bonds issuance) will be contracted. However, a significant increase in capex, leading to additional debt, could weaken the financial risk profile and will remain monitorable.

Liquidity: Superior

Liquidity is supported by a healthy revenue surplus of around Rs 832 crore in fiscal 2024 and unencumbered cash and bank balance of over Rs 1627 crore as on March 31, 2024. SMC is likely to maintain unencumbered cash and bank balance and continue to generate healthy operating surplus to meet debt obligation and partly fund capex.

Outlook: Stable

SMC will continue to generate a healthy operating surplus over the medium term while maintaining strong debt protection metrics.

Rating Sensitivity Factors

Upward Factors:

- Significant improvement in services such as water supply, sewerage and solid waste management
- Increased collection efficiency in existing own-revenue sources and generation of income from additional sources
- Sustained increase in operating surplus to over 30%

Downward Factors:

- Significant decline in the collection of property tax
- Fall in operating surplus below 15% on a sustainable basis weakening the debt protection metrics
- Change in stance of support from the state government in terms of adequacy and timeliness of octroi compensation, and availability of funds under AMRUT and Smart City schemes and other grants
- Adverse change in the payment structure mechanism

Additional disclosures for the provisional rating

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

- Escrow agreement
- Representation and warranties letter
- Debenture trustee awareness letter
- Final term sheet

Additional documents, if there are any, executed for the transaction will have to be provided. A rating rationale or report indicating conversion of the 'provisional' rating into the 'final' rating will be published on the Crisil Ratings website on receipt of the required documents.

The provisional rating shall be converted into a final rating after receipt of the transaction documents duly executed within 90 days from the date of issuance of the instrument.

The final rating assigned following the conversion shall be consistent with the available documents. In case of nonreceipt of the duly executed transaction documents within the above-mentioned timelines, the rating committee of Crisil Ratings may grant an extension of up to another 90 days, in line with its policy on provisional ratings.

Rating that would have been assigned in the absence of the pending documentation

In the absence of the pending documentation considered while assigning the provisional rating as mentioned earlier, Crisil Ratings would have assigned a rating of 'Crisil AA/Stable'.

Risks associated with the provisional rating:

The 'Provisional' prefix indicates that the rating is contingent on occurrence of certain steps or execution of certain documents by the issuer, as applicable. If the documents received and/or completion of steps deviate significantly from the expectations, Crisil Ratings may take an appropriate action, including placing the rating on watch or changing the rating/outlook, depending on the status of progress on a case to case basis. In the absence of the pending steps / documentation, the rating on the instrument would not have been assigned ab initio.

About the Company

SMC is one of the largest municipal corporations in Gujarat and is governed by the Bombay Provincial Municipal Corporation Act, 1949, as amended by the Government of Gujarat. It has jurisdiction over 462.15 square kilometre and provides services such as 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	2024	2023
Revenue receipts	Rs crore	4476	3612
Revenue surplus	Rs crore	832	396
Revenue surplus/revenue receipts	%	19	11

Any other information:

For the proposed bonds:

Broad contours of the escrow structure pertaining to the proposed Rs 200 crore bond issue:

- All funds as 'own revenue/cash flows' here shall mean the revenue/cash flows being directly levied and collected/recovered by the Issuer and not being the revenue/cash flows received from the government in the form of grants, contributions and subsidies, compensation in lieu of octroi or others. The revenue/cash flows being directly levied and collected/recovered by the issuer include entire tax revenue (i.e. property tax, profession tax, water charges), non-tax revenue, and other income. Collection accounts(s) shall be transferred to a separate no-lien escrow account for debt servicing. This transfer is done daily.
 - Eligible bond holders and lenders shall have the first and pari passu charge over the escrow account and the collection account(s).
 - Total tenure of 4-5 years with half yearly coupon payment.
- Bullet / full redemption at the end of 4-5 years comprising of:-

Sub series	Tenure (in years)	As %age of issue	Amount (in crore)
A	4	50%	100
B	5	50%	100
Total		100%	200

- Establishing separate DSA, DSRA, interest payment accounts (IPA), and sinking fund accounts (SFA) with the escrow banker as per the terms of each series. Bondholders/lenders of a particular series have the first and pari-passu charge over DSA, DSRA, IPA, and SFA for the respective series.
- In case of any shortfall during transfer from the escrow account to DSA, SMC shall compensate with funds from other account(s) to DSA.
- The principal amount of the debentures to be issued with all the coupon due on the debentures, as well as costs, charges, all fees, remuneration of the debenture trustee and expenses payable in respect thereof has been secured by way of exclusive first ranking floating charge over present and future receivables pertaining to its own revenue/ cash flow

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 the amount, the trustees shall intimate SMC
T-10	SMC shall make good the shortfall in the IPA, if applicable
T-9	In case of shortfall, trustees shall trigger the payment mechanism and instruct the bank to transfer the shortfall amount from the DSRA to the IPA
T-8	The 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

DSRA

Day

T-7	DSRA amount will be used to make the coupon payment in case of shortfall
-	The issuer shall make good the DSRA amount shortfall within the next 15 days (T+8). Furthermore, immediately after the DSRA utilisation, the amounts lying or credited in the escrow account shall flow into the IPA for DSRA replenishment and shall not be transferred by the issuer to the general fund account(s) till the time the required DSRA amount is replenished.

Redemption mechanism

T – Redemption date

Day	
T-45	The trustees shall check the amount lying to the credit of the SFA. In case of any shortfall in the 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 Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Green Municipal Bonds [#]	NA	NA	NA	200.00	Simple	Provisional Crisil AA+/Stable

[#]Yet to be issued

Annexure - Rating History for last 3 Years

		Current		2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT		--		--	16-04-24	Withdrawn	28-12-23	Crisil AA+/Stable	19-01-22	Crisil AA+/Stable	Crisil AA+/Stable
			--		--	08-01-24	Crisil AA+/Stable	18-01-23	Crisil AA+/Stable		--	--
Green Municipal Bonds	LT	200.0	Provisional Crisil AA+/Stable		--	23-09-24	Provisional Crisil AA+/Stable		--		--	--
			--		--	16-04-24	Provisional Crisil AA+/Stable		--		--	--
			--		--	08-01-24	Provisional Crisil AA+/Stable		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Criteria for Public Finance (including approach for financial ratios)
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Infrastructure sectors (including approach for financial ratios)
Criteria for future flow transactions

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Mr. Bipinchandra B Modi
I/c Chief Accountant
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Gordhandas Chokhawala Marg, Muglisara,
Surat-395003, Gujarat.

April 28, 2025

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Surat Municipal Corporation

This is in reference to the rating action commentary released on 21 January 2025.

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of Surat Municipal Corporation:

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/Watch
Proposed municipal bonds (non-convertible debentures)	INR2,000	Provisional IND AA+/Stable

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.

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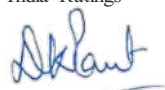
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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

Mr. Bipinchandra B Modi
I/c Chief Accountant
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Gordhandas Chokhawala Marg, Muglisara,
Surat-395003, Gujarat.

January 22, 2024

Dear Sir/Madam,

Re: Rating Letter for NCD of Surat Municipal Corporation

India Ratings and Research (Ind-Ra) has taken the following rating actions on Surat Municipal Corporation's (SMC) non-convertible debentures (NCDs):

Instrument Type	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
NCDs [^]	INE05NX24015	1 March 2019	8.68	1 March 2024	INR2,000	IND AA+/Stable	Affirmed
Proposed NCDs*	-	-	-	-	INR2,000	Provisional AA+/Stable	IND Assigned

[^]The frequency of the interest payment is semi-annual (1 September and 1 March each year), and the principal repayment will be bullet.

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

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

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

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Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

India Ratings Affirms Surat Municipal Corporation's Proposed Municipal Bonds (NCDs) at 'Provisional IND AA+'/Stable; Withdraws Existing NCDs

Jan 21, 2025 | Urban Local Bodies

India Ratings and Research (Ind-Ra) has taken the following rating actions on Surat Municipal Corporation's (SMC) debt instruments:

Details of Instruments

Instrument Type	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Non-convertible debentures ^#	-	-	-	-	INR2,000	WD	Withdrawn
Proposed municipal bonds (non-convertible debentures)*	-	-	-	-	INR2,000	Provisional IND AA+/Stable	Affirmed

WD- Rating withdrawn

#Details in Annexure

^Ind-Ra is no longer required to maintain the rating for NCDs, as they have been paid in full and the agency has received a full redemption confirmation from the trustee to the bond holders. This is consistent with Ind-Ra's Policy on Withdrawal of Ratings.

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

Analytical Approach

Ind-Ra continues to take a standalone approach while assessing SMC's ratings.

Detailed Rationale of the Rating Action

The rating reflects the operational and financial performance of SMC in FY24, the nature of the proposed escrowed assets and adequate debt service coverage. The ratings are based on the stability in performance of assets that are proposed to be escrowed (tax revenues: property taxes, profession taxes, water charge, etc, non-tax revenues, and other income) and the enforceable nature of these collections by the corporation. The ratings also factor in the structured payment mechanism, which will be monitored and controlled by the debenture trustee (DT).

As per the draft term sheet, the proposed green bonds have a structured payment mechanism backed by an interest payment account (IPA) and a sinking fund account (SFA). For the proposed green bonds worth INR2,000 million, the IPA would be pre-funded with two semi-annual interest instalments, which is the required debt service reserve (DSR) amount, instead of creating a separate debt service reserve account (DSRA) to meet the requirements of the Securities and Exchange Board of India's circular in relation to the 'Continuous Disclosures and Compliances by the listed entities under

The structured payment mechanism would be monitored by the DT. Since the NCDs will be issued at a fixed rate of interest, it mitigates interest rate risk. The rating benefits from SMC's comfortable coverage of debt servicing obligations (interest payment + proportionate principal deposited in SFA or instalment of principal redemption), which Ind-Ra expects to remain above 2x over the medium term.

List of Key Rating Drivers

Strengths

- Adequacy of escrowed revenue stream
- Structured debt servicing mechanism
- Trustee monitored payment mechanism
- Dependence on own revenue sources
- Strong financial performance
- Strong debt service coverage

Weaknesses

- Further improvement required in civic services delivery

Detailed Description of Key Rating Drivers

Adequacy of Escrowed Revenue Stream: Under the proposed bond structure, the entire own revenue is proposed to be escrowed for the servicing of debt repayment obligations. Own revenue includes all tax, non-tax and other income of the corporation except for any government grants and compensation. The proposed escrowed collections will be first utilised for meeting the minimum balance required to be transferred to DSRA, IPA and SFA.

SMC's revenue is primarily driven by tax collections. The escrowed tax revenue grew 22.8% yoy to INR19.77 billion in FY24 on cash basis. Tax revenue collection grew 9.3% yoy to INR15.20 billion over April-December 2024. Ind-Ra expects the own-revenue to remain healthy and provide a strong cover for SMC's debt service obligations during the entire bond tenor.

Structured Debt Servicing Mechanism: The revenue collection from identified sources will be transferred to an escrow account (EA) on a daily basis except the last day of the month. On the last business day of every month, the minimum balance – an aggregate of monthly fund requirement to service debt service account (DSA) – will be transferred to DSA from the EA. The funds in DSA shall be used in the following order of priority:

- a) transfer funds from DSA to DSRA to make good any shortfall, if any, in DSRA,
- b) monthly transfers to IPA on the last business day of every month,
- c) monthly transfers to SFA an amount equivalent to 1/11th of the annual principal redemption requirement on the last business day of every month.

The DT will verify the availability of the requisite funds for interest servicing T-25 days before the due date. In case of a shortfall, the DT will intimate SMC to cover up the shortfall by T-10 days. In case of a shortfall in IPA at T-9 days prior to the interest payment date, the DT shall trigger the payment mechanism and instruct the escrow bank to utilise the DSR amount (on T-7 days) lying in IPA to make coupon payment on the due date. The DT shall also check the balance in SFA at the end of the year, and in case of any shortfall, SMC shall replenish the account to that extent. The DT shall check the amount lying to the credit of SFA at T-45 days prior to the redemption date. In case of any shortfall in the amount, the DT shall intimate SMC of the shortfall and SMC shall make good the shortfall by T-14 days prior to the redemption date.

Trustee Monitored Payment Mechanism: All accounts will be monitored by the DT. The amount deposited in the IPA and SFA shall be used solely for meeting the dues to the bondholders. Any surplus funds available in the EA can be transferred

to the account of SMC with the approval of the trustee.

Dependence on Own Revenue Sources: Ind-Ra expects SMC's own revenue streams to remain satisfactory over the medium term. The rating reflects SMC's ability to generate adequate revenue from its own sources to fund its revenue expenditure. Tax and non-tax revenues constituted 41.85% and 24.63%, on average, respectively, of the total revenue income over FY20-FY24. The corporation's revenue income, which expanded at a CAGR of 11.56% over FY20-FY24, stood at INR44.70 billion in FY24 (FY23: INR36.03 billion) on accrual basis. SMC's own revenue/total revenue income ratio stood at 73.56% in FY24 (FY23: 69.91%) and the share of grants and compensation in the total revenue income was 22.44% (25.3%). Property, water, vehicle and profession tax collections were the key drivers of revenue during this period. The current demand collection efficiency of property taxes was higher at 92.27% in FY24 (FY23: 93.9%). The corporation expects to further improve its collection efficiency to over 95% in FY25.

Strong Financial Performance: Ind-Ra expects SMC's revenue balance position before depreciation to remain in surplus over the medium term. SMC maintained its revenue surplus position before depreciation in FY24 at INR8.68 billion (FY23: INR4.31 billion). The corporation funded its entire revenue expenditure out of revenue income during the past five years.

Ind-Ra expects the capital utilisation ratio to remain above 1x in the medium term. The consistent revenue surplus has enabled the corporation to undertake significant capital expenditure which stood at INR34.03 billion in FY24 (FY23: INR25.16 billion) where road works and street lighting together constituted 24.41% and sanitation-sewerage work constituted 14.84% on average, of the total capital expenditure during FY20-FY24. Water supply and sewerage were the other key areas of capex during this period. The corporation's capital utilisation (capex/capital income) ratio stood at 1.26x on average during FY20-FY24, which indicates SMC's ability to undertake capex in core areas of civic services.

Strong Debt Service Coverage: At FYE24, SMC did not have any additional debt other than the funds received under special assistance scheme for capital investment worth INR4.8 billion from Gujarat which is interest free. SMC's DSCR fell to 3.83x in FY24 (FY23: 15.24x) mainly due to redemption of NCDs of INR2 billion during FY24 which anyway happened comfortably from the funds accumulated in the SFA for the said issuance. Ind-Ra expects the coverage ratio to remain healthy over the medium term. The agency will also closely monitor the coverage adequacy during the entire tenor of the proposed NCDs.

Further Improvement Required in Civic Services Delivery: SMC's service delivery levels for the water, sewerage and solid waste segments remained comfortable as reflected in coverage network (water supply: 93.9%; sewage network: 100%; solid waste management service: 100%), as against the benchmark levels (water: 100%; sewerage: 100%; solid waste: 100%) set by the ministry of housing and urban affairs for all three services. The supply of water stood at 156.5 litres per capita per day in FY24 (benchmark: 135 litres per capita per day). However, SMC's performance was weaker than adequate in areas such as the extent of water metering, wastewater recycle and reuse and continuous hours of water supply during FY20-FY24.

Liquidity

Superior: SMC's liquidity position is supported by the sustained revenue surpluses, capital grants to fund capex, sizeable cash and bank balances and unencumbered investments. SMC's cash balances and unencumbered investments were INR25.67 billion as on 31 December 2024 (FYE24: INR 16.27 billion). Ind-Ra believes the cash and investment position is more than adequate to fund debt servicing obligations, if required, in the near term. Currently, no other debt servicing requirements are there for the corporation considering it is an interest free loan and there is no repayment schedule for the funds received under special assistance scheme from government of Gujarat.

Rating Sensitivities

Positive: The positive rating triggers are not applicable for the rated instrument of the urban local body as the instrument rating will have a cap of 'IND AA+' in absence of any unconditional, irrevocable, pre-default and continuing guarantee from the sovereign for principal and interest payments throughout the life of the instrument or a full/partial credit guarantee from any multilateral donor agency.

Negative: The following developments could individually or collectively lead to a negative rating action:

- any breach of financial covenants as per the draft term sheet
- an unexpected increase in the debt levels resulting in the DSCR falling below 2x for two consecutive years
- a reduction in own revenues due to low property tax collection efficiency, leading to higher dependence on grants and/or deterioration in the revenue balance position
- current property tax collection efficiency falling below 75% for two consecutive years
- failure or breach to comply with SEBI listing requirements with regard to timely disclosure on a sustained basis

Disclosures for Provisional Rating

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

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

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

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

* Additionally, any other relevant documents executed for the transaction should be provided to the agency.

3. Validity Period

The final rating, upon the receipt of executed documents consistent with the draft documents, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

Any Other Information

Financial Covenants

1. SMC shall maintain the following financial ratios at all times and the same shall be tested at least at the end of each financial year:

DSCR not below 1.25x

DSCR = operating surplus/total debt service

2. The amount collected in escrow shall be at least 2x the debt service amount on an annual basis. In case the ratio falls below 1.25x, SMC shall not borrow against the cash flow(s) of the EA. No permission to borrow further is required from the bondholders as long as this condition is met.

DSA is defined as follows:

DSA= interest payment for the month+ proportionate principal deposited in the SFA or instalment of principal redemption

3. SMC shall not borrow any further funds against the cash flows of the EA in case there is a shortfall in the contribution to DSA and the shortfall has not been made good by SMC.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on SMC, either due to their nature or the way in which they are being managed by the entity and sponsor. For more information on Ind-Ra’s ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

About the Company

SMC, a local self-government, was established in 1966 under the Bombay Provincial Corporation Act, 1949. The corporation 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 462.15 sq km and the Surat city is divided into nine zones namely, east, west, north, south a, south b, central, southwest, southeast A and southeast B. There are 30 municipal wards and each municipal ward has four seats of municipal councillors.

Key Financial Indicators

Particulars (INR billion)	FY24	FY23
Revenue income	44.70	36.03
Revenue expenditure	36.02	31.72
Revenue balance before depreciation	8.68	4.31
Debt service coverage ratio (x)	3.83	15.24
Debt payment/Revenue income (%)	0.80	0.84
Source: SMC, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings/Outlook	Historical Rating/Outlook*		
				22 January 2024	3 February 2023	4 February 2022
Proposed municipal bonds (NCDs)	Long-term	INR2,000.00	Provisional IND AA+/Stable	Provisional IND AA+/Stable	-	-
NCDs	Long-term	INR2,000.00	WD	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Proposed municipal bonds (NCDs)	Moderate

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

Annexure

Instrument	ISIN	Date of Issuance	Coupon Rate A-25 (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Non-convertible debentures ^	INE05NX24015	1 March 2019	8.68	1 March 2024	INR2,000	WD

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

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

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

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Solicitation Disclosures

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APPLICABLE CRITERIA AND POLICIES

Local and State Government Rating Criteria

Evaluating Corporate Governance

Policy on Provisional Ratings

The Rating Process

DISCLAIMER

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The Standing Committee of Surat Municipal Corporation has unanimously passed following Resolution in the meeting held on

Dt:18-1-2024

Considering Municipal Commissioner Letter No.Stdg./1132, Dtd.18-1-2024, the fact of the proposal is that, in context to General Board Resolution No.483/2023 dated 22-9-2023, Surat Municipal Corporation has given the principle sanction for issuing Green Debt Security (Green Municipal Bond) worth of Rs.200/- Crore (Rs.100 Crore Basic + Rs.100/- Crore Green Shoe Option) from the Public Market for the implementations and fulfillment of Green Projects.

As per aforesaid General Board Resolution, Municipal Commissioner has been authorized for the various matters for proposed Green Municipal Bonds 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 mechanism and opening of Escrow Bank Account and prerequisites of pre and post bond issue activities.

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

Sr. No.	Intermediaries Name	Scope of Work
1	A.K.Capital Services Ltd.	Advisor Cum Merchant Banker
2	Natvarlal Vepari & Co.	Chartered Accountant
3	CRISIL Limited	Credit Rating Agency
4	India Rating & Research Private Limited	Credit Rating Agency
5	J.Sagar & Associates	Legal Counsel
6	SBICAP Trustee Company Ltd.	Debenture Trustee
7	KFin Technologies Limited	Registrar & Transfer Agent
8	NSDL & CDSL	Depositories
9	National Stock Exchange of India Ltd.	Stock Exchange
10	ICICI Bank Ltd.	Escrow Banker
11	KPMG India Services LLP	Verifier of Green Projects
12	Climate Bond Initiative	Certifier of Green Projects

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2. Ministry of Housing and Urban Affairs, Government of India vide their D.O. letter no.K-14012/01/2022-AMRUT-IIB dated 4th May, 2022 announced to encourage ULB in raising resources from market; it has been decided to incentivize 20 ULB on "First Come First Serve" basis during the Mission period for the issuing of Municipal Bonds in following manners.
- i) The ULBs, which have already claimed incentive during AMRUT or AMRUT 2.0 period for issuing municipal bonds, will be eligible for incentive second time if they issue green bonds. Incentive of Rs.10 crore will be given for every Rs.100 crore of green bonds issued.
 - ii) Surat Municipal Corporation has intend to issue of Green Debt Securities of worth Rs.200.00 Crore (Rs.100.00 Crore basic issue + Rs.100.00 Crore Green Shoe option). Hence, SMC will be eligible to get Rs.20.00 Crore as incentive.
3. Under section 109 of The Gujarat Provincial Municipal Corporation Act (the "Act"), Surat Municipal Corporation is entitled to borrow funds from the Market with the prior permission of State Government and under section 112 of the said Act, is authorised to maintain sinking fund for the borrowing. Under section 118 of the said Act, Surat Municipal Corporation can issue debentures in the nature of Green Bonds.
4. Resolved that, 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 (Rs.100.00 Crore basic issue + Rs.100.00 Crore Green Shoe Option) from the open market, by issuing Green Municipal Bonds for the fulfillment of the projects mentioned as per **Annexure-A** attached and to get benefit of incentive of upto an amount of Rs.20 Crores as per Government of India's scheme mention under Para-2 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.
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 Term Sheet alongwith Draft Structure Payment Mechanism as per **Annexure-B** attached is hereby sanctioned which prepared by Advisor cum Merchant Banker A.K.Capital Services Limited with the consultation of Green Bond Legal Counsel J.Sagar and Associates.

In context to Para-1 to Para-5 of this proposal, all facts mentioned above, it is resolved that, the sanction/permission is hereby granted, in anticipation of General Board approval for issuing of Green Municipal Bond (Green Debt Security) worth of Rs.200 crore for the implementations and fulfillment of green projects mentioned as per Annexure-A of the proposal as well as to obtain benefit of incentivize of Rs.20 Crore mentioned under the scheme of Government of India as per Para-2, along with the following particulars:

- (i) Sanctioned to borrow Rs.200 crore (Rs.100 Crore Basic + Rs.100/- Crore Green Shoe Option) by issuing Green Municipal Bond (Green Debt Security), with prior permission of Government of Gujarat under section 109 of the Gujarat Provincial Municipal Corporation Act.
- (ii) Sanctioned of the projects mentioned as per **Annexure-A** with prior permission of Government of Gujarat subject to certification and verification by certifier and verifier for issuing Green Municipal Bond. For the same, it is hereby authorized Municipal Commissioner to select, proceed in this context.
- (iii) Sanctioned of Draft Term Sheet and Draft Structure Payment Mechanism for the repayment of Green Municipal Bond (Green Debt Security) prepared by A.K.Capital Services Limited as per **Annexure-B** attached.
- (iv) Sanctioned for setting of Sinking Funds under section 112 of the Gujarat Provincial Municipal Corporation Act for the purpose of propose Green Bond Issue.
- (v) Postfacto sanction of appointment of intermediaries, their terms and conditions and fee structure is hereby given and condoned irregularity for not inviting tender/quotation under section 2 (2) of chapter 5 of Schedule A of the GPMC, Act.
- (vi) Hereby authorized 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 total own tax revenue, user charges revenue and non tax revenue is deposited for the repayment of installment as well as interest to the Bondholders as mentioned under Draft Structure Payment Mechanism attached Annexure B of proposal.

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- (vii) Hereby authorized 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 authorized Municipal Commissioner to sign all the agreements with all the intermediaries and authorities, regulatories for the purpose of bond issue, on behalf of Surat Municipal Corporation.
- (ix) Hereby authorized Municipal Commissioner to act for obtaining permission of Government of Gujarat in context to borrowing of funds, sanction of projects of Green Bond issue, sanction of final Structure Payment Mechanism, in accordance with the existing provisions and regulations of act and regulatory authorities.
- (x) Hereby authorized Municipal Commissionershri and Hon'ble Chairmanshri Standing Committee for the Addition, Deletion, Replacement and Alteration of project(s), if necessary for proposed "Green Debt Securities".
- (xi) Hereby authorized 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.143/2024 sanctioned Unanimously

Pro.Wri.General Board,

Received On
Dt. 12/2/24

1. सी.सी. 21/6/1550
dt. 12/2/2024

S. R. Patel
I/c. Municipal Secretary,
Surat Municipal Corporation
Date : 9-2-2024

DMC
12-2-24

Copy SWRs to :- Municipal Commissioner shri.

Himanshu.

#c ch. aff.

Annexure-A

Proposed project details for the Green Debt Securities

Sr. No	Name of Project	Estimated cost of project (Rs.in cr.)	Initial category of Green Project	Environmental object of Project	Funds to be available from Internal Resources (Rs.in cr.)	Funds to be available from Grants (Rs.in cr.)	Fund to be obtained from Green Debt Securities (Rs.in cr.)	Remarks
1	Installation of 10 MW (AC) ground mounted Solar power plant	66.87	Renewable Energy	Climate change mitigation Net Zero objectives	0.00	23.40	43.47	Estimate sanctioned by General Board
2	Installation of 6.3 MW Wind Power Plant	59.85	Renewable Energy	Climate change mitigation Net Zero objectives	11.97	0.00	47.88	Estimate sanctioned by General Board and tender preparation under process
3	Centralized Solid Waste processing park including sanitary landfill cell and relevant infrastructure	110.00	Sustainable Waste Management	Climate change mitigation Environmental Protection	49.00	17.72	43.28	Estimate under Sanction
4	Proposed Area Development work at Moje Kosad for Traffic BRTS Project Cell in North Zone (Katargam), Surat Municipal Corporation at Kosad, Surat (Phase-1)	10.70	Clean Transportation	Climate change mitigation	0.14	2.00	8.56	Tender issued
5	Design, Construction, testing and commissioning of 250 MLD Capacity Water Treatment Plant with Zero Liquid Discharge (ZLD) at variav & Rejuvenation of 50 MLD WTP to 160 MLD Capacity Water Treatment Plant based on Membrane Filtration at rander on turnkey basis including O & M for 3 Year, Surat.	250.07	Sustainable Water Management	Climate change mitigation	98.90	104.39	46.78	Work Sanctioned & Work in progress
6	Construction of 400 MLD Capacity Raw water Intake well (With Approach Bridge), Chlorination Room, H.T. Room and other ancillary works and providing and laying of 1829 mm dia. Raw water transmission line from proposed intake well to proposed 250 MLD Capacity variav WTP, Surat.	87.09	Sustainable Water Management	Climate change mitigation	55.97	21.09	10.03	Work Sanctioned & Work in progress
Total		584.58			215.98	168.60	200.00	

Note :-

- 1) Projects Cost are based on sanctioned estimate cost, may be vary at the time of issuance of Tender.
- 2) As per provisions of Security and Exchange Board of India (SEBI), minimum 20% of issuer contribution in each project is must from internal resources and/or grant fund.
- 3) As per SEBI guidelines, all above projects needs to be certified & verified as per Climate Bond Standards 4.0 by approved Certifier and Verifier.

S. R. Patel
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સુરત મહાનગરપાલિકા.

ANNEXURE- B
SURAT MUNICIPAL CORPORATION
DRAFT TERM SHEET

Security Name	___% SMCSTRPP A 2028 -----% SMC STRPP B 2029
Issuer	Surat Municipal Corporation ("SMC")
Type of Instrument	Rated, listed, taxable, secured, redeemable, non-cumulative, non-convertible green municipal bonds in the nature of debentures (hereinafter referred to as "Green Bonds"/ "Debentures"/ "NCDs")
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Private Placement by Surat Municipal Corporation of rated, listed, taxable, secured, redeemable, non-cumulative, non-convertible green municipal bonds of face value of ₹ 2,00,000/- each (comprising of 2 (two) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 1,00,000 and 1 STRPP B of face value of ₹ 1,00,000 for an amount aggregating up to ₹200 crores ("Total Issue Size") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
Eligible investors	All QIBs and any non-QIB Investors specifically mapped by the Issuer on the [BSE – EBP Platform] [JSA Note: to discuss the exchange proposed for listing], are eligible to bid / invest / apply for this Issue. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The NCDs are proposed to be listed on ___ Stock Exchange. The NCDs shall be listed within 3 (three) Working Days from the Issue Closing Date.
Rating of the Instrument	CRISIL has assigned a rating of 'Provisional CRISIL AA+/Stable' dated [●], in respect of the Green Bonds and [●] [JSA Note: Credit rating letter from India Rating is awaited.]
Base Issue Size	Upto Rs. 100 Crore
Option to retain over subscription	Upto Rs. 100 Crore
Total Issue Size	UptoRs 200 Crore (including Green Shoe option)
Objects of the issue	The proceeds of the Green Bonds will be utilized for the following: <ol style="list-style-type: none"> 1. Construction and commissioning of 250 MLD capacity water treatment plant with zero liquid discharge (ZLD) at Vairav and rejuvenation of 50 MLD WTP to 160 MLD capacity water treatment plant based on membrane filtration at Rander on turnkey basis. 2. Installation of 10 MW (AC) ground mounted solar power plant. 3. Installation of 6.3 MW wind power plant. 4. Centralized solid waste processing park including sanitary landfill cell and relevant infrastructure work including road and other ancillary work. 5. Area development work for setting up charging infrastructure facility for

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	<p>electric buses at Moje Kosad, Surat.</p> <p>6. Construction of 400 MLD capacity raw water intake well and other ancillary works and laying of 1829 mm dia. raw water transmission line from proposed intake well to proposed 250 MLD capacity variav WTP, Surat.</p>
Details of the utilization of the proceeds	As detailed in Objects of the Issue
Coupon rate	To be finalized subsequent to bidding on electronic bidding platform of Stock Exchange
Taxable/Tax free	Taxable
Step up/step down coupon rate	N.A.
Coupon payment frequency	On half yearlybasis
Coupon payment dates	The dates on which interest/coupon on the NCDs shall fall due for payment
Coupon Type	Fixed
Coupon reset process (including rates, spread, effective date, interest rate cap and floor etc.	N.A.
Day Count Basis	Actual/ Actual
Interest on Application Money	The Pay-in Date shall be the Deemed Date of Allotment; hence interest on application money shall not be applicable.
Tenor	<p>STRPP A of an NCD – 4 years from Deemed Date of Allotment;</p> <p>STRPP B of an NCD – 5 years from Deemed Date of Allotment;</p>
Redemption Date/ Maturity Date	<p>The redemption dates/ maturity dates ("Redemption Date(s)" / "Maturity Date(s)") for each of the STRPPs are as follows:</p> <ul style="list-style-type: none"> • STRPP A - at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A; • STRPP B – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B;
Redemption Amount	<p>Principal repayment to happen annually, from the expiry of 4 (Four) years from the Deemed Date of Allotment, in 2(two) annual instalments of:</p> <p>STRPP A –aggregate principal amount of Rs. 100 crores (rupees hundred crores) to be repaid at the end of the 4th anniversary of the Deemed Date of Allotment;</p> <p>STRPP B – aggregate principal amount of Rs. 100 crores (rupees hundred crores) to be repaid at the end of the 5th anniversary of the Deemed Date of Allotment;</p> <p>Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued Coupon and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.</p>

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	<p>each case to the extent of the own revenues gets collected and/ or pooled in each of such accounts;</p> <p>(c) Exclusive charge over the Interest Payment Account (including the DSRA Amount), Sinking Fund Account opened for the Issue and funds lying in each such account and any investment(s) made from these account(s);</p> <p>(d) Exclusive charge over the investments made in terms of paragraph 11 and paragraph 12 under the head of term 'Structured Payment Mechanism' below ("Permitted Investment(s)").</p> <p>The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security.</p> <p>Security Creation Timelines</p> <p>(a) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s).</p> <p>(b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents.</p> <p>The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover.</p>
Required DSRA Amount	<p>For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 2 (Two) succeeding coupon payments (i.e. one year interest obligation) required to be paid by the Issuer in respect of the Debentures ("Required DSRA Amount"). The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount, shall be hereinafter referred to as the "DSRA Amount". In the event of any utilisation from the DSRA Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below.</p> <p>Further, as the interest liability would progressively come down after the peak, the Issuer would be permitted to take out the excess DSRA progressively under intimation to the Debenture Trustee, subject to: (i) no unresolved breach of any covenant or event of default, (ii) no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.</p>
Structured Payment Mechanism	<p>1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the NCDs for the exclusive benefit of the NCD Holders:</p>

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

2. SMC had issued bonds aggregating to Rs.200 Crore in February 2019 for a tenor of 5 years ("8.68% Surat Municipal Corporation 2019 Series-I"). For the said bonds issue, SMC had created exclusive first charge on own revenues/cash flows of SMC as a security and created escrow mechanism on the said revenues/cash flows in line with the structure payment mechanism stipulated for the bonds issue. SMC is maintaining the no-lien escrow account with the ICICI Bank for the said purpose and the funds lying in account(s) in which the own revenues/cash flows are collected and/or pooled by the SMC are being transferred to the Escrow Account for debt servicing on daily basis. Now, for the present Issue, SMC is creating a first paripassu charge and escrow mechanism in favour of the NCD Holders on own revenues/cash flows of SMC along with the existing bond holders as mentioned above and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first paripassu charge (along with the existing bond holders) over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected and/or pooled by the Issuer. The funds lying in this escrow account would be available proportionately towards the debt service requirements for the present Issue along with the earlier issue ("8.68% Surat Municipal Corporation 2019 Series-I")

'own revenues/cash flows' here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc), Non Tax Revenues, and other income.

Proportion of charge on own revenues/cash flows between the bond holders of existing bonds issue and the present issue – 1:1 (at the time of issue which may vary in future depending upon the outstanding liabilities of the existing and the present issue)

3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) will also be maintained as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019.

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

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5. The funds lying in the Escrow Account shall be used in the following priority:

- (a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and sinking fund account as per the interest payment and sinking fund mechanism defined below;
- (b) Therefore, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last date of any monthly period) shall be the amount to be transferred to the Interest Payment Account and Sinking Fund Account on the Transfer Date;
- (c) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;
- (d) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) in accordance with the directions of the Issuer from time to time, after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount) or Sinking Fund Account, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

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

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

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

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

b. **Sinking Fund Account (SFA)** – Total issue size of the Debentures (Rs 200 Crore) shall be divided into 5 parts and each part (Rs. 40 Crore) shall be

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transferred to SFA in each of the 1st to 5th year.

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

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

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

- (a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose, the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.
- (b) The DSRA Amount lying in the Interest Payment Account, can be used to meet (i) any shortfall in the Interest Payment Account for the Coupon payment to be made on any Coupon Payment Date; and thereafter (ii) can be used to meet any shortfall at the time of redemption of the STRPP (upto the excess DSRA amount) on the respective Redemption Date. However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except at the time of Redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account except at the time of actual payment of Coupon on the Debentures.
- (c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the STRPPs on the Redemption Dates.
- (d) The funds lying in the Sinking Fund Account can be used to redeem the Debentures.
- (e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilised for any purpose other than as mentioned in paragraph (a) to (d) above.

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

8. The Debenture Trustee, on behalf of the NCD Holders shall have paripassu first ranking charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are being collected/pooled by the Issuer. The NCD Holders shall have first paripassu charge on the funds lying in account (s) where the own revenues/cash flows are being collected/pooled by the Issuer, the Escrow Account and any Permitted Investment(s) made from these account(s);.

9. The Debenture Trustee, on behalf of the NCD Holders shall have exclusive charge over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account. The Debenture Holders shall have exclusive charge on the funds lying in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account and any Permitted Investment(s) made from these account(s).

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

11. The funds lying credited in the Escrow Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow account shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.

12. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and also Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof.

13. Any actual interest income earned and received on the Permitted Investment(s)

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shall be utilisable by the Issuer in accordance with the Gujarat Provincial Municipal Corporation Act, 1949 and the SEBI Circulars and in accordance with the terms set out in the Transaction Documents, only: (a) with the prior approval of the Debenture Trustee; and (b) if there is no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account

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

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

Interest Payment Mechanism

The Debenture Trustee shall check the amount lying to the credit of Interest Payment Account (which is over and above the Required DSRA Amount) at 25 (Twenty Five) days prior to the Coupon Payment Date (T-25 days). In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate the Issuer of the shortfall and the Issuer shall make good the short fall in the Interest Payment Account prior to the date falling 10 (Ten) days prior to the Coupon Payment Date (T-10 days). Further, the amounts lying or credited in the escrow account shall flow into the interest payment account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 9 (Nine) days prior to the Coupon Payment Date (T-9 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the DSRA Amount to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date on or prior to the date falling 8 (Eight) days prior to the Interest Payment Date (T-8 days). The Coupon shall be paid by the Issuer on the Coupon Payment Date (T).

In case the DSRA Amount (or part thereof) is utilized to fund the shortfall in the amount required to make payment of the Coupon in respect of any Coupon Payment Date, immediately after the Debenture Trustee has instructed the Bank to utilise the DSRA Amount as above and in any event prior to 7 (Seven) days prior to the relevant Coupon Payment Date (T-7), the Debenture Trustee would issue a

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final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall within next 15(Fifteen) days (T+8). Further, immediately after the DSRA utilization, the amounts lying or credited in the escrow account shall flow into the interest payment account for DSRA replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required DSRA amount is replenished.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in interest payment account (including the required DSRA amount), the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicings. If any overdues on account of past servicings from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice.

In any of the milestone days mentioned in the T-Structure above happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action.

Principal Repayment (Sinking Fund) Mechanism

The Debenture Trustee shall check the balance in the Sinking Fund Account prior to the end of each 12 month block - and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:-

The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account at 45 (Forty Five) days prior to the end of each 12 month block. In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 12 month block (T-15 days).

In case of shortfall still persists in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall issue a final notice to the issuer. On the issuance of such notice, the issuer shall remit the funds to fund the shortfall into the Sinking Fund Account prior to the end of each 12 Month Block (T).

Further, in case of shortfall on T-45 days, the amounts lying or credited in the escrow account shall flow into the sinking fund account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in sinking fund account, the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent

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	<p>of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.</p> <p>The redemption shall be made by the Issuer on the relevant Redemption Dates.</p> <p>The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount) and Sinking Fund Account.</p>
Financial Covenants	<ol style="list-style-type: none"> The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 2 (Two) times of the Annual Payments Amount. For the purpose of this term sheet, the term 'Annual Payments Amount' shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present Green Bonds Issue, existing bond issue and any further borrowings); and (b) the portion of principal amount of the Debentures which are required to be deposited by the Issuer into the Sinking Fund Account in such financial year (in relation to the present Green Bonds issue, existing bond issue and any further borrowings), in terms hereof. The Issuer shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year: <p>DSCR: Debt Service Coverage Ratio ("DSCR") for the SMC shall not be less than 1.25 times as the below:</p> <p>DSCR = operating surplus / total debt service</p> <ol style="list-style-type: none"> Operating surplus calculated as the below: <p>Operating Surplus = Total Income – Adjusted Expenditure</p> <p>Total income = Total income of the corporation as per the audited Income and Expenditure statement.</p> <p>Adjusted Expenditure = Total expenditure as per the audited Income and Expenditure statement – Depreciation – Finance charges</p> Total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or instalment of principal repayment + transfer of debt service reserve account. So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of the debenture trustee. <p>For the purpose of this term sheet, the term 'Eligibility Conditions' shall mean the following conditions: (a) the Annual Payments Ratio is maintained by the</p>

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Redemption Discount	Premium /	Not applicable
Issue Price		Face Value of Rs. 2,00,000/- per NCD consisting of 2 (Two) STRPPs (i.e. 1 STRPP A and 1 STRPP B) with face value of each STRPP being Rs. 1,00,000/- (Rupees One Lakhonly)
Discount at which security is issued and the effective yield as a result of such discount		Not applicable
Put Option Date		Not applicable
Call Option Date		Not applicable
Put Option Price		Not applicable
Call Option Price		Not applicable
Put Notification Time		Not applicable
Call Notification Time		Not applicable
Face Value		Each NCD shall have a face value aggregating to Rs.2,00,000 (Rupees Two Lakhs only). Each NCD would comprise of 2 Two STRPPs having different ISINs (i.e. 1 STRPP A &1 STRPP B) with face value of each STRPP being Rs. 1, 00,000 (Rupees One Lakh) each.
Minimum Application size		[●]
Issue Timing		1.Issue Opening Date: [●] 2.Issue Closing Date: [●] 3.Pay-in Date: [●] 4.Deemed Date of Allotment: [●]
Issuance mode of the Instrument		Dematerialised form only
Trading mode of the Instrument		STRPPs will be traded in dematerialised form only
Settlement mode of the Instrument		[●]
Depository		NSDL and CDSL
Business/ Working Day Convention		Working Day means all days on which commercial banks in Suratand Mumbai is open for business. If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Mater Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2023/119, as amended from time to time. 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 Working Day, the payment shall be made by the Issuer on the immediately succeeding Working 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 NCDs. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been

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	<p>postponed earlier because of it having fallen on a non- Working Day. If the Redemption Date or Maturity Date of the NCDs falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the respective STRPP until but excluding the date of such payment.</p> <p>Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 1961 (if applicable) or any statutory modification or re-enactment thereof for the time being in force.</p>
Record Date	<p>The record date for payment of coupon/interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law.</p> <p>In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchange, will be deemed as the record date.</p> <p>In case of Redemption Date/ Maturity Date of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date/Redemption Date.</p>
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<p>The principal amount of the Debentures to be issued with all the Coupon due on the Debentures, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of:</p> <p>(a) first <i>pari passu</i> charge over present and future receivables pertaining to entire own revenues/ cash flows with minimum security cover of 1(one) time of the total amount borrowed along with the Coupon thereon and other costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof ("Minimum Security Cover");</p> <p>own revenues/cash flows here shall mean the revenues/cash flows being directly levied and collected/recovered by the Issuer and not being the revenues/cash flows received from the Government in the form of Grants, contributions & subsidies, compensation in lieu of Octroi or others. The revenues/cash flows being directly levied and collected/recovered by the Issuer include entire tax revenues (i.e. property taxes, profession taxes, water charge, etc.), entire Non Tax Revenues and other income.</p> <p>(b) First <i>pari passu</i> charge over the Escrow Account and the account(s) where the own revenues get collected and/ or pooled by Surat Municipal Corporation in</p>

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	<p>Issuer; (b) The debt service coverage ratio of 1.25 times is maintained (c) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and/or the Sinking Fund Account which has not been made good by the Issuer in terms of the Transaction Documents; (d) no Event of Default has occurred.</p> <p>4. Other financial covenants as defined in the Transaction Documents</p>
Transaction Documents	The Placement Memorandum, the Issue Proceeds Agreement, the Debenture Trust Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Escrow Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Conditions Precedent to Disbursement	Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations, there are no conditions precedent to the Issue.
Conditions Subsequent to Disbursement	<p>The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the NSE-EBP operational guidelines; 2. Listing of the Debentures within 3 (Three) days from the Issue Closing Date; 3. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable; 4. Other conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.
Events of Default	As is more particularly set out in the Debenture Trust Deed
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As per the Debenture Trust Deed to be executed in accordance with applicable law
Default Interest	<ol style="list-style-type: none"> (a) All monies due in respect of the Debentures shall, in case the same be not paid on the respective due dates, carry further interest at the rate of 2% (Two Percent) per annum, which shall be paid over and above the Coupon Rate for the period during which such default continues; (b) In case of delay in execution of the Debenture Trust Deed and security documents, SMC will refund the subscription with the agreed rate of interest or will pay penal interest of at least 2% p.a. (Two percent per annum), which shall be paid over and above the Coupon Rate for the period during which such default continues; (c) In case of delay in listing of the Debentures beyond 3 (Three) days from the Issue Closing Date, the Issuer shall pay penal interest of at least 1% p.a. (One percent per annum) which shall be paid over and above the Coupon Rate for the period of delay (i.e. from the date of allotment to the date of listing).

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	(d) Other provisions as set out in the Transaction Documents.
Manner of Bidding	[•]
Manner of Allotment	[•]
Settlement Cycle	[•]
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Issue Proceeds Agreement) shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Surat, Gujarat. The Issue Proceeds Agreement shall be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Mumbai, Maharashtra.

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**The Standing Committee of Surat Municipal Corporation has
unanimously passed following Resolution in the meeting held on**

Dt:18-7-2024

Considering Municipal Commissioner Letter No.Stdg./14, Dtd.10-6-2024,
The proposal concerning the issuance of Green Debt Securities (Green
Municipal Bond) worth Rs.200 Cr. (Rs.100 Cr. Basic + Rs.100 Cr. Green
Shoe Option), has undergone a partial modification of "Revised Draft Term
Sheet" including the "Structure Payment Mechanism", stated in Annexure-B of
General Board Resolution No.50/2024, Dtd.20-2-2024. The revised Annexure-B
is attached herewith and is hereby sanctioned in anticipation of the General
Board's approval.

Furthermore, Municipal Commissioner Shri is authorized to take any
decision regarding all pre and post public issue proceedings, any correspondence
with State Government, appointment of any agencies, fixing of fees and
charges, etc. in relation to the public issuance of Green Debt Securities (Green
Municipal Bond).

All other matters and details mentioned in General Board Resolution
No.50/2024, Dtd.20-2-2024 remain the same.

Resolution No.1125/2024 sanctioned Unanimously

Pro.Wri.General Board,

Received On

Dt. 20/07/24

22/07/24

22/07/2024

S. R. Patel

I/c. Municipal Secretary,
Surat Municipal Corporation

Date : 20-7-2024

DMC
22-07-24

I/c. Chief Account.

Copy SWRs to :- Municipal Commissioner shri.

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HIMANSHU.

ACT/SR/IN 285

DATE: 23-07-2024

TIME: 11:17

**The following resolution passed in the adjourned monthly
General Board meeting of the Surat Municipal Corporation held
on Dt:19-2-2024 and reconvened on Dt: 20-2-2024**

Considering Standing Committee Resolution No.143/2024, dated :18-1-2024, In context to General Board Resolution No.483/2023 dated: 22-9-2023, Surat Municipal Corporation has given the principle sanction for issuing Green Debt Security (Green Municipal Bond) worth of Rs.200/- Crore (Rs.100 Crore Basic + Rs.100/- Crore Green Shoe Option) from the Public Market for the implementations and fulfillment of Green Projects.

As per aforesaid General Board Resolution, Municipal Commissioner has been authorized for the various matters for proposed Green Municipal Bonds 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 mechanism and opening of Escrow Bank Account and prerequisites of pre and post bond issue activities.

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

Sr. No.	Intermediaries Name	Scope of Work
1	A.K.Capital Services Ltd.	Advisor Cum Merchant Banker
2	Natvarlal Vepari & Co.	Chartered Accountant
3	CRISIL Limited	Credit Rating Agency
4	India Rating & Research Private Limited	Credit Rating Agency
5	J.Sagar & Associates	Legal Counsel
6	SBICAP Trustee Company Ltd.	Debenture Trustee
7	KFin Technologies Limited	Registrar & Transfer Agent
8	NSDL & CDSL	Depositories
9	National Stock Exchange of India Ltd.	Stock Exchange
10	ICICI Bank Ltd.	Escrow Banker
11	KPMG India Services LLP	Verifier of Green Projects
12	Climate Bond Initiative	Certifier of Green Projects

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Received by
20/2/24
Dt: 20/2/24
S.D.M.

2. Ministry of Housing and Urban Affairs, Government of India vide their D.O. letter no.K-14012/01/2022-AMRUT-IIB dated 4th May, 2022 announced to encourage ULB in raising resources from market; it has been decided to incentivize 20 ULB on "First Come First Serve" basis during the Mission period for the issuing of Municipal Bonds in following manners.
 - i) The ULBs, which have already claimed incentive during AMRUT or AMRUT 2.0 period for issuing municipal bonds, will be eligible for incentive second time if they issue green bonds. Incentive of Rs.10 crore will be given for every Rs.100 crore of green bonds issued.
 - ii) Surat Municipal Corporation has intend to issue of Green Debt Securities of worth Rs.200.00 Crore (Rs.100.00 Crore basic issue + Rs.100.00 Crore Green Shoe option). Hence, SMC will be eligible to get Rs.20.00 Crore as incentive.
3. Under section 109 of The Gujarat Provincial Municipal Corporation Act (the "Act"), Surat Municipal Corporation is entitled to borrow funds from the Market with the prior permission of State Government and under section 112 of the said Act, is authorised to maintain sinking fund for the borrowing. Under section 118 of the said Act, Surat Municipal Corporation can issue debentures in the nature of Green Bonds.
4. Resolved that, 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 (Rs.100.00 Crore basic issue + Rs.100.00 Crore Green Shoe Option) from the open market, by issuing Green Municipal Bonds for the fulfillment of the projects mentioned as per **Annexure-A** attached and to get benefit of incentive of upto an amount of Rs.20 Crores as per Government of India's scheme mention under Para-2 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.
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 Term Sheet alongwith Draft Structure Payment Mechanism as per **Annexure-B** attached is hereby sanctioned which prepared by Advisor cum Merchant Banker A.K.Capital Services Limited with the consultation of Green Bond Legal Counsel J.Sagar and Associates.

In context to Para-1 to Para-5 of this proposal, all facts mentioned above, it is resolved that, the sanction/permission is hereby granted, in anticipation of General Board approval is Approved for issuing of Green Municipal Bond (Green Debt Security) worth of Rs.200 crore for the implementations and fulfillment of green projects mentioned as per Annexure-A of the proposal as well as to obtain benefit of incentivize of Rs.20 Crore mentioned under the scheme of Government of India as per Para-2, along with the following particulars:

- (i) Sanctioned to borrow Rs.200 crore (Rs.100 Crore Basic + Rs.100/- Crore Green Shoe Option) by issuing Green Municipal Bond (Green Debt Security), with prior permission of Government of Gujarat under section 109 of the Gujarat Provincial Municipal Corporation Act.
- (ii) Sanctioned of the projects mentioned as per **Annexure-A** with prior permission of Government of Gujarat subject to certification and verification by certifier and verifier for issuing Green Municipal Bond. For the same, it is hereby authorized Municipal Commissioner to select, proceed in this context.
- (iii) Sanctioned of Draft Term Sheet and Draft Structure Payment Mechanism for the repayment of Green Municipal Bond (Green Debt Security) prepared by A.K.Capital Services Limited as per **Annexure-B** attached.
- (iv) Sanctioned for setting of Sinking Funds under section 112 of the Gujarat Provincial Municipal Corporation Act for the purpose of propose Green Bond Issue.
- (v) Postfacto sanction of appointment of intermediaries, their terms and conditions and fee structure is hereby given and condoned irregularity for not inviting tender/quotation under section 2 (2) of chapter 5 of Schedule A of the GPMC, Act.
- (vi) Hereby authorized 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 total own tax revenue, user charges revenue and non tax revenue is deposited for the repayment of installment as well as interest to the Bondholders as mentioned under Draft Structure Payment Mechanism attached Annexure B of proposal.

- (vii) Hereby authorized 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 authorized Municipal Commissioner to sign all the agreements with all the intermediaries and authorities, regulatory for the purpose of bond issue, on behalf of Surat Municipal Corporation.
- (ix) Hereby authorized Municipal Commissioner to act for obtaining permission of Government of Gujarat in context to borrowing of funds, sanction of projects of Green Bond issue, sanction of final Structure Payment Mechanism, in accordance with the existing provisions and regulations of act and regulatory authorities.
- (x) Hereby authorized Municipal Commissionershri and Hon'ble Chairmanshri Standing Committee for the Addition, Deletion, Replacement and Alteration of project(s), if necessary for proposed "Green Debt Securities".
- (xi) Hereby authorized 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. 50/2024 sanctioned Unanimously

FWCs To, Municipal Commissioner shri,

Received On

Dr. 20/2/24

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21/2/2024

S. R. Patel

I/c. Municipal Secretary,
Surat Municipal Corporation

Date : 20-2-2024

ACT/SR/IN 978
DATE: 22/02/24
TIME: 11:40

Dy. Asst. Shri (Income)

A. A. Shoi H. N. Mehta
Smt. Trupti

D. M. C.

J/C (Chief Asstt.)

**The following Resolution passed in the General Board of Surat
Municipal Corporation held on Dt:31/07/2024**

Having taken into consideration the Standing Committee Resolution No.1125/2024, Dtd.18-7-2024 The proposal concerning the issuance of Green Debt Securities (Green Municipal Bond) worth Rs.200 Cr. (Rs.100 Cr. Basic + Rs.100 Cr. Green Shoe Option), has undergone a partial modification of "Revised Draft Term Sheet" including the "Structure Payment Mechanism", stated in Annexure-B of General Board Resolution No.50/2024, Dtd.20-2-2024. The revised Annexure-B is attached herewith and is hereby sanctioned in anticipation of the General Board's approval is Approved.

Furthermore, Municipal Commissioner Shri is authorized to take any decision regarding all pre and post public issue proceedings, any correspondence with State Government, appointment of any agencies, fixing of fees and charges, etc. in relation to the public issuance of Green Debt Securities (Green Municipal Bond).

All other matters and details mentioned in General Board Resolution No.50/2024, Dtd.20-2-2024 remain the same.

Resolution No. 202/2024 sanctioned Unanimously

FWCs To, Municipal Commissioner shri,

Resolved On
Dt. 02/08/24

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म. 03/08/2024

S. R. Patel
I/c. Municipal Secretary,
Surat Municipal Corporation
Date :01-8-2024

DMC
3-88-24

I/c ch. Acft.

Surat Municipal Corporation

Sanctioning issuance of Taxable Green Municipal Bonds of Rs. 200 Crores.

Government of Gujarat

Urban Development and Urban Housing Department,

Resolution No.: UDUHD/SPP/e-file/18/2024/1743/P Section

Read: -

- Surat Municipal Corporation's letters:
 - (i) ACT/SR/5577 dated 13/02/2024.
 - (ii) ACT/SR/964 dated 10/06/2024.

Preamble:

The Surat Municipal Corporation has requested the State Government vide its letters read above (i) and (ii) to sanction issuing Taxable Green Municipal Bonds amounting to Rs. 200 Crores (Rs. 100 Crore Basic + Rs. 100 Crore Green Shoe Option) for undertaking green projects at various places of the City to meet the present and future capacities under AMRUT 2.0 as well as other schemes. The matter of granting permission for issuing the taxable bonds was under consideration of the State Government.

Resolution:

After careful consideration, the State Government is pleased to accord in principle sanction to the proposal of Surat Municipal Corporation for issuing Taxable Green Municipal Bonds amounting to Rs. 200 Crores (Two Hundred Crores Only) (Rs. 100 Crore Basic + Rs. 100 Crore Green Shoe Option) 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 the proposal.
2. The 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 the Government of India.
3. The Surat Municipal Corporation shall be responsible for timely repayment of principal amount and payment of the interest to the investors.
4. The Taxable Bonds are not guaranteed by the State Government and the Bonds will not be a part of the outstanding liabilities of the State Government.
5. The Surat Municipal Corporation shall follow the accounting process and all the norms as prescribed by the SEBI.
6. The Surat Corporation shall be liable for proper maintenance of Escrow Account and to report the same to the State Government on monthly basis.
7. The Surat Municipal Corporation shall adhere to the relevant clauses of Chapter X (10) 'Borrowing Powers' of the Gujarat Provincial Municipal Corporations Act, 1949 regarding their proposal.

This resolution is issued with the concurrence of the Finance Department on this Department's file of even number dated 08/02/2025 and the State Government.

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

File No: UDUHD/SPP/e-file/18/2024/1743/P Section

Approved By: Principal Secretary, UDUHD

Open the document in Adobe Acrobat DC to verify the E-sign



(Komal Bhatt)

Joint Secretary

Urban Development and Urban Housing Department.

To,

- The Municipal Commissioner, Surat Municipal Corporation, Gandhinagar.
- P.S. to Hon'ble Chief Minister, Swarnim Sankul – 1, Sachivalaya, Gandhinagar.
- The Principal Secretary, Finance Department, Sachivalaya, Gandhinagar.
- The Under Secretary, Ministry of Housing and Urban Affairs, Government of India, Nirman Bhawan, New Delhi – 110 011.
- Select File – 2025.





Surat Municipal Corporation Muglisara, Surat-395003

AUTHORIZATION FOR ISSUANCE OF GREEN BONDS/ DEBENTURES AND FORMATION OF BONDS ISSUE COMMITTEE

Pursuant to the in-principle approval granted by Standing Committee and General Body and subject to the approval of the state government, Surat Municipal Corporation (the “**Issuer**” or “**SMC**” or “**Corporation**”), proposes to issue rated, listed, secured, non-convertible, redeemable, taxable green bonds for an amount aggregating up to ₹ 200 crores (“**Green Bonds/Debentures**”) by way of private/public issue (“**Issue**”), which shall be listed on the stock exchange(s) as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (“**SEBI Municipal Debt Regulations**”), Securities Contracts (Regulation) Act, 1956, SEBI Master Circular for issue and listing of Non-convertible securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 (updated as on July 07, 2023) bearing reference number SEBI/HO/DDHS/PoDI/P/CIR/2023/119 as may be amended, clarified or updated from time to time (“**SEBI Master Circular**”) read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DFI/60/2017 dated June 19, 2017 and as amended vide SEBI Circular number SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard and further proposes to delegate the power to carry-out all activities in relation to the issuance of Green Bonds.

The following actions to be carried out by the Corporation in relation to the Issue are being hereby approved:

1. Subject to approval from the state government, the Corporation, may issue Green Bonds on a public issue basis in one or more tranches for funding the approved green projects of the Corporation, and which may be listed on a recognised stock exchange(s) as per the terms and conditions, in accordance with the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (“**SEBI Municipal Debt Regulations**”), Securities Contracts (Regulation) Act, 1956, SEBI Master Circular for issue and listing of Non-convertible securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 (updated as on July 07, 2023) bearing reference number SEBI/HO/DDHS/PoDI/P/CIR/2023/119 as may be amended, clarified or updated from time to time (“**SEBI Master Circular**”) read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DFI/60/2017 dated June 19, 2017 and as amended vide SEBI Circular number SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard.
2. Pursuant to various approvals for the purposes of the issue, a bond issue committee (“**Bond Issue Committee**”) be constituted comprising of the following officials of the Corporation:

S.No.		Member
1.	Municipal Commissioner	Shalini Agrawal, IAS
2.	City Engineer	Shri A.J.Pandya
3.	Dy.Muni.Commissioner	Smt. S.P.Desai
4.	Dy.Muni.Commissioner(H & H)	Dr. A.K.Naik
5.	Dy.Muni.Commissioner	Shri N.H.Patel
6.	Add.City Engineer(Civil)	Shri J.M.Desai
7.	Add.City Engineer(Civil)	Shri D.C. Bhagwagar
8.	I/c. Chief Accountant	Shri B.B.Modi

And that the Green Bonds Issue Committee be, and is hereby jointly and severally authorised to decide the terms of the bond issue including quantum, time and nature of bonds, mode of issuance, ratification of already appointed and appointment of any/ all agencies and intermediaries, including but not limited to credit rating agencies, registrar to the issue, trustee, legal advisors, depositories, stock exchange(s), escrow banks, consortium members, debenture trustee, etc, and also to decide matters like minimum subscriptions, retention of oversubscription, extension of the Issue and/ or early closure of the Issue, etc.

3. The Bond Issue Committee is hereby jointly and severally authorized to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/undertakings/ agreements/ deeds/ instruments/applications and writings incidental thereto as it may, at its discretion, deem necessary and desirable. Amongst other things, the Bond Issue Committee shall be authorized to do the following:
 - (i) To finalize and approve appointment/ modification of terms of appointment of credit rating agencies, trustee, registrar, legal counsel, depositories, stock exchanges, bankers to the issue, escrow bank, sponsor bank, consortium member/ lead broker, independent auditor, printers, advertising agency, professionals and other intermediaries to the issue etc. to be involved in such offerings of Bonds and to remunerate all such persons/agencies including payment of fees, commissions, brokerage etc. as may be decided mutually, on such terms and conditions as mentioned in their individual appointment letters and to negotiate, modify, enter into, execute, deliver and register all deeds, contracts, agreements, memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the issue including the listing of the Green Bonds on the stock exchanges and creation of security for the Green Bonds;
 - (ii) To negotiate, modify and approve the terms of the Issue including the actual size, timing, pricing and all other terms and conditions of the Issue including whether the Green Bonds will be secured or unsecured, coupon rate, yield, retention of over subscription, if any, etc, and to accept any amendment, modifications, variations or alterations thereto and all other related matters, including the determination of the

size of the Issue up to the maximum limit prescribed by the Standing Committee and the minimum subscription for the Issue;

- (iii) To select and approve the green projects for which funds are being raised;
- (iv) To take decision for the addition, Deletion, Replacement and Alternation of project(s), if necessary, for proposed green debt securities, in accordance with prior approval of Municipal Commissioner Shri and Chairman shri of Standing Committee as sanctioned under General Board Resolution No.483/2023 dated 22/09/2023 and General Board Resolution No.50/2024 dated 20/02/2024
- (v) To finalize the term sheet, structure of bonds, as well as structured payment mechanism/ escrow mechanism/ waterfall mechanism/ sinking fund mechanism/ interest payment mechanism/ DSRA Mechanism or any other terms/ mechanism as may be required for structuring of bonds and timely servicing of bond obligation;
- (vi) To approve expenses in relation to the issuance of Green Bonds;
- (vii) To draw-up, finalize and sign, the financial statements/draft offer document/ offer document and other documents for the Issue and file the same with SEBI and stock exchanges, in the manner and as may be required and execute all other necessary documents/agreements/contracts/deeds/MoUs/certificates/affidavits/declarations/undertaking, etc, and all other requisite documents and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with or incidental to or related to the issue and allotment of Green Bonds in token of due compliances of the SEBI/Stock Exchange/s or any other applicable acts or rules for the issue of said Green Bonds including as may be necessary the power to finalise any advertisements, corrigendum amendments supplements thereto to the offering documents and to approve any corrections or alterations therein;
- (viii) Approving the materiality policy for the litigations to be disclosed in the offering documents, material creditors and material contracts;
- (ix) Giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
- (x) Seeking, if required, any approval, consent or waiver from the Corporation's lenders, and/or parties with whom the Corporation has entered into various agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Green Bonds and creation of security;
- (xi) Granting of powers of attorney / authority, if required, to such officers / employees of the Corporation or any other concerned persons, as it may deem necessary, to do

such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the Green Bonds;

- (xii) Appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the SEBI regulations;
- (xiii) Authorization of the maintenance of a register of holders of the Green Bonds;
- (xiv) Open such banks accounts, demat accounts, escrow accounts with scheduled commercial institutions or agencies as may be required for the Issue;
- (xv) Acceptance and appropriation of the proceeds of the issue;
- (xvi) Finalization of the date of allotment and finalization of the basis of allotment of the Green Bonds on the basis of the applications received and to approve and to issue and allot the Green Bonds and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, issuing debenture certificates/ allotment advice cum intimation, credit the Green Bonds to the beneficiary accounts and do all such acts, deeds, matters and things in relation to the allotment of the Green Bonds;
- (xvii) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (xviii) To appoint independent chartered accountant(s), statutory auditors (both current and previous) to issue such reports including financial reports/statements for the purpose of issue;
- (xix) To approve the financial statements/re-formatted/abridged versions of financial statements including balance sheet, income and expenditure account and cash flow statement in accordance with notes to the financial statements including a summary of significant accounting policies and other explanatory information prepared under National Municipal Accounts Manual (NMAM) , as applicable to be incorporated in the draft offer document/ offer document for the issue of Green Bonds in accordance with SEBI Municipal Debt Regulations;
- (xx) To accept the application money received as subscription for the Green Bonds, decide upon basis of allotment, approve allotment of Green Bonds and allot the Green Bonds;
- (xxi) To apply and follow-up to seek all required approvals from the concerned authorities/regulatory bodies/agencies such as execution of Listing Application and Listing Agreement with the stock exchanges, i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") for listing of the Green Bonds, execute agreements with the registrar, National Securities Depository Limited

("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of Green Bonds, and execute other necessary documents/agreements) on behalf of the Corporation in relation to the issue of Green Bonds as required by any Statutory authority;

- (xxii) To designate and appoint one or more bankers for collection/blocking and refund/unblocking of application monies against subscription for the bonds;
- (xxiii) To offer first and exclusive charge or any other charge on the receivables or identified/specified immovable property(ies) or create charge on the accounts created with respect to the Bond issuance or any other security/asset of the Corporation in favour of the Debenture Trustee/Bondholders or and executing the security documents/agreements, Bond Trust Deed and other documents for registration of such charge with Registry, CERSA1, etc. on behalf of the Corporation, as applicable;
- (xxiv) To open one or more no-lien accounts with banks for the issue and operate the same for remittance of the issue proceeds received from investors in the issuance of Green Bonds as well as for the operation of structured payment mechanism/escrow mechanism/ waterfall mechanism/sinking fund mechanism/ interest payment mechanism/DSRA mechanism or any other terms/mechanism as may be required for timely repayment of bond obligations;
- (xxv) To prepare, sign, file and execute the master creation form, corporate action form and other necessary documents agreements with NSDL and CDSL, and the registrars for dematerialization of Green Bonds, ISIN creation and credit of Green Bonds;
- (xxvi) To establish a separate project implementation cell and designate a project officer not below the rank of Deputy Commissioner, to monitor the progress of the projects and ensure that the funds raised are utilised only for the projects for which the Green Bonds are issued as disclosed in the Draft Offer Document/ Offer Document;
- (xxvii) To designate a Compliance Officer for compliance with related regulatory/statutory issues and for redressal of any pre-issue/post-issue investor problems/grievances including unblocking of funds, non-credit of bonds in demat account, non-receipt of letters of allotment, bond certificates in the demat account, non-receipt of refund orders, interest warrants, etc.;
- (xxviii) To allot Green Bonds under demat facilities and to provide demat facilities by entering into necessary agreement with NSDL/CDSL, registrar and transfer agents in this regard;
- (xxix) To affix the common seal/stamp of the Corporation as may be required for the proposed issue of Green Bonds, dematerialization, and listing thereof;

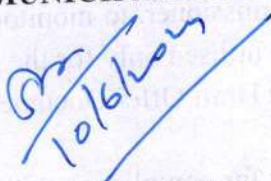
(xxx) To delegate all or some of the powers vested in them by the Board to any executive of the Corporation as may be deemed necessary;

(xxxi) to pay stamp duty as per the applicable Acts, laws and regulations:

(xxxii) Authorisation to create such mortgages, charges, hypothecation or encumbrances on all or any part of the immovable or movable properties, current or fixed assets, tangible or intangible assets, book debts and/or claims of the Corporation wherever so situated, present and future, such first and exclusive charge in favour of such debenture holders/secured lenders of the Issuer, as may be required from time to time, in accordance with the terms of the instrument offered to such debenture holders/secured lenders, to secure all amounts borrowed from them along with interest, cost, charges and other incidental expenses and to register all security documents with the required authority(ies) and make all necessary filings, and reporting for the perfection of such security, if required as applicable; and

(xxxiii) To take decisions on any other matter(s) relating to the proposed issue(s) of Green Bonds by the Issuer, to generally do any other act and/or deed, to negotiate and execute any document/s, including any security documentation, application/s, agreement/s (including the debenture trustee agreement, debenture trust deed, escrow agreement etc.), undertaking/s, deed/s, affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Issue.

FOR SURAT MUNICIPAL CORPORATION,


MUNICIPAL COMMISSIONER

Place: SURAT

Date: /06/2024



Surat Municipal Corporation

Muglisara, Surat-395003

AUTHORIZATION FOR ISSUANCE OF BONDS AND CONFIRMATION OF MEMBERS OF THE BOND ISSUE COMMITTEE

Sub: PROPOSED PUBLIC ISSUE BY THE SURAT MUNICIPAL CORPORATION ("CORPORATION" / "SMC" / "ISSUER") OF RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS (IN THE NATURE OF DEBENTURES) OF FACE VALUE OF ₹1,000/(RUPEES ONE THOUSAND) EACH ("GREEN BONDS"/"NCDs"/"DEBENTURES"),(COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPPs") NAMELY, 1 STRPP A OF FACE VALUE OF ₹500 AND 1 STRPP B OF FACE VALUE OF ₹500), AMOUNTING TO ₹100 CRORE ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVER- SUBSCRIPTION UP TO ₹100 CRORE ("GREEN SHOE OPTION") AGGREGATING UP TO ₹200 CRORE ("ISSUE").

Ref.:

1. Resolutions of the Standing Committee No. 143/2024 dated January 18, 2024 and No. 1125/2024 dated July 18, 2024 had provided its in-principle approval for the issuance of Green Bonds.
2. Resolutions of the General Board No 50/2024 dated February 20, 2024 and No. 202/2024 dated July 31, 2024, approving issuance of Green Bonds.
3. Order of the Urban Development and Urban Housing Department, Government of Gujarat bearing no. UDUHD/1238/02/2025 dated March 04, 2025 approving the issue of Green Bonds.
4. Authorization from the Municipal Commissioner dated June 10, 2024.

In view of the aforesaid, the following actions to be carried out by the Issuer in relation to the Issue are being hereby approved by the undersigned:

In furtherance to the approval from the State Government, the Issuer, proposes to issue rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds in the nature of debentures(hereinafter referred to as "**Green Bonds**") for an amount aggregating up to Rs. 200 Crores, including green shoe option, (hereinafter referred to as "**Issue**") which shall be listed on the stock exchanges as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("**SEBI Municipal Debt Regulations**"), Securities Contracts (Regulation) Act, 1956, SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 as may be amended, clarified or updated from time to time. ("**SEBI Master Circular**") read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DF1/60/2017 dated June 19, 2017 and as amended vide SEBI Circular numbering SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard.

For the purposes of the Issue, the bond issue committee ("**Bond Issue Committee**") currently comprises of the following officials of the Issuer:

Sr. No.	Name	Designation	Date of Appointment/ Resignation	Member of the Committee since (in case of resignation)	DIN
1	Shalini Agarwal	Municipal Commissioner	June 10, 2024	-	08172014
2	Swati P. Desai	Deputy Municipal Commissioner	June 10, 2024	-	09562103
3	Dinesh Ramesh Gurav, IAS [#]	Deputy Municipal Commissioner (Health & Hospital)	April 16, 2025	-	-



Surat Municipal Corporation Muglisara, Surat-395003

Sr. No.	Name	Designation	Date of Appointment/Resignation	Member of the Committee since (in case of resignation)	DIN
4	Nilesh Patel	Deputy Municipal Commissioner	June 10, 2024	-	-
5	Jatinkumar Desai*	Additional City Engineer (Civil) & I/c City Engineer*	June 10, 2024	-	08955264
6	DarmeshBhagwagar	Additional City Engineer (Civil)	June 10, 2024	-	10334896
7	BipinchandraModi	I/c Chief Accountant	June 10, 2024	-	10558267

* Date on which the respective individual became a member of the committee

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

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

For Surat Municipal Corporation

Name: Smt. Shalini Agarwal, IAS
Designation: Municipal Commissioner
Place: Surat
Date: 09/05/25





Surat Municipal Corporation Muglisara, Surat-395003

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF SURAT MUNICIPAL CORPORATION HELD ON MAY 09, 2025 AT SURAT

CONSIDERATION AND APPROVAL IN RESPECT OF THE ISSUANCE OF RATED, LISTED, SECURED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS IN NATURE OF DEBENTURES OF FACE VALUE OF ₹ 1,000/- EACH, COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPPs"), NAMELY 1 STRPP A OF FACE VALUE OF ₹500 AND 1 STRPP B OF FACE VALUE OF ₹500 FOR AN AMOUNT OF ₹100 CRORE (BASE ISSUE SIZE) WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UPTO ₹100 CRORES ("GREEN SHOE OPTION") AGGREGATING UP TO ₹200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) ("GREEN BONDS"/ "DEBENTURES") THROUGH PUBLIC ISSUE ("ISSUE") BY SURAT MUNICIPAL CORPORATION ("SMC" OR THE "ISSUER" OR THE "CORPORATION") PROPOSED TO BE LISTED ON BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("STOCK EXCHANGES").

"RESOLVED THAT the Bond Issue Committee here by approves the issuance of rated, listed, secured, redeemable, taxable, non-convertible green municipal bonds in nature of debentures of face value of ₹ 1,000/- each, comprising of 2 (two) separately transferable and redeemable principal parts ("STRPPs"), namely 1 STRPP A of face value of ₹500 and 1 STRPP B of face value of ₹500 for an amount of ₹100 crore ("Base Issue Size") with an option to retain over-subscription upto ₹100 crores ("Green Shoe Option") an amount aggregating up to ₹200 crores (Rupees Two Hundred Crores Only) ("Green Bonds"/ "Debentures") by way of public issue ("Issue").


"RESOLVED FURTHER THAT the approval of the Bond Issue Committee is hereby accorded for execution of Issue Agreement between Corporation and Lead Manager to the Issue dated May 09, 2025, as tabled before the Bond Issue Committee".

"RESOLVED FURTHER THAT with reference to the earlier resolution dated February 24, 2025 and April 04, 2025 for approving the Green Bond Framework, the Bond Issue Committee hereby accords the approval to issue the proposed non-convertible debentures as "Green Bonds" considering the Object of the Issue for which the funds are proposed to be raised as Eligible Green Projects".

"RESOLVED FURTHER THAT the aforesaid resolution shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by the Deputy Municipal Commissioner or the Municipal Commissioner may be furnished to the concerned parties and other regulatory and statutory authorities/bodies as may be required."

CERTIFIED TO BE TRUE COPY

FOR SURAT MUNICIPAL CORPORATION


Name: Swati Pareshkumar Desai
Designation: Deputy Municipal Commissioner



Ref. No.: 0774/STCL/DT/2025-26-CL6520

Date: May 07, 2025

To,
Surat Municipal Corporation
Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395 003, Gujarat.

Dear Sir/ Madam,

Sub: PROPOSED PUBLIC ISSUE BY THE SURAT MUNICIPAL CORPORATION ("CORPORATION" / "SMC" / "ISSUER") OF RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS (IN THE NATURE OF DEBENTURES) OF FACE VALUE OF ₹1,000/(RUPEES ONE THOUSAND)-EACH ("GREEN BONDS" / "NCDs" / "DEBENTURES"), (COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPPs") NAMELY, 1 STRPP A OF FACE VALUE OF ₹500 AND 1 STRPP B OF FACE VALUE OF ₹500), AMOUNTING TO ₹100 CRORE ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVER- SUBSCRIPTION UP TO ₹100 CRORE ("GREEN SHOE OPTION") AGGREGATING UP TO ₹200 CRORE ("ISSUE")

1. We, the undersigned, do hereby consent to act as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the draft offer document and the offer document to be filed with the Securities Exchange Board of India ("SEBI") and the stock exchanges where the Green Bonds are proposed to be listed ("Stock Exchanges") and also in all related advertisements, marketing materials and communications sent pursuant to the Issue.

- The following details with respect to us may be disclosed:

Logo:



Name:

: SBICAP Trustee Company Limited

Address:

: 04th Floor, Mistry Bhavan, 122 Dinshaw Vachha Road, Churchgate, Mumbai- 400020

Telephone:

: 022- 4302 5566

Fax:

: NA

Email-id:

: corporate@sbicaptrustee.com / dt@sbicaptrustee.com

SEBI registration number:

: IND000000536

Investor grievance email-id:

: investor.cell@sbicaptrustee.com

Website:

: www.sbicaptrustee.com

Contact person:

: Mr. Ardhendu Mukhopadhyay

Compliance officer:

: Mr. Sandeep Poddar

CIN

: U65991MH2005PLC158386



2. We confirm that the above details in relation to us are true and correct and complete in all respects.

SBICAP Trustee Company Ltd.

Registered & Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai, Pin - 400 020.

☎ +91 22 4302 5566 / +91 22 4302 5555 ✉ corporate@sbicaptrustee.com CIN : U65991MH2005PLC158386

UDYAM REGISTRATION NUMBER (SMALL ENTERPRISE Under MSME Act, 2006) - UDYAM-MH-19-0111411

www.sbicaptrustee.com

A-64

A Group Company of SBI

3. We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate as **Annexure A** and a declaration regarding our registration with SEBI in the required format is annexed as **Annexure B** hereto.
4. We also confirm that we have not been prohibited by SEBI to act as an intermediary including, without limitation, in capital market issues, nor have we been debarred from functioning by any regulatory authority.
5. We hereby confirm that there are no disciplinary actions, or any enforcement action/adjudication taken by SEBI or any regulatory authority against us except as disclosed in **Annexure C**, from the time of our registration.
6. We hereby authorise you/ your representatives to deliver this letter of consent and make disclosures in relation to the same to Stock Exchanges, SEBI or any other statutory/regulatory authority, if required by such authority pursuant to the provisions of applicable laws, and to share, as necessary, with the advisors and intermediaries duly appointed in this regard for their reliance, in respect of the Issue.
7. We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Issuer in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Issuer.
8. We undertake that we shall immediately intimate the Issuer and the Lead Manager to the Issue of any changes in the aforementioned details until the listing and trading of the Green Bonds on the Stock Exchange. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Green Bonds on the Stock Exchange.
9. This certificate is for information and for inclusion (in part or full) in the Draft Offer Document and Offer Document or any other Offer- related material and may be relied upon by the Issuer , the Lead Manager and Legal Counsel appointed by the Issuer and the Lead Manager in relation to the Issue. We hereby consent to the submission of this certificate as may be necessary to the SEBI, Stock Exchanges and any other regulatory authority and/or for the records to be maintained by the Lead Manager and in accordance with applicable law.

Sincerely,

For SBICAP Trustee Company Limited



Authorised Signatory:

Name: Ardhendu Mukhopadhyay

Designation: CFO & COO



RP

CC:

Lead Manager to the Issue

A.K. Capital Services Limited

Unit no. 603, 6th Floor, Windsor,

Off CST Road, Kalina,

Santacruz – East, Mumbai – 400 098



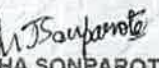
Legal Counsel to the Issue

J Sagar Associates

One Lodha Place, 27th Floor, Senapati Bapat Marg,

Lower Parel, Mumbai – 400013, Maharashtra, India

ANNEXURE A

<p>डिबेंचर न्यासी</p>	<p>प्रकार 8 FORM-B</p>	<p>DEBENTURE TRUSTEE</p>
<p>भारतीय प्रतिभूति और विनियम बोर्ड SECURITIES AND EXCHANGE BOARD OF INDIA (डिबेंचर न्यासी) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993</p>		
<p>000 256 (विनियम 8) (Regulation 8) (Regulation 8A)</p>		
<p>रजिस्ट्रीकरण प्रमाणपत्र PERMANENT REGISTRATION CERTIFICATE OF REGISTRATION</p>		
<p>1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करने हुए.</p> <p>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</p> <p>SBICAP TRUSTEE COMPANY LIMITED 202, MAKER TOWER, "E" WING 20TH FLOOR, CUFF PARADE MUMBAI - 400005 MAHARASHTRA</p>		
<p>को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है। as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.</p>		
<p>2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।</p> <p>2) Registration Code for the debenture trustee is IND000000638</p>		
<p>3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।</p> <p>3) Unless renewed, the certificate of registration is valid from to</p> <p>3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board</p>		
<p>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</p>		
<p>   MEDHA SONPAROTE Authorised Signatory</p>		
<p>स्थान Place : MUMBAI</p> <p>तारीख Date : OCTOBER 06, 2015</p>		



ANNEXURE B

Ref. No.: 0775/STCL/DT/2025-26-CL6520

Date: May 07, 2025.

To,

Surat Municipal Corporation
Surat Mahanagar Seva Sadan,
Gordhandas Chokhawala Marg,
Muglisara, Surat – 395 003, Gujrat

Dear Sir/Madam,

Sub: PROPOSED PUBLIC ISSUE BY THE SURAT MUNICIPAL CORPORATION (“CORPORATION” / “SMC” / “ISSUER”) OF RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS (IN THE NATURE OF DEBENTURES) OF FACE VALUE OF ₹1,000/(RUPEES ONE THOUSAND)-EACH (“GREEN BONDS” / “NCDs” / “DEBENTURES”), (COMPRISING OF 2 (TWO) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS (“STRPPs”) NAMELY, 1 STRPP A OF FACE VALUE OF ₹500 AND 1 STRPP B OF FACE VALUE OF ₹500), AMOUNTING TO ₹100 CRORE (“BASE ISSUE SIZE”) WITH AN OPTION TO RETAIN OVER- SUBSCRIPTION UP TO ₹100 CRORE (“GREEN SHOE OPTION”) AGGREGATING UP TO ₹200 CRORE (“ISSUE”)

1. We confirm that as on the date of the consent letter, the following details in relation to our registration with the Securities and Exchange Board of India (“SEBI”) as Debenture Trustee to the Issue are correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000536
2.	Date of Registration/ Date of last renewed Registration/ Date of application of renewal	06th October, 2015
3.	Date of expiry of Registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as intermediary	No
5.	Details of any enquiry/investigation being conducted by SEBI	No
6.	Details of any penalties imposed by SEBI	No

2. We shall immediately intimate the Issuer and the lead manager to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant stock exchanges, where the Green Bonds are proposed to be listed (“Stock Exchanges”). In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Green Bonds on the Stock Exchanges.



Sincerely,

For SBICAP Trustee Company Limited

Ardhendu Mukhopadhyay

Authorised Signatory

Name: Ardhendu Mukhopadhyay

Designation: CFO & COO



RP

ANNEXURE C

S. No.	SEBI/ Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
1.	[SEBI/ Name of regulatory Authority]	NIL

Sincerely,

For SBICAP Trustee Company Limited



Authorised Signatory

Name: Ardhendu Mukhopadhyay

Designation: CFO & COO



Annexure - V

Date : 16/02/2024 12:29



SURAT MUNICIPAL CORPORATION

Schedule-2 Revenue Income

CONSOLIDATED BUDGET SUMMARY 2021-22

(' In Lacs)

Yearly

Description	Actual 2018-19	Actual 2019-20	Original 2020-21	Revised 2020-21	Estimate 2021-22	Remarks Actual 2020-21
TAX REVENUE						
PROPERTY TAX -----	35443.38	36796.75	31587.59	30228.88	33126.65	38166.96
USER CHARGES	72754.04	74228.59	73751.48	66891.75	76311.33	74782.94
OTHER DIRECT TAXES -----	13585.87	15219.20	13883.82	12531.85	13569.40	11423.39
SUB TOTAL	121783.29	126244.54	119222.89	109652.48	123007.38	124373.29
NON TAX REVENUE						
RENT FROM PROPERTY -----	2032.36	1946.39	2015.22	2049.15	2179.23	2055.14
COLLECTION FROM PUBLIC PLACES -----	3188.63	3619.04	11444.18	2447.08	6152.45	539.46
REALIZATION UNDER SPL. STATUES -----	129.88	67.02	118.80	53.95	116.45	41.70
PUBLIC SERVICE CHARGES & FEES -----	71155.65	57332.06	68281.62	43425.53	69375.57	38058.47
GRANTS-CONT.-SUBSIDIES -----	83644.86	84169.67	92696.89	109657.52	101588.45	105661.82
INTEREST INCOME -----	3403.16	5254.50	2273.56	3105.14	2775.00	3099.63
SALE PROCEEDS -----	734.02	341.76	641.84	675.29	992.71	381.55
MISCELLANEOUS INCOME -----	1665.23	1771.09	1291.62	1453.18	1304.16	1221.42
PRIOR PERIOD INCOME -----						
PROPERTY TAX -----	4398.02	4614.56	13220.63	16897.22	18103.52	9022.66
OTHER INCOME -----	4.41		4.30	3.40	3.40	
PRIOR PERIOD USER CHARGES -----	2043.47	2167.98	9969.03	10698.39	11768.23	7143.73
PR.PERIOD INC.FROM PROFESS-TAX	1499.76	1454.25	1915.16	1468.14	1630.58	1307.56
SUB TOTAL	173899.45	162738.32	203872.85	191933.99	215989.75	168533.14
TOTAL -----	295682.74	288982.86	323095.74	301586.47	338997.13	292906.43


Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:29



SURAT MUNICIPAL CORPORATION

Schedule-3 Revenue Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2021-22

(* In Lacs)

Description	Actual 2018-19	Actual 2019-20	Original 2020-21	Revised 2020-21	Estimate 2021-22	Remarks Actual 2020-21
PAYMENTS & BENEFITS TO EMPLOYEE -----	131201.62	146129.18	160595.74	170399.75	179831.93	154880.16
PRIOR PERIOD EST. EXPS. (SALARY/PENSION)	5465.16	326.97	5000.00	5000.00	2600.00	352.73
SUB TOTAL	136666.78	146456.15	165595.74	175399.75	182431.93	155232.89
ADMN. & GENERAL EXPENSES -----	9910.63	10130.66	14858.99	32394.80	22543.43	23090.00
ELECTRICITY -----	17122.97	19327.57	22005.15	21053.19	22551.90	20157.28
REPAIRS & MAINTAINANCE						
MAINTENANCE OF LAND -----	6.51		20.00			
R & M BUILDING -----	2305.97	1977.64	2364.14	1664.89	2206.24	1133.08
R & M PUBLIC PLACES -----	921.82	489.29	837.26	462.02	604.76	286.11
R & M ROADS, BRIDGES -----	6715.96	7592.33	8284.95	5998.81	6489.69	5684.05
R & M SEWERAGE & DRAINAGE -----	2702.52	1547.26	2600.00	2286.00	3293.00	1870.90
R & M WATER SUPPLY -----	1469.15	1067.02	1436.85	820.49	928.85	936.61
R & M PLANTS-MACHINERIES-EQUI. -----	5936.08	7821.77	8615.00	8393.67	9075.50	7170.55
R & M VEHICLES & TRANS. EQUI. -----	302.49	56.97	295.72	166.61	188.62	59.65
R & M OFFICE EQUIPMENTS -----	31.62	39.31	69.09	81.34	80.41	41.24
R & M FURN.-FIXT.-FITTINGS -----	71.78	23.49	85.37	64.69	67.34	8.64
UPKEEP OF LIVESTOCK -----	62.64	104.87	105.00	100.00	100.00	63.07
CONSUMABLE STORES -----	2667.11	2448.98	3031.60	2695.92	3131.90	1615.97
SERV. & PROG. RELTD. EXPEN. -----	18753.88	23257.68	28539.18	25469.75	27200.88	20878.76
PRIOR PERIOD MISC. EXP.	0.28		10.00	5.00	5.00	
SUB TOTAL	41947.81	46426.61	56294.16	48209.19	53372.19	39748.63
GRANTS/CONTRIBUTION -----	12649.88	13320.94	20666.57	15415.56	24988.98	11140.44
DEPRECIATION -----	43113.21	45506.71	40000.00	40000.00	44000.00	49726.67
OTHER EXPENSES -----						
FINANCE CHARGE -----	1376.74	2776.36	3243.20	4474.70	3289.65	4326.90
SUB TOTAL	1376.74	2776.36	3243.20	4474.70	3289.65	4326.90
TOTAL -----	262788.02	283945.00	322663.81	336947.19	353178.08	303422.81

Pmedh
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:29



SURAT MUNICIPAL CORPORATION

Schedule-4 Capital Income

CONSOLIDATED BUDGET SUMMARY 2021-22

(In Lacs)

Yearly

Description	Actual 2018-19	Actual 2019-20	Original 2020-21	Revised 2020-21	Estimate 2021-22	Remarks Actual 2020-21
BETTERMENT CHARGE/AMINITE FEE -----	4117.78	2551.73	4224.60	1822.02	3565.14	1137.72
NON-REFUND.REGIST.PREMIUM FEE -----	150.02	56.09	315.01	213.57	441.00	8.19
INSTALLMENT ON SALES OF FIXED ASSETS -----	34941.33	10157.53	63832.71	20555.69	55345.20	9011.06
IMPACT FEE	67.30	69.17	121.00	106.00	121.00	33.38
INFRASTRUCTURE INCOME	268.39	46.00	292.80	258.68	95.58	4.17
SUB TOTAL	39544.82	12880.52	68786.12	22955.96	59567.92	10194.52
GRANTS						
CAPITAL GRANTS,CONTBRU.& SUBSIDIES -----	11963.92	23533.33	29176.75	31427.00	34562.05	20657.42
JNNURM GRANT	2003.05		286.00	286.00		
CENTRAL GOVERNMENT GRANT/CONTRIBUTION	13784.80	11793.25	31199.60	29141.41	29833.60	11163.20
STATE GOVERNMENT GRANT/CONTRIBUTION	12755.80	8426.26	25367.41	12458.54	28133.60	7018.06
SWARNIM JAYANTI (SJMMSVY)	54527.48	56812.31	61000.00	62000.00	83000.00	60730.99
AMRUT GRANT	7820.40	27211.80	5000.00	1900.00	357.00	1148.00
SUB TOTAL	102855.45	127776.95	152029.76	137212.95	175886.25	100717.67
TOTAL -----	142400.27	140657.47	220815.88	160168.91	235454.17	110912.19

B. N. Chaudhary
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:29



SURAT MUNICIPAL CORPORATION

Schedule-5 Capital Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2021-22

(' In Lacs)

Description	Actual 2018-19	Actual 2019-20	Original 2020-21	Revised 2020-21	Estimate 2021-22	Remarks Actual 2020-21
LAND & BUILDINGS						
LAND -----	19007.32	3460.32	15530.00	8492.63	15127.70	6333.11
BUILDINGS -----	32489.95	42774.78	74833.89	28661.71	61927.83	27528.21
PUBLIC PLACES -----	4054.84	4102.91	9401.75	3470.73	8154.61	1437.72
SUB TOTAL	55552.11	50338.01	99765.64	40625.07	85210.14	35299.04
ROADS,STREETS & FLYOVERS						
ROADS,STREETS & PAVEMENTS -----	36217.58	34724.83	27878.76	24135.99	40125.60	19195.68
STREET LIGHTS & CABLES -----	1576.85	1249.00	2546.63	1611.27	2855.34	820.65
TRAFFIC ISLANDS & DIVIDERS -----	1162.34	1194.30	1177.60	600.15	631.15	526.12
BRIDGES & CULVERTS -----	10130.69	11139.35	8910.00	6679.00	11457.00	6063.20
SUBWAYS & FLYOVERS -----	21752.25	8070.06	11582.00	9532.50	13263.00	6226.43
OTHER ROADS & BRIDGES -----	636.45	243.51	433.60	205.10	294.10	134.97
SUB TOTAL	71476.16	56621.05	52528.59	42764.01	68626.19	32967.05
SEWERAGE AND STORM WATER DRAINAGE						
SEWERAGE LINES -----	12439.34	5161.90	30892.12	16885.50	41297.26	8440.59
STORM WATER DRAINAGE LINES -----	1419.51	1392.87	3491.23	1414.19	3978.68	756.10
OTHER DRAINAGE LINES -----	7406.36	8455.53	12502.02	6295.57	11164.10	5641.74
SUB TOTAL	21265.21	15010.30	46885.37	24595.26	56440.04	14838.43
WATER SUPPLY -----	5892.53	7422.07	15609.20	7851.96	25994.56	7901.27
RIVER EMBANKMENT SCHEME -----		63.20	380.50	80.50	315.50	6.19
SUB TOTAL	5892.53	7485.27	15989.70	7932.46	26310.06	7907.46
OTHER CAPITAL EXP.						
PLANTS MACH.AND EQUIPMENTS -----	37562.69	54004.19	57835.87	42193.13	53582.90	32837.10
VEHICLES & TRANSPORT EQUIPMENTS -----	2738.80	1290.03	6508.51	1165.85	3964.37	723.90
OFFICE EQUIPMENTS -----	1663.79	762.37	5448.78	2184.24	7513.28	1524.78
FURNITURE, FIXTURE & FITTINGS -----	625.14	471.30	1063.70	1032.02	1519.20	633.72
MISCELLANEOUS FIXED ASSETS -----	1842.72	1489.28	4386.15	2847.56	4224.92	1196.77
SUB TOTAL	44433.14	58017.17	75243.01	49422.80	70804.67	36916.27
TOTAL -----	198619.15	187471.80	290412.31	165339.60	307391.10	127928.25

P. Mach.
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:30



SURAT MUNICIPAL CORPORATION

Schedule-2 Revenue Income

CONSOLIDATED BUDGET SUMMARY 2022-23

(` In Lacs)

Yearly

Description	Actual 2019-20	Actual 2020-21	Original 2021-22	Revised 2021-22	Estimate 2022-23	Remarks Actual 2021-22
TAX REVENUE						
PROPERTY TAX -----	36796.75	38166.96	33126.65	30679.41	33180.34	40579.05
USER CHARGES	74228.59	74782.94	76311.33	74585.27	80652.57	80238.56
OTHER DIRECT TAXES -----	15219.20	11423.39	13569.40	13569.40	14277.60	13901.58
SUB TOTAL	126244.54	124373.29	123007.38	118834.08	128110.51	134719.19
NON TAX REVENUE						
RENT FROM PROPERTY -----	1946.39	2055.14	2179.23	2324.94	2211.17	2294.22
COLLECTION FROM PUBLIC PLACES -----	3619.04	539.46	6152.45	2894.24	9000.11	1968.07
REALIZATION UNDER SPL. STATUES -----	67.02	41.70	116.45	100.08	63.70	83.34
PUBLIC SERVICE CHARGES & FEES -----	57332.06	38058.47	69375.57	72806.17	85197.46	74061.09
GRANTS-CONT.-SUBSIDIES -----	84169.67	105661.82	101588.45	126828.68	110988.56	108653.90
INTEREST INCOME -----	5254.50	3099.63	2775.00	3772.51	2234.83	3386.58
SALE PROCEEDS -----	341.76	381.55	992.71	797.73	961.82	539.54
MISCELLANEOUS INCOME -----	1771.09	1221.42	1304.16	1525.43	1142.28	2940.48
PRIOR PERIOD INCOME -----						
PROPERTY TAX -----	4614.56	9022.66	18103.52	17592.48	18706.20	4983.40
OTHER INCOME -----			3.40	3.20	3.20	1.80
PRIOR PERIOD USER CHARGES -----	2167.98	7143.73	11768.23	10878.85	11920.17	1584.50
PR.PERIOD INC.FROM PROFESS-TAX	1454.25	1307.56	1630.58	1630.58	1722.38	1833.49
SUB TOTAL	162738.32	168533.14	215989.75	241154.89	244151.88	202330.41
TOTAL -----	288982.86	292906.43	338997.13	359988.97	372262.39	337049.60

P. modh
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:30



SURAT MUNICIPAL CORPORATION

Schedule-3 Revenue Expenditure

CONSOLIDATED BUDGET SUMMARY 2022-23

(` In Lacs)

Yearly

Description	Actual 2019-20	Actual 2020-21	Original 2021-22	Revised 2021-22	Estimate 2022-23	Remarks Actual 2021-22
PAYMENTS & BENEFITS TO EMPLOYEE -----	146129.18	154880.16	179831.93	181146.50	187478.64	160960.01
PRIOR PERIOD EST. EXPS. (SALARY/PENSION)	326.97	352.73	2600.00	2600.00	3004.00	1708.07
SUB TOTAL	146456.15	155232.89	182431.93	183746.50	190482.64	162668.08
ADMN.& GENERAL EXPENSES -----	10130.66	23090.00	22543.43	32212.52	21825.56	26650.02
ELECTRICITY -----	19327.57	20157.28	22551.90	23421.25	24642.40	22376.15
REPAIRS & MAINTAINANCE						
R & M BUILDING -----	1977.64	1133.08	2206.24	2761.40	2652.19	2145.87
R & M PUBLIC PLACES -----	489.29	286.11	604.76	551.75	793.96	431.21
R & M ROADS,BRIDGES -----	7592.33	5684.05	6489.69	11337.70	8595.60	14086.75
R & M SEWERAGE & DRAINAGE -----	1547.26	1870.90	3293.00	2596.14	5048.00	1901.83
R & M WATER SUPPLY -----	1067.02	936.61	928.85	924.50	962.35	1120.26
R & M PLANTS-MACHINERIES-EQUI. -----	7821.77	7170.55	9075.50	10115.65	11003.02	8940.75
R & M VEHICLES & TRANS.EQUI. -----	56.97	59.65	188.62	138.02	171.22	64.37
R & M OFFICE EQUIPMENTS -----	39.31	41.24	80.41	81.65	109.16	50.02
R & M FURN.-FIXT.-FITTINGS -----	23.49	8.64	67.34	50.19	71.72	12.90
UPKEEP OF LIVESTOCK -----	104.87	63.07	100.00	131.00	176.00	112.90
CONSUMABLE STORES -----	2448.98	1615.97	3131.90	3339.10	3682.35	2493.02
SERV.& PROG. RELTD. EXPEN.-----	23257.68	20878.76	27200.88	30969.83	34142.49	25675.27
PRIOR PERIOD MISC. EXP.			5.00			6850.34
SUB TOTAL	46426.61	39748.63	53372.19	62996.93	67408.06	63885.49
GRANTS/CONTRIBUTION -----	13320.94	11140.44	24988.98	20492.49	27025.50	11531.93
DEPRECIATION -----	45506.71	49726.67	44000.00	43926.67	46123.01	64318.67
OTHER EXPENSES -----						
FINANCE CHARGE -----	2776.36	4326.90	3289.65	5927.20	4005.70	5105.79
SUB TOTAL	2776.36	4326.90	3289.65	5927.20	4005.70	5105.79
TOTAL -----	283945.00	303422.81	353178.08	372723.56	381512.87	356536.13

mod
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:30



SURAT MUNICIPAL CORPORATION

Schedule-4 Capital Income

CONSOLIDATED BUDGET SUMMARY 2022-23

(In Lacs)

Yearly

Description	Actual 2019-20	Actual 2020-21	Original 2021-22	Revised 2021-22	Estimate 2022-23	Remarks Actual 2021-22
BETTERMENT CHARGE/AMINITEES FEE -----	2551.73	1137.72	3565.14	3990.99	2613.51	4705.59
NON-REFUND.REGIST.PREMIUM FEE -----	56.09	8.19	441.00	555.00	325.66	14.96
INSTALLMENT ON SALES OF FIXED ASSETS -----	10157.53	9011.06	55345.20	40846.20	49381.28	23140.36
IMPACT FEE	69.17	33.38	121.00	111.00	111.00	37.30
INFRASTRUCTURE INCOME	46.00	4.17	95.58	135.46	139.75	142.53
SUB TOTAL	12880.52	10194.52	59567.92	45638.65	52571.20	28040.74
GRANTS						
CAPITAL GRANTS,CONTBRU.& SUBSIDIES -----	23533.33	20657.42	34562.05	35301.97	39398.43	9027.94
JNNURM GRANT				286.00		
CENTRAL GOVERNMENT GRANT/CONTRIBUTION	11793.25	11163.20	29833.60	28592.14	34641.00	7584.00
STATE GOVERNMENT GRANT/CONTRIBUTION	8426.26	7018.06	28133.60	11153.00	25161.60	6368.17
SWARNIM JAYANTI (SJMMSVY)	56812.31	60730.99	83000.00	71125.00	119838.00	71433.21
AMRUT GRANT	27211.80	1148.00	357.00	5148.00	4000.00	611.11
SUB TOTAL	127776.95	100717.67	175886.25	151606.11	223039.03	95024.43
TOTAL -----	140657.47	110912.19	235454.17	197244.76	275610.23	123065.17

Rnod
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:30



SURAT MUNICIPAL CORPORATION

Schedule-5 Capital Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2022-23

(' In Lacs)

Description	Actual 2019-20	Actual 2020-21	Original 2021-22	Revised 2021-22	Estimate 2022-23	Remarks Actual 2021-22
LAND & BUILDINGS						
LAND -----	3460.32	6333.11	15127.70	5456.41	10105.79	3678.76
BUILDINGS -----	42774.78	27528.21	61927.83	44414.87	88803.18	41322.08
PUBLIC PLACES -----	4102.91	1437.72	8154.61	4032.38	14599.85	2813.08
SUB TOTAL	50338.01	35299.04	85210.14	53903.66	113508.82	47813.92
ROADS,STREETS & FLYOVERS						
ROADS,STREETS & PAVEMENTS -----	34724.83	19195.68	40125.60	28876.59	37473.35	32684.64
STREET LIGHTS & CABLES -----	1249.00	820.65	2855.34	2933.52	3968.90	2139.66
TRAFFIC ISLANDS & DIVIDERS -----	1194.30	526.12	631.15	785.10	1046.10	1388.88
BRIDGES & CULVERTS -----	11139.35	6063.20	11457.00	4807.00	7890.00	5373.97
SUBWAYS & FLYOVERS -----	8070.06	6226.43	13263.00	11708.00	12001.00	10918.67
OTHER ROADS & BRIDGES -----	243.51	134.97	294.10	143.56	540.60	46.64
SUB TOTAL	56621.05	32967.05	68626.19	49253.77	62919.95	52552.46
SEWERAGE AND STORM WATER DRAINAGE						
SEWERAGE LINES -----	5161.90	8440.59	41297.26	26410.12	45769.47	26948.61
STORM WATER DRAINAGE LINES -----	1392.87	756.10	3978.68	2486.82	4722.68	2310.28
OTHER DRAINAGE LINES -----	8455.53	5641.74	11164.10	5700.43	7437.10	3970.33
SUB TOTAL	15010.30	14838.43	56440.04	34597.37	57929.25	33229.22
WATER SUPPLY -----	7422.07	7901.27	25994.56	6555.38	23937.20	6273.91
RIVER EMBANKMENT SCHEME -----	63.20	6.19	315.50	73.10	372.00	5.97
SUB TOTAL	7485.27	7907.46	26310.06	6628.48	24309.20	6279.88
OTHER CAPITAL EXP.						
PLANTS MACH.AND EQUIPMENTS -----	54004.19	32837.10	53582.90	42952.69	54443.56	39042.63
VEHICLES & TRANSPORT EQUIPMENTS -----	1290.03	723.90	3964.37	3574.97	9282.94	2288.69
OFFICE EQUIPMENTS -----	762.37	1524.78	7513.28	6238.81	16453.45	2798.86
FURNITURE, FIXTURE & FITTINGS -----	471.30	633.72	1519.20	1227.46	1413.95	959.79
MISCELLANEOUS FIXED ASSETS -----	1489.28	1196.77	4224.92	3584.71	7006.50	1901.30
SUB TOTAL	58017.17	36916.27	70804.67	57578.64	88600.40	46991.27
TOTAL -----	187471.80	127928.25	307391.10	201961.92	347267.62	186866.75

P. Madh
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:32



SURAT MUNICIPAL CORPORATION

Schedule-2 Revenue Income

CONSOLIDATED BUDGET SUMMARY 2023-24

(' In Lacs)

Yearly

Description	Actual 2020-21	Actual 2021-22	Original 2022-23	Revised 2022-23	Estimate 2023-24	Remarks Actual 2022-23
TAX REVENUE						
PROPERTY TAX -----	38166.96	40579.05	33180.34	34879.40	53888.95	44281.37
USER CHARGES	74782.94	80238.56	80652.57	86008.18	112440.03	94104.55
OTHER DIRECT TAXES -----	11423.39	13901.58	14277.60	12639.27	13417.62	14560.13
SUB TOTAL	124373.29	134719.19	128110.51	133526.85	179746.60	152946.05
NON TAX REVENUE						
RENT FROM PROPERTY -----	2055.14	2294.22	2211.17	3308.88	3081.69	3095.24
COLLECTION FROM PUBLIC PLACES -----	539.46	1968.07	9000.11	4089.09	13689.42	2591.27
REALIZATION UNDER SPL. STATUES -----	41.70	83.34	63.70	62.10	62.20	73.67
PUBLIC SERVICE CHARGES & FEES -----	38058.47	74061.09	85197.46	91198.34	97208.49	93493.66
GRANTS-CONT.-SUBSIDIES -----	105661.82	108653.90	110988.56	110193.51	114947.98	91204.16
INTEREST INCOME -----	3099.63	3386.58	2234.83	5139.93	2480.44	3219.23
SALE PROCEEDS -----	381.55	539.54	961.82	1290.55	799.57	1124.24
MISCELLANEOUS INCOME -----	1221.42	2940.48	1142.28	2667.42	1573.00	2176.89
PRIOR PERIOD INCOME -----						
PROPERTY TAX -----	9022.66	4983.40	18706.20	20095.15	22411.68	6741.93
OTHER INCOME -----		1.80	3.20	1.20	1.20	0.09
PRIOR PERIOD USER CHARGES -----	7143.73	1584.50	11920.17	14547.82	14825.59	1954.84
PR.PERIOD INC.FROM PROFESS-TAX	1307.56	1833.49	1722.38	2360.71	2582.36	2594.64
SUB TOTAL	168533.14	202330.41	244151.88	254954.70	273663.62	208269.86
TOTAL -----	292906.43	337049.60	372262.39	388481.55	453410.22	361215.91


Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:32



SURAT MUNICIPAL CORPORATION

Schedule-3 Revenue Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2023-24

(' In Lacs)

Description	Actual 2020-21	Actual 2021-22	Original 2022-23	Revised 2022-23	Estimate 2023-24	Remarks Actual 2022-23
PAYMENTS & BENEFITS TO EMPLOYEE -----	154880.16	160960.01	187478.64	196923.49	209679.42	174348.42
PRIOR PERIOD EST. EXPS. (SALARY/PENSION)	352.73	1708.07	3004.00	3011.50	502.00	2162.10
SUB TOTAL	155232.89	162668.08	190482.64	199934.99	210181.42	176510.52
ADMN. & GENERAL EXPENSES -----	23090.00	26650.02	21825.56	20613.67	16300.51	15661.50
ELECTRICITY -----	20157.28	22376.15	24642.40	25925.60	28717.25	27271.89
REPAIRS & MAINTAINANCE						
MAINTENANCE OF LAND -----				5.00	3.00	1.69
R & M BUILDING -----	1133.08	2145.87	2652.19	3524.64	3595.54	3687.62
R & M PUBLIC PLACES -----	286.11	431.21	793.96	1144.31	1101.06	683.15
R & M ROADS, BRIDGES -----	5684.05	14086.75	8595.60	15201.54	11266.18	15939.96
R & M SEWERAGE & DRAINAGE -----	1870.90	1901.83	5048.00	4212.61	6218.50	4032.54
R & M WATER SUPPLY -----	936.61	1120.26	962.35	1039.83	1008.35	1260.09
R & M PLANTS-MACHINERIES-EQUI. -----	7170.55	8940.75	11003.02	13669.31	11778.17	14530.72
R & M VEHICLES & TRANS.EQUI. -----	59.65	64.37	171.22	193.21	369.31	176.93
R & M OFFICE EQUIPMENTS -----	41.24	50.02	109.16	71.96	105.01	58.94
R & M FURN.-FIXT.-FITTINGS -----	8.64	12.90	71.72	68.62	94.52	26.10
UPKEEP OF LIVESTOCK -----	63.07	112.90	176.00	251.00	276.00	234.02
CONSUMABLE STORES -----	1615.97	2493.02	3682.35	3779.00	3881.15	3249.89
SERV. & PROG. RELTD. EXPEN. -----	20878.76	25675.27	34142.49	42274.79	43605.23	35401.19
PRIOR PERIOD MISC. EXP.		6850.34		287.07	0.80	291.78
SUB TOTAL	39748.63	63885.49	67408.06	85722.89	83302.82	79574.62
GRANTS/CONTRIBUTION -----	11140.44	11531.93	27025.50	21917.90	21493.71	15618.58
DEPRECIATION -----	49726.67	64318.67	46123.01	47883.01	50277.15	70474.24
OTHER EXPENSES -----						
FINANCE CHARGE -----	4326.90	5105.79	4005.70	3524.15	3555.20	3028.42
SUB TOTAL	4326.90	5105.79	4005.70	3524.15	3555.20	3028.42
TOTAL -----	303422.81	356536.13	381512.87	405522.21	413828.06	388139.77

P. Mach
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:32



SURAT MUNICIPAL CORPORATION

Schedule-4 Capital Income

CONSOLIDATED BUDGET SUMMARY 2023-24

(' In Lacs)

Yearly

Description	Actual 2020-21	Actual 2021-22	Original 2022-23	Revised 2022-23	Estimate 2023-24	Remarks Actual 2022-23
BETTERMENT CHARGE/AMINITE FEE -----	1137.72	4705.59	2613.51	3971.70	3965.55	3811.01
NON-REFUND.REGIST.PREMIUM FEE -----	8.19	14.96	325.66	502.00	4491.32	10.62
INSTALLMENT ON SALES OF FIXED ASSETS -----	9011.06	23140.36	49381.28	48452.25	43973.79	34140.33
IMPACT FEE	33.38	37.30	111.00	75.00	71.00	36.10
INFRASTRUCTURE INCOME	4.17	142.53	139.75	576.02	439.02	472.40
SUB TOTAL	10194.52	28040.74	52571.20	53576.97	52940.68	38470.46
GRANTS						
CAPITAL GRANTS,CONTBRU.& SUBSIDIES -----	20657.42	9027.94	39398.43	46986.30	26800.00	12544.91
CENTRAL GOVERNMENT GRANT/CONTRIBUTION	11163.20	7584.00	34641.00	38511.26	23028.51	16921.19
STATE GOVERNMENT GRANT/CONTRIBUTION	7018.06	6368.17	25161.60	38598.15	60431.01	28436.64
SWARNIM JAYANTI (SJMSVY)	60730.99	71433.21	119838.00	100300.00	136200.00	72776.75
AMRUT GRANT	1148.00	611.11	4000.00	4092.00	12000.00	4557.42
SUB TOTAL	100717.67	95024.43	223039.03	228487.71	258459.52	135236.91
TOTAL -----	110912.19	123065.17	275610.23	282064.68	311400.20	173707.37

P. Meach
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:32



SURAT MUNICIPAL CORPORATION

Schedule-5 Capital Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2023-24

(In Lacs)

Description	Actual 2020-21	Actual 2021-22	Original 2022-23	Revised 2022-23	Estimate 2023-24	Remarks Actual 2022-23
LAND & BUILDINGS						
LAND -----	6333.11	3678.76	10105.79	6029.08	20009.25	5017.65
BUILDINGS -----	27528.21	41322.08	88803.18	63130.47	79180.74	63201.82
PUBLIC PLACES -----	1437.72	2813.08	14599.85	4741.41	19838.60	3397.89
SUB TOTAL	35299.04	47813.92	113508.82	73900.96	119028.59	71617.36
ROADS,STREETS & FLYOVERS						
ROADS,STREETS & PAVEMENTS -----	19195.68	32684.64	37473.35	38982.20	35859.25	41472.63
STREET LIGHTS & CABLES -----	820.65	2139.66	3968.90	3208.86	3492.12	2665.42
TRAFFIC ISLANDS & DIVIDERS -----	526.12	1388.88	1046.10	797.49	587.10	864.39
BRIDGES & CULVERTS -----	6063.20	5373.97	7890.00	6930.00	3280.00	7308.30
SUBWAYS & FLYOVERS -----	6226.43	10918.67	12001.00	10321.91	19539.00	10661.55
OTHER ROADS & BRIDGES -----	134.97	46.64	540.60	136.25	484.65	112.20
SUB TOTAL	32967.05	52552.46	62919.95	60376.71	63242.12	63084.49
SEWERAGE AND STORM WATER DRAINAGE						
SEWERAGE LINES -----	8440.59	26948.61	45769.47	33299.81	34669.35	30949.51
STORM WATER DRAINAGE LINES -----	756.10	2310.28	4722.68	3755.53	7437.50	3402.25
OTHER DRAINAGE LINES -----	5641.74	3970.33	7437.10	5677.45	6676.10	4995.20
SUB TOTAL	14838.43	33229.22	57929.25	42732.79	48782.95	39346.96
WATER SUPPLY	7901.27	6273.91	23937.20	21107.36	39847.33	19204.91
RIVER EMBANKMENT SCHEME -----	6.19	5.97	372.00	61.10	2515.50	58.87
SUB TOTAL	7907.46	6279.88	24309.20	21168.46	42362.83	19263.78
OTHER CAPITAL EXP.						
PLANTS MACH.AND EQUIPMENTS -----	32837.10	39042.63	54443.56	44504.38	68982.65	45467.96
VEHICLES & TRANSPORT EQUIPMENTS -----	723.90	2288.69	9282.94	2858.41	10074.15	2383.96
OFFICE EQUIPMENTS -----	1524.78	2798.86	16453.45	10076.73	11503.50	7839.82
FURNITURE, FIXTURE & FITTINGS -----	633.72	959.79	1413.95	534.56	1262.86	281.49
MISCELLANEOUS FIXED ASSETS -----	1196.77	1901.30	7006.50	3992.74	5732.29	2274.08
SUB TOTAL	36916.27	46991.27	88600.40	61966.82	97555.45	58247.31
TOTAL -----	127928.25	186866.75	347267.62	260145.74	370971.94	251559.90

P. Mead
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:33



SURAT MUNICIPAL CORPORATION

Schedule-2 Revenue Income

CONSOLIDATED BUDGET SUMMARY 2024-25

(' In Lacs)

Yearly

Description	Actual 2021-22	Actual 2022-23	Original 2023-24	Revised 2023-24	Estimate 2024-25	Remarks Actual 2023-24
TAX REVENUE						
PROPERTY TAX -----	40579.05	44281.37	53888.95	46818.01	54529.22	47181.33
USER CHARGES	80238.56	94104.55	112440.03	103012.00	117813.86	91568.49
OTHER DIRECT TAXES -----	13901.58	14560.13	13417.62	14417.62	14595.98	13065.79
SUB TOTAL	134719.19	152946.05	179746.60	164247.63	186939.06	151815.61
NON TAX REVENUE						
RENT FROM PROPERTY -----	2294.22	3095.24	3081.69	4652.49	3917.33	2782.76
COLLECTION FROM PUBLIC PLACES -----	1968.07	2591.27	13689.42	13369.50	13493.10	2426.95
REALIZATION UNDER SPL. STATUES -----	83.34	73.67	62.20	112.85	72.20	100.25
PUBLIC SERVICE CHARGES & FEES -----	74061.09	93493.66	97208.49	122484.65	131961.02	119074.25
GRANTS-CONT.-SUBSIDIES -----	108653.90	91204.16	114947.98	113226.38	114730.59	85854.73
INTEREST INCOME -----	3386.58	3219.23	2480.44	3064.31	3612.70	3020.05
SALE PROCEEDS -----	539.54	1124.24	799.57	1474.67	826.46	1199.75
MISCELLANEOUS INCOME -----	2940.48	2176.89	1573.00	2332.22	2098.21	1656.50
PRIOR PERIOD INCOME -----						
PROPERTY TAX -----	4983.40	6741.93	22411.68	23613.17	25732.81	4976.49
OTHER INCOME -----	1.80	0.09	1.20	1.20	1.20	
PRIOR PERIOD USER CHARGES -----	1584.50	1954.84	14825.59	14679.68	16181.44	3703.91
PR.PERIOD INC.FROM PROFESS-TAX	1833.49	2594.64	2582.36	2682.36	2904.00	1666.10
SUB TOTAL	202330.41	208269.86	273663.62	301693.48	315531.06	226461.74
TOTAL -----	337049.60	361215.91	453410.22	465941.11	502470.12	378277.65


Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:33



SURAT MUNICIPAL CORPORATION

Schedule-3 Revenue Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2024-25

(In Lacs)

Description	Actual 2021-22	Actual 2022-23	Original 2023-24	Revised 2023-24	Estimate 2024-25	Remarks Actual 2023-24
PAYMENTS & BENEFITS TO EMPLOYEE -----	160960.01	174348.42	209679.42	215875.66	233658.77	174948.16
PRIOR PERIOD EST. EXPS. (SALARY/PENSION)	1708.07	2162.10	502.00	1501.00	1501.00	644.29
SUB TOTAL	162668.08	176510.52	210181.42	217376.66	235159.77	175592.45
ADMN.& GENERAL EXPENSES -----	26650.02	15661.50	16300.51	18199.53	17146.95	10195.77
ELECTRICITY -----	22376.15	27271.89	28717.25	30653.62	31860.55	26129.55
REPAIRS & MAINTAINANCE						
MAINTENANCE OF LAND -----		1.69	3.00	1.50	1.00	1.00
R & M BUILDING -----	2145.87	3687.62	3595.54	4337.05	4639.49	2878.52
R & M PUBLIC PLACES -----	431.21	683.15	1101.06	892.50	886.01	437.02
R & M ROADS,BRIDGES -----	14086.75	15939.96	11266.18	16037.56	13346.30	10806.20
R & M SEWERAGE & DRAINAGE -----	1901.83	4032.54	6218.50	6509.60	5782.74	5053.22
R & M WATER SUPPLY -----	1120.26	1260.09	1008.35	1432.20	1398.50	1233.54
R & M PLANTS-MACHINERIES-EQUI. -----	8940.75	14530.72	11778.17	17222.71	18378.45	13004.10
R & M VEHICLES & TRANS.EQUI. -----	64.37	176.93	369.31	325.95	392.00	167.15
R & M OFFICE EQUIPMENTS -----	50.02	58.94	105.01	108.56	137.46	78.99
R & M FURN.-FIXT.-FITTINGS -----	12.90	26.10	94.52	49.06	66.57	21.12
UPKEEP OF LIVESTOCK -----	112.90	234.02	276.00	312.00	336.00	227.80
CONSUMABLE STORES -----	2493.02	3249.89	3881.15	3618.98	3771.23	2506.82
SERV.& PROG. RELTD. EXPEN.-----	25675.27	35401.19	43605.23	43786.70	43125.18	35348.60
PRIOR PERIOD MISC. EXP.	6850.34	291.78	0.80	0.20	0.20	
SUB TOTAL	63885.49	79574.62	83302.82	94634.57	92261.13	71764.08
GRANTS/CONTRIBUTION -----	11531.93	15618.58	21493.71	25650.19	33207.53	18518.80
DEPRECIATION -----	64318.67	70474.24	50277.15	50277.15	50779.93	36708.37
OTHER EXPENSES -----						
FINANCE CHARGE -----	5105.79	3028.42	3555.20	4014.80	4205.70	2163.63
SUB TOTAL	5105.79	3028.42	3555.20	4014.80	4205.70	2163.63
TOTAL -----	356536.13	388139.77	413828.06	440806.52	464621.56	341072.65

P. modh
Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:33



SURAT MUNICIPAL CORPORATION

Schedule-4 Capital Income

CONSOLIDATED BUDGET SUMMARY 2024-25

(` In Lacs)

Yearly

Description	Actual 2021-22	Actual 2022-23	Original 2023-24	Revised 2023-24	Estimate 2024-25	Remarks Actual 2023-24
BETTERMENT CHARGE/AMINITES FEE -----	4705.59	3811.01	3965.55	5141.30	4785.55	3613.15
NON-REFUND.REGIST.PREMIUM FEE -----	14.96	10.62	4491.32	1415.00	1015.00	8.06
INSTALLMENT ON SALES OF FIXED ASSETS -----	23140.36	34140.33	43973.79	34374.91	27364.67	28305.46
IMPACT FEE	37.30	36.10	71.00	12.40	25.00	4.07
INFRASTRUCTURE INCOME	142.53	472.40	439.02	952.79	773.92	744.58
SUB TOTAL	28040.74	38470.46	52940.68	41896.40	33964.14	32675.32
GRANTS						
CAPITAL GRANTS,CONTBRU.& SUBSIDIES -----	9027.94	12544.91	26800.00	43612.15	27544.13	20217.52
CENTRAL GOVERNMENT GRANT/CONTRIBUTION	7584.00	16921.19	23028.51	42509.00	13585.90	22958.31
STATE GOVERNMENT GRANT/CONTRIBUTION				6.62	150.00	6.62
STATE GOVERNMENT GRANT/CONTRIBUTION	6368.17	28436.64	60431.01	37779.21	15317.90	35009.93
SWARNIM JAYANTI (SJMMSVY)	71433.21	72776.75	136200.00	142835.47	214000.00	137597.16
AMRUT GRANT	611.11	4557.42	12000.00	75341.82	34367.00	46973.50
SUB TOTAL	95024.43	135236.91	258459.52	342084.27	304964.93	262763.04
TOTAL -----	123065.17	173707.37	311400.20	383980.67	338929.07	295438.36


Chief Accountant,
Surat Municipal Corporation.

Date : 16/02/2024 12:33



SURAT MUNICIPAL CORPORATION

Schedule-5 Capital Expenditure
Yearly

CONSOLIDATED BUDGET SUMMARY 2024-25

(In Lacs)

Description	Actual 2021-22	Actual 2022-23	Original 2023-24	Revised 2023-24	Estimate 2024-25	Remarks Actual 2023-24
LAND & BUILDINGS						
LAND -----	3678.76	5017.65	20009.25	8390.00	18480.00	5411.60
BUILDINGS -----	41322.08	63201.82	79180.74	68671.40	82482.49	46331.73
PUBLIC PLACES -----	2813.08	3397.89	19838.60	8469.52	18458.36	2664.91
SUB TOTAL	47813.92	71617.36	119028.59	85530.92	119420.85	54408.24
ROADS,STREETS & FLYOVERS						
ROADS,STREETS & PAVEMENTS -----	32684.64	41472.63	35859.25	44014.19	54251.25	21552.64
STREET LIGHTS & CABLES -----	2139.66	2665.42	3492.12	3178.25	4273.03	1119.51
TRAFFIC ISLANDS & DIVIDERS -----	1388.88	864.39	587.10	610.64	601.00	299.53
BRIDGES & CULVERTS -----	5373.97	7308.30	3280.00	1004.27	2310.00	449.99
SUBWAYS & FLYOVERS -----	10918.67	10661.55	19539.00	11919.43	13065.00	9405.20
OTHER ROADS & BRIDGES -----	46.64	112.20	484.65	535.70	1012.60	374.24
SUB TOTAL	52552.46	63084.49	63242.12	61262.48	75512.88	33201.11
SEWERAGE AND STORM WATER DRAINAGE						
SEWERAGE LINES -----	26948.61	30949.51	34669.35	45161.33	29668.38	25143.06
STORM WATER DRAINAGE LINES -----	2310.28	3402.25	7437.50	3255.36	10990.77	1235.92
OTHER DRAINAGE LINES -----	3970.33	4995.20	6676.10	7349.14	9714.46	2122.39
SUB TOTAL	33229.22	39346.96	48782.95	55765.83	50373.61	28501.37
WATER SUPPLY -----	6273.91	19204.91	39847.33	43114.21	51647.76	27354.50
RIVER EMBANKMENT SCHEME -----	5.97	58.87	2515.50	800.00	15001.00	
SUB TOTAL	6279.88	19263.78	42362.83	43914.21	66648.76	27354.50
OTHER CAPITAL EXP.						
PLANTS MACH.AND EQUIPMENTS -----	39042.63	45467.96	68982.65	51853.39	81073.08	23365.97
VEHICLES & TRANSPORT EQUIPMENTS -----	2288.69	2383.96	10074.15	9542.79	10975.35	6571.67
OFFICE EQUIPMENTS -----	2798.86	7839.82	11503.50	6737.44	10209.15	3259.80
FURNITURE, FIXTURE & FITTINGS -----	959.79	281.49	1262.86	1774.41	1261.60	479.36
MISCELLANEOUS FIXED ASSETS -----	1901.30	2274.08	5732.29	3939.94	7208.61	1716.95
SUB TOTAL	46991.27	58247.31	97555.45	73847.97	110727.79	35393.75
TOTAL -----	186866.75	251559.90	370971.94	320321.41	422683.89	178858.97

P. Modh
Chief Accountant,
Surat Municipal Corporation.



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Gurugram – 122022 (India)
Tel: +91 124 336 9000
Fax: + 91 124 336 9001

Independent Limited Assurance Statement

To the management of:

Surat Municipal Corporation, a Municipal Corporation constituted under the Bombay Provincial Municipal Corporations Act, 1949 having its head office at Surat Mahanagar Seva Sada, Gordhandas Chokhawala Marg, Muglisara, Surat - 395003

Introduction

We ('KPMG Assurance and Consulting Services LLP') have been engaged by Surat Municipal Corporation ('Issuer') for providing services as Assurance Service Provider, to undertake an independent assurance of their "Green Bond Framework". This report reflects our opinion on conformance of their framework with the Climate Bonds Standard V4.0 issued by the Climate Bond Initiative, London.

Our responsibility is to provide a limited assurance conclusion that is based on our work performed and evidence obtained, nothing has come to our attention to suggest that the "Green Bond Framework" to be used for issuance of green bonds by the Issuer, is not, in all material respects, in accordance with the requirements of the Climate Bonds Standard V4.0.

Issuer's Responsibilities

The Management of the Issuer is responsible for ensuring that the Issuer and their Green Bond Framework complies with the requirements of the Climate Bonds Standard V4.0. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of green bond proceeds.

The Management of the Issuer is also responsible for preventing and detecting fraud and for identifying and ensuring that Issuer complies with laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the document "Green Bond Framework" prepared by the Issuer and to report thereon on selected non-financial disclosures in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the report complies with Green Bond Principles, 2021 in all material respects, as the basis for our limited assurance conclusion.



The firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our understanding of the report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the document "Green Bond Framework" and other engagement circumstances, we have considered the process used to prepare the report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Issuer's process or internal control over the preparation and presentation of the report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report to design assurance procedures that are appropriate in the circumstances.

We planned and performed our work to obtain evidences, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed, which are set out in detail below, were based on our professional judgment and included, as appropriate, inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreement or reconciliation with underlying records. We believe that the procedures we have performed and the evidences we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

To reach our conclusion we:

- Conducted interviews with management and key staff of Issuer responsible for preparing the Green Bond Framework, to obtain an understanding of the processes, systems and controls in place for management of bond proceeds; and
- Reviewed the Issuer's Green Bond Framework that includes processes, systems and controls for –
 - Expected use of Proceeds
 - Process for evaluation and selection of projects and assets



- Management of proceeds by the issuer
- Green Bond Framework and Disclosure Documentation

Scope, Boundary, Characteristics and Limitations

Our scope of assurance included information on material aspects of the above-mentioned Green Bond Framework, based on the requirements of the Climate Bonds Standard V4.0. as listed below:

- Expected use of Proceeds
- Process for evaluation and selection of projects and assets
- Management of proceeds by the issuer
- Green Bond Framework and Disclosure Documentation.

The boundary of the assurance covers the eligible green projects covered under the above-mentioned Green Bond Framework.

Limitations

The assurance scope excludes following:

- Data related to Issuer's financial performance.
- We have not performed any management function for Surat Municipal Corporation (SMC) nor made any decision relating to the services provided by us in the terms of this letter. SMC is responsible for making management decisions, including accepting responsibility for the results of our services.
- Additionally, management of the Issuer is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations and monitoring ongoing activities.
- Data and information outside of the assurance boundary as defined in Green Bond Framework
- The Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Issuer and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.
- Aspects of the Report other than those mentioned under the scope and boundary above.
- Review of legal compliances. The raising of funds under the Green Bonds shall be subject to RBI's approval, other statutory authority or Government approvals which is the sole responsibility of the issuer.
- Our scope and associated responsibility exclude for the avoidance of doubt, any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project, and accordingly we express no opinion thereon. We have also not verified any likelihood, timing or effect of possible future oriented information and commercial risks associated with the



Report, nor comment upon the possibility of any financial projections being achieved. We have relied on the data furnished by the Issuer and have not independently verified the information or efficacy and reliability of the Issuer's information technology systems, technology tools / platforms or data management systems.

Additionally, management of the Issuer is responsible for designating a management-level individual or individuals responsible for overseeing the services provided, evaluating the adequacy of the services provided, evaluating any findings or recommendations and monitoring ongoing activities.

Our scope and associated responsibility exclude, for the avoidance of doubt, any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project, and accordingly we express no opinion thereon. We have also not verified any likelihood, timing or effect of possible future oriented information and commercial risks associated with the Report, nor comment upon the possibility of any financial projections being achieved. We have relied on the data furnished by the Issuer and have not independently verified the information or efficacy and reliability of the Issuer's information technology systems, technology tools/platform or data management systems.

Conclusion

The following conclusion is based on the work performed, evidence obtained, and the scope of our assurance engagement described above.

Nothing has come to our attention to suggest that the "Green Bond Framework" to be used for issuance of green bonds by the Issuer, is not, in all material respects, conforming to the pre-issuance requirements of the Climate Bonds Standard V4.0.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Issuer for any purpose or in any context. Any party other than the Issuer who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than the Issuer for our work, for this independent limited assurance statement, or for the conclusions we have reached.

Our report is released to the Issuer on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Issuer's own internal purposes) or in part, without our prior written consent.

Apurba Mitra

Partner

KPMG Assurance and Consulting Services LLP

28/02/2025

Green Bond Framework for Surat Municipal Corporation

1. Background and introduction to Surat Municipal Corporation

Surat is situated in the western region of India within the state of Gujarat. It is the second-largest city in the state after Ahmedabad with a population of 6,081,322 as per Census 2011. Recognized as one of India's most dynamic urban centres, Surat boasts a remarkable pace of growth primarily attributed to significant immigration from diverse regions of Gujarat and other states across the nation.

Surat Municipal Corporation (SMC) was established in 1966 as per the Bombay Provincial Municipal Act, 1949. Mandated with essential and discretionary functions, the Corporation has played a vital role in the evolution of Surat into a vibrant and dynamic urban centre that prioritises autonomy and sustainability along with the provision of basic amenities that can enhance the citizen's quality of life.

The Surat Municipal Corporation is committed to customer satisfaction and excellence and employs various methods to achieve this objective. It is dedicated to fulfilling its mission by providing civic amenities and promoting an administration that is responsive, contemporary, straightforward, accountable, and transparent. The Corporation is mandated to provide the following services for the city:

1. Water Supply and Sanitation
2. Sewerage System
3. Solid Waste Management
4. Road Development
5. Health Coverage for All
6. Primary Education
7. Fire Service
8. Urban Planning and Development
9. Places of Recreation

Context for Surat Municipal Corporation's Green Bonds

As part of the Paris Agreement 2015, India has adopted ambitious Nationally Determined Contributions (NDCs). The NDC targets announced in 2015 aim to reduce the emission intensity of the country's GDP by 33-35% by 2030 as compared to 2005 levels and increase the share of non-fossil fuel-based energy resources to 40% of installed electric power capacity by 2030. In addition, the NDC seeks to create an additional carbon sink of 2.5-3 billion tones of CO₂ equivalent through increased forest and tree cover by 2030. The Hon'ble Prime Minister has further enhanced this ambition to address climate change at COP 26. Achieving these commitments will require a

significant level of investment. Green Bonds have been identified as one of the instruments for mobilizing resources for green and climate-positive infrastructure.

Aligned with the Government of India's commitment, SMC is dedicated to fostering sustainable development through the implementation of "green projects." It has also developed **#Amrit Kaal Budget** aligning with the vision of the Government of India, with **seven key priorities**, one of which includes **Green Growth**. SMC has planned several green growth initiatives, including:

1. Development of a roadmap for achieving net zero emissions
2. Partnership with GIZ for green initiatives
3. Budget allocation towards the development of solar power plants and wind power plants
4. Carbon credit generation through solar and wind power generation
5. Procurement of 450 additional electric buses by 2024-25 to achieve the target of 1100 e-buses

For 2023-24, SMC had earmarked Rs 450 crore for "green projects".

SMC envisages financing a few of the infrastructure projects aimed at reducing SMC's carbon footprint by issuing "**green municipal bonds**," for which this Green Framework has been formulated, complying with the International Capital Market Association (ICMA) Green Bonds Principles, the Government of India framework for sovereign green bonds and SEBI's regulations regarding green municipal debt securities. This Green Bond Framework has been prepared with the support of the Indo-German Development Cooperation project, "**Sustainable Urban Mobility- Air Quality, Climate Action and Accessibility (SUM-ACA)**." This project is implemented jointly by the Ministry of Housing and Urban Affairs (MoHUA) and **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH** and commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ)

The objective of this framework is to disclose information related to

1. Use of proceeds,
2. Project selection,
3. Management of proceeds, and
4. Reporting

This information will help investors and banks understand the key characteristics of the identified project.

This green bond framework sets forth SMC's obligation as an issuer of "green municipal bonds". SMC will fulfill all its financial obligations to investors regarding interest and principal payments on the due dates for the bonds issued under this framework. This is based on the security mechanism developed for the protection of bondholder interests. Payments of principal and interest on issuances under this framework are not conditional on the performance of the eligible projects. Investors in bonds issued under this framework do not bear any project-related costs. SMC reserves the right to modify this framework according to international best practices or to comply with the Government of India's environmental priorities and international commitments. Any proposed changes to the Green Bond Framework will be reviewed by an independent Green Bonds verifier.

The following sections provide details regarding the core components of the Green Bond Framework as outlined in the ICMA Green Bonds Principles.

2. Core Components of the Green Bond Framework

2.1 Use of proceeds

To align with India's objective of climate change mitigation, SMC is committed to using resources to develop "Green Projects" that achieve these objectives. The green projects will be screened based on the following principles:

1. Encourages energy efficiency in resource utilisation;
2. Reduces carbon emissions and greenhouse gases;
3. Promote climate resilience and adaptation;
4. Values and improves natural ecosystems and biodiversity, especially according to the SDG principles.

SMC will use the proceeds raised from the issuance of municipal green bonds to finance eligible projects. These projects will be categorised based on the Government of India's green bond framework and fulfil the following criteria:

1. Be aligned with SMC's obligatory functions under the BPMC Act
2. Meet SEBI's criteria for eligible green projects.

Accordingly, the following category of projects has been identified by SMC as eligible for green bond financing –

Green Project Category	Environmental Objective	Eligibility Criteria
Renewable Energy (SDG 7 and 13)	Climate change mitigation	Investments in solar/wind/biomass projects that reduce the use of energy from fossil fuels
Energy Efficiency (SDG 7 and 13)	Climate change mitigation	Design and construction of energy-efficient and energy-saving systems in municipal buildings, including Support for public lighting improvements (such as the use of e.g. LED use).
Clean Transportation (SGD 9, 11 and 13)	Climate change mitigation	Promote public transportation infrastructure, including electrification of public transport (e.g., metro rail systems, electric buses) and related infrastructure development for the same.
Sustainable Water and Waste Management (SDG 6)	Climate change mitigation	Promote energy-efficient pumping systems for water supply, encourage circularity in water use and installation/upgradation of wastewater infrastructure (including transport, treatment, and disposal systems).

		Water resource conservation and flood defence systems such as storm water drainage networks.
Pollution Prevention and Control (SDG 12 and 13)	Climate change mitigation, Environmental protection	Projects targeting the reduction of air emissions, greenhouse gas control, waste management, waste prevention, waste recycling, waste reduction, and energy/emission efficient waste-to-energy systems.

The projects funded by the proceeds from 2024-25 green bond issuances are attached in the annexure given at the end of this document with their estimated impact.

2.2 Evaluation and Selection of Projects:

SMC's goals and objectives towards Climate Change Mitigation and Environmental Protection

As mentioned above, SMC aligns with the Government of India's commitment to sustainable development through the implementation of "green projects," wherein SMC has developed a "Green Budget," identifying various Green Growth Initiatives. Below are certain initiatives and action plans developed by SMC, that align with the climate-related objective of Green Bonds:

1. Development of a roadmap for achieving net zero emissions
2. Development of the Surat Electric Vehicle Policy, 2021
3. Development of a Clean Air Action Plan in 2021
4. SMC created an Energy Efficiency Cell in 2001 with the objective of efficient energy utilization and a reduction of electricity expenses. The Cell works towards identifying energy conservation projects and their feasibility, developing wind power and solar power generation projects, and implementing the activities identified under the "Solar City" Programme of MNRE.
5. SMC is the only city that has developed infrastructure to generate more than 35% of its annual energy consumption through renewable sources
6. SMC has prepared a long-term Water Supply Master Plan to upgrade and modernize water treatment facilities to meet quality standards and ensure sustainable water supply
7. SMC's waste-to-energy projects and initiatives to convert organic waste into biogas or compost after supply.

These goals and plans are integrated into the green bond framework, assuring investors that their funds are being used to support projects that contribute to climate mitigation and adaptation efforts while promoting environmental sustainability and community well-being.

SMC's Rationale for issuing the Debt instrument

1. **Funding Sustainable Infrastructure:** - SMC aims to finance sustainable infrastructure projects that contribute to environmental conservation, renewable energy adoption, and climate resilience in the city. Issuing a green bond allows SMC to raise capital specifically earmarked for these initiatives.
2. **Cost-Effective Financing:** - By tapping into the green bond market, SMCs can access funding at competitive rates, potentially lowering borrowing costs compared to traditional financing options. This enables the municipality to implement projects more efficiently while maximising the impact of its budget.
3. **Enhancing Public Image and Reputation:** - Issuing a green bond demonstrates SMC's commitment to environmental stewardship and sustainable development, enhancing its reputation among investors, stakeholders, and residents. This can attract socially responsible investors and strengthen SMC's standing in the financial markets.
4. **Meeting Regulatory Requirements:** - SMC may be obligated to comply with environmental regulations and mandates related to carbon emissions reduction, waste management, and water quality improvement. Issuing a green bond helps SMCs fulfil these obligations while demonstrating compliance and accountability to regulatory authorities.
5. **Driving Economic Development:** - Investing in green infrastructure projects can stimulate economic growth, create job opportunities, and attract investment in Surat. By issuing a debt instrument dedicated to sustainable initiatives, SMC can catalyse local economic development while addressing environmental challenges.
6. **Addressing Climate Change Risks:** - Surat is vulnerable to climate change impacts, including floods, heat waves, and pollution. Implementing climate-resilient infrastructure and adaptation measures can help mitigate these risks and safeguard the city's residents and assets. Issuing a green bond enables SMC to fund projects that enhance Surat's resilience to climate change.
7. **Demonstrating Leadership in Sustainable Finance:** - By pioneering the issuance of green bonds in the municipal market, SMC sets an example for other cities and municipalities to follow suit. This leadership role not only promotes sustainable finance practices but also positions Surat as a frontrunner in the global transition to a low-carbon economy.

In summary, issuing a debt instrument such as a green bond aligns with SMC's objectives of promoting sustainability, addressing climate change challenges, and fostering inclusive economic growth in Surat. By leveraging the financial markets to fund green projects, SMC can achieve its environmental goals while delivering long-term value to the city and its residents.

Process followed to identify green projects

SMC has formed a **“Green Municipal Bond Committee,”** led by the Municipal Commissioner as Chairperson. The committee includes 4 to 5 members, such as the Deputy Commissioner, City Engineer, Chief Accountant, and Additional City Engineer.

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

SMC identifies potential projects that align with the sectors defined by SEBI as “green,”- which includes renewable energy, energy efficiency, sustainable management of water resources, clean transport, sustainable water, and green buildings. Relevant documents such as project plans, detailed project reports, technical specifications, environmental impact reports, and financial feasibility are reviewed to examine the project’s alignment with the green bonds framework. Multiple stakeholders, such as project developers, consultants, and financial experts, are consulted to examine the robustness of the project and compliance with SEBI guidelines. A thorough due diligence process is conducted to verify the accuracy and reliability of the projects, which includes site visits, technical assessments, and third-party verification, to ensure that the selected projects meet SEBI’s guidelines.

Based on the procedures outlined above, SMC has selected the following projects for financing through the proposed green bond issuance. Also mentioned are the criteria that the selected project falls into as per the Climate Bonds Initiative Standards V4.0. A detailed description of each project, along with their capital costs and expected environmental and social impacts is given in the Appendix.

	Projects
1.	Installation of a 10 MW ground-mounted solar power plant
2.	Installation of a 6.3 MW Wind Power Plant
3.	Development of Kosad depot for electric bus operations
4.	Centralized Solid Waste processing park, including a sanitary landfill cell and relevant infrastructure
5.	Augmentation and improved water supply systems to the city

Environmental management plan during the execution of projects:

During the execution phase, SMC remains steadfast in its dedication to implementing environmentally responsible practices. The following highlights essential measures undertaken by SMC to uphold environmental commitments throughout construction.

<u>Stakeholder Engagement and Consultation</u>	Identify stakeholders, including local communities, regulatory agencies, and other relevant parties. Establish mechanisms for ongoing communication, consultation, and feedback. Incorporate stakeholder input into decision-making processes.
<u>Environmental Risk Assessment:</u>	Conduct a comprehensive assessment of the potential environmental impacts associated with each project component. Develop strategies to mitigate and manage the identified risks.
<u>Site Management:</u>	Create buffer zones to protect environmentally sensitive areas. Deploy measures to control sediment and erosion, mitigating soil runoff. Efficiently handle construction waste by employing recycling and responsible disposal methods.
<u>Water Resource Management:</u>	Enforce strategies to avert water contamination, encompassing runoff supervision and sedimentation basins. Oversee and regulate water consumption during construction activities.

<u>Air Quality Management:</u>	Control dust emissions using water spraying, dust screens, and other appropriate measures. Utilise low-emission equipment and vehicles whenever feasible.
<u>Energy Efficiency and Carbon Footprint Reduction:</u>	Implement energy-efficient technologies and practices to minimize energy consumption. Develop strategies to monitor and reduce greenhouse gas emissions throughout the project lifecycle.
<u>Natural Resource Management:</u>	Implement measures to conserve water resources, including water recycling and rainwater harvesting. Protect sensitive ecosystems and biodiversity through habitat conservation and restoration. Minimise soil erosion and land degradation through erosion control measures and sustainable land use practices.
<u>Waste Management and Pollution Control</u>	Implement measures to minimize waste generation and promote recycling and reuse. Ensure proper handling, storage, and disposal of hazardous materials.
<u>Community and Social Impact Mitigation:</u>	Maintain regular communication with the local community about construction activities and potential impacts. Address community concerns promptly and transparently.
<u>Emergency Preparedness and Response</u>	Develop emergency response plans to address potential environmental incidents or accidents. Provide training for project staff on emergency procedures and protocols. Coordinate with local emergency services and regulatory authorities to ensure a timely and effective response.
<u>Monitoring and Reporting:</u>	Establish procedures for evaluating the effectiveness of environmental management measures. Implement corrective actions and adaptive management strategies based on monitoring data and feedback. Continuously review and update the Environmental Management Plan to reflect changing conditions and emerging best practices. Ensure transparency and accessibility of environmental information to stakeholders and regulatory authorities.
<u>Environmental Training:</u>	Provide environmental awareness training for construction personnel. Foster a culture of environmental responsibility
<u>Legal and Regulatory Compliance</u>	Identification of all applicable environmental laws, regulations, and permits. Procedures for obtaining necessary permits and ensuring compliance throughout the project's lifecycle.

2.3 Monitoring mechanisms for impact assessment

An appointed Executive Engineer will oversee green bond framework projects, including evaluating and monitoring project progress at every level. An annual audited report will be submitted to SEBI by SMC, which will provide the following details:

1. Utilisation of funds
2. Project development stage
3. Impact of the projects as per the indicators mentioned above

The officer will conduct comprehensive assessments independently, ensuring diligent oversight and effective management of each project's activities. Their responsibilities encompass thorough evaluation and supervision, ensuring alignment with project objectives and standards. With

executive officers designated from each department, there is enhanced coordination and specialized attention to the unique requirements and goals of the green bond initiatives. Additional monitoring will occur through reporting to various authorities specified in the reporting section below.

2.4 Management of bond proceeds

The net proceeds from the issuance of the Green Financing Instrument will be allocated to finance the identified Green Projects, to be referred as the 'Green Project Portfolio'. The bond proceeds will be transferred to the issue proceeds account by the Clearing Corporation in accordance with SEBI regulations. Thereafter, the proceeds shall be transferred into the designated holding account for these green projects by the banker to the issue after receipt of directions for the said transfer from the merchant banker and registrar. The net proceeds of the debt instrument will be credited to a separate bank account designated as the Green Bond Account so that it is easily identified appropriately documented. The unallocated proceeds will not be allocated to any greenhouse gas-intensive projects that are inconsistent with the delivery of a low-carbon and climate-resilient economy.

Structure accounting system for monitoring green bond proceeds

SMC has a well-laid, fully computerised Internal Double Entry System in place, that shall be used to monitor the changes in the Green Project Portfolio, which will be regularly updated to reflect changes in proceeds financed. SMC is establishing accounts including the Escrow Account, Interest Payment Account, and Sinking Fund Account for servicing the Debentures. SMC had previously issued bonds, creating an exclusive charge on its own revenue and cash flows, and is now extending a first charge to NCD Holders for the present issue. These funds, including those from the Escrow Account, will be prioritised for debt service requirements. Additionally, detailed mechanisms for utilizing funds, maintaining minimum balances, and transferring amounts annually for interest payments and sinking funds are outlined later in this section, ensuring compliance with SEBI regulations.

The proceeds from the green bond will be managed through a separately assigned General Ledger Account Code (GLAC). This code is specifically designated to record and track transactions related exclusively to green bond-funded projects. This structured approach aids in earmarking, managing, and accounting for funding allocated to the nominated projects and assets. Furthermore, it enables the estimation of the share of the Net Proceeds being utilised for financing, ensuring transparency and accurate allocation of funds for the intended environmentally sustainable initiatives.

SMC proposes to use the proceeds from the green bonds for projects that have already been tendered. These projects are currently in progress, and the proceeds from the bond issue will be utilized to support their implementation. SMC, on a best-effort basis, will strive to fully allocate the net proceeds of any Green Finance Instrument within 24 months after the bond issuance to facilitate the utilisation of proceeds from the bond issue. SMC, on a best-effort basis, will strive to fully allocate the net proceeds of any Green Finance Instrument within 24 months (extension shall be granted as per CBS) after issuance as per the Climate Bond Standards (CBS) v4.0. At the end of the allocation period specified in the Certification, SMC will provide a Post-Issuance Verification Report by an Approved Verifier confirming that 100% of the proceeds have been allocated. In the case of any inadvertent delays in project execution, SMC will inform the trustee of the bond issue, stock exchange, SEBI, and Climate Bonds Initiative about any potential delays in the utilisation of proceeds and provide revised timelines for balance fund utilisation and obtain necessary approvals.

Eligible Green Projects financed by net proceeds of any Green Finance Instrument will not be affected by ex-ante changes to the Green Finance Framework and will remain in the Green Portfolio for as long as they meet the Eligibility Criteria prevailing at the time of the raising such Green Finance Instrument and remain internally/virtually allocated to an outstanding Green Finance Instrument.

Structured Payment Mechanism

Surat Municipal Corporation (SMC) is establishing accounts including the Escrow Account, Interest Payment Account, and Sinking Fund Account for servicing the Debentures. The SMC has previously issued Municipal Bonds, creating an exclusive charge on its own revenues and cash flows for the present issuance; SMC is extending a first charge to NCD Holders. These funds, including those from the Escrow Account, will be prioritized for debt service requirements. Additionally, detailed mechanisms for utilizing funds, maintaining minimum balances, and transferring amounts annually for interest payments and sinking funds are outlined, ensuring compliance with SEBI regulations. The Debenture Trustee holds various charges on these accounts, ensuring their proper utilization and management. All accounts are to be maintained with a scheduled commercial bank rated at least AA+. If the bank's rating falls below AA+, funds will be moved with the consent of the Debenture Trustee. Regular reporting to the Debenture Trustee and Rating Agencies is mandated to ensure transparency and compliance. Surat Municipal Corporation allows funds from the Escrow Account (meeting the minimum balance) and the Interest Payment Account (inclusive of the DSRA Amount) to be placed in fixed deposits. These deposits must be with a scheduled commercial bank holding a dual rating of AA+ or higher. Notably, the conditions of these fixed deposits are designed to permit premature withdrawal, providing flexibility in fund management while maintaining liquidity.

Investor Relations and Grievance Redressal:

Arrangements have been made to address investor grievances as expeditiously as possible. The Issuer strives to resolve the investor grievance within 30 days of receiving it. SMC has appointed a Compliance Officer who can be contacted for any pre-issue or post-issue related problems such as non-credit of funds in the DEMAT account, non-receipt of refund orders, interest warrants or cheques, etc. Investors may reach the Compliance Officer at the Issuer's head office, and alternatively, grievances can be emailed to "chiefaccountant@suratmunicipal.org."The Corporation is registered with the SCORES (**SEBI Complaints Redress System**) platform (SCORES ID: COMZ00551) to facilitate online compliant filing.

2.5 Green Bond Reporting

SMC is committed to providing investors and other stakeholders, such as stock exchanges and Climate Bonds Initiative, with transparent reporting on the allocation of proceeds from the green bonds and the environmental and social impact of projects funded by the proceeds, in accordance with SEBI regulations and Climate Bonds Standards V4.0.

Allocation Reporting

1. A statement on the climate-related objectives of the Bond.
2. The list of Nominated projects and assets to which Net Proceeds have been allocated.
3. Utilization of the proceeds of the issue as per tracking by the issuer using internal processes as disclosed in the offer document. This shall be verified by a report of an external auditor.
4. An estimate of the respective shares of the Net Proceeds used for financing and which nominated projects and assets have been reallocated.

5. Details of unutilized proceeds at the end of the reporting period and their deployment in financial securities as per treasury policies stated in the offer document.

Eligibility Reporting

Confirmation that the Nominated projects and assets continue to meet the relevant eligibility requirements applicable when obtaining the Certification.

Information on the environmental characteristics or performance of Nominated projects and assets, which is prescribed by the relevant Sector Criteria.

Impact Reporting

SMC is committed to transparent reporting on the allocation of green bond proceeds and the environmental impact of projects funded by those proceeds. This information will be provided to investors and other stakeholders. **Impact Reporting may include the following details:**

1. Report the impact of the project based on the indicators identified above for the nominated projects till the repayment of the amount raised through green bonds.
2. Provide the methods and the key underlying assumptions for the calculation of the performance indicators and metrics.

Reporting Authorities:

1. Trustee of the Issue
2. Registrar of the Issue
3. Credit Rating Agencies for the Issue
4. Auditors of the Issue
5. Securities and Exchange Board of India (SEBI)
6. Climate Bond Initiative (CBI)
7. Green Bond Framework Verifier (KPMG India)
8. Government of India (GOI) for overall project monitoring (water project) through the AMRUT 2.0 portal

3. External Verification/ Certification

To ensure its Green Finance Issuance meets SEBI regulations and Climate Bonds Standards, SMC will engage KPMG Assurance and Consulting Services LLP (KPMG India) for pre-issuance verification.

Pre-Issuance Verification

KPMG India will provide a verifier's report on the Green Financing Instruments' conformance with SEBI's requirements as outlined in circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/023 dated February 06, 2023.

Post-Issuance Verification and Certification

Following issuance, SMC will engage an accredited verifier to conduct a post-issuance review to assess:

1. Allocation of proceeds usage
2. Ongoing eligibility of projects and assets
3. Adequacy and effectiveness of the Issuer's internal controls and systems
4. Management of unallocated funds

Based on a successful post-issuance review, SMC will then seek certification from the Climate Bonds Initiative, verifying adherence to the established Green Finance Framework.

Disclaimer

This Green Finance Framework (this “Framework”) is intended to provide non-exhaustive and general information. The information contained in this Framework does not purport to be comprehensive. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Surat Municipal Corporation (“SMC”) and unless differently specified in this Framework, the information contained in this Framework has not been independently verified by any independent third party. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by SMC as to the fairness, accuracy, reasonableness or completeness of such information. This Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. You are cautioned not to place undue reliance on the forward-looking statements (as well as information and opinions) contained herein, which are made only as of the date of this document and are subject to change without notice. No representation is made as to the suitability of any Green Bonds or loans to fulfil environmental and sustainability criteria required by

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Appendix

Project 1: Installation of 10 MW (AC) ground mounted Solar power plant

Contribution to Sustainable Development Goal 7: Access to Sustainable and Modern Energy

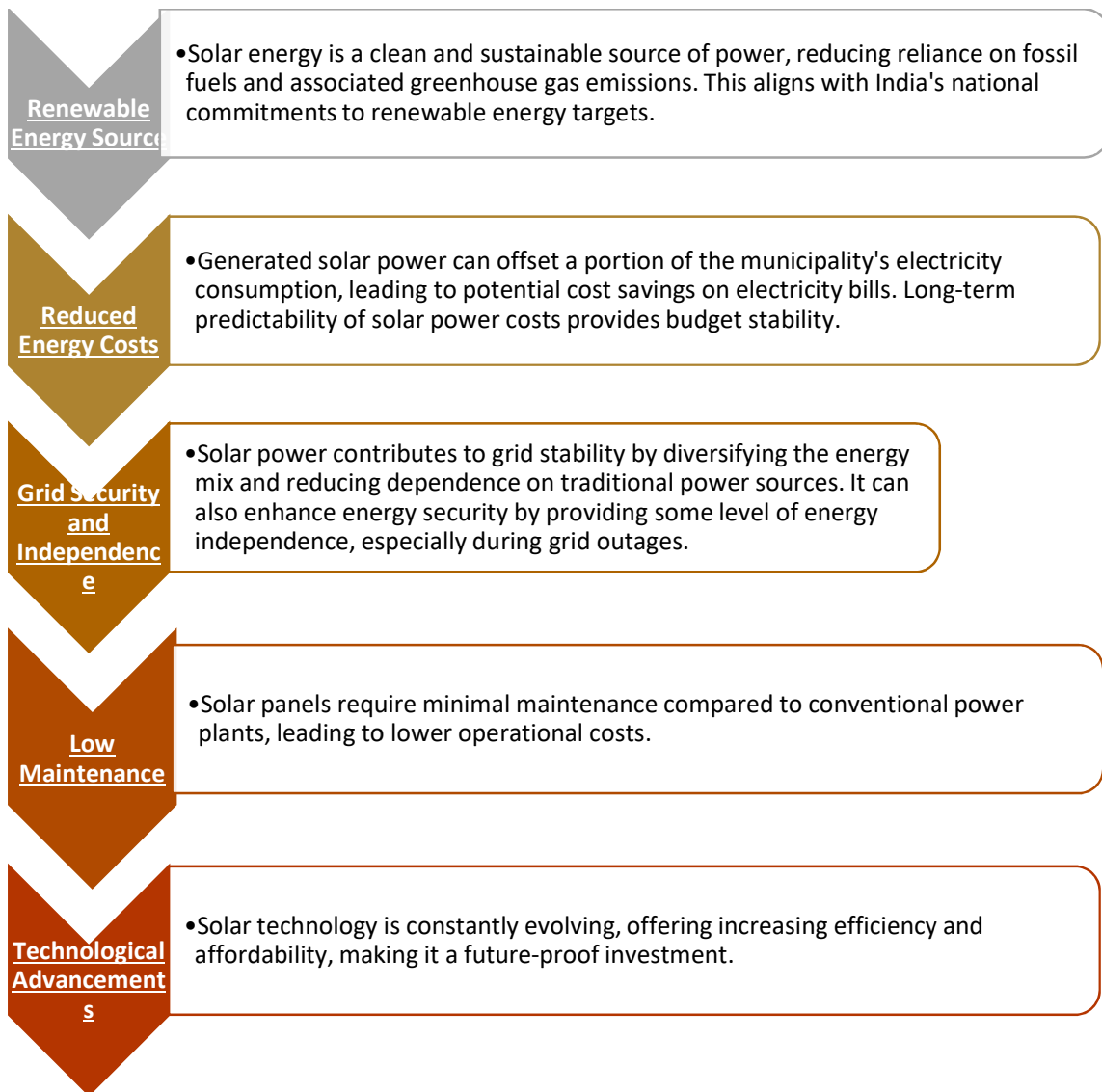
Contribution to National Mission/ Scheme: National Solar Scheme

Process and technology: Solar Photovoltaic Based Mono PERC Solar Technology comprising of solar modules, Solar Inverter, Transformer, Transmission Line, DC Cables, AC Cables, Earthing etc

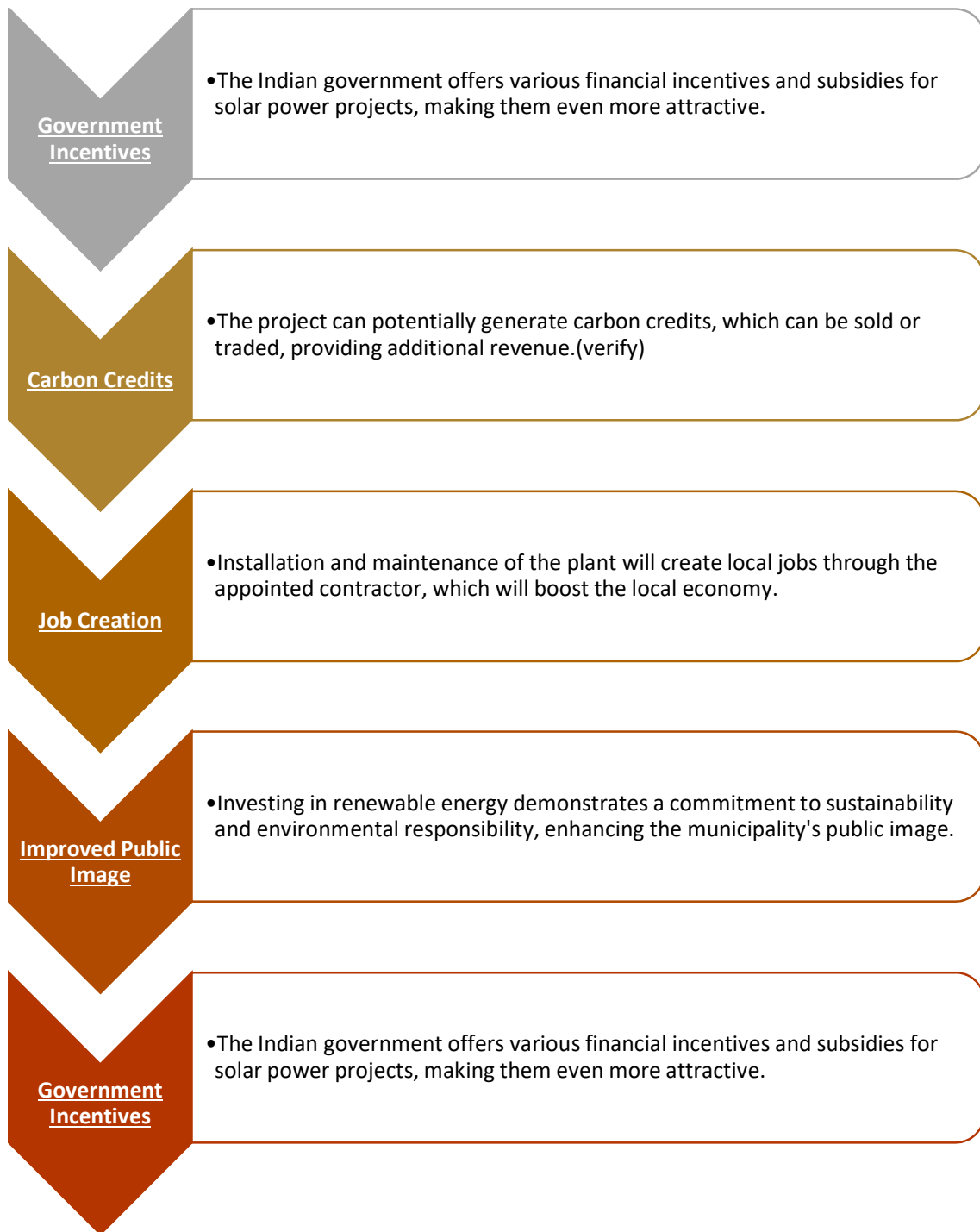
Approved project cost (Rs cr.)	SMC contribution / Grants (Rs cr.)	Borrowing through green bonds (Rs cr.)
55.56	25.56	30.00

SMC intends to install a 10 MW Solar Power Plant using the proceeds from green bonds. The Contractor employed will be responsible for the procurement and installation of the solar panels at the identified location and maintain it for the next 10 years. Additionally, Surat Municipal Corporation (SMC) has earmarked funds in its budget for a floating Solar Power Plant, estimated to cost Rs 0.20 crores. These initiatives underline Surat's commitment to expanding its renewable energy infrastructure and promoting sustainable development.

Technical Advantages:



Economic Advantages:



The project aims to install non-fossil fuel-based energy resources. The implementation of the project will support the Government of India in achieving its NDC targets and also cater to Sustainable Development Goal 7. Further, the project can also generate carbon credits, which can be sold in voluntary markets and generate further revenue. The table below provides the expected environmental and social impact of the project.

Installed renewable energy installed (MW)	10 MW
Annual renewable energy generated (MWh)	17.32 GWh
Annual GHG emissions avoided (tCO ₂)	19681.81 tCO ₂

Source: DPR document

Project 2: Installation of 6.3 MW Wind Power Plant

Contribution to Sustainable Development Goal 7: Access to Sustainable and Modern Energy

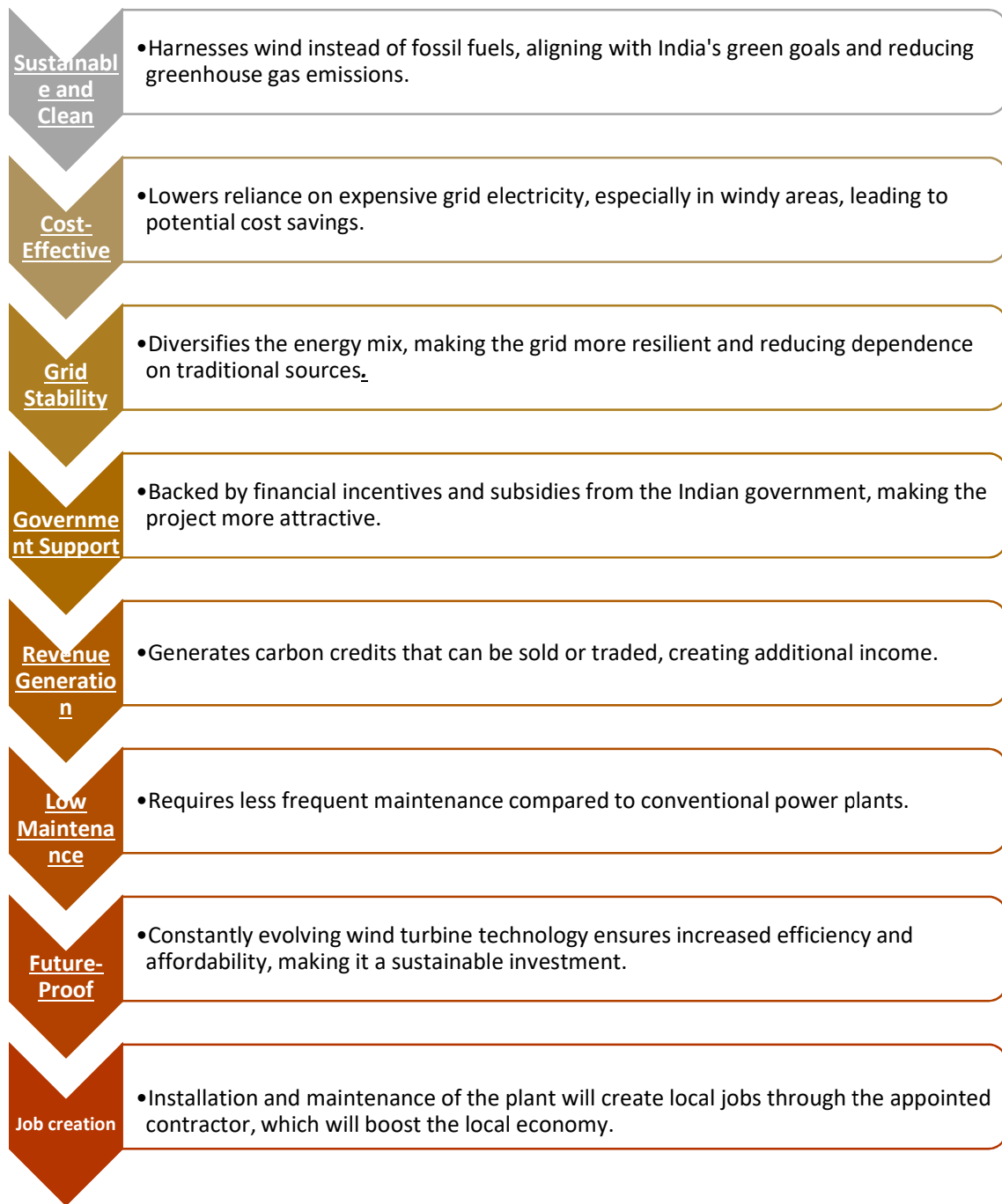
Technology used: Use of wind energy, upwind wind turbines will be used to generate electrical energy. Energy generated will be wheeled to HT connections of the water supply system, sewage disposal system & utilities through long-term Open Access under the “Gujarat Renewable Energy Policy 2023.

Machinery: Wind turbine generators, towers, nacelles, transformers, sub-station and power evacuation systems

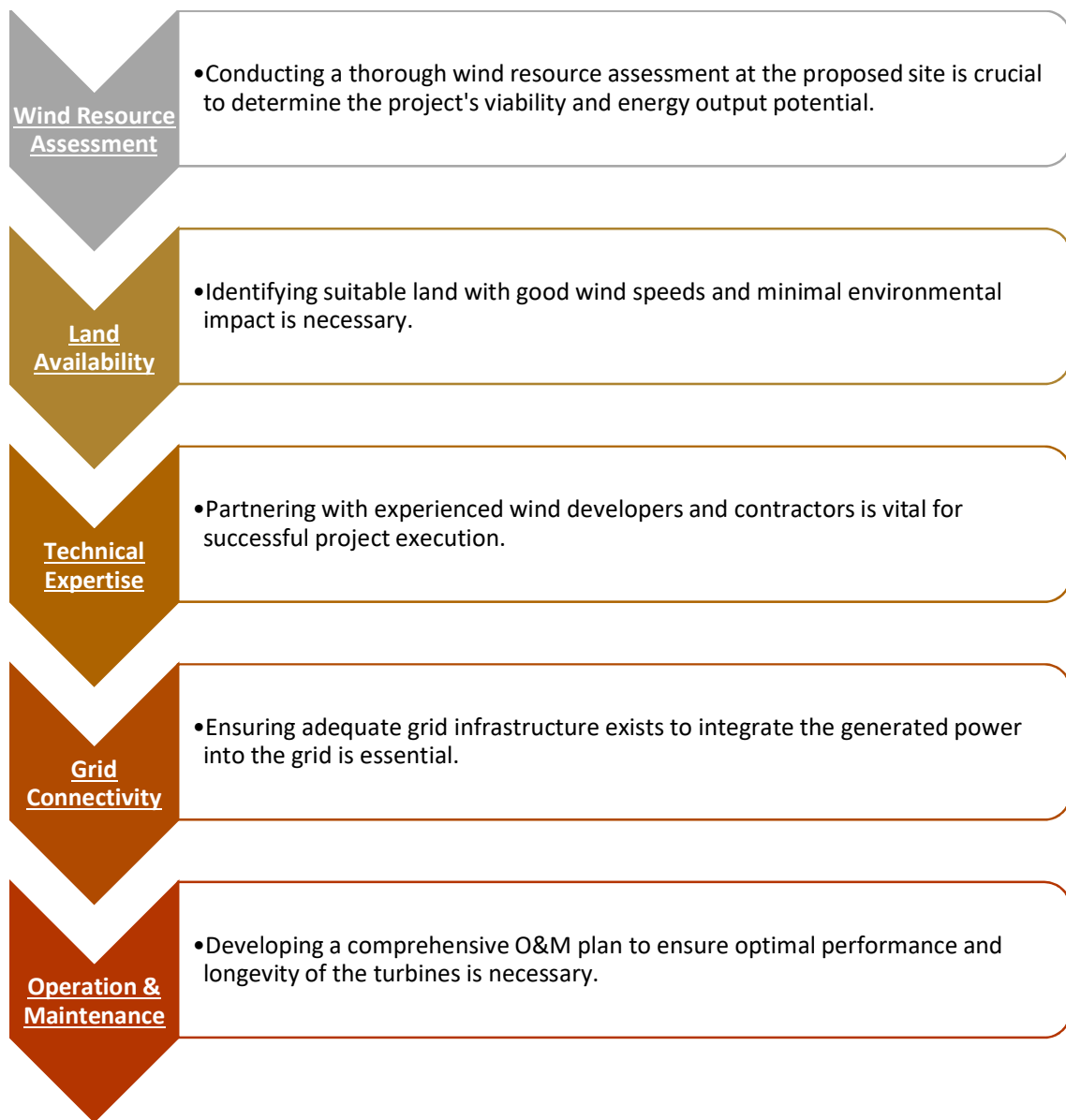
Approved project cost (Rs cr.)	SMC contribution / Grants (Rs cr.)	Borrowing through green bonds (Rs cr.)
56.10	12.28	43.82

The project aims to establish a 6.3 MW capacity wind power plant in Jetpur, Gondal Rajkot. It includes the installation of wind turbine generators, towers, nacelles, transformers, sub-stations, and power evacuation systems, along with a 10-year operations and maintenance plan. The electricity generated will be integrated with the HT connections of water supply systems, sewage disposal systems, and utilities in accordance with the Gujarat Renewable Energy Policy 2023.

Environmental and Economic Benefits:



Evaluation considerations:



The project aims to install non-fossil fuel-based energy resources. The implementation of the project will support the Government of India achieve its NDC targets and also cater to Sustainable Development Goal 7. The below table provides the expected environmental and social impact of the project

Installed renewable energy installed (MW)	6.3 MW
Annual renewable energy generated (GWh)	16.48
Annual GHG emissions avoided (tCO ₂)	18727.27

Source: DPR document

Project 3: Development of Kosad depot for electric bus operations

Contribution to Sustainable Development Goal 11: Sustainable Cities and Communities

Contribution to National Mission/ Scheme: National Electric Vehicle Policy and Surat Electric Vehicle Policy

SMC is moving rapidly towards transitioning to electric vehicles, with an aim to decarbonise the transport sector. Towards this, the Corporation is already operating electric buses and is moving towards including more electric buses and municipal vehicles. Surat Sitilink, which is the public transit agency of Surat, is expected to increase its fleet size of e-buses to 1100 by 2025, with the addition of 450 new electric buses.

This project aims to facilitate the operations of electric buses from the Kosad bus depot. The Kosad depot will cater to the operation of 100 electric buses used for the bus rapid transit system, wherein the buses will be charged, maintained, and parked. The depot will cater to the provision of electric buses as a public transport mode and offer a sustainable mode of transit system to the city and also support in reducing congestion of the city. The addition of these new e-buses will enhance the frequency of the buses to citizens, hence improving the service levels of the bus service, which will facilitate in mode shift to public transport systems and increase the city bus service ridership.

These 100 electric buses, which are to be operated from Kosad depot, will be operated on a Gross Cost Contract (GCC) model, for which a concession agreement between JBM Ecolife Mobility Pvt. Ltd. and Traffic BRTS Project Cell, SMC was signed in August 2023 for 12 years. As per the agreement, JBM Ecolife will be responsible for the procurement, supply, operations, and maintenance of the buses and the charging infrastructure. 23 charging stations would be installed at the depot as part of the project. SMC would be responsible for the provisioning of routes for the bus operations, and handover of maintenance depots for charging of buses and operations of charging infrastructure.¹ For the project, SMC will bear the cost of the e-bus operations, paying the private operator Rs 59.29 per km, which includes the cost of bus operations and charging infrastructure. SMC intends to raise the finances for depot development through green bonds. The below shows the contribution of SMC and the borrowings expected from green bonds for the project. The following components of the depot shall be developed using the green bonds finances:

1. Office building
2. Workshop
3. Parking shed for the electric buses
4. Water tank
5. Site development including landscaping, compound wall, washing platform, security cabin etc.
6. Electrification works
7. Fire system
8. CCTV camera

Annual cost paid by SMC to the private operator	Rs 41.5 crore
SMC Contribution / Grants for depot development	Rs 4.29 crore
Borrowing through Green Bonds	Rs 4.19 crore

¹ The concession agreement says that SMC will provide possession and licenses to the operator to possess a depot at Kosad for e-bus operations

The project will also employ additional drivers, conductors and maintenance staff for the depot as per the agreement.

The project aims towards the development of clean transportation systems for the city of Surat, which will help climate change mitigation. The implementation of the project will support the Government of India achieve its NDC targets, and also cater to Sustainable Development Goal 11, by providing sustainable and affordable means of mobility to all people. The project will also help the city and India achieve the target as per the Electric Vehicle Policy. The below table provides the expected environmental and social impact of the project

Number of people expected to use the public transport system	~60,000 passengers per day (based on current ridership per bus per day)
Number of buses	100
Annual GHG emissions avoided (tCO ₂)	5296 kg CO ₂

Project 4: Centralized Solid Waste processing park including sanitary landfill cell and relevant infrastructure:

Contribution to Sustainable Development Goal 12: Sustainable Consumption and Production Patterns

Contribution to National Mission/ Scheme: Swachh Bharat Mission 2.0- Objective of Garbage free cities

Process and Technology:

1. **Land filling:-** It is a method of disposing of waste on land without disturbing the environment and public health by efficiently utilizing engineering skills to confine them in the smallest practical area possible before reducing the volume by covering them with a layer of earth to ensure the least exposure to the air.
2. **Face tipping method:** Waste is deposited on top of the existing surface and spread horizontally by tipping over an advancing face.
3. **Environmental Monitoring Systems:** Using Tools like various sensors(temp, Oxygen, Carbon dioxide, turbidity, pH) to identify and analyze environmental conditions to assess the impact the project has on surrounding air, soil, water, waste, and noise, as per the requirements of the local environmental regulatory agencies.

Approved project cost (Rs cr.)	SMC contribution / Grants (Rs cr.)	Borrowing through green bonds (Rs cr.)
110.00	33.65	76.35

The main objective of the project is to develop a waste management park for Surat City such that it caters to all the necessary processes of Municipal Solid Waste Management (Treatment and Disposal), and efficiently manages the solid waste generated and treated in the city. To improve the efficiency of the SWM system for the city of Surat, Surat Municipal Corporation (SMC) has engaged to carry out detailed assessment of “Development of Dry Waste & Wet Waste Processing Plant Along with Necessary Infrastructure and its Operation & Maintenance for 10 years as whole at Block No. 197 & 199 at Umber, Surat as Per SWM Rules – 2016 Under Swachh Bharat Mission and Smart City Mission”, This project envisages to construction & operate 4500 TPD MSW processing plant whilst ensuring to efficiently handle and process municipal solid waste (MSW) to achieve maximum resource recovery and minimum waste diversion which shall also include all the necessary

infrastructure components like road, SLF, waste processing plant, leachate treatment plant, water supply, sewer network, power facilities, admin building, weighbridge, infrastructure required to divert rainwater, etc. and operation and maintenance of the waste management park for 10 years. Initially, the incoming waste shall be treated at the Dry and Waste Processing Plant which shall have an average capacity of 3000 TPD (2500 TPD, expandable to 4500 TPD), waste after treatment shall be converted into by products like RDF, compost, recyclables, inert etc. and shall be disposed as per the Municipal Solid Waste Rules and guidelines 2016. The inert (20%) generated after processing of waste shall be then disposed to the Sanitary Landfill Cell proposed within the site. The SLF cell shall have life of around 10 years considering 20% inert waste, and for 20-25 years, considering 10% inert waste (As per SWM Rules) with an approximate area of around 1,13,000 sqm and height of 10 to 12 m. The entire site area is approximately 3,40,000 sqm with 1,10,000 area under the green belt. The project is designed and proposed considering all the effective and efficient ways such that it will cater (treatment and scientific disposal as per MSW rules) the Municipal Solid Waste of the entire Surat city for 10 years.

SMC proposes to raise the finances for the sanitary landfill site through green bonds. The sanitary landfill site includes the following components:

1. Sanitary Landfill Cell:- Non-permeable lining system at the base and walls with liner of composite barrier of 1.5 mm thick high-density polyethylene(HDPE) geo-membrane or geo-synthetic liners, or equivalent, overlying 90cm of soil (clay or amended soil) having permeability coefficient not greater than 1×10^{-7} cm/sec.
2. Leachate Collection and Removal System-(LCRS):-A high permeability drainage layer was placed between the low-permeability liner system and the waste. Other components of the LCRS include its accompanying pipes and sumps and a liquids removal system.
3. Leachate Collection Well:- For collection of leachate from the Sanitary Landfill Cell. Includes Pumping and piping arrangements for treatment of the same in the Leachate Treatment Plant.
4. Leachate Treatment Plant:- It shall be constructed based on Tertiary level treatment using Biological with Ultra Filtration and Reverse Osmosis technology
5. Permanent Gated Structure (Infrastructure development):- For prevention of water accumulation at site.
6. Automated Sprinkler Systems:- For managing odour problems
7. Fire fighting system:-High-pressure water pumps, pipelines, water storage tanks, etc.
8. Machinery:- Excavators (For Excavating Soil),Sheep Foot Vibratory Roller (8-10 ton)(For compacting Soil),Backhoe Loader & Dumper Truck (For Transportation of materials),Blowers, Control Panels & SCADA, Flare Systems

As can be seen, SMC is taking multiple initiatives to ensure effective waste management in the city, reduce GHG emissions from the waste, and prevent land pollution through the development of a scientific landfill site. This project of development of a scientific landfill site at Umber of area 1,13,000 sqm and height of 10 to 12 m, will support the solid waste management strategy of the city, by scientifically handling the waste, which would otherwise go to an open dumpsite. **For the project, SMC has also received the Environmental clearance from the Ministry of Environment, Forest and Climate Change on March 2024.**

Technical Reasoning and Project Evaluation:

1. Improved waste management: Consolidates waste management activities into a central location, improving efficiency and control over waste disposal.

2. Reduced environmental impact-GHG emissions: Sanitary landfill cells with proper liners and leachate management minimize environmental pollution compared to open dumping.
3. Promotes public health: Solid waste can be a breeding ground for bacteria, viruses, and pests that can cause diseases. Proper processing and disposal of solid waste will help to prevent the spread of disease and promote public health.
4. Supports economy: Recycling and composting programs can create new jobs in industries such as manufacturing and agriculture. Effective solid waste processing practices will also reduce costs associated with waste disposal, such as landfill fees, and generate revenue from the sale of recyclable materials.
5. Technology selection: Evaluate various processing technologies considering waste composition, economic viability, and environmental impact.
6. Land availability: Identify suitable land with adequate size, accessibility, and appropriate regulatory clearances.

The project aims to reduce GHG emissions and land and water pollution and improve public health. The implementation of the project will support the Government of India in achieving its NDC targets and also cater to Sustainable Development Goal 12. The table below provides the expected environmental and social impact of the project

Waste diverted to the scientific landfill site	The waste diverted will depend on the inert waste generated. The waste diverted can vary from 10% to 20%, depending on the type of waste and segregation of waste. The waste diverted will vary from 250 to 500 TPD.
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Project 5: Augmentation and improved water supply system to the city

Contribution to Sustainable Development Goals 6 and 11: Sustainable management of water and sanitation for all

Contribution to National Mission/ Scheme: AMRUT 2.0

5.1 Construction of Intake Well

Approved project cost (Rs cr.)	SMC contribution / Grants (Rs cr.)	Borrowing through green bonds (Rs cr.)
87.09	70.76	16.33

The main source of water for Surat is the River Tapi flowing through the city. Surface water is drawn by intake wells from perennial channels of the river throughout the year. Water thus drawn is treated by the water treatment plants and then the same is supplied to the citizens after post-chlorination. Presently, there is an availability of 2193 MLD of surface water-based intake wells meant for drawing surface water at different sources for the SMC area with a total treatment capacity of 1598 MLD. Water from all these sources is taken to treatment plants supplying water to the SMC region. SMC has developed well-established, networked water supply system to supply the drinking water to the Citizens of Surat City. The present gross average daily water supply to the citizens of Surat City is 1250 MLD with a net per capita water supply of 146 litres per day. The population coverage of Surat city is about 97.5% which includes the new area added to the Corporation limits in 2006.

Currently, there is no water source for the newly added area at the new North, West and South-West zone, and is being catered to by tankers. To cater to the current demand and supply gap, the proposed **project of construction of an intake well at Variav of capacity 420 MLD has been developed. The newly added area which will be served with the project will have a 24/7 water supply, with metering.**

The proposed intake well is to be constructed at the summer channel by sinking method, which ensures the availability of water in the hot and dry seasons as well.

Apart from this, by considering the scouring depth of River Tapi which is approximately 15-meter, the foundation level of the intake well is required to be built at (-30) meter depth of River

As per population projection, the project will cater to population:

Area	2025	2030	2037	2052
Amroli, Kosad, Variav	43412	115766	719095	844133
South West Zone-I	47795	127454	509070	627255
South West Zone-II	78668	209782	929330	1130674
Newly added west zone	87036	232095	461260	749850
Newly added north zone	70527	188073	393063	614975
Total	327439	873171	3011818	3966887

Source: Based on the population projection figures provided in the DPR

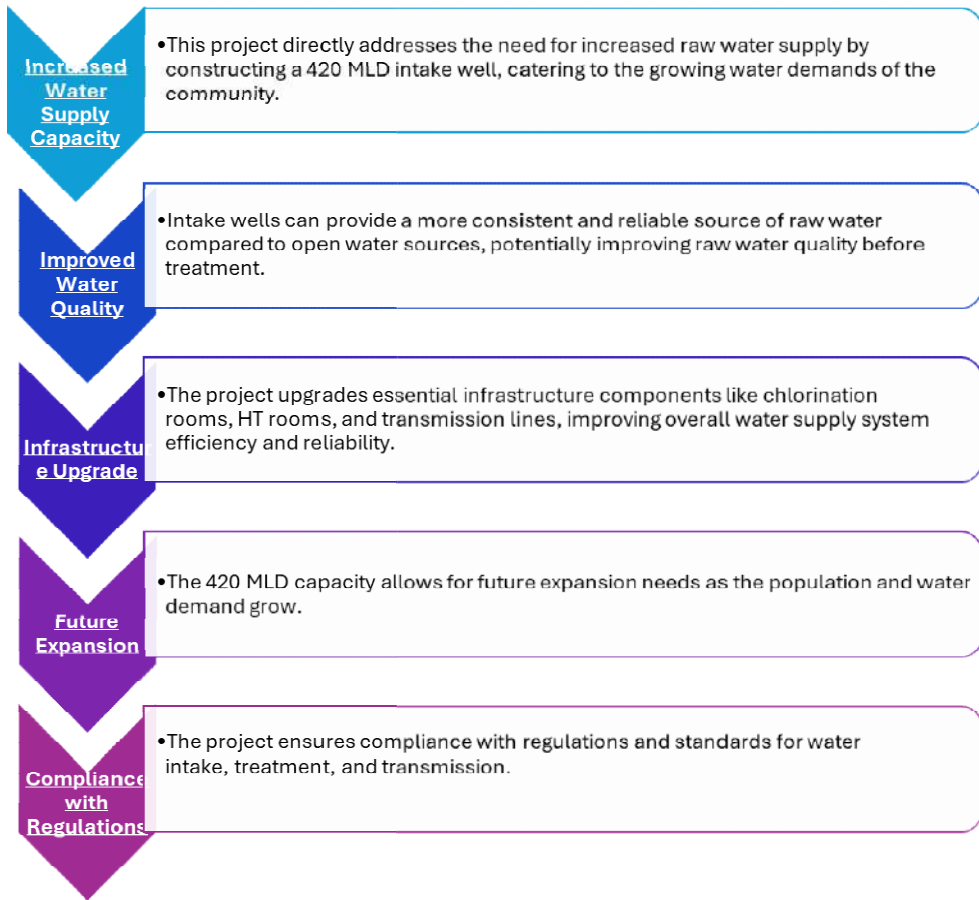
4 pumps of 315 KW will be required to pump the required amount of water to the water treatment plant at Variav. SMC uses energy-efficient pumps and undertakes energy audits every 3 years to check the efficiency, as per its energy policy. Suitable remedial measures are taken in case of any issue.

The plant machinery to be provided is:

Plant machinery:

1. Intake Well: to collect surface water from the river.
2. Approach Bridge: to provide a base for raw water transmission line and maintenance.
3. Chlorination Building: for the pre-chlorination process of raw water.
4. H.T. Room & Transformer Yard: to provide power to plant machinery.
5. Raw water Transmission line: to supply raw water to WTP from the Intake well.

Technical Reasoning:



Project Evaluation:



5.2 Augmentation and upgradation of Water Treatment Plant at Variav and Rander:

Approved project cost for both WTP (Rs cr.)	SMC contribution / Grants (Rs cr.)	Borrowing through green bonds (Rs cr.)
250.07	220.76	29.31

Water Treatment Plant at Variav

As mentioned above, the water pumped from the proposed water intake well is pumped to the water treatment plant at Variav. For this, SMC proposes the development of a 250 MLD water treatment plant at Variav. The water from the intake well shall be joined to convey the raw water to the first unit of WTP. Water is treated by chemical coagulation, and precipitation followed by filtration and disinfection to meet the drinking water standards.

The clarifier sludge and backwash water of filter beds from WTP shall be collected in the dirty water sump and shall be pumped to the thickener feed sump for further treatment. Thickener will receive the dirty water from the 250 MLD treatment plant at Variav. In the RCC gravity sludge thickener; the concentration of sludge will increase from 1% up to 3-4 % by gravity settlement of the inlet solids.

The sludge thickener is designed to achieve a minimum solid concentration of 3-4%. The thickener shall be designed on a solid loading rate of max. 70 kg/sq.m./day with plant inlet turbidity of 100 mg/l. The minimum SWD shall be 4.0 m. The conditioning poly electrolyte shall be added to the thickener for enhancing gravity separation if required with the help of a poly dosing tank & pumps.

The underflow from the sludge thickener shall be collected in thickened sludge sump and pumped through screw pumps to centrifuge, while the supernatant from the thickener shall be collected in the filtrate sump and recycled to the primary unit of the 250 MLD proposed treatment plant. The centrate generated at Centrifuge shall be collected at Dirty Water Sump.

The overflow from the thickener shall be collected in the RCC filtrate Sump. The detention time provided for the filtrate sump shall be 15 minutes.

Filtrate shall be recycled by horizontal/vertical non-clog pumps to the stilling chamber of the proposed treatment plant. ZLD unit recycles almost 100% water which saves up to 10 MLD water and helps the environment by as no wastewater is to be released in drain.

Water Treatment Plant at Rander

Considering the increasing population in the western zone of Surat, the SMC has proposed to augment and upgrade the existing 250 MLD WTP to 360 MLD for the area to cater the area with potable water. The project will also cater to the complaints of colour and odour, which are not achieved by the existing WTP. Thus, a novel proven technology of advanced filtration by Ceramic filters is proposed. The proposed technology will fit in the existing RSF bed of WTP, thereby no new land will be required.

It is proposed to construct preliminary units for the pre-treatment of raw water from the Intake well. After preliminary treatment, the water will be taken for Advanced Ceramic filtration. The post chlorination will be applied after advance filtration and the water will be conveyed to the existing UGSR. The units proposed are as follows:

1. Cascade Aerator
2. Parshall flume
3. Flash mixer & PAC Dosing
4. Pre-Chlorination
5. Advanced Ceramic filtration (will be proposed in the Existing Rapid Sand Filter Bed)
6. Post-Chlorination

Advanced Ceramic Membrane Base Filtration Technology.

Ceramic membrane technology is robust and resilient filtration technology for future-proof plants and is making its mark on municipal water and wastewater treatment while also exploring a variety of industrial and application-based niches. Ceramics have surged to prominence in regional utility markets and have continued to innovate to optimize membrane performance and reduce costs.

Both projects will improve the quality of water, with enhanced performance for indicators such as color, turbidity, and pH value.

Benefits of the Variav project:

Parameters	Units	Average/Normal Limits (Before)	Targeted Parameter(After)
Colour (Apparent excluding turbidity)	Pt Co unit	23	< 15
Turbidity	NTU	5.0	<5.0
pH Value	-	8.1	6.5-8.5
Volume of water collected and/or treated(per year)	MLD	-	91250
Increased water efficiency of water treatment	percentage	-	4%
Number of households that have access to new potable water supply	%	95.22	97.43

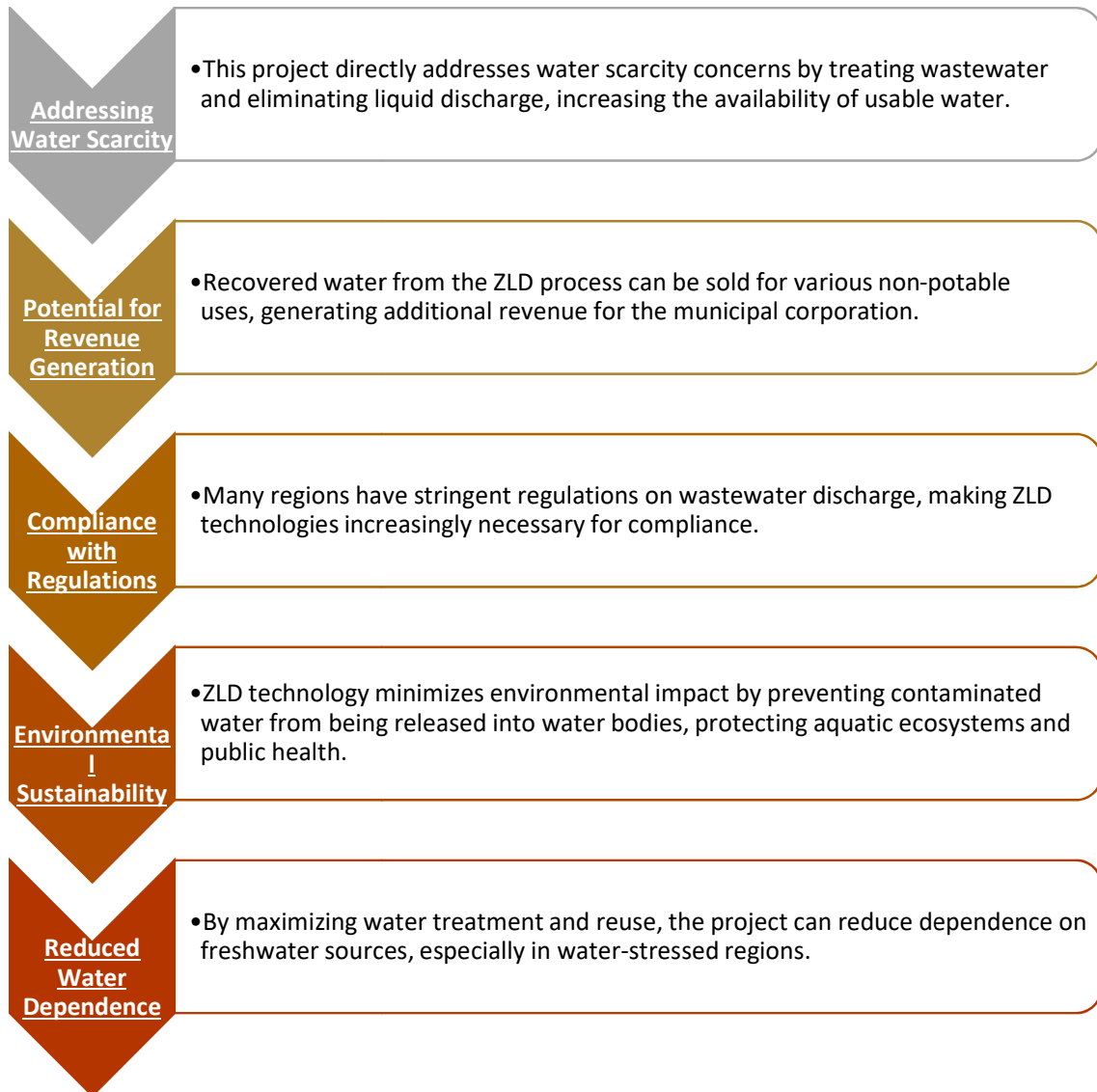
Benefits of Rander plant

Parameters	Units	Average/Normal Limits (Before)	Targeted Parameter(After)
Colour (Apparent excluding turbidity)	Pt Co unit	23	15
Turbidity	NTU	5.0	<5.0
pH Value	-	8.1	6.5-8.5
Turbidity and TSS	NTU/ mg/L	-	<0.5
PFAS Removal	percentage	-	>99%
Volume of water collected and/or treated	MLD	-	58400

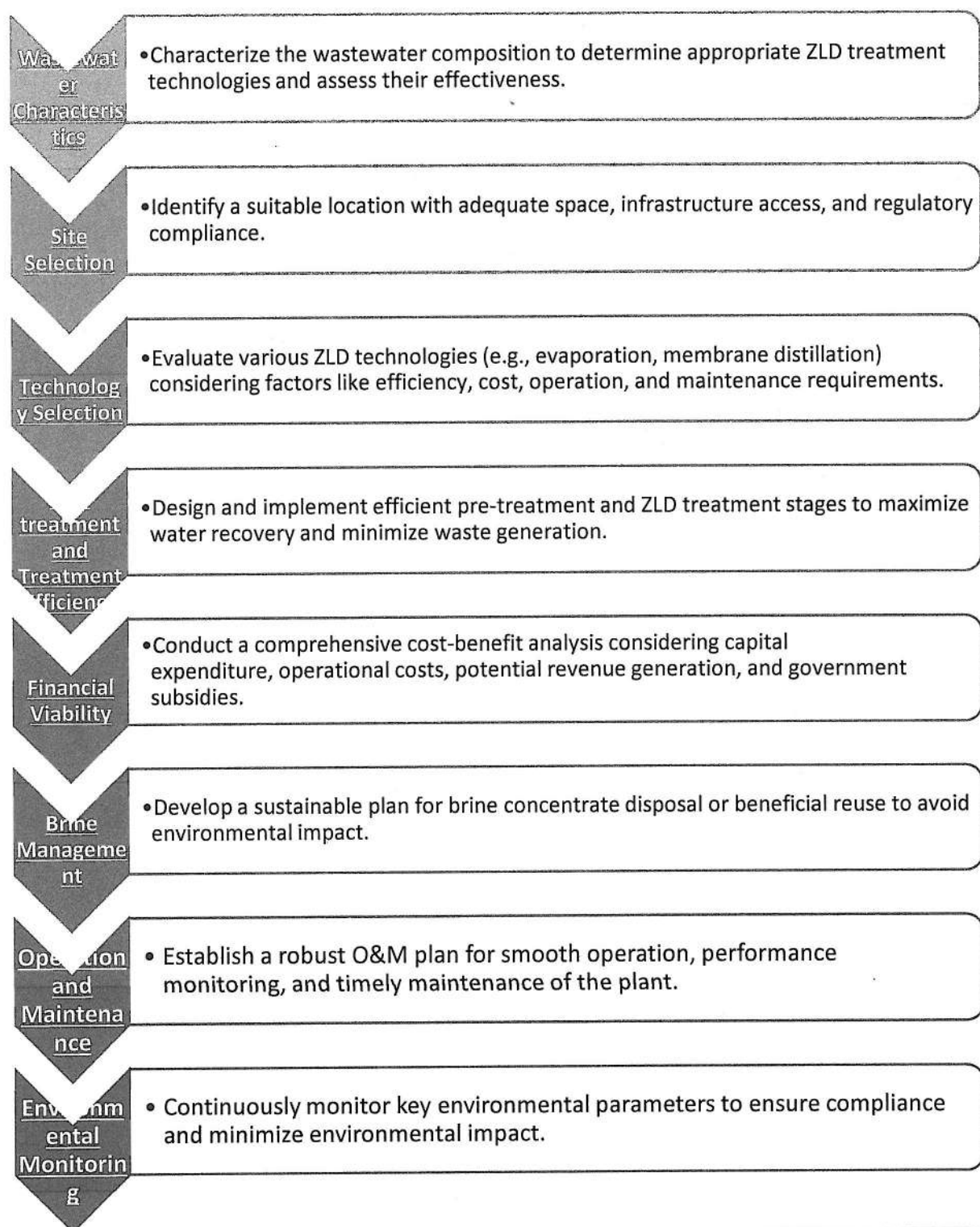
Source: DPR document

The project utilizes cutting edge technology of membrane filtration technology and a zero liquid discharge approach, which offer a multitude of advantages. The project directly addresses water scarcity concerns by treating wastewater and eliminating liquid discharge, increasing the availability of usable water. The water recovered from the ZLD process can be sold for various non-potable uses.

The ZLD process technology also minimizes environmental impact by preventing contaminated water from being released into water bodies, protecting aquatic ecosystems and public health. Maximizing water treatment and reuse will also reduce the dependence on freshwater sources, especially in water-stressed regions. SMC uses energy-efficient pumps and undertakes an energy audits every 3 years to check the efficiency, as per its energy policy. Suitable remedial measures are taken in case of any issue.



Project Evaluation:



The project promotes sustainable resource management and aims to provide additional households with access to potable water. The implementation of the project will support the Government of India in achieving its NDC targets and caters to Sustainable Development Goals 6 and 11. The table below provides the expected environmental and social impact of the project

Volume of water treated	149650 MLD
Additional population with potable water supply	327439 (by 2025), 873171 (by 2030)
Increase in households with potable water supply	2.2%
Increased water efficiency of the system	4%

Source: DPR document



Dy. Commissioner
Surat Municipal Corporation