

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

GOVERNMENT OF GUJARAT  
URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

**Resolution No: SMN/802019/112/P**

Sachivalaya, Gandhinagar.

Dated: 15/02/2019

**Read:-**

Surat Municipal Corporation's letters:

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

**Preamble:-**

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

**Resolution:-**

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

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

(P.T.O.)



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

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

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

  
(Anand Zinzala)

Joint Secretary to the Government

To,

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