

PRIVATE & CONFIDENTIAL – FOR PRIVATE CIRCULATION ONLY

Serial No.:

Addressed to:

Dated: March 07, 2025

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

Note: This Preliminary Placement Memorandum is strictly for a private placement issue. Nothing in this Preliminary Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Preliminary Placement Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus. This Preliminary Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipient(s) are eligible to apply for the Bonds. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

PRELIMINARY PLACEMENT MEMORANDUM**GANDHINAGAR 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 vide notification dated April 30- 2010 bearing reference no. KV-56 of 2010-MNA-102009-5771(iii)-P

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PRELIMINARY PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO 2,500 (TWO THOUSAND FIVE HUNDRED) RATED, LISTED, TAXABLE, UNSECURED, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES, OF FACE VALUE ₹ 1,00,000/- EACH (“BONDS”/ “NCDS”/“ DEBENTURES”) FOR CASH, FOR AN AMOUNT AGGREGATING UP TO ₹ 25 CRORES (RUPEES TWENTY FIVE CRORES ONLY) (“ISSUE”) BY GANDHINAGAR MUNICIPAL CORPORATION (THE “ISSUER”).

BACKGROUND

This Preliminary Placement Memorandum is related to the Bonds to be issued by Gandhinagar Municipal Corporation on a private placement basis and contains relevant information and disclosures required for the purpose of issuance of the Bonds in terms of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.

GENERAL RISK

Investment in Bonds involve a degree of risk, and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the Preliminary Placement Memorandum including Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer, the Placement Memorandum to be issued and the Issue including the risks involved. Specific attention of investors is invited to the section titled “**Risk Factors**” on page no. 18 of this Preliminary Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Bonds or investor’s decision to purchase the Bonds. The Issue of Bonds has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Preliminary Placement Memorandum.

The Issuer confirms that, as of the date hereof, this Preliminary Placement Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and sale of the Bonds and is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading in any material respect.

LISTING

The Bonds are proposed to be listed on National Stock Exchange of India Limited (“NSE”) and NSE shall be the Designated Stock Exchange. The Issuer has received an in-principle approval from NSE vide their letter no. [●] dated [●].

CREDIT RATING

The Bonds proposed to be issued by the Gandhinagar Municipal Corporation have been rated by CRISIL Ratings Limited (“**CRISIL**”) and CARE Ratings Limited (“**CARE**”) (collectively the “**Rating Agencies**”). CRISIL has vide its letter dated October 17, 2024 as revalidated vide rating letters dated January 29, 2025 and March 06, 2025 assigned a rating of Provisional CRISIL AA-/Stable and has issued a rating rationale October 16, 2024, CARE has vide its letter dated April 29, 2024 as revalidated vide its rating January 30, 2025 and March 05, 2025 assigned a rating of Provisional CARE AA/Stable and has issued a rating rationale dated May 02, 2024. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. For credit rating of Bonds and detailed rationale of the ratings, please refer to Annexure-II.

MERCHANT BANKER**DEBENTURE TRUSTEE****REGISTRAR**

TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED,
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Email: gmc@tipsons.com
Investor Grievance E-mail: igr@tipsons.com
Website: www.tipsons.com
Contact Person: Mr. Sandeep Bhansali
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SEBI Registration No.: INM000011849
CIN: U74140GJ2010PTC062799

MITCON CREDENTIA TRUSTEESHIP SERVICES LIMITED
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Tel: + 91 22 22828200
Email: contact@mitconcredentia.in
Investor Grievance Email:
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Website: www.mitconcredentia.in
Contact Person: Ms. Vaishali Urkude;
SEBI Registration No.: IND000000596
CIN: U93000PN2018PLC180330

MUFG INTIME INDIA PRIVATE LIMITED
(formerly known as Link Intime India Private Limited)
247 Park C-101, 1st Floor LBS Marg Vikhroli West Mumbai-
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Tel: 022- 49186000
Fax: 022- 49186060
Email: debtca@linkintime.co.in
Investor Grievance email: debtca@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Ganesh Jadhav
Compliance Officer: Mr. B.N. Ramakrishnan
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Email (Compliance Officer):
bn.ramakrishnan@linkintime.co.in
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

ISSUE SCHEDULE**ISSUE / BID OPENING DATE**

[●]

ISSUE / BID CLOSING DATE

[●]

**PAY-IN DATE /
DEEMED DATE OF ALLOTMENT**

[●]

The Issuer reserves its sole and absolute right to modify (pre-pono/postpone) the above Issue schedule, including the deemed date of allotment, without giving any reasons or prior notice, in accordance with the NSE EBP Guidelines.

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SECTION-I: DISCLAIMERS

1. GENERAL DISCLAIMER AND DISCLAIMER OF GANDHINAGAR MUNICIPAL CORPORATION (“GMC” OR “CORPORATION” OR “ISSUER”):

THIS PRELIMINARY PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS AND IS PREPARED IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015 ISSUED VIDE NOTIFICATION NO. SEBI/LAD-NRO/GN/2015-16/006 DATED JULY 15, 2015, AS AMENDED FROM TIME TO TIME (**SEBI MUNICIPAL DEBT REGULATIONS**). THIS PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN GENERAL TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE BONDS TO BE ISSUED BY GANDHINAGAR MUNICIPAL CORPORATION. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED BY SEBI. THIS ISSUE OF BONDS IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. THIS PRELIMINARY PLACEMENT MEMORANDUM IS FOR THE EXCLUSIVE USE OF THE ADDRESSEES TO WHOM IT HAS BEEN ADDRESSED AND IT SHOULD NOT BE CIRCULATED OR DISTRIBUTED TO THIRD PARTY(IES). APART FROM THIS PRELIMINARY PLACEMENT MEMORANDUM, NO OTHER OFFER DOCUMENT HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE BONDS.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS NOT INTENDED TO FORM THE BASIS OF EVALUATION FOR THE PROSPECTIVE SUBSCRIBERS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE BONDS ISSUED BY THE ISSUER. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PREPARED TO GIVE GENERAL INFORMATION REGARDING GANDHINAGAR MUNICIPAL CORPORATION TO PARTIES PROPOSING TO INVEST IN THIS ISSUE OF BONDS AND IT DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY SUCH PARTY MAY REQUIRE. GANDHINAGAR MUNICIPAL CORPORATION BELIEVES THAT THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM IS TRUE AND CORRECT AS OF THE DATE HEREOF.

ALL POTENTIAL INVESTORS ARE REQUIRED TO COMPLY WITH THE RELEVANT REGULATIONS/ GUIDELINES APPLICABLE TO THEM FOR INVESTING IN THIS ISSUE. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED BY THE RECIPIENT OR MADE PUBLIC OR ITS CONTENTS BE DISCLOSED TO A THIRD PERSON. NO INVITATION IS BEING MADE TO ANY PERSON OTHER THAN THE INVESTOR TO WHOM THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN SENT BY THE ISSUER MAY BE REJECTED WITHOUT ASSIGNING ANY REASON.

YOU SHALL NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THE PRELIMINARY PLACEMENT MEMORANDUM TO ANY OTHER PERSON; OR (2) REPRODUCE THE PRELIMINARY PLACEMENT MEMORANDUM, IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OR COPYING OF THE PRELIMINARY PLACEMENT MEMORANDUM IN WHOLE OR IN PART OR ANY PUBLIC ANNOUNCEMENT OR ANY ANNOUNCEMENT TO THIRD PARTIES REGARDING THE CONTENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF APPLICABLE LAWS OF INDIA AND/OR OTHER JURISDICTIONS. THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE ISSUER FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE PRELIMINARY PLACEMENT MEMORANDUM TO REFLECT SUBSEQUENT EVENTS AFTER THE ALLOTMENT AND THUS IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. HOWEVER, THE ISSUER SHALL INTIMATE THE INVESTORS ABOUT MATERIAL CHANGES, IF ANY, IN THE

INFORMATION IN THIS PRELIMINARY PLACEMENT MEMORANDUM, FROM THE DATE OF PRELIMINARY PLACEMENT MEMORANDUM TILL LISTING DATE.

NEITHER THE DELIVERY OF THE PRELIMINARY PLACEMENT MEMORANDUM NOR THE ISSUE OF ANY BONDS MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE THEREOF.

THIS ISSUE IS A DOMESTIC ISSUE RESTRICTED TO INDIA AND NO STEPS HAVE BEEN TAKEN OR WILL BE TAKEN TO FACILITATE THE ISSUE IN ANY JURISDICTIONS OTHER THAN INDIA. HENCE, THE PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE PRELIMINARY PLACEMENT MEMORANDUM IS NOT INTENDED FOR DISTRIBUTION TO, OR USE BY, ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE DISTRIBUTION OR USE OF SUCH INFORMATION WOULD BE CONTRARY TO LAW OR REGULATION. PERSONS INTO WHOSE POSSESSION THE PRELIMINARY PLACEMENT MEMORANDUM COME ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. THE PRELIMINARY PLACEMENT MEMORANDUM IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE ISSUE ON THE STRICT UNDERSTANDING THAT IT IS CONFIDENTIAL AND MAY NOT BE TRANSMITTED TO OTHERS, WHETHER IN ELECTRONIC FORM OR OTHERWISE.

PROSPECTIVE SUBSCRIBERS MUST MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN BONDS. IT IS THE RESPONSIBILITY OF THE PROSPECTIVE SUBSCRIBERS TO HAVE OBTAINED ALL CONSENTS, APPROVALS OR AUTHORIZATIONS REQUIRED BY THEM TO APPLY FOR AND PURCHASE THE BONDS. NOTHING IN THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD BE CONSTRUED AS ADVICE OR RECOMMENDATION BY THE ISSUER OR BY THE MERCHANT BANKER/ARRANGER TO THE ISSUE TO SUBSCRIBERS TO THE BONDS. THE PROSPECTIVE SUBSCRIBERS ALSO ACKNOWLEDGE THAT THE MERCHANT BANKER/ ARRANGER TO THE ISSUE DO NOT OWE THE SUBSCRIBERS ANY DUTY OF CARE IN RESPECT OF THIS PRIVATE PLACEMENT OFFER TO SUBSCRIBE FOR THE BONDS. PROSPECTIVE SUBSCRIBERS SHOULD ALSO CONSULT THEIR OWN ADVISORS ON THE IMPLICATIONS OF APPLICATION, ALLOTMENT, SALE, HOLDING, OWNERSHIP AND REDEMPTION OF THESE BONDS AND MATTERS INCIDENTAL THERETO.

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE PRIVATE PLACEMENT OF THE BONDS ISSUE PRIOR TO THE ISSUE CLOSING DATE(S) IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND REGULATORY ENVIRONMENT OR ANY OTHER FORCE MAJEURE CONDITION INCLUDING ANY CHANGE IN APPLICABLE LAW. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION MONEY, IF ANY, ALONG WITH INTEREST PAYABLE ON SUCH APPLICATION MONEY, IF ANY.

IT IS THE RESPONSIBILITY OF ALLOTTEES OF THESE BONDS TO ALSO ENSURE THAT IF THEY/ IT CHOOSES TO TRANSFER THESE BONDS IT SHALL BE IN STRICT ACCORDANCE WITH THIS PRELIMINARY PLACEMENT MEMORANDUM AND OTHER APPLICABLE LAWS AND ENSURE THAT THE SAME DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC.

WE BELIEVE OUR INTERNAL ESTIMATES FOR THE PROJECT COST AND SCHEDULE OF IMPLEMENTATION TO BE REASONABLE FOR ALL THE PROJECTS AND THAT WE HAVE RELIED UPON THE REPORTS AND CERTIFICATES OF TECHNICAL CONSULTANTS INCLUDING FOR COSTS AND SCHEDULE OF IMPLEMENTATION. IN ACCORDANCE WITH THE SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, THE ISSUER, THE MERCHANT BANKER WILL ENSURE THAT INVESTORS ARE INFORMED OF MATERIAL DEVELOPMENTS BETWEEN THE DATE OF FILING THE PRELIMINARY PLACEMENT MEMORANDUM WITH SEBI AND THE DATE OF ALLOTMENT. THE ISSUER HEREBY DECLARES THAT IT HAS EXERCISED DUE DILIGENCE TO ENSURE COMPLETE COMPLIANCE WITH PRESCRIBED DISCLOSURE NORMS IN THE PRELIMINARY PLACEMENT MEMORANDUM.

2. DISCLAIMER CLAUSE

ONLY THOSE PERSONS TO WHOM THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. APPLICATION FORMS SHOULD BE DULY COMPLETED, IN ALL RESPECTS AND APPLICATIONS NOT COMPLETED IN THE SAID MANNER ARE, LIABLE TO BE REJECTED. THE LIST OF DOCUMENTS PROVIDED BELOW IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS/ AUTHORISATIONS/ INFORMATION WHICH ARE LIKELY TO BE REQUIRED BY THE ISSUER. THE ISSUER MAY REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS REQUIRED TO ACCEPT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY ELIGIBLE INVESTORS ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE ISSUER REQUIRED TO CHECK OR CONFIRM THE SAME.

3. DISCLAIMER CLAUSE OF THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE PRELIMINARY PLACEMENT MEMORANDUM OR ANY OTHER MATERIAL ISSUED EXCEPT BY THE BOND ISSUE COMMITTEE OF THE ISSUER AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

4. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA (“SEBI”):

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY SEBI AND THAT THIS ISSUE IS NOT RECOMMENDED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PRELIMINARY PLACEMENT MEMORANDUM.

5. DISCLAIMER CLAUSE OF GOVERNMENT OF GUJARAT

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PRELIMINARY PLACEMENT MEMORANDUM 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 PRELIMINARY PLACEMENT MEMORANDUM.

6. DISCLAIMER OF THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN FILED WITH NSE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, ISSUED VIDE NOTIFICATION NO. SEBI/LAD-NRO/GN/2015-16/006 (DATED JULY 15, 2015) AS AMENDED FROM TIME TO TIME. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PRELIMINARY PLACEMENT MEMORANDUM TO THE STOCK EXCHANGES SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER. THIS DOCUMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

7. DISCLAIMER OF THE RATING AGENCIES:

DISCLAIMER OF CARE RATINGS LIMITED

THE RATINGS ISSUED BY CARE RATINGS ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE, OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. THESE RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE WITHIN THE MEANING OF ANY LAW OR REGULATION. THE RATING AGENCY DOES NOT CONSTITUTE AN AUDIT ON THE RATED ENTITY. CARE RATINGS HAS BASED ITS RATINGS/OUTLOOK BASED ON INFORMATION OBTAINED FROM RELIABLE AND CREDIBLE SOURCES. CARE RATINGS DOES NOT, HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY, OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION

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. GANDHINAGAR 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 HELPDESK AT 1800-267-1301.

8. DISCLAIMER OF THE DEBENTURE TRUSTEE:

INVESTORS SHOULD CAREFULLY READ AND NOTE THE CONTENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE MERIT OF THE INVESTMENT IN BONDS AND THE ISSUER. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE BONDS AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYZE SUCH INVESTMENT AND SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCE. PROSPECTIVE INVESTORS ARE REQUIRED TO MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN SUCH INSTRUMENTS. THE TRUSTEE WOULD ACT AS PER THE PREVALENT SEBI GUIDELINES.

9. DISCLAIMER OF THE MERCHANT BANKER/ARRANGER:

THE ISSUER HAS AUTHORISED THE MERCHANT BANKER/ ARRANGER TO DISTRIBUTE THIS PRELIMINARY PLACEMENT MEMORANDUM IN CONNECTION WITH THE PLACEMENT OF THE BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS PRELIMINARY PLACEMENT MEMORANDUM CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH OFFER OR PLACEMENT WOULD BE IN VIOLATION OF ANY LAW, RULE OR REGULATION. EACH PERSON RECEIVING THIS PRELIMINARY PLACEMENT MEMORANDUM ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE PRELIMINARY PLACEMENT MEMORANDUM AND THE RISK FACTORS STATED IN SECTION IV RISK FACTORS ON PAGE NO.18 OF THIS PRELIMINARY PLACEMENT MEMORANDUM AND RELY ON ITS OWN EXAMINATION OF THE ISSUER AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE BONDS. THE MERCHANT BANKER/ ARRANGER: (A) ARE NOT ACTING AS TRUSTEE OR FIDUCIARY FOR THE POTENTIAL INVESTOR; AND (B) ARE UNDER NO OBLIGATION TO CONDUCT ANY "KNOW YOUR CUSTOMER" OR OTHER PROCEDURES IN RELATION TO ANY PERSON ON BEHALF OF ANY POTENTIAL INVESTOR. NEITHER THE MERCHANT BANKER/ ARRANGER NOR ITS 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 MERCHANT BANKER/ARRANGER IS NOT ACTING AND HAVE NOT BEEN ENGAGED TO ACT AS AN UNDERWRITER WITH RESPECT TO THE BONDS. THE MERCHANT BANKER/ ARRANGER IS AUTHORISED TO DELIVER COPIES OF THIS PRELIMINARY PLACEMENT MEMORANDUM ON BEHALF OF THE ISSUER TO POTENTIAL INVESTORS WHICH ARE CONSIDERING PARTICIPATION IN THE ISSUE.

THE ISSUER HAS PREPARED THIS PRELIMINARY PLACEMENT MEMORANDUM AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PROVIDED BY THE ISSUER OR IS FROM PUBLICLY AVAILABLE INFORMATION, THE USE OF WHICH ISN'T REGULATED OR PROHIBITED BY APPLICABLE LAW OR REGULATION RELATING TO INSIDER DEALING OR OTHERWISE AND NOT BEEN INDEPENDENTLY VERIFIED BY THE MERCHANT BANKER/ARRANGER.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS PRELIMINARY PLACEMENT MEMORANDUM. HOWEVER, THE POTENTIAL INVESTORS ARE NOT TO CONSTRUER THE CONTENTS OF THIS PRELIMINARY PLACEMENT MEMORANDUM AS INVESTMENT, LEGAL, ACCOUNTING, REGULATORY OR TAX ADVICE AND THE POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN ADVISORS AS TO ALL LEGAL, ACCOUNTING, REGULATORY, TAX, FINANCIAL AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE BONDS. THIS PRELIMINARY PLACEMENT MEMORANDUM IS NOT INTENDED TO BE (AND SHOULD NOT BE USED AS) THE BASIS OF ANY CREDIT ANALYSIS OR OTHER EVALUATION AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE MERCHANT BANKER/ARRANGER THAT ANY RECIPIENT PARTICIPATES IN THE ISSUE OR ADVICE OF ANY SORT. IT IS UNDERSTOOD THAT EACH RECIPIENT OF THIS PRELIMINARY PLACEMENT MEMORANDUM WILL PERFORM ITS OWN INDEPENDENT INVESTIGATION AND CREDIT ANALYSIS OF THE PROPOSED FINANCING AND THE BUSINESS, OPERATIONS, FINANCIAL CONDITION, PROSPECTS, CREDITWORTHINESS, STATUS AND AFFAIRS OF THE ISSUER, BASED ON SUCH INFORMATION AND INDEPENDENT INVESTIGATION AS IT DEEMS RELEVANT OR APPROPRIATE AND WITHOUT RELIANCE ON THE MERCHANT BANKER/ARRANGER OR ON THIS PRELIMINARY PLACEMENT MEMORANDUM.

THE MERCHANT BANKER/ARRANGER ARE ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM. THE RECEIPT OF THE PRELIMINARY PLACEMENT MEMORANDUM BY ANY RECIPIENT IS NOT TO BE CONSTITUTED AS THE GIVING OF INVESTMENT ADVICE BY THE MERCHANT BANKER/ ARRANGER TO THAT RECIPIENT, NOR TO CONSTITUTE SUCH A RECIPIENT A CUSTOMER OF THE MERCHANT BANKER/ ARRANGER. THE MERCHANT BANKER/ ARRANGER IS NOT RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTION AFFORDED TO THE CUSTOMERS OF THE MERCHANT BANKER/ARRANGER NOR FOR PROVIDING ADVICE IN RELATION TO THE BONDS.

EACH RECIPIENT OF THE PRELIMINARY PLACEMENT MEMORANDUM ACKNOWLEDGES THAT EACH RECIPIENT HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM THE ISSUER AND TO REVIEW AND HAS RECEIVED FROM THE ISSUER ALL ADDITIONAL INFORMATION CONSIDERED BY THE RECIPIENT TO BE NECESSARY TO VERIFY THE ACCURACY AND THE MERCHANT BANKER/ ARRANGER SHALL NOT BE RESPONSIBLE FOR ANY INFORMATION RECEIVED BY THE RECIPIENT OF THE PRELIMINARY PLACEMENT MEMORANDUM OTHER THAN THE INFORMATION SET OUT HEREIN.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS FOR GENERAL INFORMATION PURPOSE ONLY, WITHOUT REGARD TO SPECIFIC OBJECTIVES, SUITABILITY, FINANCIAL SITUATIONS AND NEEDS OF ANY PARTICULAR PERSON. THIS PRELIMINARY PLACEMENT MEMORANDUM SHOULD NOT BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, PURCHASE OR SUBSCRIBE TO ANY SECURITIES MENTIONED HEREIN.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS CONFIDENTIAL AND IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE BONDS ON THE UNDERSTANDING THAT IT IS CONFIDENTIAL. RECIPIENTS ARE NOT ENTITLED TO USE ANY OF THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM FOR ANY PURPOSE OTHER THAN IN ASSISTING TO DECIDE WHETHER OR NOT TO

PARTICIPATE IN THE BONDS. THIS DOCUMENT AND INFORMATION CONTAINED HEREIN OR ANY PART OF IT DOES NOT CONSTITUTE OR PURPORT TO CONSTITUTE INVESTMENT ADVICE IN PUBLICLY ACCESSIBLE MEDIA AND SHOULD NOT BE PRINTED, REPRODUCED, TRANSMITTED, SOLD, DISTRIBUTED OR PUBLISHED BY THE RECIPIENT WITHOUT THE PRIOR WRITTEN APPROVAL FROM THE MERCHANT BANKER/ARRANGER AND THE ISSUER. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED AND WILL OR MAY NOT APPROVED BY ANY STATUTORY OR REGULATORY AUTHORITIES IN INDIA.

PLEASE NOTE THAT:

TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED HAS BEEN APPOINTED AS MERCHANT BANKER CUM ARRANGER TO THE ISSUE VIDE WORK ORDER DATED JANUARY 24, 2025 AND ISSUE AGREEMENT DATED MARCH 07, 2025. THE MERCHANT BANKER/ ARRANGER AND/ OR ITS AFFILIATES MAY INVEST, PURCHASE AND HOLD THE SECURITIES OF THE ISSUER AND/ OR OTHER ENTITIES RELATED TO THE ISSUER FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNTS OF THEIR CUSTOMERS AND MAY EXERCISE VOTING RIGHTS OVER SUCH SECURITIES AS AVAILABLE UNDER THE RESPECTIVE TRANSACTION DOCUMENTS.

10. DISCLAIMER CLAUSE OF THE TRANSACTION ADVISOR

TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED HAS BEEN APPOINTED AS THE TRANSACTION ADVISOR IN RESPECT OF THE ISSUE. THE ROLE OF THE TRANSACTION ADVISOR IS LIMITED TO ASSISTING THE ISSUER IN PREPARING THE CAPITAL INVESTMENT PLAN, ADVISING THE ISSUER IN RELATION TO MARKET SCENARIOS, CO-ORDINATION WITH EXTERNAL AGENCIES, LIAISONING WITH CREDIT RATING AGENCIES ETC., IN RESPECT OF THE DEBENTURES. IT IS THE RESPONSIBILITY OF THE ISSUER TO OBTAIN ALL NECESSARY APPROVALS FOR THE ISSUANCE OF THE DEBENTURES. THE INVESTORS SHOULD READ THE PRELIMINARY PLACEMENT MEMORANDUM AND TAKE THEIR OWN INFORMED DECISION FOR INVESTMENT IN THE DEBENTURES AND IN NO WAY IS THE TRANSACTION ADVISOR OR ANY OF ITS DIRECTORS, EMPLOYEES AND OFFICERS RESPONSIBLE FOR ANY INVESTMENT DECISION BY PROSPECTIVE INVESTORS.

11. DISCLAIMER IN RESPECT OF JURISDICTION

ISSUE OF THESE BONDS HAVE BEEN/ WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER PARAGRAPH I(a) (ELIGIBLE INVESTORS) OF SECTION IX: ISSUE SPECIFIC INFORMATION ON PAGE No. 55 OF THIS PRELIMINARY PLACEMENT MEMORANDUM, WHO HAVE BEEN/ SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THE PRELIMINARY PLACEMENT MEMORANDUM IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO BONDS OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. ANY DISPUTES ARISING OUT OF THE BONDS SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS AT GANDHINAGAR. THE PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO THE BONDS HEREIN, IN ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION.

FORCE MAJEURE

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE ISSUE AT ANY TIME PRIOR TO THE ISSUE CLOSING DATE IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND/ OR REGULATORY ENVIRONMENT OR OTHERWISE. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION

MONEY, IF ANY, COLLECTED IN RESPECT OF THE ISSUE WITHOUT ASSIGNING ANY REASON.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

THE DEBENTURES WILL BE ISSUED IN DEMATERIALISED FORM ONLY. THE ISSUER HAS MADE ARRANGEMENTS WITH THE DEPOSITORIES FOR THE ISSUE OF THE DEBENTURES IN DEMATERIALISED FORM. THE INVESTOR WILL HAVE TO HOLD THE DEBENTURES AS PER THE PROVISIONS OF THE DEPOSITORIES ACT. THE ISSUER SHALL TAKE NECESSARY STEPS TO CREDIT THE DEBENTURES ALLOTTED TO THE BENEFICIARY ACCOUNT MAINTAINED BY THE INVESTOR WITH ITS DEPOSITORY PARTICIPANT. THE ISSUER WILL MAKE THE ALLOTMENT TO INVESTORS ON THE DEEMED DATE OF ALLOTMENT AFTER VERIFICATION OF THE APPLICATION FORM AND THE ACCOMPANYING DOCUMENTS.

SECTION-II: FORWARD LOOKING STATEMENTS

Certain statements in this Preliminary Placement Memorandum that are not statements of historical facts constitute “forward looking statements”. Readers can generally identify forward-looking statements by terminology like “aim”, “anticipate”, “intend”, “believe”, “continue”, “estimate”, “expect”, “may”, “objective”, “plan”, “potential”, “projects”, “pursue”, “shall”, “should”, “will”, “would” or other words or phrases of similar import. Similarly, statements regarding the Issuer’s expected financial condition and results of operations, business, strategies, plans and prospects are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements and any other projections contained in this Preliminary Placement Memorandum (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements, expressed or implied, by such forward looking statements or other projections.

The forward-looking statements contained in this Preliminary Placement Memorandum are based on the beliefs of the Bond Issue Committee of the Issuer, as well as the assumptions made by and information available to Bond Issue Committee as at the date of this Preliminary Placement Memorandum. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward-looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward-looking statements. All subsequent, written and oral, forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

SECTION-III: DEFINITIONS AND ABBREVIATIONS

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

General Terms

TERM	DESCRIPTION
“GMC” or “Issuer” or “Corporation”	Gandhinagar 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 (“GPMC Act”), erstwhile the Bombay Provincial Municipal Corporations Act, 1949 (“BPMC Act”) vide Notification dated April 30, 2010 bearing reference number KV-56 of 2010-MNA-102009-5771(iii)-P. 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.
“we”, “us”, “our”	Unless the context otherwise requires, the Corporation or GMC.

Issuer related Terms

TERM	DESCRIPTION
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.
AMRUT	Atal Mission for Rejuvenation and Urban Transformation.
AMRUT 2.0	Atal Mission for Rejuvenation and Urban Transformation 2.0 launched by the Hon’ble Prime Minister of India on October 1, 2021, with the aim of making cities ‘Aatma Nirbhar’ and ‘Water Secure’.
AMRUT Incentive	Pursuant to notification dated May 31, 2024, issued by the MoHUA, Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB, urban local bodies claiming incentive for the first time, incentive amount of Rs. 13,00,00,000/- (Rupees Thirteen Crores) will be given for every Rs. 100,00,00,000/- (Rupees One Hundred Crores) of bonds issued subject to a maximum of Rs. 26,00,00,000 (Rupees Twenty-Six Crores) per urban local body.

TERM	DESCRIPTION
Applicable Law	It shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, byelaws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof
BPMC Act	Bombay Provincial Municipal Corporations Act, 1949
GSTA Act	Gujarat Short Titles (Amendment) Act, 2011
Bond Issue Committee/Committee	Committee duly formed by Municipal Commissioner vide its Letter no. GMC/ACC/76/2024-25 dated January 01, 2025 and further confirmed vide letter dated March 07, 2025.
Municipal Commissioner/Commissioner	Municipal Commissioner, Gandhinagar Municipal Corporation, appointed in terms of the Gujarat Provincial Municipal Corporations Act, 1949, as amended from time to time which replaced the Bombay Provincial Municipal Corporation Act, 1949.
Committee Member	Members of the Bond Issue Committee of the Corporation as mentioned in this Preliminary Placement Memorandum.
GoG	Government of Gujarat/State Government
GoI	Government of India/ Central Government.
Head Office	Gandhinagar Municipal Corporation, Pandit Dindayal Upadhyay Bhawan, Behind Fire Station, Sector 17, Gandhinagar -382016 Gujarat
HRMS	Human Resources Management System.
MoHUA	Ministry of Housing and Urban Affairs.
MoUD	Ministry of Urban Development

Issue Related Terms

TERMS	DESCRIPTION
Allotment/Allot/Allotted	The issuance and allotment of the Bonds to the successful Applicants in the Issue.
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part.
Applicant/Investor	A person who makes an offer to subscribe to the Bonds pursuant to the terms of the Placement Memorandum.
Auditor	PJNDV & Associates, being the current auditors of the Issuer
Audited Financial Statements	Refers to Audited Balance Sheet, the Income and Expenditure Statement and the Cash Flow Statement of the Issuer for the Financial Years ending March 31, 2022, March 31, 2023 and March 31, 2024 audited by PJNDV & Associates, Chartered Accountants.
AY	Assessment Year
Banker to the Issue	ICICI Bank Limited

TERMS	DESCRIPTION
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996).
Bid Closing Date/ Issue Closing Date	As is set out in the Issue Schedule above.
Bid Opening Date/ Issue Opening Date	As is set out in the Issue Schedule above.
Bonds/ NCDs/ Debentures	Rated, Listed, Taxable, Unsecured, Redeemable, Non-Convertible Municipal Bonds in the nature of debentures, face value of ₹ 1,00,000/- each, proposed to be listed on NSE as mentioned in Section VII: Objects of the Issue on page no. 43 of this Preliminary Placement Memorandum.
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories.
Calendar Year	Each period of twelve (12) months commencing on January 1 and ending on December 31.
CDSL	Central Depository Services (India) Limited.
Chh	₹
Continuous disclosures and compliances by listed entities	Continuous disclosures and compliances by listed entities in accordance with circular dated June 19, 2017 bearing reference no. CIR/IMD/DF1/60/2017 read with the circular dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134/2019 and as amended from time to time.
Coupon/ Interest Payment Date	As mentioned in the Summary Term Sheet.
CRISIL	CRISIL Ratings Limited
Debenture Trust Deed	Deed to be executed by and between the Debenture Trustee and the Issuer in respect of the Bonds.
Debenture Trustee	Trustee for the Bond Holders, in this case being MITCON Credential Trusteeship Services Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at 1402/1403, 14th Floor, Dalamal Tower, B-Wing, 211, Free Press Journal Marg, Nariman Point, Mumbai, Maharashtra 400021
Debenture Trustee Agreement	Agreement dated March 06, 2025 executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as the debenture trustee in connection with the issuance of the Bonds.
Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Debt Securities	Non-convertible debt securities which create or acknowledge indebtedness and include debentures, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not but excludes security bonds issued by the Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments.
Deemed Date of Allotment	The date of allotment of the Bonds with effect from which all benefits under the Bonds including interest on the Bonds shall be available to the Bond holder(s). The actual date of allotment of Bonds (i.e., approval from the General Board or

TERMS	DESCRIPTION
	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 Participant	A Depository Participant as defined under the Depositories Act.
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in present case, being NSDL & CDSL.
DP	Depository Participant.
DSRA Amount	The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount.
DSRA Amount Shortfall	The amounts utilised from the Interest Payment Account (being the whole or a portion of the Required DSRA Amount) to fund the shortfall in the Interest Payment Account for the discharge of the Coupon payable on any Coupon Payment Date.
Due Date	Any date or dates on which the Debenture Holder(s) are entitled to any payments in relation to the Bonds, which shall include, without limitation, the Coupon Payment Date(s) and the Maturity Date.
EBP	Electronic Bidding Platform as provided by the Stock Exchange(s) for bidding by Eligible Investors. NSE's electronic book platform is being used for participating in electronic book building mechanism.
Escrow Account	The bank account opened by the Issuer with the Escrow Bank for the deposit of, inter alia, Tax Income collected by the Issuer in the Collection Accounts for onward transfer to the Interest Payment Account and the Sinking Fund Account and for servicing of the Bonds, as per the requirements of (a) the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended/modified and supplemented from time to time, which account is operated in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Escrow Agreement	Escrow Agreement to be entered into by and between Gandhinagar Municipal Corporation, MITCON Credentia Trusteeship Services 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 Ltd., being the bank where the Escrow Account, the Interest Payment Account and the Sinking Fund Account will be opened.
EWS	Economically Weaker Section
Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year.
GIR	General Index Registration Number.
GIS	Geographic Information System

TERMS	DESCRIPTION
GPS	Global Positioning System
GSFS	Gujarat State Finance Services
GSR	Ground Service Reservoir
GST	Goods and Service Tax
GWSSB	Gujarat water supply and sewerage board
HDD	Horizontal Directional Drilling
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Interest Payment Account /IPA	The bank account to be opened by the Issuer with the Escrow Bank which shall be (i) the account from which the interest payments on the Bonds will be serviced and (ii) the account in which the Required DSRA Amount will also be maintained, as per the requirements of (a) the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended/modified and supplemented from time to time, and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Issue Agreement	Agreement dated March 07, 2025 entered between the Issuer and the Merchant Banker/Arranger to the Issue in relation to the Issue.
Issue Proceeds Account	The bank account to be opened by the Issuer with the Banker to the Issue for proceeds received from the Issue, in the manner and upon the terms and conditions provided for in the Issue Proceeds Agreement.
Issue Proceeds Agreement	The Agreement to be entered into amongst the Issuer, the Banker to the Issue, Registrar and the Merchant Banker in relation to the operation of the Issue Proceeds Account.
IT	Information Technology
Majority Debenture Holders	The Debenture Holders holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Bonds for the time being outstanding. It is however clarified that, if a resolution is required to be passed in relation to a matter concerning a particular STRPP, the term "Majority Debenture Holders" shall mean the Debenture/Bond Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of that STRPP for the time being outstanding.
Merchant Banker/ Arranger to the Issue	Tipsons Consultancy Services Private Limited
Minimum Balance	In any period expiring on the Transfer Date, it shall mean the amount required to be transferred to the Interest Payment Account and Sinking Fund Account at the end of such month on the terms as particularly set out in the Debenture Trust Deed.
O&M	Operation and Maintenance
NSDL	National Securities Depository Limited

TERMS	DESCRIPTION
NSE	National Stock Exchange of India Limited
NSE EBP Guidelines	Operational guidelines for issuance of Securities on private placement basis through the electronic book mechanism issued by SEBI vide its circular number SEBI/HO/DDHS_Div1/P/CIR/2022/00139 dated October 10, 2022, as amended/modified.
Objects of the Issue	The objects for which the proceeds of the Issue shall be used by the Issuer, i.e., incurring capital expenditure in respect of the Project more particularly described in Section VII: Objects of the Issue on page no. 43 of this Preliminary Placement Memorandum.
PAN	Permanent Account Number
Pay-In Date	The date on which the Bond Holders have remitted the subscription monies for the Bonds, as per the terms of this Preliminary Placement Memorandum/ the Placement Memorandum.
Permitted Investments	The funds lying in the: - DSRA - IPA - I - SFA – I Till such time being utilized would be allowed to be invested in permitted investments in Fixed Deposits with Scheduled Commercial Banks. These investments would be made & liquidated by the Debenture Trustee as per the instruction of the Issuer from time to time. The funds lying credited in the GMC Escrow Collection Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Program) or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars/notifications/guidelines issued there under and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable. The funds lying to the credit of Sinking Fund Account can be deposited (a) in government securities, or (b) such other instruments which may be permitted both in terms of the SEBI Circulars and The Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. 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. 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

TERMS	DESCRIPTION
	the Issuer shall, with the written consent of Debenture Trustee, move the funds to any other bank satisfying the rating criteria. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer on monthly basis 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.
Placement Memorandum/ PM	The Placement Memorandum to be filed with SEBI and NSE through which this proposed Issue will be made.
PMAY	Pradhan Mantri Awas Yojana
PPP	Public Private Partnership
Preliminary Placement Memorandum/PPM	The Preliminary Placement Memorandum dated March 07, 2025 filed with SEBI and NSE.
Project	Construction of Civil Works for the Area Development Besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheswar Circle, 2) CH – 0 To Rakshshakti Circle
Record Date	As mentioned in the Summary Term Sheet.
Registrar	Registrar to the Issue, in this case being, MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) a company incorporated under the Companies Act, 1956 having registered office at 247 Park C-101, 1st Floor LBS Marg Vikhroli West Mumbai-400083.
Required DSRA Amount	An amount equal to 2 semi-annual interest payments for bonds which is required to be paid by the Issuer in respect of the Bonds to be maintained throughout the tenure of the Bonds in the Interest Payment Account which also complies with the requirements of the debt service reserve amount to be maintained as per the SEBI circular in relation to ‘Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015’ dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134/2019 as amended from time to time.
ROB Grant	Railway over bridge grant
Rs./INR	Indian National Rupee
RTGS	Real Time Gross Settlement
SBR	Sequential Batch Reaction
SCADA	Supervisory Control and Data Acquisition
SCORES	SEBI Complaints Redress System
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Electronic Book Mechanism Guidelines	The guidelines issued by SEBI and pertaining to the EBP Platform set out in Chapter VI by SEBI in its Master Circular dated May 22, 2024 bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 titled Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security

TERMS	DESCRIPTION
	Receipts, Municipal Debt Securities and Commercial Paper as may be amended, clarified or updated from time to time.
SEBI Master Circular for Debenture Trustees	SEBI Master Circular for Debenture Trustees bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 as may be amended, clarified or updated from time to time.
SEBI Operational Circular/ Operational Circular/ Master Circular	SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 as may be amended, clarified or updated from time to time.
SEBI Municipal Debt Regulations/SEBI ILMDS Regulations	Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India.
Sinking Fund Account	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.
SJMMSVY	Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana
SPS	Sewerage Pumping Station
STP	Sewage Treatment Plant
TDS	Tax Deducted at Source
TP	Town Planning
The Issue/the Offer/ Private Placement	Private Placement of rated, listed, taxable, unsecured, redeemable, non-convertible municipal bonds in the nature of debentures face value of ₹ 1,00,000/- each, for an amount aggregating up to Rs. 25 crores (Rupees Twenty Five Crores Only) by Gandhinagar Municipal Corporation, proposed to be listed on NSE.
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum/Placement Memorandum along with all annexures, the Debenture Trustee Agreement, the Escrow Agreement, the Issue Proceeds Agreement, Debenture Trust Deed, the Tripartite Agreements with NSDL and CDSL and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
ULB	Urban Local Body
‘Working Day’/ ‘Business Day’	It shall mean all days on which commercial banks in Gandhinagar 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 Exchange and with respect to the Record Date, working day shall mean all trading days of the Stock Exchange for NCDs, excluding Saturdays, Sundays, and bank holidays, as specified by SEBI.

SECTION-IV: RISK FACTORS

An investment in the Bonds involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with the Issuer's business or any decision to purchase, own or dispose of the Bonds. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Preliminary Placement Memorandum before making any investment decision relating to the Bonds.

The prospective Investors should consult their own tax, financial and legal advisors about the risks associated with investment and suitability of investment in such bonds. Investment in these Bonds include a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment in debentures. For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and this Preliminary Placement Memorandum including the risks mentioned below. The Bonds have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of this Preliminary Placement Memorandum.

This Preliminary Placement Memorandum 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 Preliminary Placement Memorandum.

Unless otherwise indicated, the financial information included herein is based on the Issuer's audited financial statements as included in paragraph I (Abridged Balance Sheet, Income and Expenditure and Receipts and payments accounts for the last three years with major heads) of Section X: Financial Information on page no. 71 of this Preliminary Placement Memorandum.

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

If any of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occur, the Issuer's business, financial conditions, implementation of projects could suffer and, therefore, the value of the Issuer's Bonds could decline and/ or the Issuer's ability to meet its obligations in respect of the Bonds could be affected. Potential investors should perform their own independent investigation of the financial condition and affairs of the Issuer, and their own appraisal of the creditworthiness of the Issuer.

Please note that unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

INTERNAL RISK FACTORS

Project Risk and Internal Risks

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

We intend to utilize the Issue proceeds for the construction of Civil Works for the Area Development besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheswar Circle, 2) CH – 0 To Rakshshakti Circle ("**Project**").

The Project is proposed to be financed through Issue proceeds of this Issue and internal accruals by the Corporation. There can be no assurance that we will be able to complete this Project within estimated time and cost without any time and cost overruns. The Project cost as per the work order issued in most of the cases is higher than the original approved cost and the cost as per tenders floated. The Issuer has obtained certificate from AVN Architecture & Urbanism dated March 07, 2025 regarding the proposed Project details, costs, schedule of implementation, benchmarks of the project

etc. The cost of the Project may escalate or vary based on external factors which may not be in our control.

The Project are also susceptible to the policies of the State. Presently, there are no approvals required to be obtained by the Corporation for the implementation of the Project, however in future there may be requirement of approvals/NOCs for the Project which may impact the timelines and we undertake to acquire all relevant regulatory approvals for the Project, as and when relevant, to ensure timely implementation and progress of the Project. There is also a possibility that the implementation of the Project might get delayed due to various factors including workforce issues, delays because of third party contractors etc.

Further, work order is yet to be issued for the Project and the present status of the Project is provided in Section-VII: Objects of the Issue on Page 43 of this Preliminary Placement Memorandum.

The proposed Schedule of Implementation of the Project along with the timelines stated therein are indicative and the Physical Target and Financial Target for activities shall be performed from the date of receipt of work order for implementation of the Project. There can be no assurance that despite best efforts, the proposed Project will be completed as planned or on schedule, and completed in a timely manner, or at all. There is no guarantee that Gandhinagar Municipal Corporation will have sufficient revenue due to unforeseen circumstances that are beyond Issuer's control. Further, there can be no assurance that despite best efforts we will be able to complete the aforementioned Project in accordance with the proposed schedule of implementation and any delay due to unforeseen circumstances that are beyond Issuer's control could have an adverse impact on our operations, reputation and cash flows.

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

Presently, there are no approvals required to be obtained by the Corporation as per the certificate received from AVN Architecture & Urbunism dated March 07, 2025. In future in case there may be a requirement of approvals/NOCs for the Project, the Issuer shall take all reasonable steps to obtain the said approvals/NOCs. However, the Issuer may be unable to obtain such approvals/consents (if so required) or renew such approvals within the stipulated time due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, it may delay the completion of the Project in accordance with the Schedule of Implementation which may in turn adversely impact our reputation, operations and cash flows.

3. **We are involved in litigations & adverse decisions in the same may impact our working & operational efficiency.**

The Issuer is a party to various legal proceedings and has received notices from certain statutory authorities. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities, and if determined against the Issuer, could have impact on the operations, implementation of projects, income and the financial condition of the Issuer. A summary of pending proceedings involving Issuer are as follows:

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

S. No.	Nature	Number of Cases	Amount Involved (Rs. In Crores)
1)	Direct Tax	Nil	Nil
2)	Indirect Tax	Nil	Nil

1. **Criminal Litigations involving the Issuer**

The total number of cases involving pending cases against the Issuer and filed by the Issuer have been disclosed in the section Legal and Other Information. Since the nature of the case is criminal, there is no amount involved.

2. Actions by Regulatory and Statutory Authorities

The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the “Section-XI- Legal and Other Information” on Page 84 of the PPM.

3. Other Civil Litigation

The details of all the individual civil litigations above the materiality threshold have been disclosed in the “Section-XI- Legal and Other Information” on Page 84 of the PPM.

No assurances can be given as to whether these legal proceedings will be decided in the Issuer’s favour or have no adverse outcome, nor can any assurance be given that no further liability/ loss will arise out of such legal proceedings. The details of outstanding material litigations involving the Issuer which are based on the Materiality Policy of the Issuer are set out in “*Pending Litigations and Material Developments*” of Section XI Legal and Other Information on Page 84 of this Preliminary Placement Memorandum.

4. Leakage of tax collections may affect volume of collections and inflows which may have an adverse impact on the accumulation of funds for future development, and on the Issuer's future execution capabilities and revenue collections.

The tax collections are primarily dependent on the integrity of tax/ charges collection systems and any leakage in the same due to fraud or technical faults affects the Issuer’s collections and inflows and may have an adverse impact on accumulation of funds for future development, resulting in reduction of the Issuer’s future execution capabilities.

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

5. We are dependent on grants and support in the form of budgetary allocation from Central and State Government for Central and State Government projects. Failure to obtain grants or any reduction in funding in the form of grants or budgetary allocation from the government may adversely impact such projects.

The projects undertaken by the Issuer are very capital intensive and any reduction in budgetary allocation of capital, funding or non-receipt of grants by the GoI and GoG may materially affect the Issuer’s performance and asset generation capacity. Since grants are one of the main sources of revenue for the Issuer, any irregularity in release of grants may affect the projects implementation schedules and affect the financial condition of the Issuer. After introduction of GST, the amount of grant received by us from GoG has been increased to compensate for the loss of revenue. Any delay in receipt of the grant may have an impact on our liquidity position. For details of grants received from the State Government please refer to Section VI: About the Issuer and Capital Structure of the Issuer on Page No. 34 of this Preliminary Placement Memorandum. Further, the growth plans of the Issuer are mainly determined by the amount of grants and support in the form of budgetary allocations and any adverse developments in the policy of the Government in the manner in which it seeks to address the development of the infrastructure needs of India will have a material and adverse effect on the Issuer’s operations. Moreover, if the funding from grants decreases or if there is any adverse

change in the pattern of allocation of the tax collected by GoI or if there is a downturn in the macroeconomic environment in India or in the sectors which are directly dependent on the infrastructure projects that the Issuer undertakes/ proposes to undertake, the Issuer's operations and future performance could be materially and adversely affected and may also have an adverse impact on the projects.

6. Project for which funds are being raised have not been appraised by any bank or government or regulatory body or financial institution and are not insured for any losses.

Project for which funds are proposed to be financed through Bonds, and internal accruals of GMC and have not been appraised by any bank or government or regulatory body or financial institution. The cost of the Project is based on the details, estimates and assumptions given in AVN Architecture & Urbanism dated March 07, 2025 for the Project and the related Project Cost approved by the Bond Issue Committee. Our budgeted cost for the Project may be insufficient to meet our proposed capital expenditure requirements. Further the estimated Project Cost are excluding amount payable towards GST and O&M cost. The amount payable towards GST obligations will be borne by GMC out of internal accruals. Although GMC would endeavor to complete the Project on time and within the prescribed cost, a funding gap could develop due to cost overruns, which may pose a contingent budgetary risk for GMC, or result in a request to the Standing Committee/Corporation for additional borrowing authority for the Project. Further, the Issuer does not have any insurance coverage for the Project in case of any loss caused to the Project due to earthquake, flood or any other natural calamities etc. leading to cost and time overruns. The non-implementation of the Project as per the schedule of implementation will affect the Issuer's performance and asset generation capacity and thereby impacting the business, cashflow and financial conditions of the Issuer. The schedule of implementation has been provided under Objects of the Issue chapter on Page No. 46 of this PPM.

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

The Corporation will be eligible to receive incentive as per D.O. No. K-14012/01/2022-AMRUT-IIB dated May 31, 2024 from Ministry of Housing and Urban Affairs Government of India under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising of funds through the proposed Bonds.

AMRUT 2.0 was launched with the objective of making cities 'Aatma Nirbhar' and water secure. Under the said notification for AMRUT 2.0, the first 20 urban local bodies on 'first come, first serve' basis during the mission period to issue municipal bonds by urban local bodies for raising bonds for the first time shall be eligible for incentive of Rs. 13,00,00,000/- (Rupees Thirteen Crores) for every Rs. 100,00,00,000/- (Rupees One Hundred Crores) of bonds, subject to a maximum of Rs. 26,00,00,000 (Rupees Twenty Six Crores) per urban local body.

Any failure by us to complete the Issue in a timely manner due to future events, unforeseen circumstances or reasons beyond the control of the Issuer may impact our ability to claim incentives under AMRUT 2.0 from Government of India, Ministry of Housing and Urban Affairs.

Credit Risk

8. The credit rating assigned to Bonds may be downgraded.

CRISIL Ratings Limited has *vide* its letter dated October 17, 2024, and as revalidated *vide* its letters dated January 29, 2025 and March 06, 2025 assigned a rating of CRISIL AA-/STABLE and has issued a rating rationale dated October 16, 2024.

CARE Ratings Limited has *vide* its letter dated April 29, 2024, and as revalidated *vide* its letters dated January 30, 2025 and March 05, 2025, assigned a rating of Provisional CARE AA/Stable and has issued a rating rationale dated May 02, 2024.

However, if there is a deterioration in our financial performance or position, accumulation of debt or if there are any statutory or regulatory restrictions detrimentally affecting our ability to collect revenues or manage expenditures due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, our credit rating and credit rating assigned to the Bonds may be downgraded. Any downgrading in our credit rating or credit rating of instruments will result in an enhanced risk to the Bondholders.

The ratings provided by the Rating Agencies may be suspended, withdrawn or revised at any time including without limitation on financial deterioration of the Issuer. Any revision or downgrading in the above credit rating may lower the value of the Bonds and may also affect the Issuer's ability to raise further debt. In such cases where the value of the Bonds decreases, potential investors may incur losses on sale of their investment in the secondary market.

Financial Risk including Liquidity Risk

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

The total collection of Property Tax which is one of the main sources of revenue has increased from Rs. 28.44 crores in FY 2021-2022 to Rs. 53.79 crores in FY 2022-2023 to Rs. 67.90 crores in FY 2023-2024. Though the total collections have increased from the last three years, however, there can be no assurance that the total collection may not decrease in future which will have an impact on the financial condition of the Issuer. The portion of property tax due but not collected is shown as receivables in our financial statements. While the Issuer takes certain measures, from time to time, to collect such arrears, there can be no guarantee for timely collection of such arrears.

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 no. 80 of this Preliminary Placement Memorandum.

10. Financial Risk

The Issuer's ability to pay Coupon accrued on the Bonds and/or the principal amounts outstanding from time to time in connection therewith would be subject to various factors, including inter alia the Issuer's financial condition, profitability, revenue generation and general economic conditions prevailing in India and in the global financial markets. The Issuer shall create a structured payment mechanism through which the Tax Income (i.e. Property tax, Professional tax and Vehicle tax collections) or any other specified revenue/cashflow deposited in the account(s) where Tax Income shall be collected are being routed to ensure 100% (One Hundred percent) cover for the principle amount of Bonds and interest accrued thereon.

11. GMC may not be able to pay interest accrued on the Bonds and/ or the principal amount in timely manner as outstanding from time to time.

While the Issuer will take all reasonable steps to pay the accrued interest and/ or the principal amount in timely manner, the Bond Holders may not be able to recover, on a timely basis, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Bonds, due to future events, unforeseen circumstances or reasons beyond the control of the Issuer.

GMC's ability to timely pay interest accrued on the Bonds and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including inter-alia timely on-time recovery of Tax Income and the general economic conditions prevailing in India and in the global financial markets. Though Issuer has created a structured payment mechanism through which the Tax Income, shall be collected for debt servicing in favor of the Debenture Trustee for the Bondholders to ensure sufficient funds for repayment of principal and interest accrued thereon, the realizable value of the Bonds may be lower than the outstanding principal and/ or interest accrued thereon and consequently, the potential investor may not be able to recover on a timely basis or at all,

the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Bonds.

12. Considering the nature of the Issuer and non-applicability of SARFAESI, recovery proceeding, if any, initiated in case of any default might take longer which may have a negative impact on the ability of the investor to recover the Investors' dues.

The NCD Holders 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 NCDs. However, the NCD Holders may themselves or through the Debenture Trustee, may have other available legal recourse in accordance with SEBI regulations and other Applicable Law.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 does not apply to the Issuer. Given the nature of the Issuer and the Bonds issuance being unsecured, in case of any default by the Issuer the process to be followed for recovery of Investor's monies might be longer.

Business Risk

13. The Issuer is dependent on information technology and any breach on information technology may affect the Issuer's activities.

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

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

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

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

The Issuer enters into outsourcing arrangements/ contracts with civil contractors for undertaking various civil contracts and with third party vendors for providing various services. Any failure by the contractors or service providers to provide a specified service, develop the Project 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 Project and have an adverse impact on the financial condition of the Issuer.

15. Labour Related Risks

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of such stringent labour regulations, it is difficult for the Issuer to maintain flexible human resource policies, discharge

employees or downsize, which may adversely affect our business, financial condition and results of operations. Additionally, some of the Issuer's employees are part of certain industry labour unions and such unions could result in labour unrest. Strikes or work stoppages or any mishaps/ accidents impacting the labour in future could have an adverse impact on the Issuer's operations. Recently, the Government of India has given its assent to enact (i) Code on Wages, 2019 (ii) Industrial Relations Code, 2020 (iii) Code on Occupational Safety, Health & Working Conditions Code, 2020 (iv) Code on Social Security, 2020 which has replaced some of the existing labour laws with the objective to simplify and modernize labour regulations. However, the rules under the abovementioned codes are yet to be notified by the Central Government and by the State Government.

The Issuer, from time to time, for certain activities, appoints independent contractors who in turn may engage on-site contract labour for performance of certain activities. The Issuer may be held responsible for any payment of wages/ compensation for any accidents or losses relating to such contracted labourers in certain cases even though such labourers are not directly engaged by the Issuer. Such an event may have an adverse impact on the Issuer's financial position and operations due to future events, unforeseen circumstances or reasons beyond the control of the Issuer.

16. The Issuer has certain contingent liabilities, the materialisation of which may adversely affect the Issuer's financial condition.

The Issuer, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Issuer does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on the Issuer's financial position or results of operations, yet litigation is inherently unpredictable. Therefore, the Issuer could incur judgments or enter into settlements of claims that could adversely affect the Issuer's operating results or cash flows in a particular period. As on the date of this Preliminary Placement Memorandum, there are a number of ongoing civil and consumer claims against the Issuer. While for some cases, some deposits have already been done with the regulatory authorities however, there may be other cases wherein provision for contingent liabilities has not been recognized in the Issuer's financial statements. The outcomes of these cases are remote and the financial implications are not ascertainable. In the event, any of these contingent liabilities materialise, the Issuer's financial condition may be adversely affected. For details of non-payment of statutory dues of the Issuer, please refer to paragraph H "*Details of non-payment of statutory dues, if any*" of *Section XI: Legal and Other Information* on Page No. 89 of this Preliminary Placement Memorandum.

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

We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees or third parties, which could harm our results of operations and financial position. We may do cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may turn out to be insufficient to prevent or deter such activities in all cases or due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

EXTERNAL RISK FACTORS

General Risk

18. 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.

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

Periodic elections and/ or rotation of the officers might pose a risk to the operations of the Issuer since a change in the government might shift the policy focus for the municipal corporation which will impact the ongoing activities of the Issuer. Such changes in policy focus might affect the relative priority of capital expenditures for the Project and other projects undertaken by the Issuer. The payment of interest and principal to the Bonds holders are backed by structured payment mechanism. For further details, please refer to Structured Payment Mechanism on Page No. 97 of this PPM.

20. Changes in Government Policies may affect the collection of revenue of the Issuer and may also affect the management of the expenditure.

The Issuer's operations are dependent on the policies of the government, central as well as state initiatives. Any changes in government policies detrimental to the Issuer may affect the collection of revenue of the Issuer and may also affect the management of the expenditure of the Issuer. Further, inconsistencies in our revenue collection and any lack of support in terms of regulatory initiatives will adversely affect the Issuer's operations, as will any delayed response in policy alteration or other regulatory impediments, which will adversely affect the Issuer's operations. Additionally, policies of central and state government which mandate urban local bodies to focus on development in certain specific sectors or areas or future events, unforeseen circumstances or reasons beyond the control of the Issuer may will affect the Issuer's projects and operations.

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

The Issuer is subject to changes in Indian laws, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

22. Legality of purchase.

Potential investors of the Bonds will be responsible for the lawfulness of the acquisition of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

23. The secondary market for the Bonds may be less liquid.

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

24. Tax/Accounting considerations and Legal considerations.

Special tax/accounting considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.

Further, sale of 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 No. 48 of this PPM.

25. Accounting considerations.

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine the implications of this investment.

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

Any occurrence of natural calamities like storm, flash floods, any instance of pandemics, protest, riots etc. could hamper the transportation facilities, impact mobility and functioning of the city and hence the implementation of proposed Project. Though we are scaling up our internal systems to take care of any such sudden events, in case they occur in future, these conditions may result in hampering the functioning of GMC due to additional cost burden for retrieving the city back to normalcy.

27. Decentralization with respect to Municipal Corporations.

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

Additionally, being a government organization, GMC is subject to regulations by Indian governmental authorities. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect GMC.

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

In case the Issue is not fully subscribed to by potential investors, the Issuer may be unable to meet the funding requirements of the Project from the proceeds of the Issue to the full extent. The Issuer may be required to raise additional funds to meet the shortfall in funding the Project through other sources which may lead to a delay in the completion of the Project. The funding gap may develop due to such shortfall in full subscription to the Issue, in which the Issuer may utilize its internal accruals or obtain funding through other means for completion of the Project. Please refer to paragraph J (Capital structure relating to Project for which funds are proposed to be mobilised) of Section VI *About the Issuer and Capital Structure of the Issuer* on Page No. 34 of this Preliminary Placement Memorandum.

Risk in relation to the Bonds

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

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to the Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchange. There could be a failure or delay in listing the Bonds on NSE for reasons unforeseen. While the Issuer shall ensure compliance with the provisions related to the timelines for listing of securities as specified in Chapter VII of Master Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, however, if permission to deal in and if an official quotation of the Bonds is not granted by NSE, our Corporation shall refund the entire monies received within

seven days of receipt of intimation from NSE rejecting the application for listing of Bonds, and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer shall be liable to repay that money with interest at the rate of 15% (fifteen percent) per annum till such refund is made.

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

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rate, i.e., when interest rates rise prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest which frequently accompany inflation and/ or a growing economy are likely to have a negative effect on the price of the Debentures.

The secondary market pricing of the Bonds is subject to factors affecting the general economic condition in India and in the domestic and global financial markets. All securities where a fixed rate of interest is offered, such as in the present case, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rate rises prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity, credit rating and the increase or decrease in the level of prevailing interest rates. Thus, the investor may face volatility in the price of the bond issued due to above mentioned factors.

31. There may be nil or partial allotment to investors in case of oversubscription of the Issue.

In case the Issue is oversubscribed the allotments will be made to the applicants on yield-time priority/ pro-rata basis in line with the SEBI EBP Guidelines and the investors may not receive allotment to the full extent of their application size or any allotment at all. Accordingly, the investors may get partial allotment case of oversubscription of the Issue, depending on their bids on the EBP Platform, in accordance with SEBI EBP Guidelines.

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

The Bonds are proposed to be listed on the NSE. Subsequently, we will be required to comply with various applicable rules and regulations, including the SEBI circulars issued on continuous disclosures and compliances for our Bonds. Any instances of non-compliance, despite best efforts may lead to fines/ penalties or actions by the Stock Exchange.

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

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

ii) **Head Office of the Issuer:**
Pandit Din Dayal Upadhyay Bhavan,
Behind Fire Station, Sector -17,
Gandhinagar-382016
Tel No: +079-23284150
Email id: gmc9050@gmail.com
Website: <https://gandhinagarmunicipal.com>

iii) **Other Offices of the Issuer:**

Zonal Offices:

- a) **NORTH ZONE OFFICE**
North Zone, Pethapur Nagarpalika Bhavan,
Opp. Pethapur Bus Stand,
Pethapur Gandhinagar-382610
- b) **CENTRAL ZONE OFFICE**
M.S. Building, First Floor,
Sector 11,
Gandhinagar- 382011
- c) **SOUTH ZONE OFFICE**
M.S. Building, Fourth Floor,
Sector 11,
Gandhinagar- 382011

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

Not applicable, as the Issuer is a Municipal Corporation.

C. Details of Mayor/Deputy Mayor

Sl. No.	Particulars	Designation	Date of Appointment
1.	Mrs. Miraben Mineshkumar Patel	Mayor	June 18, 2024
2.	Mr. Natvarji Mathurji Thakor	Deputy Mayor	June 18, 2024

D. Details of Commissioner/Deputy Commissioners

Sl. No.	Designation	Name of the Officer	Date of Appointment for the Designation*
1.	Municipal Commissioner	Mr. J. N. Vaghela (I.A.S)	April 06, 2023
2.	Deputy Commissioner	Mr. Bhagirath R Aahir (G.A.S)	March 19, 2024
3.	Deputy Commissioner	Mr. Kesharbhai G. Chaudhary	March 19, 2024
4.	Deputy Commissioner	Mr. Jitenderkumar. Maganlal. Bhoraniya	February 13, 2024

**Date of taking charge for the Designation as per Work Charge Certificate*

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

The Issuer has a Standing Committee and a Bond Issue Committee.

Details of the Standing Committee are given below:

Standing Committee

The Standing Committee comprises of members appointed by the corporation from amongst themselves at its first meeting after the general elections. The term of the members is for two and a half years from appointment and the members are eligible for re-appointment as well. Standing Committee comprises of 12 councilor members. The members of the Committee appoint one of its members to be the Chairman of the Committee. The Standing Committee via a resolution carrying votes in favour of by at least 2/3rd of the members present in meeting, delegate to any Special Committee any of its powers and duties in respect of any matter in which such Standing Committee is competent to deal. The Standing Committee may also by a specific resolution, delegate any of its powers and duties to a sub-committee consisting of at least three members of the Standing Committee.

Presently the constitution of the Standing Committee is as follows:

Name and Designation	Date of Appointment /Resignation	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Mr. Gurangbhai Ravindrabhai Vyas	June 18, 2024	-	-
Members			
Mr. Jashpalsingh Pravinsingh Bihola	June 18, 2024	-	-
Mrs. Chhaya Kantilal Trivedi	June 18, 2024	-	-
Mr. Popatsingh Hemtuji Gohil	June 18, 2024	-	-
Mrs. Tejalben Yogeshbhai Nai	June 18, 2024	-	-
Mr. Shaileshkumar Vitthalbhai Patel	June 18, 2024	-	-
Mrs. Shailaben Sunilbhai Trivedi	June 18, 2024	-	-
Mrs. Ushaben Vishnuji Thakor	June 18, 2024	-	-
Mrs. Kailashben Guwantbhai Sutaria	June 18, 2024	-	-
Mr. Bharatbhai Manjibhai Gohil	June 18, 2024	-	-
Mrs. Alpaben Kaushikbhai Patel	June 18, 2024	-	-
Mrs. Meenaben Khodidas Makwana	June 18, 2024		

Bond Issue Committee

The Issuer has formed the Bond Issue Committee vide Municipal Commissioner Letter dated January 01, 2025 and currently consists of the following members:

Name and Designation	Date of Appointment/ Resignation*	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Mr. J. N. Vaghela (I.A.S) Municipal Commissioner	January 01, 2025		-
Members			
Mr. Kesharbhai Ghemarbhai Chaudhary Deputy Commissioner	January 01, 2025		
Mr. Chiragkumar Kantilal Patel Accounts Officer (Account Branch)	January 01, 2025		-
Mr. Maharshi Raval Deputy Executive Engineer	January 01, 2025		-
Mr. Rahul Kumar Joshi Assistant Legal Officer	January 01, 2025		
Mr. Sagar Chandrakant Joshi Chief Auditor	January 01, 2025		

**Date of Appointment is the date wherein the BIC members became part of the said committee.*

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

Not Applicable, as the Issuer is a Municipal Corporation.

- G. Name, address, telephone number and email address of the compliance officer of the Issuer Official In-charge of dealing with Investor Grievances related to Municipal Bonds and also the Chief Accounts and Finance Officer or equivalent of the Issuer**

Mr. Chiragkumar Kantilal Patel

Accounts Officer,
Account Department,
Address: Pandit Din Dayal Upadhyay Bhavan,
Behind Fire Station, Sector -17,
Gandhinagar-382016 .
Mobile: +91 8866655111

Email: aogmc9@gmail.com

Email (Investor Grievance): aogmc9@gmail.com

The responsibility of Mr.Chiragkumar Kantilal Patel as Compliance Officer and Official In-charge of investor grievances shall be till he has his designation as Accounts Officer in GMC and in case of his transfer/retirement/recuse, GMC shall immediately handover the responsibility of Compliance Officer to any other official of the same cadre holding his post.

- H. Arranger**

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

TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED

1st Floor, Sheraton House, Opposite Ketav Petrol Pump,
Polytechnic Road, Ambawadi, Ahmedabad – 380015 Gujarat
Tel: +91 79 66828064

Email: gmc@tipsons.com

Investor Grievance E-mail: igr@tipsons.com

Website: www.tipsons.com

Contact Person: Mr. Sandeep Bhansali

Compliance Officer: Ms. Divyani Koshta

Tel (Compliance Officer): +91 79 66828127 /9589801774

Email (Compliance Officer): divyani.koshta@tipsons.com

SEBI Registration No.: INM000011849

CIN: U74140GJ2010PTC062799

- J. Debenture Trustee of the Issue**

MITCON CREDITIA TRUSTEESHIP SERVICES LIMITED

1402/1403, B wing, Dalamal Tower,
14th Floor, Free Press Journal Marg, 211 Nariman Point,
Mumbai 400 021, Maharashtra, India
Tel: + 91 22 22828200

Email: contact@mitconcredentia.in

Investor Grievance Email: investorgrievances@mitconcredentia.in

Website: www.mitconcredentia.in

Contact Person: Ms. Vaishali Urkude;

SEBI Registration No.: IND000000596

CIN: U93000PN2018PLC180330

K. Registrar to the Issue:

MUFG INTIME INDIA PRIVATE LIMITED

(Formerly known as Link Intime India Private Limited)

247 Park C-101, 1st Floor LBS Marg Vikhroli West

Mumbai-400083

Tel: 022- 49186000

Fax: 022- 49186060

Email: debtca@linkintime.co.in

Investor Grievance email: debtca@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Ganesh Jadhav

SEBI Registration No.: NR000004058

CIN: U67190MH1999PTC118368

L. Credit Rating Agencies for the Issue:

CARE RATINGS LIMITED

4th Floor, Godrej Coliseum, Somaiya Hospital Road,

Off Eastern Express Highway,

Sion (East), Mumbai - 400 022 Tel: 079-4026 5656

E-mail: puja.jalan@careedge.in

Website: <https://www.careratings.com>

Contact Person: Ms. Puja Jalan

SEBI Registration No: IN/CRA/004/1999

CIN: L67190MH1993PLCO71691

CRISIL RATINGS LIMITED

CRISIL House, Central Avenue,

Hiranandani Business Park,

Powai, Mumbai 400 076,

Maharashtra, India

Tel: +91 22 3342 3000 (B)

E-mail: crisilratingdesk@crisil.com

Website: <https://www.crisilratings.com>

Contact Person: Mr. Aditya Jhaver

SEBI Registration No.: IN/CRA/001/1999

CIN: U67100MH2019PLC326247

M. Auditor of the Issuer:

PJNDV & Associates

603, Shalin Centrum,

Sector-11, Gandhinagar-382011

Tel.:6353659882

E-mail: canirav17@gmail.com

Contact Person: Mr. Nirav Patel

Website: <https://pjndv.com/>

Firm Registration No.: 139060W

Membership Number: 142966

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

Lead Manager	Not Applicable as the Issue is on a private placement basis.
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Merchant Banker	TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED 1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015. Tel: +91 79 66828064 Email: gmc@tipsons.com Investor Grievance E-mail: igr@tipsons.com Website: www.tipsons.com Contact Person: Mr. Sandeep Bhansali Compliance Officer: Ms. Divyani Koshta Tel (Compliance Officer): +91 79 66828127 /9589801774 Email (Compliance Officer): divyani.koshta@tipsons.com SEBI Registration No.: INM000011849 CIN: U74140GJ2010PTC062799
Registrar to the Issue	MUFG INTIME INDIA PRIVATE LIMITED (Formerly known as Link Intime India Private Limited) 247 Park C-101 ,1st Floor LBS Marg Vikhroli west Mumbai-400083 Tel: 022- 49186000 Fax: 022- 49186060 Email: debtca@linkintime.co.in Investor Grievance email: debtca@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Ganesh Jadhav SEBI Registration No.: NR000004058 CIN: U67190MH1999PTC118368
Banker to the Issue	ICICI Bank Limited Capital Market Division, 5th Floor, HT Parekh Marg, Churchgate, Mumbai-400020 Tel: 022-68052182 Fax: 022-68052192 E-mail: ipocmg@icicibank.com Website: www.icicibank.com Contact Person: Mr. Varun Badai SEBI Registration No.: IN100000004 CIN: L65190GJ1994PLC021012
Escrow Bank	ICICI Bank Limited Plot No.315, Sector 16, Gandhinagar, Gujarat-382016 Tel: 079-66523995 E-mail: ankit.sethia@icicibank.com Investor Grievance e-mail: ankit.sethia@icicibank.com Website: www.icicibank.com Contact Person: Mr. Ankit Sethia SEBI Registration No.: IN100000004 CIN: L65190GJ1994PLC021012
Brokers to the Issue	Not applicable as the Issue is on a private placement basis.
Syndicate Members	Not applicable as the Issue is on a private placement basis.
URL of SEBI Website listing out details of recognised Intermediaries	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

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

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

P. Debenture Trustee to the Issue

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, GMC has appointed MITCON Credentia Trusteeship Services Limited to act as Debenture Trustee (“**Debenture Trustee**”) for and on behalf of the holder(s) of the Bonds.

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

GMC hereby undertakes that the rights of the Bondholders will be protected as per the governing Act, agreement/deed executed/to be executed between GMC 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 GMC in relation to any rights or interests of the holder(s) of the Bonds; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI Municipal Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustee or GMC for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Debenture Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds.

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

Q. Investor Grievance Redressal Mechanism

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor’s grievance within 30 days of its receipt. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to aogmc9@gmail.com. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer and Officer In-Charge of dealing with investor grievances in relation to the municipal bonds are given at point G of this Chapter on *General Information* at page no.30 in this Preliminary Placement Memorandum. The Corporation has already got itself registered with the SCORES platform of SEBI (SCORES ID: [●]) for the convenience of the investors for filing of any complaint.

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

A. About the Issuer

The Gandhinagar Municipal Corporation (GMC) is the municipal body of Gandhinagar city. Presently, Smt. Miraben Mineshkumar Patel is the Mayor and Shri J N Vaghela (I.A.S), is the Municipal Commissioner of Gandhinagar Municipal Corporation.

Gandhinagar Municipal Corporation is responsible for the civic infrastructure and administration of the city of Gandhinagar in Gujarat state of India. It has set goal for smart utilization of city's potential for enhancing quality of life for the citizens by providing equal access to the best quality physical infrastructure and social infrastructure with focus on enhancing economy, protecting the ecology and preserving the identity and culture of the city.

a. About Gandhinagar

Gandhinagar, Gujarat's new capital, lies on the west bank of Sabarmati River. All kinds of head offices of state government, secretariate of all departments, offices and residents of ministers legislative assembly, residence of governor and other important offices are situated in Gandhinagar. The city has been divided into thirty sectors with each sector having its own shopping and community centre, primary school, health centre, government and private housing. The district has an area of 205 sq. kms.

b. Constitution of the Issuer

The Gandhinagar Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Bombay Provincial Municipal Corporations Act, 1949("BPMC Act") then applicable act in Gujarat vide notification dated April 30, 2010 bearing reference no. KV-56 of 2010-MNA-102009-5771(iii)-P. 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 Issuer, being a corporation established under the Act, which is a state act, is a public sector company for the purposes of the Income Tax Act, 1961, which defines the term 'public sector company' under Section 2(36A) to mean any corporation established by or under any central, state or provincial act or a government company as defined in the Section 2(45) of the Companies Act, 2013.

c. Composition of the Issuer

In accordance with Section 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;
- c) a Municipal Commissioner

In accordance with the Act, the Corporation consists of councilors chosen by direct election and shall continue for five years. The term of the councilors shall be co-extensive with the duration of the corporation. The Corporation shall at its first meeting after general elections and at its first meeting on expiry of succeeding two and half years elect from amongst the councilors one of its members to be the Mayor and Deputy Mayor. The Corporation can appoint a special committee out of its own body to carry out specific works assigned to it. The Municipal Commissioner is to be appointed by the State Government and shall hold office for such period not exceeding three years.

d. Elected representatives in GMC

GMC area is divided into three zones (North, Central and South) for administrative purposes. The political wing is an elected body of Municipal Councilors headed by a Mayor. GMC has 3 administrative zones and 11 election wards. Each election ward is represented by 4 councilors. Thus, the total number of Municipal

Councilors is 44. The general election is held once in five years and the Mayor's tenure is maximum of two and half years.

Under the GPMC Act, 1949 (erstwhile BPMC 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 statutory and non-statutory functional committees for setting the obligatory and discretionary functions. The Standing Committee has 12 members and is headed by a Chairman elected from amongst its Corporators. The General Board under the GPMC Act also enjoys sanctioning powers.

e. Administrative Cadre in GMC

The Administrative wing of GMC works under the command of the Municipal Commissioner who heads a team of officials comprising of Three Deputy Municipal Commissioners and other officials like City engineer, Chief Accountant and ward officers who administer their respective domains. Each administrative ward is headed by the ward officer who is responsible for efficient and smooth functioning of revenue collection, sanitation and implementation of certain government schemes and he is answerable to the Assistant Municipal Commissioner (Zone). The Deputy Engineers in each ward who are looking after water supply and drainage functioning. These engineers are working under direct supervision of an Executive Engineer (Zone). 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

The Act defines the scope and extent of responsibilities of the Issuer. The Issuer is mainly responsible for providing civic services to the Gandhinagar city.

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

- (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) Watering, scavenging and cleansing of all public streets and places in the city and the removal of all sweeping therefrom;
- (3) 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) Construction, maintenance and cleansing of drains and drainage works, and of public latrines, water-closets, urinals and similar conveniences;
- (5) Entertainment of a fire-brigade equipped with suitable appliances for the extinction of fires and the protection of life and property against fire;
- (6) 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) 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) Naming or numbering of streets and of public places vesting in the Corporation and the numbering of premises;
- (10) Regulation and abatement of offensive and dangerous trades or practices;
- (11) 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) Construction or acquisition, maintenance and regulation of public markets and slaughterhouses and tanneries and the regulation of all markets and slaughterhouses and tanneries;
- (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) Reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;
- (17) Registration of births and deaths;
- (18) Construction, maintenance, alteration and improvement of public streets, bridges, sub-ways, culverts, cause-ways and the like;
- (19) Removal of obstructions and projections in or upon streets, bridges and other public places;
- (20) 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) Securing or removal of dangerous buildings and places; Preparation of plans for economic development and social justice;
- (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 GPMC 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.

g. Achievements

GMC has been the recipient of various Awards/Appreciations/ Certificates, some of which are enlisted below:

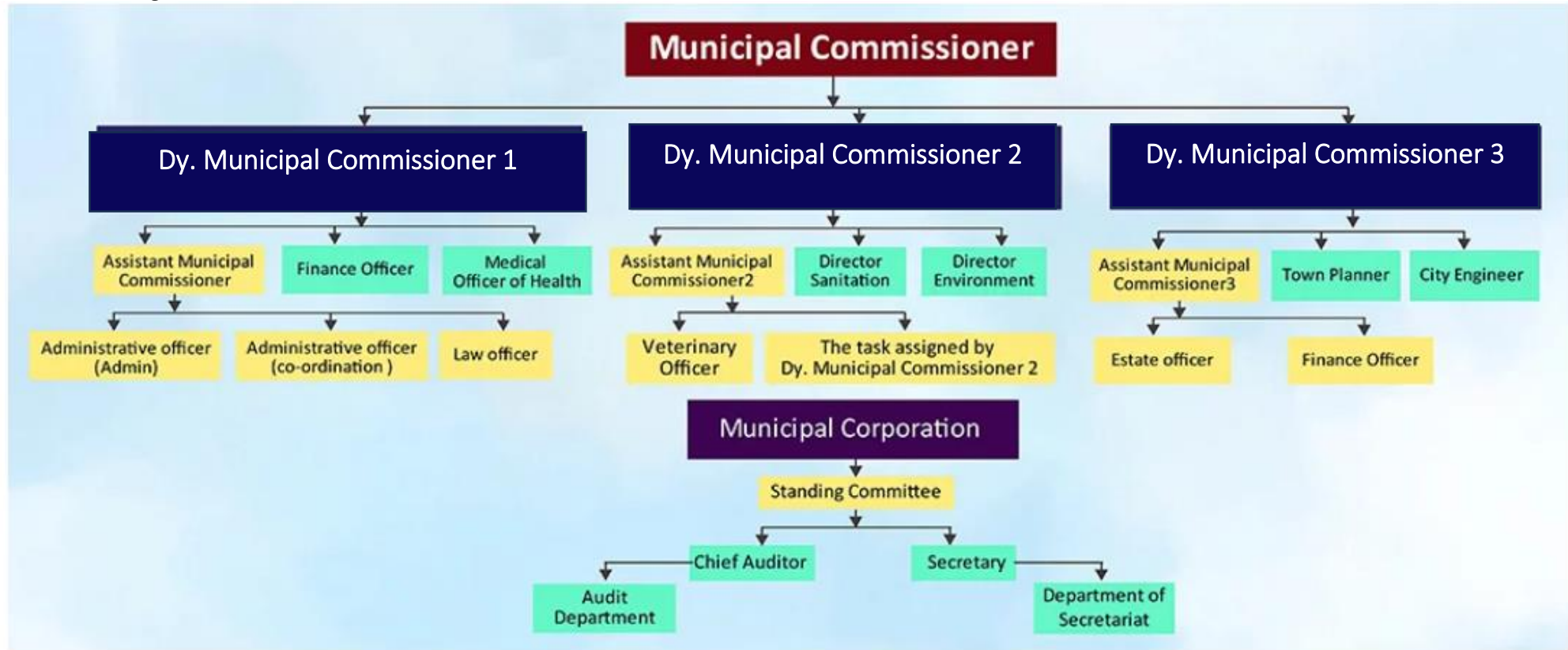
Sr. No.	Name of Award / Appreciation / Certificates	Purpose Achievement	Year	Name of Institution
1.	Appreciation issued under Indian Swachhata League 2022	Swachh Bharat Mission	2022	Ministry of Housing & Urban Affairs, New Delhi
2.	Cleanest State / UT Capital Award	Swachh Survekshan under Swachh Bharat Mission	2021	Ministry of Housing & Urban Affairs, New Delhi
3.	Swachh City Award	Best Capital City / UT In Innovation & Best Practices	2020	Ministry of Housing & Urban Affairs, New Delhi
4.	Swachh Survekshan 2020 Award under Swachh Bharat Mission	/ Best City in Innovation & Best Practice	2020	Ministry of Housing & Urban Affairs, New Delhi
5.	Star Rating Certificate 2020	Garbage Free City	2020	Ministry of Housing & Urban Affairs, New Delhi
6.	National CSR Leadership Congress & Awards	Best GIS Platform For Smart City	2019	Zee Business
7.	Garbage Free Award 2019 under Swachh Bharat Mission	Swachh Bharat Mission	2019	Ministry of Housing & Urban Affairs, New Delhi

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

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

C. Details of the management structure of the Issuer.

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



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

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

E. Resolution authorizing the borrowing and list of authorized signatories.

Approval for the Issue	
1.	The Urban Development and Urban Housing Department, Government of Gujarat vide its resolution no. UDUHD/MSM/e-file/18/2024/0046/P Section, Letter No: UDUHD/0457/02/2025 dated February 12, 2025 and resolution no. UDUHD/MSM/e-file/18/2024/0046/P Section dated March 03, 2025, had approved the bond issuance by Issuer for issuing Taxable Bonds in form of debenture up to Rs. 25 crores (Rupees Twenty-Five Crores Only) under section 109 of the Gujarat Provincial Municipal Corporation Act, 1949.
2.	Standing Committee Resolution No. 548 dated October 27, 2023, in relation to approval for the issuance of bonds and formation of Bond Issue Committee and authorizing the Bond Issue Committee jointly and severally to do all acts of the Issue.
3.	General Board Resolution No. 108 dated December 01, 2023 in relation to approvals for the issuance of bonds and formation of Bond Issue Committee and authorizing the Bond Issue Committee jointly and severally to do all acts of the Issue.
4.	Letter of Commissioner dated January 01, 2025 confirming the members of Bonds Issue Committee.
5.	Resolution of the Bond Issue Committee dated March 06, 2025 approving the Objects of the Issue.
6.	Resolution of the Bond Issue Committee dated March 07, 2025 approving the issuance of Bonds.

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

The resolution for allotment of Bonds shall be passed after the bidding on EBP Platform of NSE.

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 BPMC Act (now 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.

The Issuer has not undergone any reorganization or reconstruction in the last 1 (one) year. Save and except routine transfer of officials of the Issuer including change in Municipal Commissioner, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (one) year.

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

The Issuer is presently engaged in undertaking the following key projects:

- **Development of Street at Sargasan, Canal, Sardar Chawk & Raysan, Gandhinagar**

Under the said project GMC is aiming to strengthen infrastructure by building new streets at different locations in the city. GMC intends to develop approximately 8.5 kilometers of streets at Sargasan and Raysan along with a couple of connecting access roads at Canal, Sardar Chawk & junctions in the Gandhinagar.

- **Development of street at Indira Bridge to Koba & Koba to Tapovan Circle and Development of Rakshashakti flyover under space and Balance work**

The object of the abovementioned project is to strengthen infrastructure by building new streets at different locations in the city. Through this project it is intended to develop approximately 11 kilometres of streets at Indira Bridge to Koba Circle, Koba to Tapovan Circle, Canal Road, &

Development of Rakshashakti Flyover Under space along with infrastructure in couple of connecting access roads & junctions in the city of Gandhinagar.

- **Development of Road No. 5 with footpath, cycle track, street furniture, signages, landscape, utilities and lighting and operation and maintenance under GMC area**

Under this project, Gandhinagar Municipal Corporation is planning to develop Road No. 5 located in the center of the city. The development includes building of NMT infrastructure like footpaths, cycle tracks, street furniture, utilities, landscaping, wayfinding, placemaking, restoration of road works and multimodal integration with metro development. The length of the street for development is 4.3 km. It is one of the primary accesses to Gandhinagar railway station and circuit house.

- **Beautification of PDEU-GIFT City Road with development of footpath, Cycle- track, parking, food zone, and amenities with street furniture, signages and utilities under GMC area**

Gandhinagar Municipal Corporation is currently developing the road from Bhaijipura junction to Signature Bridge (GIFT city) as iconic road and keeping safety as a prime concern. The 80m road starts from Bhaijipura and ends at Signature bridge. It is the primary access to GIFT city and Knowledge Hub. GMC has also undertaken the development and beautification of central median through landscaping. The Urban Lab will design with the aim to transform the service roads and the residual spaces to create a safe and vibrant corridor. The proposal includes development of service roads with footpath, cycle track, street furniture, utilities, and overall beautification of the corridor.

- **Waterbody development & Rejuvenation for Lakes in GMC area under AMRIT Sarovar (Pethapur, Randheja, Kolavda)**

The said project is under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) through which the government is aiming to improve the existing basic infrastructure services like extending clean drinking water supply, improving sewerage networks, developing septage management, laying of storm water drains, improving public transport services and creating green public spaces like parks etc., with special focus on creating healthy open spaces for children of various towns of the country. Under this scheme, a planned sustainable growth is targeted, so as to provide a better living environment to the disadvantaged residents and the urban poor.

The scope of work for this project is to develop a plan and design a suitable green space in the available open spaces of GMC Jurisdiction at Kamalam Lakes at Pethapur Lake 1.0 (Sr. No. 1598), Pethapur Lake 2.0 (Sr. No. 2196), Randheja Lake (Sr. No. 416), Kolavada Lake (Sr. No. 515).

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

S. No.	Project Name	Project Cost (Rs. In Lakhs)			Project Cost share (Rs. In Lakhs)				Grants Received (Rs. In Lakhs)			
		Approved	Centage	Awarded	GOI	State	ULB (GMC)	Total	GOI	State Govt.	Centage	Total
1	Development of Street at Sargasan, Canal, Sardar Chawk & Raysan, Gandhinagar	16114.90	13.95%	18362.91	-	6779.95	11582.96	18362.91	-	6779.95	36.92%	6779.95
2	Development of street at Indira Bridge to Koba & Koba to Tapovan Circle and Development of Rakshashakti flyover underspace and Balance work	11644.22	-	-	-	400.00	11244.22	11644.22	-	-	-	-
3	Development of Road No. 5 with footpath, cycle track, street furniture, signages, landscape, utilities and lighting and operation and maintenance under GMC area	5164.01	-	-	-	-	5164.01	5164.01	-	-	-	-
4	Beautification of PDEU-GIFT City Road with development of footpath, Cycle- track, parking, food zone, and amenities with street furniture, signages and utilities under GMC area	11474.63	-	-	-	2600.00	8874.63	11474.63	-	-	-	-
5	Waterbody development & Rejuvenation for Lakes in GMC area under AMRIT Sarovar (Pethapur, Randheja, Kolavda)	2937.82	4.79%	3078.43	848.37	1442.46	787.59	3078.42	848.37	1442.46	74.42%	2290.83

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

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

Sr. No	Description	Utilization from Issue Proceeds (Rs. in crores)
1	GMC Contribution	78.30
2	External Borrowing (Bonds)	25.00
Total		103.30*

**The above cost is excluding amount payable towards GST and O&M which shall be borne by GMC.*

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

On the day of filing of this PPM, the Issuer is not sanctioned any grant for the proposed Project.

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

Particulars	Grant Received (Rs. in Crores)
Financial Year 2021-2022	16.58
Financial Year 2022-2023	19.73
Financial Year 2023-2024	15.78

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

Particulars	Financial Year (Rs. in Crores)		
	2021-2022	2022-2023	2023-2024
Revenue Grant Received	20.24	16.95	63.45
Revenue Grant Spent	32.04	6.85	14.63

SECTION-VII: OBJECTS OF THE ISSUE

- 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 proceeds of the Issue are being earmarked for the following project:

Construction of Civil Works for the Area Development Besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheshwar Circle, 2) CH – 0 To Rakshshakti Circle

The abovementioned Project is for development of road from CH-0 to RakshaShakti Circle and Dholakuva to Pancheshwar Circle. It will be located along an overhead metro corridor, featuring place making elements and park services designed to serve multiple functions, both functional and aesthetic. The said development will provide enhanced connectivity that can improve access to metro stations and create smooth transitions between transportation modes, encouraging use of public transit. Along with connectivity, parks and well-designed streetscape will promote sustainability by improving air quality, providing shade, and helping to manage stormwater. Green spaces will reduce the urban heat island effect and provide habitats for local wildlife. The development of such attractive streetscapes will encourage people to spend more time in the area, boosting local businesses.

The following are the details of the Project:

Location	1. CH-0 to Raksha Shakti Circle, 2. Dholakuva to Pancheshwar circle
Plant & Machinery/ Components	The development of road from CH-0 to Raksha Shakti Circle and Dholakuva to Pancheshwar circle involves the utilization of a diverse range of plants and machinery to ensure efficient and precise execution. Here is a list of machinery used in the development of road from CH-0 to Raksha Shakti Circle and Dholakuva to Pancheshwar circle: 1. Excavators: These machines are essential for digging and excavating the foundation and trenches required. 2. Concrete Batching Plants: These plants are used to produce large quantities of concrete with specified mix designs, ensuring the structural integrity. 3. Formwork Systems: To mold and shape the concrete during construction, formwork systems are employed for creating slabs, and other structural elements. 4. Rebar Cutters and Benders: Essential for cutting and bending reinforcing steel bars to the required specifications for structural reinforcement. 5. Compactors: Vibratory compactors help in achieving proper compaction of soil and backfill materials around the foundation. 6. Concrete Mixers: Used to mix concrete batches on-site, ensuring a consistent and quality mix for construction. 7. Earthmoving Equipment (Bulldozers, Loaders): Used for moving and leveling earth during site preparation and construction. 8. Cranes: Mobile and crawler cranes are employed for lifting and placing heavy components during various stages of construction. 9. Surveying Instruments: Precision instruments such as total stations and GPS systems are used for accurate layout and alignment of the road. 10. Concrete Vibrators: Ensure proper consolidation of concrete to eliminate air voids and enhance structural strength. 11. Batching and Mixing Plants: For the preparation of various construction materials and ensuring consistency in the mix. 12. Water Pumps: Used for dewatering and managing water levels during construction. 13. Asphalt Pavers: For laying asphalt on road surfaces. 14. Road Rollers: Used to compact the asphalt surface and achieve a smooth finish. 15. Concrete Cutting Saws: For precise cutting of concrete slabs and structures. 16. Graders: To create a flat surface for laying asphalt or concrete. 17. Bitumen Sprayers: For spraying bitumen emulsion or other binders on the road surface before laying asphalt.

	18. Tippers/Dump Trucks: Essential for transporting construction materials like sand, gravel, and asphalt to the site. 19. Wheel Loaders: For loading and unloading materials efficiently. 20. Core Cutting Machine: Used to core cutting in curbing to install drain pipes. The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of the development of Road from CH-0 to Raksha Shakti Circle and Dholakuva to Pancheshwar circle.
Process and Technology	1. Site Selection and Surveying: • Process: Initial site selection involves evaluating factors such as elevation & topography. 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. Design and Planning: • Process: Engineers develop detailed structural and architectural plans considering IRC standards. • Technology: Computer-Aided Design (CAD) software is commonly used for creating detailed blueprints. SketchUp and Lumion softwares are used to make 3d model and visualization. 3. 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. 4. Reinforcement and Formwork: • Process: Reinforcement bars are cut and bent according to design specifications. Formwork is erected to mold and shape the concrete. • Technology: Rebar cutters and benders, along with advanced formwork systems, enhance precision and efficiency. 5. Concrete Placement: • Process: High-quality concrete is mixed and poured into the formwork to create the structural components. • Technology: Concrete batching plants and transit mixers ensure consistent and quality concrete mixes. 6. Curing and Quality Control: • Process: Proper curing methods are employed to enhance concrete strength. Quality control measures are implemented throughout the construction process. • Technology: Temperature and moisture sensors, along with non-destructive testing methods, contribute to quality assurance. 7. Structural Monitoring: • Process: Continuous monitoring of structural elements during and after construction. • Technology: Structural health monitoring systems may include sensors to detect stresses, deformations, and other parameters affecting the road's integrity. 8. 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. 9. Pavement Construction: • Process: Laying of base and sub-base layers, followed by asphalt or concrete pavement. • Technology: Pavers for asphalt/concrete laying, compaction rollers, and laser-guided leveling systems. 10. Drainage and Stormwater Management: • Process: Construction of drainage systems to manage stormwater and prevent flooding.

	• Technology: Permeable pavement, advanced drainage materials, and hydrological modeling for effective design. 11. Traffic Management and Safety: • Process: Implementation of traffic control measures during construction and installation of safety features. • Technology: Smart traffic management systems, temporary traffic lights, and safety barriers. 12. 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. 13. Landscaping and Surrounding Infrastructure: • Process: Landscaping is performed around the reservoir, and surrounding infrastructure is developed • Technology: Advanced landscaping techniques and civil engineering technologies contribute to the aesthetic and functional aspects of the project. The successful development of Road from CH-0 to Raksha Shakti Circle, Dholakuva to Pancheshwar circle involves the integration of these processes and technologies, ensuring a robust and sustainable infrastructure.
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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 is given below:

(Rs. in Crores)		
Sr. No.	Item Description	Cost
1.	Development of road along with pedestrian and cycling infrastructure including placemaking of surrounding greens.	54.05
2.	Electrical works along the route and surrounding area under development with 5 year maintenance by supplying skilled manpower for the same.	37.53
3.	Water supply, Drainage and Storm water works along the route	11.71
Total Cost		103.30*

*The above cost is excluding amount payable towards GST and O&M which shall be borne by GMC.

- 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 only.

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

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

Name of the Project	Approved project cost (Rs. in Crore)	Means of the finance of the capital cost (Rs. in Crore)	
		GMC Contribution (internal accruals)/ Grant of GoI/GoG	External Borrowing (proposed bonds)
Construction of Civil Works for the Area Development Besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheswar Circle, 2) CH – 0 To Rakshshakti Circle	103.30	78.30	25.00

Total	103.30*	78.30	25.00
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**The above cost is excluding amount payable towards GST and O&M which shall be borne by GMC.*

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

E. Schedule of implementation of the Project

Sr. no.	Activity	Indicative Period (Days)		Physical Target (%)	Financial Target (%)
1.	Site Preparation				
	Cleaning of site	T*	T+45	1	-
	Setting up of construction workers sheds	T+7	T+45	-	-
	Setting up of material storage	T+7	T+45	-	-
	Site surveying	T+30	T+50	-	-
2.	Plumbing				
	Marking out layout	T+50	T+75	1	-
	Excavation	T+75	T+95	3	-
	Construction of manholes	T+65	T+160	8	-
	Backfilling & Compacting	T+160	T+210	10	2
3.	Road Construction				
	Lineout for all road components	T+170	T+180	15	2
	Sub surface construction	T+180	T+290	35	22
	Finishing	T+240	T+410	70	60
4.	Landscaping				
	Layout marking	T+440	T+450	72	60
	Installation	T+450	T+490	80	65
	Finishing	T+490	T+550	90	75
5.	Electrical				
	Wiring & Installation	T+240	T+410	92	75
	Testing & Commissioning	T+410	T+450	94	85
6.	Operation & Maintenance				
	Year 1 (Post Completion of the project)	T+580	T+945	96	88
	Year 2 (Post completion of the project)	T+945	T+1310	97	91
	Year 3 (Post completion of the project)	T+1310	T+1675	98	94
	Year 4 (Post completion of the project)	T+1675	T+2040	99	97
	Year 5 (Post completion of the project)	T+2040	T+2405	100	100

** T stands for the estimated start date/work order date of the Project*

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

The proposed Project is one of its kind project being undertaken by the Issuer. Accordingly, there are no benchmarks available with respect to any similar projects of the Issuer. The indicative milestone dates for the proposed Project are:

Sr. no.	Item Description	Duration (In Days)	Date of Start	Date of Completion
1.	Site Preparation			
	Cleaning of site	45	T*	T+45
	Setting up of construction workers sheds	38	T+7	T+45
	Setting up of material storage	38	T+7	T+45
	Site surveying	20	T+30	T+50

2.	Plumbing			
	Marking out layout	25	T+50	T+75
	Excavation	20	T+75	T+95
	Construction of manholes	95	T+65	T+160
	Backfilling & Compacting	50	T+160	T+210
3.	Road Construction			
	Lineout for all road components	10	T+170	T+180
	Sub surface construction	110	T+180	T+290
	Finishing	170	T+240	T+410
4.	Landscaping			
	Layout marking	10	T+440	T+450
	Installation	40	T+450	T+490
	Finishing	60	T+490	T+550
5.	Electrical			
	Wiring & Installation	170	T+240	T+410
	Testing & Commissioning	40	T+410	T+450
6.	Operation & Maintenance			
	Year 1 (Post Completion of the project)	365	T+580	T+945
	Year 2 (Post completion of the project)	365	T+945	T+1310
	Year 3 (Post completion of the project)	365	T+1310	T+1675
	Year 4 (Post completion of the project)	365	T+1675	T+2040
	Year 5 (Post completion of the project)	365	T+2040	T+2405

** T stands for the estimated start date/work order date of the Project.*

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

The Project Consultants, AVN Architecture & Urbunisam, has vide their letter dated March 07, 2025, confirmed that no regulatory or statutory approvals/No Objection Certificates are required from any authority for this project.

Expenses of the Issue

Expenses of the issue along with a break-up for each item of expense, including details of the fees payable to/for separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size)

Expenses Head	Amount (in Rs.) (Excluding Taxes) *	Percentage of total issue expenses	Percentage of total issue size
Fees to Merchant Banker(s) (including commissions, if any)	4,00,000.00	[●]	[●]
Brokerage, selling commission and upload fees	Nil	[●]	[●]
Fees to the Registrar to the Issue	15,000.00	[●]	[●]
Fees to the Legal Advisor to the Issue	3,00,000.00	[●]	[●]
Advertising and marketing expenses	Nil	[●]	[●]
Regulators including stock exchange	1,02,500.00	[●]	[●]
Printing and distribution of issue stationery	[●]**	[●]	[●]
Others, if any (fees of Rating Agencies, Debenture Trustee, Depositories etc.)	7,74,001.00	[●]	[●]
Total (exclusive of taxes)	15,91,501.00	[●]	[●]

**Indicative amounts*

The Issuer has not and any person who is connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue. The expenses in relation to the Issue are not being paid out of the proceeds of the Issue. The expenses in relation to the Issue are being met through the internal accruals of the Issuer.

SECTION-VIII: TAX BENEFITS

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

To,
GANDHINAGAR MUNICIPAL CORPORATION,
Pandit Dindayal Upadhyay Bhavan
Behind Fire Station
Sector 17, Gandhinagar-382016

Dear Sirs,

Re: STATEMENT OF SPECIAL TAX BENEFITS (UNDER DIRECT AND INDIRECT TAX LAWS) AVAILABLE TO GANDHINAGAR MUNICIPAL CORPORATION (THE “CORPORATION”) AND ITS INVESTORS PREPARED IN ACCORDANCE WITH THE REQUIREMENTS UNDER SCHEDULE I (6) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015 AS AMENDED (SEBI ILMDS REGULATIONS) FOR THE PROPOSED ISSUE BY GANDHINAGAR MUNICIPAL CORPORATION (“ISSUER”) OF UPTO 2,500 (TWENTY-FIVE HUNDRED) UNSECURED, NON-CONVERTIBLE, NON-CUMULATIVE, LISTED, RATED, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1 LAKHS (RUPEES ONE LAKHS) EACH, FOR CASH, AGGREGATING TOTAL ISSUE SIZE NOT EXCEEDING RS. 25 CRORES (RUPEES TWENTY-FIVE CRORES) (“BONDS”/ “NCDS”/ “DEBENTURES”) ON A PRIVATE PLACEMENT BASIS (“ISSUE”)

1. We, PJNDV & Associates, Chartered Accountants, refer to the proposed Issue by Gandhinagar Municipal Corporation (the “**Issuer**”) and enclose the statement of special tax benefits available to the Issuer and Investors under the Income Tax Act, 1961 (the “**Statement**”) showing the special tax benefits on issue of Municipal Bond applicable to the Issuer and Investors as per the provisions of the Income Tax Act, 1961 (the “**Act**”) and Income Tax Rules, 1962 including amendments made by Finance Act, 2024 and Taxation Laws (Amendment) Act, 2021 as applicable for the financial year 2024-2025, for inclusion in the Preliminary Placement Memorandum and Placement Memorandum 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. This statement is only intended to provide general information to the Investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the Investors to invest money based on this statement. We do not express any opinion or provide any assurance as to whether:
 - the Issuer or the Investors will continue to obtain these benefits in similar manner in future;
 - the conditions prescribed for availing the benefits have been / would be met with; and
 - the revenue authorities/courts will concur with the views expressed herein.
3. We hereby give our consent to include the Statement in the Preliminary Placement Memorandum and Placement Memorandum in connection with the Issue to be filed by the Issuer with the Stock Exchange(s), the Securities and Exchange Board of India and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.
4. Limitations

Our views expressed in the Statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its reasonable interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

5. This Statement is addressed to you solely for the use of the Issuer in relation to the Issue and, except with our prior written consent, is not to be transmitted or disclosed to, or used or relied upon by any other person or used or relied upon by you for any other purpose, save that you may disclose this Statement to **Tipsons Consultancy Services Private Limited**(the “**Merchant Banker**” or “**Permitted Recipient**”).

For, PJNDV& Associates

Chartered Accountants
Firm’s Registration No. 139060W

Nirav Patel
Membership No.: 142966
UDIN: 25142966BMKNOX4083
Place: Gandhinagar
Date: 06/03/2025

CC:
Merchant Banker cum Arranger
Tipsons Consultancy Services Private Limited
1stFloor, Sheraton House,
Polytechnic Road, Ambawadi,
Ahmedabad – 380015

Legal Counsel to the Issue
MV Kini, Law Firm,
6/39, Jangpura-B,
New Delhi-110014

STATEMENT OF SPECIAL TAX BENEFITS

Under the existing provisions of law, the following special tax benefits, *inter alia*, will be available to the Issuer and Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto.

The information given below lists out the special tax benefits available to the Issuer and Debenture Holder(s), in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Debentures. The Debenture Holders are advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting its tax advisor as alternate views are possible. We are not liable to the Debenture Holders in any manner for placing reliance upon the contents of this statement of special tax benefits.

We have also perused the relevant provisions of Income Tax Act, 1961, Central Goods and Service Tax Act (CGST), State Goods and Service Tax Act (SGST) and Integrated Goods and Service Tax Act (IGST) alongwith the notifications issued by the revenue authorities from time to time.

On the basis of such perusal/examination of the provisions and on the discussions held with the officials of Issuer, we are of the opinion that the following special tax benefits are available to the Issuer and the Debenture Holders:

DIRECT TAXES

IMPLICATIONS UNDER THE 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:

Benefits to the Issuer

The Income of the Issuer from specified sources are exempted under Section 10(20) of the IT Act. The provisions under Section 10(20) of the IT Act are as under:

“the income of a local authority which is chargeable under the head "Income from house property", "Capital gains" or "Income from other sources" or from a trade or business carried on by it which accrues or arises from the supply of a commodity or service (not being water or electricity) within its own jurisdictional area or from the supply of water or electricity within or outside its own jurisdictional area.

Explanation. —For the purposes of this clause, the expression "local authority" means—

- (i) Panchayat as referred to in clause (d) of article 243 of the Constitution; or*
- (ii) Municipality as referred to in clause (e) of article 243P of the Constitution; or*
- (iii) Municipal Committee and District Board, legally entitled to, or entrusted by the Government with, the control or management of a Municipal or local fund; or*
- (iv) Cantonment Board as defined in section 3 of the Cantonments Act, 1924 (2 of 1924);”*

As per the provisions of Section 10(20) of the IT Act read with the other relevant provisions of the IT Act and the Income Tax Rules, 1962 and as per the information and explanations given to us, any income arising to the Issuer on the issuance of the Debentures shall be assessed as “Income From Other Sources” which is exempted under Section 10(20) of the IT Act.

Apart from the above, there are no special tax benefits available under the IT Act.

Benefits to the Debenture holder(s)

The interest income earned on investment made in municipal bonds are not exempt under the provisions of Chapter III of the IT Act. Also, there are no special tax benefits available under any other provisions of the IT Act.

Also, the capital gains arising on transfer of municipal bond are not exempt under Chapter IV of IT Act.

Tax at source shall be deducted on interest as per the rate applicable under the IT Act.

Tax deduction at source concession to the Foreign Portfolio Investors (“FPIs”)

As per provisions of Section 194LD of the IT Act, it is proposed that foreign portfolio investors shall be eligible for concessional rate of tax deduction at source on the interest on bonds at 5%. Section 194LD of the IT Act reads as under:

“(1) Any person who is responsible for paying to a person being a Foreign Institutional Investor or a Qualified Foreign Investor, any income by way of interest referred to in sub-section (2), shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.

(2) The income by way of interest referred to in sub-section (1) shall be the interest payable in respect of investment made by the payee in—

(i) a rupee-denominated bond of an Indian company; or

(ii) Government security:

Provided that the rate of interest in respect of bond referred to in clause, (i) shall not exceed the rate as may be notified by the Central Government in this behalf.

Explained: –

a) ‘Foreign Institutional Investor’ is a registered institution that invests in a country other than its own.

b) ‘Qualified Foreign Investor’ is a subcategory of FII who is a foreign individual, group or association restricted from those countries, which are the members of FATF.

c) ‘Rupee-denominated bond’ is a bond issued by an Indian entity in a foreign market where the buying, selling and repayment are expressed in rupees.

d) ‘Government security’ is a Government issued bond, which is of low risk.”

A foreign institutional investor or a qualified foreign investor consider investing in securities to be gainful and thus, make investments claiming a security interest on the collateral. The interest payable by the Indian concern or entity to a foreign entity is deducted at 5% tax at source and disbursed in terms of rupees.

INDIRECT TAXES

Benefits to the Issuer

The Issuer is exempted from provisions of goods and service tax only on municipal services. There are no special tax benefits on the issuance of municipal bonds.

Benefits to the Debenture holder(s)

No special indirect tax benefits are available on issue of municipal bonds to the investors.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.

SECTION-IX: ISSUE SPECIFIC INFORMATION

A. Issue/instrument specific regulations

The Bonds are proposed to be issued in accordance with SEBI Municipal Debt Regulations and relevant circulars of SEBI, as amended from time to time.

The GPMC Act provides borrowing powers to GMC. The proposed issue is being made pursuant to Section 109 of the GPMC Act and is subject to the provisions of the GPMC Act, the terms of this Preliminary Placement Memorandum and other terms and conditions as may be incorporated in the Transaction Documents. The Issuer has obtained approval for the Issue of bonds as mentioned under section titled “*About the Issuer and Capital Structure of the Issuer*” on page no. 34.

Section 109(1) provides that the “Corporation may with the previous sanction of the State Government, from time to time, borrow or re-borrow and take up at interest by the issue of debentures or otherwise on the security of any immovable property vested in the Corporation on or proposed to be acquired by it under this Act or of all the taxes or of any tax which it is authorised to levy for the purposes of this Act or the Transport Undertaking, or of all or any of those securities any sum necessary for the purpose of:

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

Further in accordance with Section 111, “Every loan raised by the Corporation under Section 109 shall be repaid within the time approved under proviso (ii) to sub-section (1) of the said section and by such of the following methods as may be approved under the said proviso, namely, -

- (a) by payment from a sinking fund established in respect of the loan;
- (b) by equal payments of principal and interest;
- (c) by equal payments of principal;
- (d) in the case of a loan borrowed before the appointed day by annual drawings if such method was in operation for the repayment of such loan immediately before such day;
- (e) from any sum borrowed for the purpose under section 109 (1) (b); or
- (f) partly from a sinking fund established in respect of the loan and partly from money borrowed for the purpose under section 109(1)(b).”

B. Rating and detailed Rating Rationale.

For rating rationale and credit rating letters of CARE Ratings Limited and CRISIL Ratings Limited, please refer to **Annexure II**.

C. Other Confirmations

- The Issuer is eligible to raise funds under its constitution documents and in terms of the GPMC Act;
- The accounts of the Issuer are prepared in accordance with the National Municipal Accounting Manual;
- The Issuer has no outstanding loans or borrowings as of the date of filing this Preliminary Placement Document;
- No order or direction of restraint, prohibition or debarment by Securities and Exchange Board of India, (“SEBI”) is in force against the Issuer or members of the Bond Issue Committee from accessing the securities markets;

- The Issuer or members of the Bond Issue Committee are not named in the list of the willful defaulters;
- None of the members of the Bond Issue Committee have been declared as a fugitive economic offender(s);

D. Credit Enhancement Mechanisms, if any.

Please refer to **Annexure-I** “Structured Payment Mechanism” for Credit Enhancement Mechanisms.

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

The Bonds are proposed to be listed on National Stock Exchange of India Limited. National Stock Exchange of India Limited shall be the designated stock exchange. The in-principle approval of the NSE dated [●] has been obtained in this regard.

F. Additional interest to be paid, above the Coupon Rate, in case of default in payment of Interest and/or principal redemption on due dates.

In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rates of the Bonds for the defaulting period.

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

In case of delay in listing of securities, the issuer shall pay penal interest of 1% per annum over the Coupon Rate for the period of delay between the Deemed Date of Allotment and the date of listing, in accordance with the timeline under applicable law.

H. Debenture Redemption Reserve/Sinking Fund

As per SEBI Municipal Debt Regulations and the requirements of the SEBI Master circular in relation to ‘Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019 and GPMC Act, the Issuer is required to create Sinking Fund for due repayment of principal. Accordingly, the Issuer shall create Sinking Fund as mentioned in the Structured Payment Mechanism for redemption of the Bonds. For further details of Structured Payment Mechanism, please refer to **Annexure-I** of this Preliminary Placement Memorandum.

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

1. We would like to disclose to all the stakeholders including but not limited to potential investors that, GMC has appointed Tipsons Consultancy Services Private Limited. as Merchant Banker Cum Arranger to the Issue vide Work Order dated January 01, 2025 and Issue Agreement dated March 07, 2025.
2. We further would like to disclose that lead managers/ merchant bankers/ arrangers either directly or through its affiliates or its associates or its subsidiaries may invest in the proposed issue through EBP mechanism in transparent manner;
3. EBP mechanism is adopted to ensure fair, objective, and unbiased opportunity to all investors.

Deduction of Tax at Source on interest on NCDs

1. Interest on NCDs issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 (“**IT Act**”) or any other statutory modification or re-enactment thereof, as applicable. NCD Holders desirous of claiming non-deduction or lower deduction of tax at source under applicable laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the below mentioned address at least 15 (Fifteen) calendar days prior to the relevant Record Date for payment of interest on the NCDs:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Gandhinagar Municipal Corporation	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
Correspondence Address	Pandit Dindayal Upadhyay Bhavan, Behind Fire Station, Sector 17, Gandhinagar 382016 Gujarat	247 Park C-101 ,1st Floor LBS Marg Vikhroli west mumbai-400083
Contact Person	Mr. Chirag K Patel	Mr. Ganesh Jadhav
Designation	Accounts Officer	Authorized Person
E-mail ID	aogmc9@gmail.com	debtca@linkintime.co.in
Mob. No.	8866655111	022- 49186000
Fax No.	-	022- 49186060
Link for online submission	N.A.	N.A

2. In case of non-receipt of such prescribed declaration/ certificate from the NCD Holders claiming non-deduction or lower deduction of tax at source under applicable laws, on or prior to the relevant Record Date, the Issuer shall make TDS deductions in accordance with the prescribed rates prior to credit of interest on NCDs.
3. Income Tax is deductible at source at the rate of 10% on interest on NCDs held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest is to be paid to an Individual or Hindu Undivided Family (“HUF”) (being the NCD Holder) is less than Rs. 5,000 and interest is to be paid by way of account payee cheque then the relevant NCD Holder may seek non deduction of tax at source on the interest on NCDs by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date.
4. In case of NCD Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 13.
5. Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:
 - a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with the Company before the Record Date for payment of interest;
 - b) When the resident Debenture Holder with Permanent Account Number (“PAN”) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
 - c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax

at source in accordance with the provisions of section 197A(1C) of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;

- d) All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;
 - e) For any NCDs held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on NCDs may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of rupee denominated bonds of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;
 - f) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
 - g) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to 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 NCD Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the NCDs, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the NCD Holders would be required to directly take up with the tax authorities for refund, if any.

I. Issue Procedure

(a) Eligible Investors

The following categories of investors, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

1. All QIBs and / or;
2. any non-QIB Investors specifically mapped by the Issuer on NSE EBP Platform; and
3. Any other investor authorized to invest in these Bonds.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the NSE EBP Guidelines and SEBI EBP Guidelines) specifically mapped by the Issuer on the NSE EBP Platform are also eligible to bid/apply/invest for this Issue.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breach by any investor, nor shall the Issuer be required to check or confirm the same.

The Placement Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the Application Form to the Issuer in order to accept the offer of Debentures. No person other than the successful Eligible Investors to whom the Placement Memorandum has been issued by the Issuer may apply for the Issue through the Application Forms received by them. Any application from a person other than those specifically addressed will be invalid.

Hosting of the Placement Memorandum on the websites of the NSE and SEBI should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI ILMDS Regulations read with the NSE EBP Guidelines.

(b) Application Process

Only Eligible Investors as mentioned hereinabove may apply for the Debentures. The minimum number of Bonds that can be applied for and the multiples thereof shall be as set out in this Preliminary Placement Memorandum. No application can be made for a fraction of a Bond.

The Issue set up shall be done by the Issuer in accordance with the NSE EBP Guidelines and SEBI EBP Guidelines.

Eligible Investors are required to register on the EBP, the link for which shall be available at <https://www.nse-ebp.com/ebp/rest/login>. All the registered Eligible Investors are required to update the necessary bank account details and demat details before participating in the bidding process on the NSE EBP Platform.

In order to be able to bid under the NSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to the documentation related to ‘know your customer’) in accordance with the SEBI EBP Guidelines and NSE EBP Guidelines. Eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of NSE. The details of the Issue shall be entered on the NSE EBP Platform by the Issuer at least 5 (five) Working Days prior to the Issue Opening Date, in accordance with the NSE EBP Guidelines and SEBI EBP Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the NSE EBP Platform, at least 1 (one) Working Day before the start of the Issue Opening Date.

The Issue will open on the ‘Issue Opening Date’ and close on the ‘Issue Closing Date’ as stated herein (“**Issue Period**”). The subscription to the Bonds shall be made by the Eligible Investors through the electronic book mechanism by placing bids on the NSE EBP Platform as prescribed by SEBI during the Issue Period. Bids need to be submitted on or before issue closing time or such extended time as decided by the Issuer on the NSE EBP Platform. Some of the key parameters in terms of the extant SEBI EBP Guidelines on issuance of debt securities on private placement basis through an electronic book mechanism are as follows:

Details of size of the Issue and green shoe portion, if any	Private Placement Of Upto 2,500 (Two Thousand Five Hundred) Rated, Listed, Taxable, Unsecured, Redeemable, Non-Convertible Municipal Bonds In The Nature Of Debentures, Face Value Of ₹ 1,00,000/- (Rupees One Lakh) Each Bond (“Bonds”/ “NCDs”/ “Debentures”), For An Amount Aggregating Up To ₹ 25 Crores (Rupees Twenty Five Crores Only)
Interest rate parameter	Fixed Coupon
Issue Opening Date	[●]
Issue Closing Date	[●]
Minimum Bid Lot	Minimum 10 Bonds of face value Rs. 1,00,000 (Rupees One Lakh) each.
Manner of bidding in the Issue	Closed bidding on the NSE EBP Platform in line with the NSE EBP Guidelines
Manner of allotment in the Issue	Uniform yield basis in line with the NSE EBP Guidelines
Manner of settlement in the Issue	Settlement of the Issue will be done through the clearing corporation of NSE being National Securities Clearing

	Corporation Limited and the account details are given in the section on 'Allocation and Settlement' of this Preliminary Placement Memorandum
Settlement Cycle	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1, where T is the Issue Closing Date

(c) Bids by the Arrangers

Only the Arrangers mapped by the Issuer on the NSE EBP Platform shall be entitled to bid on behalf of Eligible Investors in the capacity of an arranger. Multiple bids by the Arrangers are permitted provided that each bid is on behalf of different Investors.

The Arrangers are allowed to bid on a proprietary, client and consolidated basis. At the time of bidding, the Arrangers are required to disclose the following details to the NSE EBP Platform:

Whether the bid is proprietary bid or is being entered on behalf of an Eligible Investor or is a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.

For consolidated bids, the Arrangers shall disclose breakup between proprietary bid and bid(s) made on behalf of Eligible Investors.

For bids entered on behalf of Eligible Investors, the Arrangers shall disclose the following:

- i. Names of such Eligible Investors;
- ii. Category of the Eligible Investors (i.e. QIB or non-QIB); and
- iii. Quantum of bid of each Eligible Investor

Provided that the Arrangers shall not be allowed to bid on behalf of any Eligible Investor if the bid amount for a series of the Debentures exceeds 5% (five percent) of the base issue size of the Debentures or Rs. 100 Crore, whichever is lower (or such revised limits as may be specified in the SEBI EBP Guidelines from time to time).

(d) Modification or cancellation of the bids

Modification or cancellation of the bids shall be allowed i.e. bidder can cancel or modify the bids made in an issue, subject to the following:

- a. such cancellation/ modification in the bids can be made only during the bidding period;
- b. no cancellation of bids shall be permitted in the last 10 minutes of the bidding period; and
- c. in the last 10 minutes of the bidding period, only revision allowed would be for:
 - i. downward revision of coupon/ spread or upward modification of price; and/ or
 - ii. Upward revision in terms of the bid size.

NSE reserves the right to cancel any bids placed by the Bidder or any transaction, if found in contravention of applicable law, or when requested/directed by any competent legal authority(ies), or if found that occurrence of material events have bearing on the performance/ operations of the Issuer or an informed appraisal of the status/position of the Issuer by Bidder/its client.

After the end of the bidding window, the Issuer has the option to:

- Withdraw the Issue; or
- Accept the Issue

In case the Issuer does not accept or withdraws the issue before the specified deadline, then the issue will be withdrawn by the system as per the NSE EBP guidelines.

(e) Allocation and Settlement:

The allotment of valid applications received on the latest by the time of close of bidding window shall be done on 'uniform yield allotment' basis in the following manner:

- (i) all bids shall be arranged in accordance with "yield time priority" basis and the allotment shall be done at the cut-off rate determined in the bidding process. The allotment and settlement value shall be based on the face value.
- (ii) where two or more bids have the same yield coupon and time, then allotment shall be done on "pro-rata" basis.

Post completion of the bidding process and closure of the Issue, the Issuer will accept and upload the provisional allocation on the NSE-EBP Platform. Post receipt of investor details, the Issuer may freeze the allocation on the NSE EBP Platform.

Eligible Investors whose bids have been accepted by the Issuer ("**Successful Bidders**") shall make pay-in of subscription monies in respect of the Bonds towards the allocation made to them, into the bank account of NSE Clearing Limited, on the Pay-In Date and before the pay-in cut-off time in accordance with the NSE and SEBI EBP Guidelines, the details of which will be displayed on NSE EBP Platform.

The fund pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated on the NSE EBP Platform. All transfers/RTGS must be made payable to the designated bank accounts of NSE Clearing Limited, details of which accounts are as set out below:

Beneficiary Name	NSE Clearing Limited
Clearing House Bank	HDFC Bank Ltd
IFSC	HDFC0000060
Bank account number	Will be available on NSE EBP Platform post bidding and will be shared on mail post allocation for making the payment

It may be noted that payment by any other means shall not be accepted. The Issuer assumes no responsibility for any delayed receipts / non-receipt of RTGS payments or any applications lost in mail or in transit or any failure of electronic fund transfer.

Any amount received from third party accounts or from accounts not specified in the EBP may lead to cancellation of bid and no allotment will be made against such payments and the funds shall be refunded. Further, pay-in received from any other bank account may consequently lead to debarment of the bidder from accessing the NSE EBP Platform for 30 (thirty) days or as may be provided under NSE EBP Guidelines.

Upon the transfer of funds into the aforesaid account of NSE Clearing Limited by the Successful Bidders, the Issuer shall confirm its decision to proceed with the allotment of the Bonds in favour of the Successful Bidders to the clearing corporation(s), Depository(ies), Registrar and the NSE EBP Platform. The Issuer shall initiate the requisite corporate action for allotment of Debentures and credit of allocated Debentures into the relevant demats account of the Successful Bidders through the Registrar. The Registrar shall provide corporate action file along with all requisite documents to the Depositories and intimate the NSE EBP of the aforesaid actions.

Upon the Depositories confirming the allotment of the Bonds and the credit of allocated Debentures into the demat account of the Successful Bidders to NSE EBP, the subscription monies in respect of the Bonds from the aforesaid account of the clearing corporation shall be released into the Issue Proceeds Account, as intimated by the Issuer to NSE EBP in accordance with applicable regulations/notifications and guidelines issued by SEBI from time to time. The details of the Issuer's bank account are as provided herein below:

Beneficiary Name	[●]
Bank Account No.	[●]
IFSC Code	[●]
Bank Name	[●]

It must be noted that all pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties may be applicable as specified by the NSE and SEBI EBP Guidelines.

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, price quoted during bidding, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the SEBI Master Circular and SEBI & NSE EBP Guidelines. The NSE EBP shall upload such data, as provided by the Issuer, on its website to make it available to the eligible participants.

All benefits relating to Debentures will be available to the Investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date of Debentures is changed (preponed/ postponed), the Deemed Date of Allotment of Debentures may also be changed (preponed/ postponed) by the Issuer.

(f) Application Forms

Applications for the Bonds must be made in the Application Form and must be completed in block letters in English by the Eligible Investors. Application Forms must be accompanied by payment details. The full amount of the Face Value/ Issue Price allotted has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below. Application Forms should be duly completed in all respects. The name of the Applicant's bank, type of account and account number must be duly filled by the Applicant. All Application Forms duly completed should be scanned clearly and emailed to the Issuer along with all the relevant documents on or before the Pay-In Date and forthwith followed by the original Application Form shall be submitted at the Head Office of the Issuer which is located at Pandit Dindayal Upadhyay Bhawan, Behind Fire Station, Sector 17, Gandhinagar -382016, Gujarat, India but no later than 10 (ten) days from the Issue Closing Date. The Issuer will not be responsible in any manner for any delayed receipts / non-receipt of Application Forms for any reason whatsoever.

Documents to be provided by successful bidders:

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

- a) Articles and Memorandum of Association/ Constitution/ Bye-laws;
- b) Board Resolution authorizing the investment and containing operating instructions;
- c) Power of Attorney/ relevant resolution/authority to make application;
- d) Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- e) Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- f) Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

(g) Withdrawal of Issue

The Issuer may, at its discretion, withdraw the issue process on the conditions set out under the NSE EBP Guidelines; provided that the Issuer shall accept or withdraw the issue on the NSE EBP Platform in accordance with NSE EBP Guidelines as prevailing on the date of the bid. If the Issuer has withdrawn the Issue, and the cut-off yield of the Issue is higher than the estimated cut-off yield disclosed to the NSE EBP Platform, the estimated cut off yield shall be mandatorily disclosed by the NSE EBP Platform to the Eligible Investors. The expression 'estimated cut off yield' means yield so estimated by the Issuer, prior to opening of issue on the NSE EBP Platform. The disclosure of estimated cut off yield by NSE EBP Platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.

(h) Fictitious Application

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

(i) Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DP's of NSDL/ CDSL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- C. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- F. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- G. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as at the end of the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

(j) Depository Arrangements

The Issuer has appointed MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) as the Registrar to the present Bond Issue. The Issuer has entered into necessary depository arrangements with NSDL and CDSL for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Issuer has entered two tripartite agreements as under:

Tripartite Agreement between the Issuer, National Securities Depository Limited ("NSDL") and the Registrar for dematerialization of the Bonds offered under the present Issue.

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

Investors can hold the Bonds as per the provisions of Depositories Act, 1996 as amended from time to time.

(k) List of Beneficiaries

The Issuer shall request the Depository(ies) to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

(l) Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorised signatories of the investor and the tax exemption certificate/document of the investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with the memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed Application Form.

(m) Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- A. SEBI registration certificate;
- B. Resolution authorising investment and containing operating instructions;
- C. Specimen signature of authorised signatories.

(n) Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s).

(o) Credit of Bonds

The allotment of Bonds will be in terms of the timelines stipulated under SEBI Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024. The Bonds will be credited in dematerialized form within 2 (two) Trading Days from the closure of the Issue.

(p) Refunds

In case the Issuer fails to obtain listing or trading permission from NSE where the Bonds are proposed to be listed, it shall refund the entire monies received within seven days of receipt of intimation from NSE rejecting the application for listing of Bonds, and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer shall be liable to repay that money with interest at the rate of 15% (fifteen percent) per annum till such refund is made.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the registrar shall upon receiving instructions in relation to the same from the Issuer repay the monies to the extent of such excess, if any.

(q) PAN Number

Every applicant should mention its Permanent Account Number (“PAN”) allotted under Income Tax

Act, 1961, on the Application Form and attach a self-attested copy as evidence.

(r) Alterations to the Issue

The Issuer reserves its sole and absolute right to modify the Issue Opening Date, Issue Closing Date, Pay-In Date and Deemed Date of Allotment in accordance with the regulatory provisions and EBP Guidelines. In the event of any change in the Issue Schedule including the Deemed Date of Allotment, the Issuer shall notify the Stock Exchange about such change. In such a case, recipients of this Disclosure Document shall be intimated the revised time schedule by the Issuer. In case the Issue Closing Date/ Pay-In Date is/ are changed, the Deemed Date of Allotment and the Redemption Schedule may also be changes by the Issuer in accordance with the tenure of the Debentures at its sole and absolute discretion in accordance with the regulatory provisions and EBP Guidelines.

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

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

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

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

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

(t) Issue of Bond Certificate(s)

The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

(u) Market Lot

The market lot will be 1(one) Bond ("Market Lot"). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

(v) Trading of Bonds

The marketable lot for the purpose of trading of Bonds shall be 1(one) Bond. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs.1 Lakh and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

(w) Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. Attention of the investors

is drawn to para I (a) “*Eligible Investors*” of this Section on page no. 55 of this Preliminary Placement Memorandum. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or the transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as at the end of the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer’s DP account to his DP.

(x) Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/ ECS/ NEFT/ fund transfer/ RTGS to those Debenture Holder(s) whose names appear on the register of debenture holders maintained by the R&T Agent as at the end of the Record Date. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. If permitted, the Issuer may transfer payments required to be made in any relation by electronic fund transfer/ RTGS to the bank account of the Debenture Holder(s) for redemption payments.

(y) Sharing of Information

The Issuer may, at its option, but subject to Applicable Laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with statutory bodies, regulators, etc., as may be required and neither the Issuer nor its affiliates nor their agents shall be liable for use of the aforesaid information.

(z) Modification of Debentures

Any amendment to the terms and conditions of the Debentures or the Transaction Documents will require the consent of the Debenture Trustee and Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders in accordance with applicable SEBI regulations.

(aa) Right to accept or reject applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof, in accordance with the regulatory provisions and EBP Guidelines. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s)/RTGS credit into the designated account till one day prior to the date of refund. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Number of debt security applied for is less than the minimum application size;
- Applications exceeding the issue size;
- Bank account details not given;
- Details for issue of Debt Securities in electronic/ dematerialized form not given;
- PAN/GIR and IT Circle/Ward/District not given;
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
- In the event, if any Debt Securities applied for are not allotted in full, the excess application monies of such Debt Securities will be refunded, as may be permitted.

(bb) Trustee for the Debentures

The Issuer has appointed MITCON Credentia Trusteeships Services Limited to act as the trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter into the Debenture Trust Deed inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The

Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to timely payment of Coupon and repayment of principal and they will take necessary action, subject to and in accordance with the Debenture Trust Deed, at the cost of the Issuer. The Issuer shall not utilize the proceeds of the Issue till the Debenture Trust Deed is executed. The Debenture Trust Deed shall more specifically set out rights and remedies of the Debenture Holders and the manner of enforcement thereof. The Debenture Trustee shall carry out its duties and perform its functions in terms of the SEBI Debt Listing Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trust Deed and the Preliminary Placement Memorandum/ Placement Memorandum, with due care, diligence and loyalty. The debenture trustee shall monitor the Escrow Account and shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall supervise the implementation of the obligations cast in terms of provisions of the SEBI Debt Listing Regulations.

(cc) Interest on Application Money

Not Applicable

(dd) Interest on the Bonds

The face value of the Bonds outstanding shall carry interest at the coupon rate from Deemed Date of Allotment and the coupon rate & frequency of payment (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned in the Summary Term Sheet.

The interest payment shall be made through electronic mode to the Bondholders whose names appear on the list of Beneficial Owners given by the Depositories to the Registrar as on the record date fixed by Issuer in the bank account which is linked to the demat of the Bondholder. However, in absence of complete bank details i.e., correct/updated bank account number, IFSC/RTGS code /NEFT code etc., Issuer shall be required to make payment through cheque/DDs on the due date. Interest or other benefits with respect to the Bonds would be paid to those Bondholders whose names appear on the list of Beneficial Owners given by the Depositories to the Registrar as on the Record Date.

(ee) Computation of Interest

Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value amount of Bonds outstanding at the respective Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29 (leap year), interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

(ff) Record Date

The 'Record Date' for the Bonds shall be 15 days prior to each Coupon Payment Date and Redemption Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date and Redemption Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of amount so paid to the registered Bondholders.

(gg) Put & Call Option

Neither the Bondholder(s) shall have any right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the respective Redemption Date.

(hh) Redemption

The face value of the Bonds shall be redeemed at par, on the respective Redemption Dates. The Bonds will not carry any obligation, for interest or otherwise, after the Redemption Date. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered Bondholders whose name appear in the Register of Bondholders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders.

In case any Redemption Date falls on a day which is not a Working Day, the payment due shall be made on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

(ii) Additional Covenants

Default in Payment: In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2% p.a. over the respective Coupon Rates of the Bonds for the defaulting period.

(jj) Settlement/ Payment on redemption

Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/redemption warrant(s)/demand draft(s)/credit through direct credit/ NECS/RTGS/NEFT mechanism in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository to the Issuer as on the Record Date.

The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the list of Beneficial Owners as provided by NSDL/CDSL as on Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders. On such payment being made, the Issuer shall inform NSDL/CDSL/Depository Participant and accordingly the account of the Bondholders with NSDL/CDSL shall be adjusted.

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

(kk) List of Beneficial Owners

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

(ll) Succession

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Issuer shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s), the Issuer shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

- i) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.

- ii) Proof that the NRI is an Indian National or is of Indian origin.
- iii) Such holding by the NRI will be on a non-repatriation basis.

(mm) Force Majeure

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment in accordance with the regulatory provisions and EBP Guidelines.

(nn) Acknowledgements

No separate receipts will be issued for the application money.

(oo) Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

(pp) Nomination Facility

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

(qq) Right of Bondholder(s)

Though the Corporation does not have any shareholders, it is clarified that at any point of time a bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first. Besides, the Bonds shall be subject to the terms of this Preliminary Placement Memorandum and other terms and conditions as may be incorporated in the Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

(rr) Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of the Debenture Trustee and also the consent those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders.

(ss) Notices

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

(tt) Joint-Holders

Notwithstanding anything in Section 45 of the Indian Contract Act, 1872, when any debenture issued under the Act is payable to two or more persons jointly and either or any of them dies, the debenture shall be payable to the survivor or survivors of those persons.

Notwithstanding anything in Section 45 of the Indian Contract Act, 1872, when two or more persons are joint holders of any debenture issued under the Act, any one of those persons may give an effectual receipt for any interest or divided payable in respect of such debenture unless notice to the contrary has been given to the Commissioner by other holders.

(uu) Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Gandhinagar, India.

J. Procedure for deciding and adjusting payment dates.

If the interest payment date falls on a holiday, the payment may be made on the following Working Day. However, the calculation of payment of interest will be only till the day prior to that holiday. Also, the dates of the future coupon payments would be as per the schedule stipulated in the Preliminary Placement Memorandum/ Term Sheet in line with applicable guidelines/regulations/circulars as issued by SEBI from time to time.

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

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

A. Terms of payments and procedure and time schedule for allotment and issue certificates/demat credit

The allocation to the applicants and/or rejections of the applications shall be made in compliance with the provisions prescribed by SEBI and NSE being electronic book provider (EBP) platform. However, in case of successful accepted applications the Deemed Date of Allotment would be the Pay-In Date itself.

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

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

L. Procedure and time schedule for Allotment and Issue of Municipal Debt Securities.

The allocation to the applicants and/or rejections of the applications shall be made in compliance with the provisions prescribed by SEBI and NSE being electronic book provider (EBP) platform. However, in case of successful accepted applications the Deemed Date of Allotment would be the Pay-In Date itself.

M. Details of Escrow Payment Mechanism for the repayment of The Interest/Principal.

The Bonds are backed by a Structured Payment Mechanism to ensure timely payment of Interest and Principal. Please refer to “**Structured Payment Mechanism**” on Page no. 55 of this Preliminary Placement Memorandum.

N. Disclosures in accordance with SEBI Master Circular for Debenture Trustees SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024

Terms and Conditions of Debenture Trustee Agreement

1. Fees charged by Debenture Trustee

The Debenture Trustee has agreed for an acceptance fee amounting to Rs.1 /- (plus the applicable taxes) and annual service charges of Rs. Nil (plus the applicable taxes) for the services as agreed in terms of the offer.

Terms of carrying out Due Diligence

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to.

- a. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.
 - b. The Issuer shall provide all assistance to the Debenture Trustee to enable verification from any authority as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third-party security provider are registered / disclosed.
 - c. Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.
 - d. In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:
 - i. The Issuer undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the SEBI ILMDS Regulations and the Debenture Trust Deed on a regular basis, including without limitation the documents, as may be applicable;
 - ii. The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Bonds.
2. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out-of-pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.
 3. The Debenture Trustee shall obtain the following certificates from an empaneled agency as a part of due diligence:
 - a. Security Cover Certificate
 - b. Valuation of Security
 - c. Any other document as may be required for concluding the due diligence
 4. Pursuant to the Regulation 13 of the SEBI Debenture Trustee Regulations and other applicable rules and regulations: The Issuer undertakes to comply with all regulations, guidelines of other regulatory authorities in respect of allotment of debentures/bonds till redemption. The time limit within which the Security for debentures/bonds shall be created or the agreement shall be executed in accordance with provisions as prescribed by any regulatory authority as applicable.
 5. The Debenture Trustee shall perform its duties and obligations with due care, diligence and in the best interest of the Debenture holders, and exercise its rights and discretions in accordance with the prior written instructions / directions from the Debenture Holders in accordance with the terms of the

Debenture Trust Deed, and shall further conduct itself and comply with the provisions of all applicable law (including without limitation, the Debenture Trustee Regulations, SEBI ILMDS Regulations).

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

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution, passed at a meeting of the Debenture Holders, (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction), give notice to our Issuer specifying that the Bonds and/or any particular options of Bonds, in whole but not in part are and have become due and repayable on such date as may be specified in such notice inter alia if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed:

- a. In accordance with the Chapter X: Breach of Covenants, Default and Remedies of master circular for debenture trustees numbering SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 for post the occurrence of a “default”, the consent of the Debenture Holders for entering into an inter-creditor agreement (the “ICA”)/ shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the Bond Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.
- b. SEBI Master Circular for Debenture Trustees, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.
- c. It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned circular (SEBI/HO/DDHS-PoD3/P/CIR/2024/46) dated May 16, 2024 issued by SEBI.

Process of Due Diligence to be carried out by the Debenture Trustee

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI ILMDS Regulations, the SEBI Debenture Trustee Master Circular and circulars issued by SEBI from time to time.

Other Information

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

MITCON CREDITIA TRUSTEESHIP LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED MARCH 07, 2025 AS PER THE FORMAT SPECIFIED IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR WHICH READS AS FOLLOWS:

WE, THE DEBENTURE TRUSTEE (S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE 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 OF INDEPENDENT

VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:

- (a) ALL DISCLOSURES MADE IN THE 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.
- (b) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT/ PLACEMENT MEMORANDUM.
- (c) ISSUER HAS GIVEN AN UNDERTAKING THAT HE DEBENTURE TRUST DEED SHALL BE EXECUTED BEFORE THE FILING OF LISTING APPLICATION.

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,

GANDHINAGAR MUNICIPAL CORPORATION,

Pandit Dindayal Upadhyay Bhavan

Behind Fire Station

Sector 17, Gandhinagar-382016.

Dear Sirs,

We have examined the Financial Information comprising the Abridged Balance Sheet, Income and Expenditure Statement and Cash flow Statement for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “**Financial Information**”) of Gandhinagar Municipal Corporation (the “**Issuer**”) as annexed to this report for the purpose of inclusion in the Preliminary Placement Memorandum and the Placement Memorandum to be filed by the Issuer with the Securities and Exchange Board of India (“**SEBI**”) and the stock exchange(s) where the Debentures are proposed to be listed (“**Stock Exchange**”) for private placement by the Issuer of up to 2,500 (Twenty-Five Hundred) unsecured, non-convertible, non-cumulative, listed, rated, redeemable, taxable bonds in the nature of debentures of face value of Rs. 1 Lakh (Rupees One Lakh) each, aggregating total issue size not exceeding Rs. 25 Crores (Rupees Twenty-Five Crores) (“**Bonds**”/ “**NCDS**”/ “**Debentures**”) (“**Issue**”).

The Financial Information has been prepared by the Management of the Issuer in connection with its proposed Issue prepared in terms of the requirements of the proposed Issue and 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 Accounts Manual;
- c) The Gujarat Provincial Municipal Corporations Act, 1949 (“**Act**”) and the rules framed there under;
- d) The guidance notes issued from time to time by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Notes**”).

The Financial Information have been sourced from the audited financial statements of the Issuer audited by us pursuant to the Auditor’s Reports issued by us dated 05/10/2024, 29/01/2025 and 29/01/2025 on the financial statements of the Issuer as on and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

Management Responsibility

2. The management of the Issuer is responsible for the preparation of the financial statements that gives a true and fair view of the financial position and financial performance of the Issuer. This responsibility includes the design, implementation, and maintenance of the internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material mis-statements, whether due to fraud or error.

Auditors Responsibility

3. We have examined such Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 24/01/2024 in connection with the proposed Issue of the Debentures by the Issuer;
- b) The Guidance Notes. We are required to comply with the ethical requirements of the code of ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Financial Information; and
- d) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Notes in connection with the proposed Issue of Debentures.

Opinion

4. Based on our examination and according to the above-mentioned regulations of The National Municipal Accounts Manual and the Regulations, we report that:

The Financial Information comprising the Abridged Balance Sheet, the Income and Expenditure Statement and Cash Flow Statements for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 (collectively, the “**Financial Information**”) is accurately extracted from the audited financial statements of the corporation for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

5. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
7. Our report is intended solely for use of the purpose set out in first paragraph and in connection with the proposed issue of Bonds. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. We hereby provide our consent for sharing of our report with SEBI, the stock exchanges or any other statutory/ regulatory authority, as may be required, and Tipsons Consultancy Services Private Limited (being the Merchant Banker to the Issue).

For, PJNDV & Associates
Chartered Accountants
(Firm's Registration No.139060W)

Name:Nirav Patel
Designation: Partner
Membership No.:142966
UDIN: 25142966BMKNOY5276

Place: Gandhinagar
Date: 06/03/2025

A. Abridged Balance Sheet
(Rs. In Crores)

Particulars	Financial Year		
	2021-22	2022-23	2023-24
	Audited	Audited	Audited
LIABILITIES			
Municipal (General) Fund			
General Fund	0.92	0.92	0.92
Earmarked Funds	0.00	0.00	0.00
Reserves	4065.77	4418.49	4552.89
Total	4066.69	4419.41	4553.81
Grants, Contributions for specific purposes#	209.33	296.04	569.12
Loans			
Secured Loans	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00
Total Loans	0.00	0.00	0.00
Current Liabilities and Provisions			
Deposits Received##	4.63	10.44	21.65
Deposit works	0.00	0.00	0.00
Other Liabilities (Sundry Creditors, EMD, Security Deposit, Withheld Amount of Contractor, Rangmanch Deposit, Tax Liabilities of Month End)###	73.43	36.47	90.74
Provisions	0.00	0.00	0.00
Total Current Liabilities and Provisions	78.06	46.91	112.39
TOTAL LIABILITIES	4354.09	4762.36	5235.32
ASSETS			
Fixed Assets			
Gross Block	3720.65	3751.11	3763.75
Less: Accumulated Depreciation	12.49	13.15	22.11
Net Block	3708.15	3737.95	3741.64
Capital Work-in-Progress			
Total Fixed Assets	3708.15	3737.95	3741.64
Investments			
Investment – General Fund	408.66	432.50	522.6

Investments – Other Funds			
Total Investments	408.66	432.50	522.6
Current Assets, Loans and Advances			
Stock in Hand (Inventories)	0.00	0.00	0.00
Sundry Debtors (Receivables)	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	0.00
Cash and Bank Balances####	182.18	285.40	671.67
Loans, advances and deposits#####	55.09	306.51	299.41
Less: Accumulated provision against Loans Net Amount outstanding	0.00	0.00	0.00
Total Current Assets, Loans & Advances	237.27	591.91	971.08
Other Assets	0.00	0.00	0.00
Miscellaneous Expenditure (to the extent not written off)	0.00	0.00	0.00
TOTAL ASSETS	4354.09	4762.36	5235.32

In the Financial Year 2023-24, the SJMMSVY UDP-78 grant received was Rs. 248.29 crore, and the ROB grant received was Rs. 20 crore, reflecting a higher allocation compared to the Financial Year 2022-23.

Deposits received included Earnest Money Deposit (EMD) and Security Deposit from vendors, amounting to Rs. 13.20 crore, and increase during the F.Y 2023-24 which were deducted from the vendors' invoices.

The decrease in "Other Liabilities" in FY 2022-23 compared to FY 2021-22 and the increase in liabilities in FY 2023-24 is due to changes in Sundry Creditors.

As the Gandhinagar Municipal Corporation increased its own income through sources such as tax revenue and building usage (BU) permission fees, along with receiving a higher grant during the Financial Year 2023-24, the overall cash & bank balance increased sharply in FY 2024.

The receivable income of the corporation, such as property tax and professional tax, included in loans and advances, increased in FY 2022-23 compared to FY 2021-22 due to higher receivables from the public and decreased in FY 2023-24 due to improved collection efficiency of the corporation.

((Rs. In Crores)

B. Income and Expenditure Statement

Major Head of Accounts	Financial Year		
Particulars	2021-22	2022-23	2023-24
	Audited	Audited	Audited
Tax Revenue#	110.28	206.62	252.00
Assigned Revenue & Compensation for Octroi	15.54	18.12	17.56
Rental Income from Municipal Properties	2.18	2.7	3.64
Fees & User Charges##	43.53	219.8	382.99
Sale & Hire Charges	0.00	0.00	0.00
Revenue Grants, Contributions & Subsidies###	13.78	3.76	12.72
Income from Investments ####	25.91	28.00	0.00
Capital Grant#####	49.25	90.76	285.61
Other Income	13.38	0.00	0.00
A-Total – INCOME	273.85	569.76	954.52
Establishment Expenses	28.91	37.13	56.9
Administrative Expenses	14.98	18.46	20.23
Operations & Maintenance	15.71	20.48	39.99
Interest & Finance Expenses	0.00	0.00	0.00
Other GMC Exps	33.51	34.8	69.35
Revenue & Capital Grants, Contributions & subsidies#####	86.55	236	462.5
Provisions & Write off-Property Tax	0.00	0.00	0.00
Miscellaneous Expenses	0.00	0.00	0.00
Depreciation#####	2.83	3.34	3.08
Bond Interest	0.00	0.00	0.00
Consumption of Stock	0.00	0.00	0.00
B-Total – EXPENDITURE	182.49	350.21	652.05
(A-B) Gross surplus/ (deficit) of income over expenditure before Prior Period Items	91.36	219.55	302.47
Add: Prior period Items (Net)			
Gross surplus/ (deficit) of income over expenditure after Prior Period Items	91.36	219.55	302.47

Net balance being surplus/ deficit carried over to Municipal Fund			
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the tax revenue for the fiscal year 2022-2023 saw an increase compared to 2021-2022. This growth can be attributed to a key factor: the expansion of the Gandhinagar Municipal Corporation's area to include a newly incorporated village, along with the implementation of a carpet area-based taxation policy within this newly annexed region.

##Fees and uses charge income increased sharply due to the merger of 18 villages into the corporation area, that has led to a significant increase in building Development fees, as a result Building use (BU) charges , floor space index (FSI) and development permissions has risen substantially. A change in state policy regarding jantri rates has also contributed to an increase in development fees, developers have sought permissions in advance to save on municipal charges.

###In the Financial Year 2023-24, the Professional Tax Grant Income is Rs. 9.95 crore, reflecting an increase in revenue grants compared to FY 2022-23, while in FY 2022-23, revenue grants decreased compared to FY 2021-22 due to lower expenditure of revenue grants incurred.

####. In FY ended 2024 the income from investments showing zero balance as it is accounted on accrual basis from cash based balance sheet.

#####In the Financial Year 2023-24, the Swarnim Jayanti Mukhyamantri Shaheri Vikas Yojana Grant received was Rs. 248.29 crore, and the Railway over-bridge grant received was Rs. 20 crore, reflecting a higher allocation compared to the Financial Year 2022-23.

As Gandhinagar Municipal Corporation has been implementing new projects year by year and hence there is increase in expenditures in the nature of Revenue & Capital Grants, Contributions & subsidies etc. year on year.

#####Depreciation has increased due to the rise in fixed assets during the period.

C. Cash Flow Statement
(Rs. In Crores)

Particulars	Financial Year		
	2020-21	2021-22	2022-23
	Audited	Audited	Audited
Cash flows from Operating Activities: (A)			
Gross surplus/(deficit) over expenditure	91.33	219.56	302.47
Add:			
Depreciation	2.83	3.34	3.08
Interest & finance expenses			
Less:			
Investment income			
Interest income received	43.46	44.80	74.19
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	50.71	178.10	231.36
Changes in current assets and current liabilities			
(Increase)/decrease in Sundry debtors	-89.15	27.91	-198.66
(Increase)/decrease in Stock in Hand	0.00	0.00	0.00
(Increase)/decrease in Prepaid Expenses	0.00	0.00	0.00
(Increase)/decrease in other current assets	-22.96	20.13	4.55
(Decrease)/increase in Deposits received	0.00	0.00	0.00.
(Decrease)/increase in Deposits Work	0.00	0.00	0.00
(Decrease)/increase in other current liabilities	58.03	46.12	65.48
(Decrease)/increase in Provisions	0.00	0.00	0.00
Net cash generated from/(used in) operating activities (A)	-4.25	272.26	93.63
B. Cash flows from Investing Activities			
(Purchase) of fixed assets & CWIP	-37363.60	0.00	-0.16
Increase/(Decrease) in Municipal Fund	0.00	0.00	0.00
Increase/(Decrease) in Special Funds/Grants	5.23	86.71	273.08
Increase/(Decrease) in Earmarked Funds			
Sale/(Purchase) of Investments	-21.29	-23.83	-90.11
Add:			

Investment income received	0.00	0.00	0.00
Interest income received	43.46	44.80	74.19
Net cash generated from/ (used in) investing activities (B)	-37,336.20	107.67	257.01
C. Cash flows from Financing Activities			
Add:			
Loans from Banks/Others Received (Unsecured & Secured)	0.00	0.00	0.00
Transfer to Reserve	0.00	0.00	0.00
Loan Recovered from Employees	0.00	0.00	0.00
Less:	0.00	0.00	0.00
Deposits Made	0.00	0.00	0.00
Repayment of Loan (Unsecured & Secured)	0.00	0.00	0.00
Loans & Advances to Employees	0.00	0.00	0.00
Loans & Advances to Others	0.00	0.00	0.00
Interest & Finance Expenses	0.00	0.00	0.00
Net cash generated from/ (used in) financing activities (C)			
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	-37340.40	379.93	350.64
Cash and cash equivalents at beginning of the period	49.60	93.03	285.40
Cash and cash equivalents at end of the period	93.03	285.40	671.67
Cash and cash equivalent at the end of the year comprises of the following account balances at the end of the year:			
Cash balances	0.00	0.00	0.00
Bank balances	93.03	285.40	671.67

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://gandhinagarmunicipal.com/budget/>

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 and FY 2023-2024 and for the current FY 2024-2025 are annexed herewith as Annexure VI.

For complete budget documents for previous three financial years (FY 2021-2022 FY 2022-2023 and FY 2023-2024) and for the current FY 2024-2025 please refer to the link below:
<https://gandhinagarmunicipal.com/budget/>

C. FINANCIAL PARAMETERS**(Rs. In Crores)**

Key Financial Figures	Financial Year		
	2021-22	2022-23	2023-24
	Audited	Audited	Audited
Revenue Income	219.94	476.19	653.38
Revenue expenditure (Excl. Interest)	106.06	114.27	201.98
Operating revenue Surplus	113.88	361.92	451.40
Interest expense	0.00	0.00	0.00
Principal repayment (outside sinking Fund)	0.00	0.00	0.00
Contribution to Sinking fund	0.00	0.00	0.00
Revenue Surplus	113.88	361.92	451.40
Capital Income	53.89	93.65	301.14
Capital Expense	76.43	236.01	450.06
Capital Surplus	(22.54)	(142.36)	(148.92)
Overall Surplus	91.33	219.56	302.47
Deposits and Advances (net)	55.09	306.51	299.41
Initial Cash/Bank balance	93.03	285.40	671.67
Change in Cash/Bank balance	0.00	0.00	0.00
Final Cash / Bank Balance	93.03	285.40	671.67
Loan repayment from sinking fund	0.00	0.00	0.00
Initial Sinking fund Balance	0.00	0.00	0.00
Change in sinking fund	0.00	0.00	0.00
Final sinking fund balance	0.00	0.00	0.0
Total Debt	0.00	0.00	0.00
Total Expenditure	182.49	350.28	652.05
Total Revenue	273.83	569.84	954.52
Ratio of Total Expenditure/Total Revenue	66.65	61.47	68.31
Cash Surplus / Total Revenue	33.97	50.08	70.37
Ratio of Debt Service / Total Revenue	0.00	0.00	0.00

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.

(Rs. In Crores)

Revenue Receipts Type	Financial Year		
	2021-22	2022-23	2023-24
	Actual	Actual	Actual
Tax Revenue	110.28	206.62	252.00
Fees & User Charges	43.53	219.8	382.99
Assigned Revenue & Compensation for Octroi	15.54	18.12	17.56
Revenue Grants, Contributions & Subsidies	13.78	3.76	12.72
Rental Income from Municipal Properties	2.18	2.70	3.64

III. Details of property tax collection

The details of the property tax* collection for Financial Year 2021-2022 and Financial Year 2022-2023 and Financial Year 2023-2024 based on the Audited Financial Statements.

(Rs. in crore)

Particulars	Demand Raised			Collection			Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Arrears	Current	Total		
2023-2024	115.00	83.00	198.00	15.00	45.00	60.00	30.30	54.22
2022-2023	112.00	63.00	175.00	12.00	37.00	49.00	28.00	58.73
2021-2022	116.00	36.00	152.00	4.00	19.00	23.00	15.13	52.78

*property tax includes House tax, Govt. Building Service Charges, Notice Fee, Interest on lead payment and Increase in demand due to Re-assessment of Tax.

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

- IT Initiatives**

The Gandhinagar Municipal Corporation (GMC) has implemented an Enterprise Resource Planning (ERP) and E-governance system under their Gandhinagar Smart City project which aims to promote digitization of resources by entering into a contract with Silver Touch Technologies Ltd. wherein GMC is undertaking the approach to transfer all its accounts and data in a digital form but not limited to e-Nagar Service, E-mail, Payment Gateway, etc.

- Dedicated complaint lodging system**

GMC has entered into a contract with Kotak Mahindra Bank to facilitate a dedicated Citizen Complaint Management system where public grievances are registered. Complaints lodged with the system are forwarded to the concerned officer/staff on ground to resolve the issues.

GMC has established a helpline number and a dedicated call centre located to address citizen grievances efficiently. This facility ensures prompt resolution of complaints and queries, providing a seamless communication channel between residents and the municipal administration.

- Citywide Camera and CCTV and other surveillance measures**

To enhance public safety and monitor urban activities, GMC has installed cameras and CCTV systems across the city, including village areas. These systems include:

- Red Light Violation Detection (RLVD) System: Monitors and penalizes traffic violations at signalized intersections.
- Speed Violation Detection System: Tracks and enforces speed limits to ensure road safety.

- Public Address (PA) System: Enables real-time communication with citizens during emergencies or public announcements.
- Emergency Call Box (ECB) System: Provides citizens with a direct line to emergency services in case of distress.
- **Other IT initiatives: Web/Portal-based Monitoring online services viz:**
GMC has introduced an Intelligent Transport Management System (ITMS) to enhance service delivery and administrative efficiency. They are as follows:
 - Adaptive Traffic Control System: Uses real-time data to adjust traffic signals dynamically, reducing congestion.
 - Smart Poles: Multi-functional poles equipped with sensors, cameras, and communication systems to support smart city operations.
 - Kiosks and Wayfinder Signboards: Provide citizens with navigation assistance and information about city services.
 - Integrated Command and Control Centre (ICCC): Serves as the central hub for monitoring and managing city operations, including traffic, waste management, and public safety.

SOS buttons at strategic locations across the city to enable citizens to seek immediate assistance during emergencies. These buttons are connected to the Integrated Command and Control Centre (ICCC), ensuring rapid response from emergency services. Additionally, the Emergency Public Announcement System allows authorities to disseminate critical information to the public during crises, ensuring safety and preparedness.

ii) Property Tax Reforms:

The GMC has introduced several reforms to enhance the efficiency and convenience of property tax payments for both residential and non-residential taxpayers. These reforms aim to encourage timely payments and provide benefits to compliant taxpayers.

The various initiatives taken by the Issuer to enhance the efficiency of the property tax are as under:

- Taxpayers who have fully paid their property taxes, cess, dues, and interest up to the previous fiscal year, with no outstanding balance, are eligible for a 10% rebate on their property tax for current fiscal year
- An additional 2% rebate, with a minimum of ₹20 and a maximum of ₹500, is available for those who make their property tax payments online, bringing the total rebate to 12%.
- Taxpayers wishing to pay their current fiscal year property tax in advance by May 31 of the current fiscal year, will also qualify for these rebates.
- Property tax payments in newly merged areas will be accepted at the respective Gram Panchayat offices, ensuring accessibility for residents in these regions.
- Property tax payments can be made at the North Zone Office of Gandhinagar Municipal Corporation in Pethapur and the Central Zone Office located at M.S. Building, Ground Floor, Sector-11. Cash collection is available from 9:00 am to 3:00 pm, while check acceptance is from 9:00 am to 5:00 pm.
- An additional WhatsApp Chatbot has been incorporated for a user-friendly experience in order to find out the details/status of the user's property tax and Bank mail via registered mobile number.

iii) Solid waste management (SWM) reforms

- GMC has incorporated Compressed Natural Gas (CNG) run vehicles into its waste collection fleet. These vehicles emit fewer pollutants compared to traditional diesel-powered vehicles, contributing to cleaner air and a healthier environment.
- GMC has implemented GPS tracking of waste collection vehicle.
- GMC has approved tender of 40MLD capacity water treatment plant at Sudhah.
- GMC conducts mechanized deep cleaning of public and community toilets citywide, with mobile vans ensuring each toilet block is cleaned every alternate day.
- GMC carries out regular mechanized sweeping of roads, manual cleaning of pavements, litter collection, removal of dead animals, garbage, silt, and blockages, as well as trimming wild grass and trees.
- GMC has introduced organic-based composting machines to efficiently process organic waste. These machines convert organic waste into valuable compost, which can be used to enrich soil and support

local agriculture. By diverting organic waste from landfills, the composting machines help reduce methane emissions and promote a circular economy.

- GMC has implemented city-wide public toilets
- GMC's operational biogas plant efficiently converts organic waste into renewable energy, reducing landfill dependency and promoting sustainability. Additionally, GMC is constructing a Bioware plant to enhance waste processing, focusing on producing compost, bio-fertilizers, and eco-friendly by-products, further advancing its waste-to-resource initiatives.

iv) Double Entry Accounting Reforms:

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

- GMC has implemented e-Sarkar project is designed as an end-to-end paperless system, replacing manual processes with digital solutions. It includes features like voice-to-text functionality, QR code-based tracking, and cross-platform compatibility, which contribute to the digitization of government operations.
- E-Sarkar inherently supports the provision of softcopy bills through its integrated digital dispatch functionality and QR code-based tracking system.
- GMC also incorporates ERP (Enterprise Resource Planning) functionalities that align with ERP principles.
- GMC uses Tally Software Services which provides access to the product updates and it updates statutory information and it provides services which generates e-Invoice/e-Way Bills.

v) Reforms on water supply

- Water supply does not come under the purview of GMC

V. DETAILS OF ISSUER'S OUTSTANDING BORROWING

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

As on December 31, 2024, the Issuer doesnot have outstanding borrowings.

b. Details of Secured Loan Facilities:

Nil

c. Details of Unsecured Loan Facilities:

Nil

d. Details of NCDs/Bonds:

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

e. List of Top 10 Debenture Holders

NIL

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 under this Preliminary Placement Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism all funds deposited whether on account of Tax Income (i.e. Property Tax, and if required, also from Professional Tax & Vehicle tax) that shall be collected (Collection Accounts(s)) and any other specified revenue/cashflow 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 i.e. Interest Payment Account and Sinking Fund Account 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 2 semi-annual interest payments for bonds. To ensure adequacy of funds for redemption of the Bonds, a Sinking Fund Account shall be opened where amounts shall be deposited for redemption of the principal amounts of the Debentures. There is sufficient revenue generation/collection from aforesaid Tax Income (i.e. Property Tax, and if required, also from Professional Tax & Vehicle tax) or any other specified revenue/cashflow deposited in the account(s) where Tax Income (i.e. Property Tax, and if required, also from Professional Tax & Vehicle tax) shall be collected for timely servicing and redemption.

VII. Issue Estimated Scenarios of Asset Liability Mis-matches

The Issuer has sufficient Tax Income (i.e. Property Tax, and if required, also from Professional Tax & Vehicle tax) . With respect to the repayment of bonds, the Bonds are to be paid from the collection of Property tax of the GMC. In case, if at any point of time, the transfer from property tax collection occurs below Rs. 5 Crores, GMC shall also arrange to transfer the collection from Professional Tax Collection Account and Vehicle Tax Collection Account to a separate no-lien Escrow Account for servicing of Bonds. The current Tax Income (i.e. Property Tax, and if required, also from Professional Tax & Vehicle tax) collections are sufficient to ensure the redemption of the Debentures. The structured payment mechanism as provided in this Preliminary Placement Memorandum shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further, any short fall towards payments to be made in respect of Debentures will be transferred in terms of Transaction Documents.

SECTION-XI: LEGAL AND OTHER INFORMATION

The Bond Issue Committee in its meeting held on March 06, 2025 has adopted a materiality policy for disclosure of litigation in relation to the Issuer according to which other litigation involving the Issuer which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the projects which are being funded by the proceeds of the Debentures, which litigation has been disclosed herein below.

Except as stated in this section, there are no:(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Issuer 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.

For the purpose of (v) above, the Issuer has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI Municipal Regulations, as amended, for disclosure of all pending litigation involving the Issuer where:

- a. the potential financial liability/monetary claim by or against Municipal Corporation, in any such pending matter(s) is in excess of 0.10% of Profit after Tax as per the financial statement for the FY 23-2024, i.e., Rs. 0.30 Crore;
- b. any such litigation wherein the monetary liability is not quantifiable which is and/or which may have a material adverse effect from the perspective of the Municipal Corporation's operations, (i) the financial position, income and cash flows of our Corporation; (ii) the Project(s) proposed to be funded out of the proceeds of the Issue; (iii) the Issue; or the investor's decision to invest/continue to invest in the Bonds;
- c. notices received from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that the Issuer or any of the any of the members of the Bonds Issue Committee of the Municipal Corporation is impleaded as defendants in litigation proceedings before any judicial forum.

Further, the Issuer has a policy for identification of material outstanding dues to creditors (“**Material Dues**”) for creditors where outstanding due to any one of them exceeds 0.10 % of the trade payable as per the audited financial statement of the issuer for the FY 23-2024 i.e. Rs. 0.32 Crore.

A. CONTINGENT LIABILITIES OF THE ISSUER

The following are details of contingent liabilities of the last three years:

Financial Years	Amount (Rs. in crores)
FY 2023-2024	Nil
FY 2022-2023	Nil
FY 2021-2022	Nil

LITIGATIONS INVOLVING THE ISSUER

B. LITIGATION AGAINST THE ISSUER

a. CRIMINAL LITIGATIONS

Nil

i. WILLFUL DEFAULTER

Nil

ii. WILFUL DEFAULTER STATUS OF BOND ISSUE COMMITTEE MEMBERS

Nil

iii. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

- Gandhinagar Municipal Corporation filed an appeal against order No. GJ/PFC/AHD/57489/ENF III/C-20/T-05/1382 u/s. 7-A dated July 04, 2022 passed by the Regional Provident Fund Commissioner- II under section 7A of the Employees' Provident Fund Act & Miscellaneous Provisions Act, 1952. The Order was passed by the Regional Provident Fund Commissioner- II assessing dues of total Rs 1,56,93,123/- towards EPF dues for the period from January, 2011 to March, 2017. The Appellant stated that similar inquiry was initiated earlier for the overlapping period from January, 2011 to December, 2013 by summon dated February 18, 2014 for which the Respondent Authority passed an order under section 7A assessing dues of total Rs 39,91,187/-, which was paid in due compliance. The Appellant states that the inquiry was for assessment of dues of the Appellant itself but the Ld. Authority also called for records of contractors although they are/were separate legal entities and independent establishments. The Appellant has prayed for quashing and setting aside order dated July 04, 2022 and to pass an order directing the Respondent Authority not to take any legal action for recovery amount including interest and damages or otherwise against the Appellant till the disposal of the appeal and to call for records and proceedings of entire proceeding u/s 7A inquiry before the Authority. The said matter is presently pending.
- Pethapur Nagarpalika since merged through Gandhinagar Municipal Corporation filed an appeal against the Order No. GJ/ PFC/AHD/57488/ENF-III/C-20/T-05/ 4816 dated October 14, 2021 (hereinafter referred as "the Order") passed by The Regional Provident Fund Commissioner- II under section 7A of the Employees' Provident Fund Act & Miscellaneous Provisions Act, 1952. The Order was passed by the Respondent Authority assessing dues of total Rs 49,58,887/- towards EPF dues for the period from January 8, 2011 to October 7, 2016. The Appellant through the present appeal challenged the legality and validity of the Order. The Appellant prayed for quashing and setting aside the Order and to pass an order directing the Respondent Authority not to take any legal action for recovery amount including interest and damages or otherwise against the Appellant till the disposal of the appeal and to call for records and proceedings of entire proceeding under section 7A inquiry before the Authority. The said matter is presently pending.

iv. DISCIPLINARY ACTIONS INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGE(S) DURING THE PAST 5 (FIVE) FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

Nil

v. DIRECT AND INDIRECT TAX

S. No.	Nature	Number of Cases	Amount Involved (Rs. in Crores)
Indirect Tax			
1	Property Tax	Nil	Nil

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

Civil Matters

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (Rs. in Crores)	Present Status
1.	Shri Baldevbhai Somabhai Prajapati versus. The Gandhinagar Municipal Corporation & Ors.	Writ Petition (PIL) No. 10 of 2023	High Court of Gujarat at Ahmedabad	Shri. Baldevbhai Somabhai Prajapati ("Petitioner") filed a writ petition under Article 226 and Article 227 of the Constitution of India due to failure of GMC and ors. in taking action against the illegal skinning and Carcass disposal of Dead Animal at Mouje Pethapur, Gandhinagar which was causing serious health and environment hazard to residents nearby. The Petitioner has prayed the Hon'ble High Court	-	Pending

				of Gujarat's intervention to halt the illegal activities and also prayed for enforcement of proper disposal methods, emphasizing the need to protect public health and uphold relevant laws and to direct the Gandhinagar Municipal Corporation to take appropriate decisions as per the section 326 of the Gujarat Provincial Municipal Corporation Act, 1949 regarding prohibited activity and to notify the place and area as per section 323 of the Act and appoint appropriate authority for the area for restoring the natural environment. The said matter is pending before the Hon'ble High Court of Gujarat.		
2.	Suo Moto versus. Ahmedabad Municipal Corporation, through the Municipal Commissioner, Ahmedabad & Ors.	Writ Petition (PIL) No. 98 of 2021	High Court of Gujarat at Ahmedabad	A suo moto petition was filed against the Municipal Commissioner of Ahmedabad Municipal Corporation (AMC) and Ors. ("Respondents") by Hon'ble High Court of Gujarat at Ahmedabad ("Petitioner") under Article 226 and 227 of the Indian Constitution. The Gujarat High Court took suo motu cognizance of the issue in Writ Petition (PIL) No. 98 of 2021 after reports highlighted the discharge of untreated sewage into the Sabarmati River. It has been alleged that despite repeated directions, AMC failed to provide a clear roadmap for upgrading its STPs, submitting vague and inadequate responses. The Hon'ble High Court of Gujarat has criticized AMC's evasive statements and misleading claims that STPs were "working optimally" despite evidence of inefficiencies. The Hon'ble High Court of Gujarat has directed AMC to submit a comprehensive action plan with specific measures and deadlines and also instructed Gujarat Pollution Control Board to inspect nine newly commissioned STPs and confirm their compliance with NGT standards. The said matter is pending before Gujarat High Court.	Nil	Pending
3.	Federation Of Industries & Associations versus State Of Gujarat, Gandhinagar Municipal Corporation & Ors.	Special Civil Application No: 1343 of 2022	High Court of Gujarat at Ahmedabad	Federation of Industries & Associations (Gujarat) ("Petitioner") filed a Special Civil Application against the State of Gujarat, Gandhinagar Municipal Corporation & Ors. ("Respondents") under Article 14, 226 & 227 of the Constitution of India, for the demand of payment of tax by the Respondents which is contrary to the settled principle that the tax can be recovered only for the services rendered. The application mentions that the facilities which are provided by the Gujarat Industrial Development Corporation (GIDC) and the charges for the same are already being paid by the industrial units to the GIDC for providing the necessary services. The Petitioner further stated that issuance of tax bills by the local authority would mean that the members of the petitioner are subjected to	-	Pending

				dual taxation which is not permissible as per settled principle. It was therefore prayed by the Petitioner before the Hon'ble High Court that an appropriate writ, order or direction may be passed for setting aside the bills issued by respondents authorities. The said matter is pending before Gujarat High Court.		
4.	Vishwas Sudhanshu Bhamburkar versus State of Gujarat, Gandhinagar Municipal Corporation & Ors.	Writ Petition (PIL) No. 251 of 2018	High Court of Gujarat at Ahmedabad	Mr. Vishwas Sudhanshu ("Petitioner") filed a public interest litigation against the State of Gujarat, Gandhinagar Municipal Corporation & Ors. under Article 226 of the Constitution of India, highlighting the inadequate facilities for the urban homeless people in Gujarat. Petitioner alleged in its petition that despite the allocation of funds under the DAY-NULM scheme, the state has failed to provide sufficient shelter facilities, resulting in grave risks, particularly during cold weather conditions. The Petitioner further alleged that the existing shelters are insufficient, and many have been closed, while no progress has been made in constructing new shelters as per the recommendations of the Justice Kailash Gambhir Committee. The Petitioner has further contended that the failure to provide adequate shelters violated fundamental rights under Articles 19 and 21 of the Constitution of India, particularly the right to shelter and life with dignity. The Petitioner has prayed for directions from the court for the creation of shelters, the development of a web portal for shelter information, independent surveys to identify homeless populations, and the construction of shelters with adequate facilities. The petitioner also prayed for transparency in the expenditure of funds, the establishment of a dedicated department for homeless issues, and arrangements for the homeless in public buildings during winter months. The said matter is pending before Gujarat High Court.	Nil	Pending
5.	Mr. Chhaya Vinesh Kadambkant & Ors. versus. The State of Gujarat, Gandhinagar Municipal Corporation & Ors.	Writ Petition. (PIL) No. 162 of 2019	High Court of Gujarat at Ahmedabad	Mr. Chhaya Vinesh Kadambkant & Ors. ("Petitioners") filed Public Interest Litigation against the State of Gujarat, Gandhinagar Municipal Corporation & Ors. ("Respondents") under Article 226 of Constitution of India, concerning the fire safety measures in Gujarat. The petition was filed with regards to the provisions of Gujarat Fire Prevention and Life Safety Measures Act, 2013, Fatal Accident Act, 185, Indian Electricity Act, 2003, Comprehensive General Development Control Regulation, 2017 and the Constitution of India so as to ensure that appropriate fire safety norms are applicable to all the buildings of Gujarat. The Petitioners had raised concerns with regard to violations of the building by-laws, regulations, codes and norms which were not	-	Pending

				adhered to, including the rampant illegal construction of coaching centres, marriage halls, commercial buildings, hotels and residential buildings. The Petitioners has prayed for stringent against the official whose negligence might result in fire hazards and death of the Public and also for criminal actions against the aforementioned officials and adequate compensation to the victims in terms of life expectancy factors under the Public Liabilities Insurance Act, 1991. The said matter is pending before Gujarat High Court.		
6.	Amit Manilal Panchal (Petitioner) versus State of Gujarat & Others (Respondent)	Writ Petition. (PIL) No. 118 of 2020	High Court of Gujarat at Ahmedabad	Amit Manilal Panchal ("Petitioner") has filed civil application No. 1 of 2024 in Writ Petition (PIL) No. 118 of 2020 in the Gujarat High Court, whereby as per order dated December 15, 2020, the High Court of Gujarat has issued certain directions to ensure that fire prevention and life safety measures are taken and implemented in Gujarat and directed respondents to submit affidavits regarding compliance to fire safety provisions. The Chief Fire Officer of Gandhinagar Municipal Corporation (GMC) has filed affidavit in compliance of the Hon'ble High Court of Gujarat's order dated May 27, 2024, wherein he stated that GMC in compliance of order dated December 15, 2020, has submitted multiple affidavits confirming compliance with fire safety laws, including CGDCR-2017, the Gujarat Fire Prevention and Life Safety Measures Act, 2013, and the National Building Code, with the latest filed on July 20 2022. He further submitted that to improve fire safety, GMC has formed a special committee to inspect gaming zones, hotels, malls, and restaurants. Inspections of six gaming zones found violations, leading to their closure. GMC has issued 462 new Fire NOCs, renewed 139, sealed 13 non-compliant premises, and had sent notices to 13 others for not renewing certificates and in addition to this GMC had conducted 242 training programs and 58 mock drills have trained 5,500 people on fire safety. Regular inspections, enforcement actions, and awareness campaigns are ongoing. Chief fire officer in his affidavit also provided current status of activities that were being conducted and gave description about fire station and future plans. The said matter is pending before Gujarat High Court.	Nil	Pending

C. LITIGATIONS BY THE ISSUER

i. CRIMINAL LITIGATIONS

Nil

ii. DISCIPLINARY ACTIONS INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGE(S) DURING THE PAST 5 (FIVE) FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

Nil

iii. TAXATION MATTERS

Nil

iv. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

Nil

D. OUTSTANDING DUES TO CREDITORS

Based on Materiality Policy of the Issuer, as on March 06, 2025, our Issuer does not have any material creditors. Further the Issuer does not categorize its creditors as SSU/MSME and the creditors also do not submit their SSU/MSME registrations.

Particulars	Outstanding (Rs. In Crore)
Total Outstanding dues to Material Creditors	6,38,24,287
Total Outstanding dues creditors other than Material Creditors	2,40,42,866
Grand Total	8,78,67,153

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link: <https://gandhinagarmunicipal.com/list-of-material-creditors/>

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

The Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer including change in Municipal Commissioner, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (one) year.

F. 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 any information disclosed in this Preliminary Placement Memorandum, there has been no material event, development or change having implications on the financial condition or credit quality of the Issuer which may affect the issue of the Bonds or an investors' decision to invest or continue to invest in the Bonds to be issued by the Issuer.

G. DETAILS OF NON-PAYMENT OF STATUTORY DUES

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

H. 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

I. DISCIPLINARY ACTION, IF ANY, TAKEN BY SEBI OR ANY FINANCIAL SECTOR REGULATORY AUTHORITY AGAINST THE ISSUER, MERCHANT BANKER, DEBENTURE TRUSTEE ETC., DURING THE LAST 5(FIVE) YEARS

i. Against the Issuer

Nil

ii. Against the Debenture Trustee

Nil

iii. Against the Merchant Banker

Nil

iv. Against the Registrar

Nil

SECTION-XII: GOVERNMENT APPROVALS

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

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Preliminary Placement Memorandum.

A. Investment approvals, letter of intent or industrial license from GoI, RBI, etc., as applicable and declaration of the Central Government, Reserve Bank of India or any regulatory authority about the non-responsibility for financial soundness or correctness of the statements:

As the Issuer is a municipal corporation, no such investment approvals, letter of intent or industrial license from GoI, RBI, etc. are required to be obtained by the Issuer.

B. All Government and other approvals which are material and necessary for carrying on the business and operations of the issuer and material subsidiaries:

There are no specific approvals which are material and necessary for carrying on the business of the Issuer. The Issuer has required registrations as listed below:

Sl. No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (“PAN”)	AAAGM0007N	Income Tax Department, Government of India	May 01, 2010	One Time Registration
2.	GST Registration Certificate (“GST”)	24AAAGM0007N1Z M	Government of India	August 05, 2017	One Time Registration
3.	Tax deduction Account Number (“TAN”)	AHMG04866B	Income Tax Department, Government of India	August 24, 2011	One Time Registration
4.	Legal Entity Identifier Number	98450081381M50B48 013	Legal Entity Identifier India Limited	February 02, 2025	February 02, 2026

The Issuer does not have any subsidiary.

The details of the approvals obtained/ required to be obtained by the Issuer for undertaking the proposed Project are set out in paragraph G “Details and status of the regulatory approval (if required)” of Section *Objects of the Issue* “Details and status of the regulatory approval” on page no. 47 of this Preliminary Placement Memorandum

SECTION-XIII: UNDERTAKINGS BY THE ISSUER

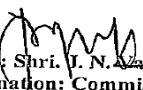
	GANDHINAGAR MUNICIPAL CORPORATION	 G20 एक राष्ट्र एक परिवार ONE EARTH • ONE FAMILY • ONE FUTURE
	Pandit Din Dayal Upadhyay Bhavan	
	Behind Fire Station, Sector-17 Gandhinagar-382016	
	Ph No- 079 23220440, Fax No-079 232 21419	
	Email:gmc8gandhinagar@gmail.com	
No:GMC/ACC/ /2024-25		Date:07/03/2025

UNDERTAKINGS BY THE ISSUER

The Issuer hereby agrees and undertakes:

1. that it shall submit the documents disclosed in the Preliminary Placement Memorandum to the Debenture Trustee in electronic form (soft copy).
2. that the complaints received in respect of the Issue shall be attended by the Issuer expeditiously and satisfactorily.
3. that all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed would be taken within the period specified by the Board.
4. that the Preliminary Placement Memorandum contains true, fair and adequate information to enable investor to make well informed decision regarding their investment in proposed Issue.
5. that the Preliminary Placement Memorandum or term sheet or any advertisement issued by the Issuer in connection with the issue of Debt Securities shall not contain any false or misleading statement.
6. All monies received out of the Issue shall be transferred to a separate bank account.
7. That it shall comply with the applicable law including Securities and Exchange Board of India (issue and Listing of Municipal Debt Securities) Regulations, 2015.

For Gandhinagar Municipal Corporation


Name: Shri. J. N. Vaghela (I.A.S)
Designation: Commissioner



Place: Gandhinagar
Date: MARCH 07, 2025

SECTION-XIV: TERM SHEET

SUMMARY OF OFFER

A. Primary business of the Issuer:

The Gandhinagar Municipal Corporation has been 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 (“GPMC Act”), erstwhile the Bombay Provincial Municipal Corporations Act, 1949 (“BPMC Act”) vide Notification dated April 30, 2010 bearing reference no. KV-56 of 2010-MNA-102009-5771(iii)-P. 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. In accordance with Section 5 of the GPMC Act, the Corporation shall consist of such number of elected members as may be notified from time to time.

Size of the Issue:

Rated, Listed, Taxable, Unsecured, Redeemable, Non-Convertible Municipal Bonds in the nature of debentures Of Face Value Of ₹ 1,00,000/- Each (“Bonds”/“NCDs”/“Debentures”), for an amount aggregating upto ₹ 25 crores.

B. Object of the Issue:

The proceeds of the Issue are to be deployed in the below mentioned project and the total project cost is provided herein below:

(Rs. in Crores)

Sr. No.	Object	Total Project Cost	Amount to be funded from the proceeds of the Issue
1.	Construction of Civil Works for the Area Development Besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheswar Circle, 2) CH – 0 To Rakshshakti Circle	103.30	25.00
	Total	103.30	25.00

C. Audit Qualifications along with the financial statements.

There are no audit qualifications for the audited financial statements for the last 3 Financial years i.e., FY 2021-22, FY 2022-23 and FY 2023-24.

D. Summary table of pending litigation

• Matters related to Direct and Indirect Taxes against the Issuer

S. No.	Nature	Number of Cases	Amount Involved (Rs. In Crores)
1)	Direct Tax	Nil	Nil
2)	Indirect Tax	Nil	Nil

a. Criminal Litigations involving the Issuer

The total number of cases involving pending cases against the Issuer and filed by the Issuer have been disclosed in the section “Legal and Other Information” on page No. 84 of the PPM. Since the nature of the case is criminal, there is no amount involved.

b. Actions by Regulatory and Statutory Authorities

The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the “Section-IX- Legal and Other Information” on page No. 84 of the PPM.

c. Other Civil Litigation

The details of all the individual civil litigations above the materiality threshold have been disclosed in the “Section-IX- Legal and Other Information” on page No. 84 of the PPM.

For the details of litigation proceedings, please refer the Section titled Litigation and Other Information on page no. 84 of this Preliminary Placement Memorandum.

E. Risk Factors

For Risk Factor please refer to section titled *Risk Factors* beginning on page no. 18 of this Preliminary Placement Memorandum.

F. Summary of Contingent Liabilities

For details of Contingent Liabilities please refer to Section-XI titled Legal and Other Information beginning on page no. 84 of this Preliminary Placement Memorandum.

G. Summary of Related Party Transactions

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

H. Escrow payment mechanism for the repayment of the interest/principal.

Please refer to the row titled ‘*Structured Payment Mechanism*’ under *Summary of Term Sheet* of Section XIV (*Term Sheet*) on page no. 97 of this Preliminary Placement Memorandum.

SUMMARY OF TERM SHEET

Security Name	[●] % GMC Bonds 2025 Series - I
Issuer	Gandhinagar Municipal Corporation (“Corporation”/ “GMC” / “Issuer”)
Type of Instrument	Unsecured, Non-Convertible, Non-Cumulative, Listed, Rated, Redeemable, Taxable Bonds in the nature of Debentures (“Bonds”/ “Debentures”/ “NCDs”)
Seniority	Senior. The Bonds are unsecured and shall rank pari-passu to other Senior Unsecured Debt of the Issuer, if any.
Mode of Issue	Private Placement of Municipal Bonds 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 NSE–EBP Platform, are eligible to bid / invest / apply for this Issue. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
Listing (including name of Stock Exchange(s) where it would be listed and timeline for listing)	Proposed to be listed on the wholesale debt market segment of the National Stock Exchange of India Limited (NSE). The listing application to NSE shall be made within 3 working days from the Issue Closing date.
Rating of the Instrument	Provisional AA/ Stable by CARE and Provisional AA-/Stable by CRISIL
Issue Size	Upto 2,500 (Twenty-Five Hundred) unsecured, non-convertible, non-cumulative, listed, rated, redeemable, taxable bonds in the nature of debentures of face value of Rs. 1,00,000 (Rupees One Lakh only) each, for Cash, aggregating total issue size not exceeding Rs. 25 Crores (Rupees Twenty-Five Crores)
Option to retain over subscription (Amount)	N.A.
Objects of the Issue	The proceeds of the bonds will be utilized for the Projects as mentioned in Placement Memorandum.
Details of the utilization of the proceeds	The proceeds of the Issue will be utilized for the Projects as detailed in the Section titled “Objects of the Issue”. 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 on Page no. 43 of Placement Memorandum.
Coupon Rate	To be finalized subsequent to bidding on Electronic Bidding Platform (EBP) of NSE
Taxable/Tax free	Taxable
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi-Annual
Coupon Payment Dates	The first Coupon shall be paid on [*]and semi-annually thereafter till redemption of Bonds
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	5 Years
Redemption Date	[*] i.e. end of 5 Years from Deemed Date of Allotment
Redemption Amount	Rs. 1,00,000 (Rupees One Lakh only) per Debenture (at par)
Redemption Premium / Discount	Not applicable
Issue Price	Rs. 1,00,000 (Rupees One Lakh only) per Debenture.
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable

Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not applicable
Face Value	Rs. 1,00,000/- (Rupees one Lakh only)
Minimum Application for Municipal Debt Securities or Multiples thereof	Minimum 10 Bonds of face value Rs. 1,00,000 (Rupees One Lakh) each and in multiples of 1 Bond of face value Rs. 1,00,000 (Rupees One Lakh) each thereafter.
Issue Timing	Issue Opening Date: _____, 2025 Issue Closing Date: _____, 2025 Pay-in Date: _____, 2025 Deemed Date of Allotment: _____, 2025
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Through the NSCCL
Depository	NSDL and CDSL
Business Day Convention	“Business Day” shall mean day on which the commercial banks are open for business in Gandhinagar, Gujarat. If any Coupon Payment Date falls on a day that is not a Business Day in Gandhinagar, the payment 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, by the Issuer on the immediately succeeding Business Day, however the dates of the future Coupon payments would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent Coupon schedule would not be changed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on a non-Business Day. If any Redemption Date including the redemption dates (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with the accrued Coupon on the Debentures until but excluding the date of such payment.
Record Date	The record date for payment of coupon/interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law. In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchange, will be deemed as the record date. In case of Redemption Date/ Maturity Date, the trading shall remain suspended between the record date and the Maturity Date/Redemption Date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	The Debentures shall be Unsecured for the purpose of the SEBI regulations. However, under the Structured Payment Mechanism in the term sheet, the Debenture Trustee, on behalf of the Bondholder(s) shall have a pari-passu charge over the Escrow Account, account(s) where Tax Income (Tax Income means Property tax, Professional Tax and Vehicle tax) or any other specified revenue/cashflow are being collected (Collection account(s)). The Bondholder(s) shall have a pari-passu charge on the funds lying in Escrow Account, Collection Account and Interest Payment Account (IPA-I) (Interest Payment Account includes DSRA Amount) and Sinking Fund Account (SFA-I) and any investment(s) made from these account(s)).

Structured Payment Mechanism	Under the Structured Payment Mechanism, all funds on account of Property Tax Income or any other specified revenue/cashflow deposited in the account(s) where Property Tax Income shall be collected (Property Tax Collection Account) and shall be transferred to a separate no-lien Escrow Account for debt servicing. In case, if at any point of time, the transfer from property tax collection occurs below Rs, 5 Crores, GMC shall also arrange to transfer the collection from Professional Tax Collection Account and Vehicle Tax Collection Account to a separate no-lien Escrow Account for servicing of Bonds. This transfer shall be done once in a month on predetermined day i.e. 10 days prior to the last business day of first five months of every half-year. On the last Business Day of first five months of every half-year, the Minimum Balance maintained as indicated below shall be transferred to respective accounts established for servicing of Bonds with the Escrow Banker. Eligible Bondholders shall have a pari-passu charge over the Escrow Account, Collection Accounts and Debt Service Reserve Account (DSRA includes Interest Payment Account (IPA-I) and Sinking Fund Account (SFA-I) and any permitted investment(s) made from these account(s).). GMC should also establish such accounts for servicing of debt with the Escrow Banker as per the terms of Bond Issue. 1. The funds lying in the Escrow Account shall be used in the following priority: a. The funds should be first utilised to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any month shall be calculated as per para 3 below. b. The Minimum Balance shall not be used for any purpose other than transfer to respective accounts established for servicing of Bonds. c. The surplus funds after meeting the Minimum Balance can be transferred to GMC HO Account. GMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to respective accounts established for servicing of Bonds on any day prior to the last business day of the month. 2. In case of any shortfall in the Escrow Account to the tune of Minimum Balance, GMC shall make good the shortfall from the funds from other account(s) to Escrow Account. 3. The funds to be transferred from the Escrow Account (“Minimum Balance”) shall be aggregate of the following: i) Monthly Contribution to be transferred from the Escrow Account shall be calculated for Bonds as per the terms of the said issuance which is as under The monthly minimum balance would be the sum of: (a) 20% of next semi-annual interest payment (which would be transferred to IPA once the MMB for that month is achieved) and (b) 2% of the issued amount (which would be transferred to SFA once the MMB for that month is achieved) However, on the last day of the month, if there is a shortfall in MMB then the entire amount available in Escrow Collection Account would be transferred firstly to IPA and then balance available to SFA. The MMB for each month is defined in Annexure – [●](to be added at the time of filing Placement Memorandum)
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	ii) Shortfall in any earlier contribution to the extent not made good by GMC from other account(s). 4. The funds lying in the Escrow Account shall be used in the following priority: - Firstly, to transfer funds to respective accounts created for servicing of the bonds - Within bonds the transfer shall be made in priority as per the terms and conditions of the bonds Issuance. 5. GMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the respective accounts established for servicing of Bonds such that at no time the contribution is less than as calculated in para 3 above (including the contribution for the month to be expedited). 6. Debenture Trustee (on behalf of the Bondholders) shall have a pari-passu charge in its favour on the funds lying in the respective Escrow Account, Collection Accounts and Debt Service Reserve Account (DSRA includes Interest Payment Account (IPA-I) and Sinking Fund Account (SFA-I) and any investment(s) made from these account(s). 7. Any surplus funds lying in such servicing accounts after the bond is repaid in full shall be transferred to the GMC HO account after obtaining certificate from Debenture Trustee that the Issuer has discharged its debt obligations in a timely manner. Creation of Accounts: 1. GMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders: - Interest Payment Account Series I ("IPA - I") - Sinking Fund Account Series I ("SFA - I") 2. GMC shall cause the following funds to be transferred from Escrow Account to: - The IPA – I shall be funded one day before the pay-in date with an amount equal to 2 Semi- annual interest payments for bonds shall be referred as DSRA Amount. - On the last Business Day of first five months of every half-year, an amount as mentioned in Schedule I (Schedule I contains the funds required to be transferred to Accounts i.e., IPA and SFA in each month). Any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution as mentioned in Placement Memorandum shall be transferred to the IPA. - On the last Business Day of first five months of every half-year, an amount as mentioned in Schedule I (w.r.t. SFA in each month) of the Placement Memorandum, and any shortfall in earlier contribution shall be transferred to the SFA. - Any shortfall in the above account(s) shall be made good by GMC by transfer from other account(s) of GMC. 3. The funds lying in the above account(s) shall be utilized in the following manner: - The DSRA Amount lying in IPA – I can be used to meet any shortfall in IPA – I for coupon payment to be made on coupon payment date and thereafter can be used to meet any shortfall at the time of final redemption of bonds.
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	However, the DSRA Amount in IPA-I cannot be utilized to meet any shortfall in contribution to SFA - I except at the time of final redemption of bonds. b. The funds lying in the IPA - I (apart from the DSRA Amount) can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Placement Memorandum. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall pertaining to DSRA Amount and thereafter be used to make good any shortfall in contribution to SFA - I. c. The funds lying in the SFA - I can be used to redeem the bonds issued pursuant to the Placement Memorandum. d. Any funds lying in the above account(s) can be used for making permitted investment(s). However, the funds (including permitted investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mention in points (a) to (c) above. e. Any surplus funds lying in the above account(s) after the bonds issued pursuant to Placement Memorandum have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the GMC HO Account after obtaining certificate of the Debenture Trustee that Issuer has discharged its debt obligations in a timely manner. 4. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the IPA - I and SFA - I and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s) for the bond issued under the Placement Memorandum. The amount deposited in IPA - I and SFA - I shall be used solely for meeting the dues to these Bondholder(s). No amount can be withdrawn from these account(s) without the prior approval of Debenture Trustees to the bondholder(s). 5. The Funds lying credited in the IPA - I can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the Fixed Deposit. The lien shall be created in favor of Debenture Trustee on all the investments made above. 6. The funds lying to the credit of SFA - I can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AA+(or above) and/or in Government Securities and Treasury Bills. The lien shall be created in favor of Debenture Trustee on all the investments made above. 7. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s). 8. Escrow Account, IPA - I and SFA - I shall be maintained with a Scheduled Commercial Bank rated at least AA+ or above by two rating agencies throughout the tenor of the instrument. In case, at any point of time, the rating of senior debt of the Bank falls below AA+ by any rating agency GMC shall, with written consent of Debenture Trustees, enter into Escrow Agreement with any other bank satisfying the rating criteria. 9. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. GMC 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 IPA - I (which is over and above the Required DSRA Amount) at 25 days prior to the interest payment date. In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the IPA-I (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate GMC of the shortfall and GMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall
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	in any amount in Interest Payment Account at 14 days prior to the interest payment date, the Trustee shall trigger the payment mechanism and instruct bank to utilize the –DSRA Amount lying in the IPA - I to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date. The Interest shall be paid by GMC on the due date. Any amount utilized from the DSRA Amount should be deposited back in the IPA - I as per the mechanism indicated above. Sinking Fund Payment Mechanism The debenture trustee shall check the balance in the SFA - I at T+5 days at the end of each year and in case of any shortfall in the SFA - I, GMC shall replenish the SFA - I with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of SFA - I 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate GMC of the shortfall and GMC shall make good the shortfall in the SFA - I by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in IPA - I, SFA - I and any utilization of DSRA Amount towards the interest payment due date.
Permitted Investment	The funds lying in the: DSRA IPA - I SFA - I Till such time being utilized would be allowed to be invested in permitted investments in Fixed Deposits with Scheduled Commercial Banks. These investments would be made & liquidated by the Debenture Trustee as per the instruction of the Issuer from time to time. The funds lying credited in the GMC Escrow Collection Account (to the extent of the minimum balance) and Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ (Fixed Deposit Program) or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars/notifications/guidelines issued there under and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable. The funds lying to the credit of Sinking Fund Account can be deposited (a) in government securities, or (b) such other instruments which may be permitted both in terms of the SEBI Circulars and The Gujarat Provincial Municipal Corporation Act, 1949. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof. 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. 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. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer on monthly basis 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.
Other Covenants			GMC shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year. (A) DSCR: Debt Service Coverage Ratio (“DSCR”) for the GMC will not be less than 1.25 times of operating surplus calculated as the below: DSCR = operating surplus / total debt service i) Operating surplus calculated as the below: Operating Surplus = Total Income – Expenditure Total income = Total income of the corporation Expenditure = Total expenditure – Depreciation – Finance charges ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment+ transfer to debt service reserve account (B) The total amount collected in escrow account shall be at least 1.25 times of the Debt Service Amount (DSA) on an annual basis. In case, the ratio falls below 1.25 times, GMC shall not borrow any further amount against the cash flow(s) of the escrow account. No permission to borrow further amount(s) by GMC shall be required, under this head, from the bondholder(s) as long as this condition is satisfied. DSA is defined as follows: DSA = Interest payment for the month + proportionate principal deposited in sinking fund or installment of principal redemption (C) GMC shall not borrow any further funds against the cash flow of the Escrow Account in case there is a shortfall in Minimum Balance requirement and the shortfall has not been made good by GMC.
Transaction Documents			The documents executed in relation to or which are relevant to the Issue including this Preliminary Placement Memorandum along with all annexures, the Debenture Trustee Agreement, the Placement Memorandum, the Escrow Agreement, the Issue Proceeds Agreement, Debenture Trust Deed, the Tripartite Agreements with NSDL and CDSL and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders)
Conditions Precedent to Disbursement			The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following and in compliance to SEBI Guidelines in this regard: a) Rating Letters from CRISIL and Care b) Consent Letter from the Debenture Trustee to act as Trustee to the Bondholder(s) c) Letter from NSE conveying its in-principle approval for listing of Bonds.
Condition Subsequent to Disbursement			The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Placement Memorandum: a) Ensuring that the payment made for subscription to the Bonds is from the bank account of the person/ entity subscribing to the Bonds. b) Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period Listing of the Bonds within 3 (three) working days from the Issue Closing Date. In case of a delay by the Issuer in listing the Bonds beyond 3(three) working days from the Issue Closing date the Issuer shall make payment to the Bond Holders of penal interest calculated on the face value of the Bonds at the rate of 1% p.a. (one percent per annum) for the period of delay between the Deemed Date of Allotment and the date of listing in accordance with the timeline under applicable law. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Placement Memorandum.
Events of Default			If the Issuer commits a default in making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due date(s), the same

	shall constitute an “Event of Default” by the Issuer. Further detailed list of events of default shall be specified in the Debenture/ Bond Trust Deed to be entered into by the Issuer and Debenture Trustee. Remedies upon the occurrence of an Event of Default will be specified in the Debenture/ Bond Trust Deed.
Default Interest	All monies due in respect of the Bonds 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; In case of delay in execution of the Debenture Trust Deed and security documents, GMC 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; Listing of the Debentures within 3(three) working days from the Issue Closing Date. In case of a delay by the Issuer in listing the Debentures beyond 3(three) working days from the Issue Closing date, the Issuer shall make payment to the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of 1 % p.a. (one percent per annum) for the period of delay between the Deemed Date of Allotment and the date of listing in accordance with the timeline under applicable law. Other provisions as set out in the Transaction Documents.
Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform Yield Allotment
Settlement Cycle	T+1
Creation of Recovery Expense Fund	The Issuer shall create a recovery expense fund with the NSE as the Designated Stock Exchange, in the manner as specified by the SEBI pursuant to master circular number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time, and inform the Debenture Trustee about the same.
Provisions related to Cross Default Clause	N.A.
Role and Responsibilities of Debenture Trustee	As defined in Debenture Trust Deed to be executed between Issuer and Debenture Trustee
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the laws of India. Any dispute arising thereof shall be subject to the jurisdiction of Courts of Gujarat at Gandhinagar.

SECTION XV: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to herein below (not being contracts entered into in the ordinary course of the business carried out by the Issuer) which are or may be deemed to be material, have been entered into by the Issuer. Copies of these contracts together with the copies of the documents may be inspected at the Head Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the Issue Closing Date.

A. Material Contracts

- a. Copy of Tripartite Agreement dated February 25, 2025 between CDSL, the Issuer and the Registrar to the Issue.
- b. Copy of Tripartite Agreement dated February 20, 2025 between NSDL, the Issuer and the Registrar to the Issue.
- c. Debenture Trustee Agreement dated March 06, 2025 between the Issuer and the Debenture Trustee;
- d. Issue Agreement dated March 07, 2025 between the Issuer and the Merchant Banker/Arranger to the Issue.
- e. Registrar Agreement dated March 07, 2025 between the Issuer and the Registrar to the Issue.
- f. Debenture Trust Deed dated [●] between the Issuer and the Debenture Trustee.
- g. Escrow Agreement dated [●] between the Issuer, the Debenture Trustee and the Banker to the Issue.
- h. Issue Proceeds Agreement dated [●] between the Issuer, the Merchant Banker/Arranger, Registrar and the Banker to the Issue.

B. Material Documents

- a) Copy of vide Notification dated April 30, 2010 bearing reference no. KV-56 of 2010-MNA-102009-5771(iii)-P pursuant to which the Issuer is constituted.
- b) Notification no. D.O. No. K-14012/01/2022-AMRUT-IIB dated May 31, 2024 in relation to AMRUT Incentive issued by Ministry of Housing and Urban Affairs.
- c) Copy of Gujarat Provincial Municipal Corporations Act, 1949.
- d) Government Order dated February 12, 2025 and dated March 03, 2025 approving the issuance of Debentures.
- e) Copy of the Resolution No. 548 of the Standing committee dated October 27, 2023 approving the Issuance of Bonds.
- f) Copy of the Resolution No. 108 of the General Board dated December 01, 2023 approving the Issuance of Bonds.
- g) Copy of Municipal Commissioner Letter dated January 01, 2025 certifying the list of members of the Bond Issue Committee.
- h) Copy of the resolution of the Bond Issue Committee dated March 07, 2025 approving the issuance of Bonds.
- i) Copy of the resolution of Bond Issue Committee dated March 06, 2025 appointing Shri Chirag K. Patel, Chief Accountant as Compliance Officer.
- j) Copy of the resolution of the Bond Issue Committee dated March 06, 2025 approving the Project.
- k) Copy of the resolution of the Bond Issue Committee dated March 06, 2025 approving the Materiality Policy.
- l) Consents and appointment letters of the Merchant Banker / Arranger / Transactions advisor, Debenture Trustee, Rating Agencies, Registrar to the Issue, Legal Advisor, Auditor, Bond Issue Committee Members, Municipal Commissioner, Escrow Bank and Banker to the Issue to include their names in the Preliminary Placement Memorandum.
- m) Examination report dated March 06, 2025 issued by the Auditor of the Issuer.
- n) Statement of tax benefits dated March 06, 2025 issued by the Auditor of the Issuer.
- o) Certificates dated AVN Architecture & Urbansam issued by March 07, 2025, technical consultants for all the Projects who have also prepared Detailed Project Reports for the Projects.

- p) Rating letter dated October 17, 2024 and revalidated letter issued on January 29, 2025 and March 06, 2025, and rating rationale dated October 16, 2024 issued by CRISIL,
- q) Rating letter dated April 29, 2024 and revalidated letter issued on January 30, 2025 and March 05, 2025 and rating rationale dated May 02, 2024, issued by CARE.
- r) Due diligence certificate dated March 07, 2025 filed by the Merchant Banker with SEBI in relation to the Preliminary Placement Memorandum.
- s) Due Diligence Certificate dated March 07, 2025 from the Trustee in relation to the Issue.

SECTION-XVI: DECLARATION



Mira Patel
Mayor

GANDHINAGAR MUNICIPAL CORPORATION

Declaration

I, Smt. Mira Patel, Mayor of Gandhinagar Municipal Corporation (the "Issuer") hereby declare and confirm that:

1. The Preliminary Placement Memorandum contains true, fair, and adequate information to enable investors to make a well-informed decision regarding their investment in the proposed Issue.
2. The Preliminary Placement Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, issued vide No. SEBI/LAD-NRO/GN/2015-16/006 dated 15th July 2015, as amended and other applicable SEBI circulars.
3. The Preliminary Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.
4. The Preliminary Placement Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Preliminary Placement Memorandum also does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Preliminary Placement Memorandum or in any other material issued by or at the instance of the Issuer shall be accepted by the Issuer, and that anyone placing reliance on any other source of information would be doing so at his own risk.

For Gandhinagar Municipal Corporation

મીરા પટેલ

Name: Smt. Mira Patel

Designation: Mayor

Date: MARCH 07, 2025

Mira Patel

Mayor

GANDHINAGAR MUNICIPAL CORPORATION



OFFICE : 4th Floor, Pandit Dindayal Upadhyay Bhavan, B/h. Fire Station, Sector-17, Gandhinagar - 382017

☎ 9978432999 E-mail : gmc.gandhinagar@gmail.com 🌐 www.gandhinagarmunicipal.com

Declaration

J.N.Vaghela, IAS
Municipal Commissioner



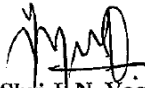
Gandhinagar Municipal Corporation
Behind fire station, Sector-17
Gandhinagar, 382016. (Gujarat)
(o) 079 -232 84151
Email : municomm-gmc-gnr@gujarat.gov.in
Web : www.gandhinagarmunicipal.com

Declaration

I, Shri J. N. Vaghela, IAS, Commissioner of Gandhinagar Municipal Corporation (the "Issuer") hereby declare and confirm that:

1. The Preliminary Placement Memorandum contains true, fair, and adequate information to enable investors to make a well-informed decision regarding their investment in the proposed Issue.
2. The Preliminary Placement Memorandum contains full disclosures in accordance with the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, issued vide No. SEBI/LAD-NRO/GN/2015-16/006 dated 15th July 2015, as amended and other applicable SEBI circulars.
3. The Preliminary Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.
4. The Preliminary Placement Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Preliminary Placement Memorandum also does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Preliminary Placement Memorandum or in any other material issued by or at the instance of the Issuer shall be accepted by the Issuer, and that anyone placing reliance on any other source of information would be doing so at his own risk.

For Gandhinagar Municipal Corporation


Name: Shri J. N. Vaghela, I.A.S.
Designation: Commissioner
Date: MARCH 07, 2025

Municipal Commissioner
Gandhinagar Municipal Corporation

ANNEXURE I

Structured Payment Mechanism

STRUCTURED PAYMENT MECHANISM

Under the Structured Payment Mechanism, all funds on account of Property Tax Income or any other specified revenue/cashflow **deposited in the account(s)** where Property Tax Income shall be collected (Property Tax Collection Account) and shall be **transferred to a separate no-lien Escrow Account** for debt servicing.

In case, if at any point of time, the transfer from property tax collection occurs below Rs, 5 Crores, GMC shall also arrange to transfer the collection from Professional Tax Collection Account and Vehicle Tax Collection Account to a separate no-lien Escrow Account for servicing of Bonds.

This transfer shall be done **once in a month** on predetermined day i.e. 10 days prior to the last business day of first five months of every half-year. On the last Business Day of first five months of every half-year, the Minimum Balance maintained as indicated below shall be transferred to respective accounts established for servicing of Bonds with the Escrow Banker. Eligible Bondholders shall have a **pari-passu charge over the Escrow Account, Collection Accounts and Debt Service Reserve Account** (DSRA includes Interest Payment Account (IPA-I) and Sinking Fund Account (SFA-I) and any permitted investment(s) made from these account(s).).

GMC should also establish such accounts for servicing of debt with the Escrow Banker as per the terms of Bond Issue.

1. The funds lying in the Escrow Account shall be used in the following priority:
 - a. The funds should be first utilised to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any month shall be calculated as per para 3 below.
 - b. The Minimum Balance shall not be used for any purpose other than transfer to respective accounts established for servicing of Bonds.
 - c. The surplus funds after meeting the Minimum Balance can be transferred to GMC HO Account.

GMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to respective accounts established for servicing of Bonds on any day prior to the last business day of the month.

2. In case of any shortfall in the Escrow Account to the tune of Minimum Balance, GMC shall make good the shortfall from the funds from other account(s) to Escrow Account.
3. The funds to be transferred from the Escrow Account ("Minimum Balance") shall be aggregate of the following:
 - i. Monthly Contribution to be transferred from the Escrow Account shall be calculated for Bonds as per the terms of the said issuance which is as under

The monthly minimum balance would be the sum of:

- a. 20% of next semi-annual interest payment (which would be transferred to IPA once the MMB for that month is achieved) and
- b. 2% of the issued amount (which would be transferred to SFA once the MMB for that month is achieved)

However, on the last day of the month, if there is a shortfall in MMB then the entire amount available in Escrow Collection Account would be transferred firstly to IPA and then balance available to SFA.

The MMB for each month is defined in Annexure – 2

- ii. Shortfall in any earlier contribution to the extent not made good by GMC from other account(s)
4. The funds lying in the Escrow Account shall be used in the following priority:
 - a) Firstly, to transfer funds to respective accounts created for servicing of the bonds
 - b) Within bonds the transfer shall be made in priority as per the terms and conditions of the bonds Issuance.
5. GMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the respective accounts established for servicing of Bonds such that at no time the contribution is less than as calculated in para 3 above (including the contribution for the month to be expedited).
6. Debenture Trustee (on behalf of the Bondholders) shall have a **pari-passu charge in its favour on the funds lying in the respective Escrow Account, Collection Accounts and Debt Service Reserve Account (DSRA includes Interest Payment Account (IPA-I) and Sinking Fund Account (SFA-I) and any investment(s) made from these account(s).**
7. Any surplus funds lying in such servicing accounts after the bond is repaid in full shall be transferred to the GMC HO account after obtaining certificate from Debenture Trustee that the Issuer has discharged its debt obligations in a timely manner.

Creation of Accounts:

1. GMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders:
 - a. Interest Payment Account Series I (“IPA - I”)
 - b. Sinking Fund Account Series I (“SFA - I”)
2. GMC shall cause the following funds to be transferred from Escrow Account to:
 - a. The IPA – I shall be **funded one day before the pay-in date with an amount equal to 2 Semi- annual interest payments** for bonds shall be referred as DSRA Amount.
 - b. On the last Business Day of first five months of every half-year, an amount as mentioned in Schedule I (Schedule I contains the funds required to be transferred to Accounts i.e., IPA and SFA in each month). Any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution as mentioned in Placement Memorandum shall be transferred to the IPA.
 - c. On the last Business Day of first five months of every half-year, an amount as mentioned in Schedule I (w.r.t. SFA in each month) of the Placement Memorandum, and any shortfall in earlier contribution shall be transferred to the SFA.
 - d. Any shortfall in the above account(s) shall be made good by GMC by transfer from other account(s) of GMC.
3. The funds lying in the above account(s) shall be utilized in the following manner:
 - a. The DSRA Amount lying in IPA – I can be used to meet any shortfall in IPA – I for coupon payment to be made on coupon payment date and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the DSRA Amount in IPA-I cannot be utilized to meet any shortfall in contribution to SFA - I except at the time of final redemption of bonds.

- b. The funds lying in the IPA - I (apart from the DSRA Amount) can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Placement Memorandum. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall pertaining to DSRA Amount and thereafter be used to make good any shortfall in contribution to SFA - I.
 - c. The funds lying in the SFA - I can be used to redeem the bonds issued pursuant to the Placement Memorandum.
 - d. Any funds lying in the above account(s) can be used for making permitted investment(s). However, the funds (including permitted investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mention in points (a) to (c) above.
 - e. Any surplus funds lying in the above account(s) after the bonds issued pursuant to Placement Memorandum have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the GMC HO Account after obtaining certificate of the Debenture Trustee that Issuer has discharged its debt obligations in a timely manner.
4. The Debenture Trustee, on behalf of the Bondholder(s), shall have **lien on the IPA - I and SFA - I** and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s) for the bond issued under the Placement Memorandum. The amount deposited in IPA - I and SFA - I shall be used solely for meeting the dues to these Bondholder(s). No amount can be withdrawn from these account(s) without the prior approval of Debenture Trustees to the bondholder(s).
 5. The Funds lying credited in the IPA - I can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the Fixed Deposit. The lien shall be created in favor of Debenture Trustee on all the investments made above.
 6. The funds lying to the credit of SFA - I can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AA+(or above) and/or in Government Securities and Treasury Bills. The lien shall be created in favor of Debenture Trustee on all the investments made above.
 7. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).
 8. Escrow Account, IPA - I and SFA - I shall be maintained with a Scheduled Commercial Bank rated at least AA+ or above by two rating agencies throughout the tenor of the instrument. In case, at any point of time, the rating of senior debt of the Bank falls below AA+ by any rating agency GMC shall, with written consent of Debenture Trustees, enter into Escrow Agreement with any other bank satisfying the rating criteria.
 9. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. GMC 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 IPA - I (which is over and above the Required DSRA Amount) at **25 days prior to the interest payment date**. In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the IPA-I (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate GMC of the shortfall and GMC shall **make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date**. In case of shortfall in any amount in Interest Payment Account at 14 days prior to the interest payment date, the Trustee shall trigger the payment mechanism and instruct bank to utilize the –DSRA Amount lying in the IPA - I to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date. The Interest shall be paid by GMC on the due date. Any

amount utilized from the DSRA Amount should be deposited back in the IPA - I as per the mechanism indicated above.

Sinking Fund Payment Mechanism

The debenture trustee shall check the balance in the SFA - I at T+5 days at the end of each year and in case of any shortfall in the SFA - I, GMC shall replenish the SFA - I with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of SFA - I 25 days prior to the redemption date. In case of any shortfall in amount, the trustees shall intimate GMC of the shortfall and GMC shall make good the shortfall in the SFA - I by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in IPA - I, SFA - I and any utilization of DSRA Amount towards the interest payment due date

ANNEXURE - II

Rating Letters and Rationale

CONFIDENTIAL

RL/GAMUCO/354574/BOND/0325/110799/168549305

March 06, 2025

Mr. J.N. Vaghela

Municipal Commissioner

Gandhinagar Municipal Corporation

Pandit Dindayal Upadhyay Bhavan, Behind Fire Station,

Sector 17, Gujarat

Gandhinagar - 382016

Dear Mr. J.N. Vaghela,

Re: Crisil Rating on the Rs.25 Crore Bond[&] of Gandhinagar Municipal Corporation (GMC)

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated January 29, 2025 bearing Ref. no: RL/GAMUCO/354574/BOND/0125/108183/168549305

Rating outstanding on the captioned debt instruments is Provisional Crisil AA-/Stable (pronounced as Provisional Crisil double A minus rating with Stable outlook). 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, to the satisfaction of Crisil Ratings.

- Debenture trust deed
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- Escrow agreement
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Please note that, in arriving at the ratings, Crisil Ratings has assumed that the representations made by GMC are true and that the structure, shall work and operate as represented by GMC. 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 GMC and/or the Trustee.

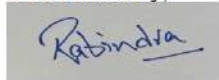
As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument 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 rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: 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. 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.

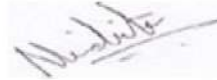
Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

**Rabindra Man Verma**

Associate Director - Crisil Ratings

**Nivedita Shibu**

Director - Crisil Ratings



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Corporate Identity Number: U67100MH2019PLC326247

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Registered Office Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076, India.

Phone: +91 22 6137 3000 | www.crisilratings.coma company of **S&P Global**

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CONFIDENTIAL

RL/GAMUCO/354574/BOND/0125/108183/168549305
January 29, 2025

Mr. J.N. Vaghela
Municipal Commissioner
Gandhinagar Municipal Corporation
Pandit Dindayal Upadhyay Bhavan,
Behind Fire Station, Sector 17,
Gujarat, Gandhinagar - 382016
8866655110

Dear Mr. J.N. Vaghela,

Re: Review of CRISIL Rating on the Rs.25 Crore Bond[&] of Gandhinagar Municipal Corporation (GMC)

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Please refer to our rating letter dated October 17, 2024 bearing Ref. no: RL/GAMUCO/354574/BOND/1024/100783/168549305

Rating outstanding on the captioned debt instruments is Provisional CRISIL AA-/Stable (pronounced as Provisional CRISIL double A minus rating with Stable outlook). 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.

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Please note that, in arriving at the ratings, CRISIL Ratings has assumed that the representations made by GMC are true and that the structure, shall work and operate as represented by GMC. 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 GMC and/or the Trustee.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument 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 rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

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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



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CONFIDENTIAL

RL/GAMUCO/354574/BOND/1024/100783/168549305

October 17, 2024

Mr. J.N. Vaghela
Municipal Commissioner
Gandhinagar Municipal Corporation
Pandit Dindayal Upadhyay Bhavan,
Behind Fire Station, Sector 17,
Gujarat, Gandhinagar - 382016
8866655110



Dear Mr. J.N. Vaghela,

Re: Review of CRISIL Rating on the Rs.25 Crore Bond[&] of Gandhinagar Municipal Corporation (GMC)

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its Provisional CRISIL AA-/Stable (pronounced as Provisional CRISIL double A minus 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.

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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
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CRISIL Ratings Limited

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Corporate Identity Number: U67100MH2019PLC326247

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CRISIL Ratings Limited

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Corporate Identity Number: U67100MH2019PLC326247

Rating Rationale

October 16, 2024 | Mumbai

Gandhinagar Municipal Corporation

Rating reaffirmed

Rating Action

Rs.25 Crore Bond[&]

Provisional CRISIL AA-/Stable (Reaffirmed)

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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 25 crore proposed bond programme of Gandhinagar Municipal Corporation (GMC).

The rating continues to reflect the corporation's strong proposed trustee-administered escrow and payment mechanism and adequate liquidity in the form of a debt service reserve account (DSRA). The rating also factors in moderate financial risk profile and operating efficiency, driven by healthy revenue surplus, robust liquidity, sound project management ability and focus on reforms. These strengths are partially offset by modest collection efficiency and relatively low economic base.

Revenue grew 62% on-year to Rs 577 crore in fiscal 2024 on a high base of fiscal 2023, which saw 109% growth over the previous fiscal. This rise was primarily driven by an increase in non-tax revenue led by higher building use permission and scrutiny fee collection. The collection was supported by the addition of area under jurisdiction, with 18 villages and one municipality merged with GMC in fiscal 2021, and increase in real estate projects undertaken in the area. Also, increase in Jantri rates (undertaken by state government in April 2023) resulted in higher advances. Growth in building use and scrutiny fee collection will likely moderate post fiscal 2025. That said, with increase in area under jurisdiction of GMC and increased development activities around the city due to proximity to Ahmedabad and Gujarat International Financial Tech (GIFT) City, the corporation will continue to grow at a steady rate. Tax revenue growth will also be healthy backed by various revenue augmentation measures being undertaken by the corporation, such as online payment of taxes, chatbot service and fines and penalties on non-payment of taxes.

Operating surplus grew 59% on-year to Rs 390 crore in fiscal 2024. While the operating surplus will likely moderate over the medium term due to increased expenditure and expected slowdown in building use fee collection, the operating surplus and revenue receipts are expected over 30%. GMC has a high share of own revenue contributing over 90% of revenue receipts, thereby having low dependence on government grants for carrying out capital expenditure (capex).

The financial risk profile remains strong with nil debt as on September 30, 2024, and robust liquidity, with cash and bank balance of Rs 672 crore as on March 31, 2024. Despite proposed bond issuance, the debt metrics will remain robust with high interest coverage ratio and debt service coverage ratio (DSCR) of over 30 times and 10 times, respectively.

Analytical Approach

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

Key Rating Drivers & Detailed Description

Strengths:

- **Robust escrow mechanism:** The escrow and bond payment mechanism provides adequate strength to the bond. Tax receipts escrowed at collection, and the trustee-managed escrow mechanism and payment structure with recourse to the originator ensure adequate safety for timely payment to investors. A DSRA equivalent to annual interest obligation before pay-in and its maintenance throughout the tenure strengthen the structure. The DSCR will remain high throughout the tenure of the bond. Deviation from the proposed structure will be a key monitorable.
- **Healthy operating performance, supported by growing operating surplus, strong liquidity and nil debt:** The revenue profile of GMC includes income from own-sources, such as property tax, professional tax and vehicle tax, and non-tax income comprising town planning fees, which increased from fiscal 2022 onwards owing to increase in area from Ahmedabad Urban Development Authority (AUDA) and Gandhinagar Urban Development Authority (GUDA) in July 2021 and hike in Jantri rates in April 2023. Revenue from town planning fees rose from Rs 43 crore in fiscal 2022 to Rs 383 crore in fiscal 2024 leading to high growth in revenue receipts. Along with own-revenue, GMC receives octroi compensation and other revenue grants. Revenue surplus is healthy, backed by strong property tax collection and

steady receipt of grants from the state government in lieu of octroi and non-tax income, comprising town development income.

Despite increasing revenue expenditure, strong growth in tax and non-tax collection led to operating surplus rising to Rs 390 crore in fiscal 2024 from 245 crore in fiscal 2023 and Rs 77 crore in fiscal 2022. The operating surplus improved in fiscal 2024 driven by healthy town planning fee collection and improvement in economic activity. Ability to manage revenue expenditure, which will grow significantly as the responsibilities for the corporation significantly rise over the medium term, will be a key monitorable.

The corporation has large capex with over Rs 1,000 crore worth projects being undertaken over the medium term under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart City projects, which are expected to be funded through government grants and own-revenue surplus. As of September 2024, the corporation had no debt on its book, cash and bank balance of Rs 672 crore as on March 31, 2024, and investments in fixed deposits worth Rs 522 crore. Regular receipt of octroi compensation and capital grants from the state government will be monitorable.

- **Key significance to Gujarat:** Gandhinagar is the capital of Gujarat and, hence, is important to the state and its development. The corporation has growing civic infrastructure and robust delivery systems. GMC possesses locational advantages with its proximity to Ahmedabad and GIFT City. Good infrastructure quality is reflected in adequate roads and sufficient solid waste management practices. Despite nil cost recovery for water and sewerage services, owing to non-collection of water and sewerage taxes or charges, GMC has a healthy own-revenue profile. Service arrangements are characterised by 100% coverage of solid waste management.

Furthermore, with growing number of corporates in GIFT city, GMC will benefit indirectly with more commercial and residential projects being developed in Gandhinagar, which will lead to increase in sources of revenue.

Weaknesses:

- **Modest scale of operations and service arrangements:** While revenue receipts increased in fiscal 2024 to Rs 577 crore from Rs 356 crore in fiscal 2023, these were lower at Rs 78-80 crore in fiscals 2019 and 2020 owing to the modest scale of operations. The increase in revenue receipts can be attributed to one major source: higher building permission fees. Own-tax revenue was modest. That said, revenue receipts are expected to grow over the medium term led by increase in area under GMC's jurisdiction and measures taken to improve the revenue profile of the corporation, such as online payment of taxes and geographic information system (GIS) mapping of properties. GMC has moderate water supply and sewerage service arrangements with no tariff being charged for the services. The implementation of new projects will drive improvement in service level arrangements. Additionally, while GMC has been maintaining a double entry cash-based accounting system, it is in the process of changing its accounting treatment to accrual-based.
- **Average tax collection and collection efficiency:** The collection efficiency of property and general taxes, which is one of the main sources of revenue, was around 54% in fiscal 2024 and has steadily declined from 76% in fiscal 2019. Own-tax revenue remained modest around Rs 101 crore in fiscal 2024, comprising 18% of the total revenue. That said, the number of properties assessed has tripled, increasing at compound annual growth rate of 25% in the last five years, with increase in absolute tax collection. Furthermore, various revenue augmentation measures undertaken by the corporation will drive improvement in tax collection over the medium term.

Liquidity: Strong

Operating surplus was healthy over Rs 390 crore per annum in fiscal 2024, with unencumbered liquid surplus of Rs 672 crore as on March 31, 2024, and nil external debt. GMC is likely to maintain healthy liquidity and generate operating surplus, which will be sufficient to meet debt obligation and partly fund capex.

Outlook: Stable

CRISIL Ratings believes GMC will maintain comfortable financial risk profile supported by healthy operating performance and strong liquidity.

Rating sensitivity factors

Upward factors:

- Improvement in service arrangements, such as water supply, sewerage and solid waste management
- Significant increase in property tax collection and efficiency resulting in healthy growth in revenue
- Sustained increase in revenue receipts to over 20% with steady operating surplus to revenue receipt ratio

Downward factors:

- Decline in property tax collection and efficiency
- Fall in operating surplus below 20% on sustained basis weakening the debt protection metrics

Additional disclosures for the provisional rating

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

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

Additional documents, if any, executed for the transaction will also have to be provided. A rating rationale/report indicating conversion of the 'provisional' rating into a '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 non-receipt 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, CRISIL Ratings would have assigned its 'CRISIL A' rating.

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

GMC is the local civic body entrusted with the administration and development of Gandhinagar, the capital city of Gujarat, and is governed by the Gujarat Provincial Municipal Corporations Act, 1949, as amended by the government of Gujarat. Set up in 2010, GMC oversees 197 sq km and population of 208,299, of which 109,479 are males while 98,820 are females as per report released by Census India 2011. Female to male ratio is 903:1,000. Slum population is 4.08% (as per 2011 census) of the total population of Gandhinagar. The literacy rate of Gandhinagar city is 90% (male: 91%; female:89%). The corporation is responsible for providing basic civic services, such as water supply, sewerage management and solid waste management.

Key Financial Indicators (CRISIL Ratings-adjusted figures)

As on / for the period ended March 31	Units	2024	2023
Revenue receipts	Rs crore	577	356
Revenue surplus	Rs crore	390	245
Revenue surplus/ revenue receipts	%	68%	69%

Any other information

Annexure

Broad contours of the escrow structure pertaining to the proposed Rs 25 crore bond are as follows:

- All funds on account of tax income (tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) or any other specified revenue/cashflow deposited in the account(s) where tax income shall be collected (collection account(s)) and shall be transferred to a separate no-lien escrow account for debt servicing. This transfer shall be done twice every week on predetermined days except on the last business day of every month. The funds lying in the collection account(s) will not be utilised for any purpose other than transfer to escrow account. On the last business day of every month, the minimum balance maintained, as indicated below, shall be transferred to respective accounts established for servicing debt for each lender/debenture with the escrow banker.
- Eligible bondholders and lenders shall have first pari-passu charge over the escrow account and the collection account(s).
- GMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the bondholders:
 - Interest payment account - Series I (IPA)
 - Sinking fund account - Series I (SFA)
- The IPA shall be funded one day before the pay-in date with an amount equal to annual interest payment for bonds referred to as the DSRA amount.
- At the end of every month, the funds lying/deposited in the escrow account shall be used in the following priority:
 - The funds should be utilised to accumulate the minimum balance in the escrow account. The minimum balance shall be an aggregate of monthly contribution to be transferred from escrow account and shortfall in any earlier contribution to the extent not made good by GMC from other account(s).
 - The minimum balance shall not be used for any purpose other than transfer to respective accounts established for servicing debt for each lender/debenture.
 - The surplus funds after meeting the minimum balance can be transferred to GMC HO account.
- The amount deposited in IPA and SFA shall be used solely for meeting the dues to the bondholders.
- No amount can be withdrawn from these accounts without the approval of the trustees or the bondholders.
- The debenture trustee, on behalf of the bondholder(s) shall have first and pari-passu charge over the non-lien escrow account and collection account(s). The bondholder(s) shall have first and exclusive charge on the funds lying in IPA and SFA and any investment(s) made from these account(s).
- 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 amount, the trustees shall intimate GMC of the shortfall.
T-15	GMC shall make good the shortfall in the IPA, if applicable.
T-14	In case of shortfall, trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from DSRA to the IPA.
T	Interest payment is done.

* Any amount drawn from the DSRA should be deposited back in the DSRA as per the mechanism indicated above.

Redemption mechanism**T – Redemption date**

Day	
T-25	The trustees shall check the amount lying to the credit of SFA. In case of any shortfall in amount, the trustees shall intimate GMC of the shortfall.
T-15	GMC shall make good the shortfall in SFA – I.
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	Bond [#]	NA	NA	NA	25.00	Simple	Provisional CRISIL AA-/Stable

[#] Yet to be issued

Annexure - Rating History for last 3 Years

Current				2024 (History)		2023		2022		2021		Start of 2021
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT	25.0	Provisional CRISIL AA-/Stable	25-04-24	Provisional CRISIL AA-/Stable		--		--		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
Rating Criteria for Municipal and Urban Local Bodies
CRISILs rating methodology for future flow securitisation
The Infrastructure Sector Its Unique Rating Drivers

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Note for Media:

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It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

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No. CARE/HRO/RL/2024-25/1875

Shri Chirag Patel
Chief Accountant
Gandhinagar Municipal Corporation
 1 ST FLOOR, MULTISTORIES BUILDING,
 NR. PATHIKASHRAM SECTOR 11,
 Gandhi Nagar
 Gujarat 382011



March 05, 2025

Confidential

Dear Sir,

Credit rating for proposed Debt Issue / Non-Convertible Debentures

Please refer to our letter no. CARE/HRO/RL/2024-25/1759 dated January 30, 2025, and your request for revalidation of the rating assigned to the Gandhinagar Municipal Corporation, for a limit of Rs.25.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Bonds	25.00	Provisional CARE AA; Stable	Reaffirmed

Rating in the absence of the pending steps/documents	CARE AA-
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3. The NCDs would have a tenure of five years with a bullet repayment at the end of fifth year.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

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CIN-L67190MH1993PLC071691

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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6. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
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8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
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10. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Renil Kotak
Analyst
renil.kotak@careedge.in



Tej Kiran
Assistant Director
tej.kiran@careedge.in

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Encl.: As above

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CIN-L67190MH1993PLC071691

No. CARE/HRO/RL/2024-25/1759

Shri Chirag Patel
Chief Accountant
Gandhinagar Municipal Corporation
 1 ST FLOOR, MULTISTORIES BUILDING,
 NR. PATHIKASHRAM SECTOR 11,
 Gandhi Nagar
 Gujarat 382011



January 30, 2025

Confidential

Dear Sir,

Credit rating for proposed bond

Please refer to our letter no. CARE/HRO/RL/2024-2025/1026 dated April 29, 2024, and your request for revalidation of the rating assigned to the bond issue of your corporation, for a limit of Rs.25.00 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Bonds	25.00	Provisional CARE AA; Stable	Reaffirmed
Rating in the absence of the pending steps/documents				CARE AA-

- The NCDs would have a tenure of five years with a bullet repayment at the end of fifth year.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

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Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors
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6. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
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8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
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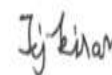
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Renil Kotak
Analyst
renil.kotak@careedge.in



Tej Kiran
Assistant Director
tej.kiran@careedge.in

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No. CARE/HRO/RL/2024-25/1026

Shri J.N.Vaghela
Commissioner
Gandhinagar Municipal Corporation
 1st Floor Multistories Building,
 Nr. Pathikashram sector 11,
 Gandhi Nagar
 Gujarat 382011



April 29, 2024

Confidential

Dear Sir,

Credit rating for proposed bond issue

Please refer to your request for rating of proposed bond issue aggregating to Rs.25 crore of your Corporation. The proposed bonds would have tenure of 5 years with bullet repayment at the end of fifth year.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Bonds	25.00	Provisional CARE AA; Stable (Provisional Double A; Outlook: Stable)	Assigned

Rating in the absence of the pending steps/ documents	CARE AA- (Double A Minus)
--	----------------------------------

- Further, the above rating is provisional and will be confirmed once the corporation submits copies of relevant executed documents, to the satisfaction of CARE Ratings Ltd. CARE Ratings Ltd. shall issue the final rating letter, brief rationale and rating rationale at the time of confirmation of the rating.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you April 26, 2024.
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.



CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,
 Hyderabad - 500 029
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 Somaiya Hospital Road, Off Eastern Express
 Highway, Sion (E), Mumbai - 400 022
 Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691

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

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
8. The rationale and press release for the rating will be communicated to you separately.
9. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
11. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
12. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
13. Our ratings are **not** recommendations to buy, sell or hold any securities.
14. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,



CARE Ratings Limited

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CIN-L67190MH1993PLC071691


Tej Kiran Ghattamaneni

Assistant Director

tej.kiran@careedge.in

Puja Jalan

Associate Director

puja.jalan@careedge.inEncl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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CIN-L67190MH1993PLC071691

Gandhinagar Municipal Corporation

May 02, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Bonds	25.00	Provisional CARE AA; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rating in the absence of the pending steps/ documents	CARE AA-
--	-----------------

Rationale and key rating drivers

The rating assigned to the proposed Bonds of Gandhinagar Municipal Corporation (GMC) factors in the proposed Trustee-administered structured payment mechanism (SPM) with an escrow provisioning of tax revenue (property tax, vehicle tax, and professional tax among others) towards debt obligations of the entity, priority of debt servicing, and stipulated reserves to be maintained in the form of a sinking fund and a debt service reserve fund. GMC has proposed borrowing in the form of bond issuance and comfort is derived from the 1.25x coverage stipulated in the SPM and cashflows of GMC comfortably covering same. The rating also factors in the strong financial profile of the corporation backed by high share of own revenue (95% in FY24; refers to period April 01 to March 31) and consistent growth in revenue receipts and surplus reported y-o-y. years. Revenue receipts increased from ₹78 crore in FY19 to ₹505 crore in FY24 (Provisional) with a y-o-y growth of 42% in FY24. Revenue surplus has also increased from ₹25 crore in FY19 to ₹366 crore in FY24 thereby registering a compounded annual growth rate (CAGR) of 56%. The corporation has no debt in the books as on March 31, 2024. Gandhinagar is the capital city of Gujarat and GMC being the sole municipal body of the city is of strategic importance to the state.

However, the rating strengths are tempered by the moderate collection efficiency and relatively low economic base. The city has low economic base, but it has been attracting investment due to the developments around the GIFT City, which is in the vicinity of GMC, although it does not come under GMC administrative jurisdiction. Due to various developments and investments in GIFT city, GMC has also witnessed increased investments in real estate which has boosted the non-tax revenue for the Corporation. Going forward, the tax revenue is thereby also expected to grow backed by such real estate developments in the city.

The above rating is provisional and will be confirmed once the company submits all the below-mentioned documents to the satisfaction of CARE Ratings Limited (CARE Ratings):

- a. Transaction documents including debenture trust deed
- b. Escrow agreement
- c. Final term sheet

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the size of the corporation with sustained revenue surplus.
- Improvement in property tax collection efficiency.

Negative factors

- De-growth in revenue surplus on a continuous basis.
- Significant increase in debt levels thereby impacting the liquidity profile
- Non adherence to the SPM with reduction in property tax coverage for the bonds below 2x.

Analytical approach: Standalone including trustee monitored structured payment mechanism involving escrow of property tax revenue with priority towards debt servicing of bonds, creation of interest payment account and sinking fund account and debt service reserve account (DSRA).

Outlook: Stable

GMC is expected to maintain a comfortable financial profile with steady growth in revenue receipts, consistent revenue surplus generation, and strong liquidity.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Detailed description of the key rating drivers:**Key strengths****Strategic importance to Gujarat**

Gandhinagar is the capital city of Gujarat. GMC being the sole municipal body of the city is of strategic importance to the state and hosts several government buildings and offices. The strategic importance has been reflected through release of funds from Government of Gujarat for funding majority of capex undertaken by GMC. GMC possesses locational advantages with its proximity to Ahmedabad and GIFT City. GMC has good infrastructure in place and has a strong track record in terms of coverage and service delivery.

Trustee-monitored SPM

GMC would follow SPM through the creation of an escrow account of its tax collections revenue (property tax, vehicle tax, and professional tax among others) with priority for servicing of bonds. Under the SPM, collections under the tax revenue will be transferred to a separate escrow account. SPM's salient features are as follows:

- i. The funds should be first utilized to accumulate the minimum balance in Escrow Account as defined in the debenture trust deed
- ii. The funds thereafter should be utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and sinking fund account
- iii. 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.

The structure stipulates total collection in the escrow account in any financial year to be at 1.25 times the amount of the annual payments (coupon + principal amount). GMC would maintain a DSRA equivalent to yearly interest payment amounts for the proposed bonds issue and would also create a sinking fund reserve for the payment of bonds.

The SPM also stipulates T minus structure (T= bond payment date) for servicing of interest and principal repayment.

The Debenture Trustee, on behalf of the Debenture Holders, shall have an exclusive first charge on the escrow account, interest payment account (including the DSRA amount), and sinking fund account and any permitted investments made from these accounts for the exclusive benefit of the debenture holders. 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. No amount can be withdrawn from this account without the approval of debenture trustee.

Strong financial performance

There has been a sustained increase in the revenue receipts of the corporation over the last few years. Revenue receipts of GMC witnessed a CAGR growth of 36% in FY18-FY24 mainly led by significant increase in non-tax income primarily revenue from town planning department. In 2021, 18 surrounding villages were merged with GMC which has increased the area under jurisdiction area and enabled higher real estate development activity. Besides, the town planning revenue has also witnessed sharp growth backed by incidental construction in GMC area following the large-sized investments in GIFT city. The above factors put together have led to increased revenue from town planning income from ₹0.10 crore in FY21 to ₹367 crore in FY24. The growth is likely to continue in the next two years with advances received by GMC for building permits and continued investments expected at GIFT city.

The expenditure growth in comparison with revenue has been limited, and resultantly, revenue surplus grew sharply from ₹25 crore in FY19 to ₹366 crore in FY24 thereby registering a CAGR of 56%.

Comfortable financial position and sustainable capex

GMC does not have any external borrowings as on March 31, 2024. Besides, for the proposed borrowing in the form of bond issuance, comfort is derived from stipulated SPM and cashflows of GMC comfortably covering the same. The debt service coverage ratio (DSCR) is also expected to remain at a healthy level for the corporation, based on the current borrowings and capex plans. With the expanding city, there is an increase in capital expenditure over the last few years with capital expenditure increasing from ₹52 crore in FY19 to ₹380 crore in FY24. This has ensured maintenance of high service level benchmarks with continued capex incurred toward roads, water supply, and sanitation. Also, sustained capex is expected to be incurred, which is likely to be funded majorly through grants, in line with the past trend. The large liquid balance of GMC also is expected to support the incremental capex requirements.

Liquidity: Strong

GMC's liquidity is strong with consistent revenue surplus over the last few years. GMC is expected to maintain DSRA, sinking fund in the form of fixed deposit for the proposed bonds. As on March 31, 2024, the free cash and bank balance of GMC stood at ₹658 crore.

Key weakness

Low but growing economic base and moderate collection efficiency.

The city has low industrialisation base and is historically hosted majorly by government employees. Owing to the low economic base, the population and revenue base is relatively lower when compared to other corporations in the state. Property tax contributions to the revenue receipts has remained low at 12.5% in FY24. However, the economic base has been growing with the emergence of GIFT city which falls in the vicinity of GMC and the incidental construction activities are likely to support the property tax revenue growth also going forward.

The collection efficiency of tax revenue has been moderate at around 58% in FY23 and 54% in 9MFY24. GMC has undertaken various measures to improve the same with adoption of GIS Mapping, and implementation of online collection of property taxes among others, which has been contributing to the growth of property tax.

GMC also follows cash basis of accounting with the corporation under preparatory stage for shifting to double entry accrual accounting.

Assumptions/Covenants

- DSRA of annual coupon payments have to be maintained.
- Total tax amounts collected in the escrow account in any financial year will be at least 1.25x the amount of the annual payments (coupon + principal amount).
- Interest payment and principal repayment mechanism

Date	Event	Measure if shortfall occurs
Interest Payment Account (IPA)		
T-25	Trustees will check amount in Interest Payment Account	Intimate GMC to make good for the shortfall in interest payment account 15 days prior to interest payment date.
T-14	Trustees shall re-check amount in interest Payment	Trustees will trigger the payment mechanism and bank will be instructed to transfer the shortfall amount from DSRA to interest payment account 14 days prior to interest payment date. Withdrawal from DSRA should be deposited back in the account.
T	GMC shall pay the interest on due date	-
Sinking Fund Account (SFA)		
T-25	Trustees shall check credit in the sinking fund	Intimate GMC of the shortfall and GMC shall make good the shortfall 15 days prior to redemption date.
T-14	Trustee shall issue final notice	-
T	GMC shall pay the redemption amount on due date	

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Assignment of Provisional Rating](#)
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Urban Infrastructure Projects](#)

Validity of the Provisional Rating:

The provisional rating shall be converted into a final rating after receipt of the above-mentioned transaction documents duly executed/ completion of the above-mentioned steps within 90 days from the date of issuance of the instrument. An extension of 90 days may be granted on a case-to-case basis in line with CARE Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with provisional nature of credit rating:

When a rating is assigned pending execution of certain critical documents or steps to be taken, the rating is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of the critical documents to the satisfaction of CARE Ratings, the final rating is assigned by CARE Ratings. In absence of receipt of documents/ completion of steps or where such documents deviate significantly from that considered by CARE Ratings, the provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Services	Services	Public Services	Urban Local Bodies

GMC is the municipal corporation in Gujarat, governed by The Gujarat Provincial Municipal Corporations Act, 1949. Gandhinagar is capital city of Gujarat. GMC was set up on March 16, 2010, after a ruling by the Gujarat High Court in 2009. GMC covers an area of 205 sq. kms with a population of 2.02 lakh (2011).

Brief Financials (₹ crore)	FY23 (A)	FY24 (Prov.)
Revenue receipts	356	505
Revenue surplus	245	366
Revenue surplus/Revenue receipts	68.85	72.48
Own revenue/Revenue receipts	93.85	94.86

A: Audited; Note: 'these are latest available financial results'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Bonds (Proposed)	-	-	-	-*	25.00	Provisional CARE AA; Stable
Rating in the absence of the pending steps/documents	-	-	-	-	0.00	CARE AA-

*proposed

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Bonds	LT	25.00	Provisional CARE AA; Stable				
2	Rating in the absence of the pending steps/documents	LT	0.00	CARE AA-				

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds	Simple
2	Rating in the absence of the pending steps/documents	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 91 22 6754 3404 E-mail: saiikat.roy@careedge.in	Analytical Contacts Rajashree Murkute Senior Director CARE Ratings Limited Phone: +91-22-6837 4474 E-mail: Rajashree.Murkute@careedge.in Maulesh Desai Director CARE Ratings Limited Phone: 8511190079 E-mail: maulesh.desai@careedge.in Puja Jalan Associate Director CARE Ratings Limited Phone: 914040020131 E-mail: puja.jalan@careedge.in
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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**

ANNEXURE - III

Resolutions and Approvals

Sanctioning issuance of Taxable Bonds up to Rs. 25 Crores.

Government of Gujarat

Urban Development and Urban Housing Department,

Resolution No.: UDUHD/MSM/e-file/18/2024/0046/P Section

Read:-

- Gandhinagar Municipal Corporation's letters:
 - (i) GMC/Account/28223/2023-24 dated 22/12/2023.
 - (ii) GMC/Account/11183/2024-25 dated 08/07/2024.
 - (iii) GMC/Account/21008/2024-25 dated 05/09/2024.

Preamble:

The Gandhinagar Municipal Corporation has requested the State Government vide its letters read above (i), (ii) and (iii) to sanction issuing Taxable bonds up to Rs.25 Crores for developing new facilities as well as enhancement of existing facilities at various places of the City to meet the present and future capacities under AMRUT 2.0 Scheme. 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 Gandhinagar Municipal Corporation for issuing Taxable Bonds up to Rs.25 Crores (Twenty-Five Crores Only) under section 109 of The Gujarat Provincial Municipal Corporation Act, 1949, with the following conditions: -

- The amount raised by issuance of the taxable bonds shall be used only for the infrastructure development facilities mentioned in the proposal.
- The Gandhinagar 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.
- The Gandhinagar Municipal Corporation shall be responsible for timely repayment of principal amount and payment of the interest to the investors.
- 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.
- The Gandhinagar Municipal Corporation shall follow the accounting process and all the norms as prescribed by the SEBI.
- The Gandhinagar Corporation shall be liable for proper maintenance of Escrow Account and to report the same to the State Government on monthly basis.
- The Gandhinagar 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 read above (i) to (iii).



Validity unknown

Signed by: Koma Bhatt
Joint Secretary
Date: 2025-02-12
17:44:06 +05:30

File No: UDUHD/MSM/e-file/18/2024/0046/P Section

Approved By: Principal Secretary,UDUHD

Open the document in Adobe Acrobat DC to verify the E-sign

This resolution is issued with the concurrence of the Finance Department on this Department's file of even number dated 02/02/2025 and the State Government.

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

(Komal Bhatt)

Joint Secretary

Urban Development and Urban Housing Department.

To,

- The Municipal Commissioner, Gandhinagar 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.

Validity unknown

Signed by: Komal Bhatt
Joint Secretary
Date: 2025-02-12
17:44:06 +05:30

File No: UDUHD/MSM/e-file/18/2024/0046/P Section

Approved By: Principal Secretary,UDUHD

Open the document in Adobe Acrobat DC to verify the E-sign



Sanctioning issuance of Taxable Bonds up to
Rs. 25 Crores.

Government of Gujarat

Urban Development and Urban Housing Department,

Resolution No.: UDUHD/MSM/e-file/18/2024/0046/P Section

Read:-

1. This Department's even numbered Resolution dated 12/02/2024.
2. Gandhinagar Municipal Corporation's letter no. GMC/Account/3546/2024-25 dated 15/02/2025.

Preamble:

The Gandhinagar Municipal Corporation has requested the State Government to accord in principle sanction to their revised proposal dated 15th February, 2025 (read above (2)) with revision in the projects to be financed through the issuance of the Taxable Bonds up to Rs. 25 Crores (Twenty-Five Crores Only) previously sanctioned by the State Government under section 109 of The Gujarat Provincial Municipal Corporation Act, 1949 vide this Department's even numbered Resolution dated 12th February, 2025 (read above (1)) with the conditions specified in the said Resolution.

Resolution:

After careful consideration, the State Government is pleased to accord, in principle, sanction to the revised proposal of the Gandhinagar Municipal Corporation for issuing Taxable Bonds up to Rs. 25 Crores (Twenty-Five Crores) under Section 109 of The Gujarat Provincial Municipal Corporation Act, 1949, with the following conditions: -

1. Condition (1) in this Department's even-numbered Resolution dated 12th February 2025 is substituted with the following condition:

"The amount raised by issuing taxable bonds shall be used only for the infrastructure development facilities mentioned in the revised proposal dated 15/02/2025 as read above(1)."

2. The Gandhinagar Municipal Corporation shall have to submit due sanction of the General Body regarding the revision in the project as mentioned in their revised proposal, as read above (2).
3. The Gandhinagar Municipal Corporation shall have to comply with the remaining Conditions (2) to (7) specified in the Department's even-numbered Resolution dated 12th February 2025, as read above (1).
4. The Gandhinagar Municipal Corporation shall have to be diligent hereafter regarding their proposals to be submitted to the State Government.

This resolution is issued with the concurrence of the Finance Department on this Department's file of even number dated 28/02/2025 and the State Government.

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



(Komal Bhatt)

A - 40

Joint Secretary

Urban Development and Urban Housing Department.

To,

1. The Municipal Commissioner, Gandhinagar Municipal Corporation, Gandhinagar.
2. P.S. to Hon'ble Chief Minister, Swarnim Sankul – 1, Sachivalaya, Gandhinagar.
3. The Principal Secretary, Finance Department, Sachivalaya, Gandhinagar.
4. The Under Secretary, Ministry of Housing and Urban Affairs, Government of India, Nirman Bhawan, New Delhi – 110 011.
5. Select File – 2025.

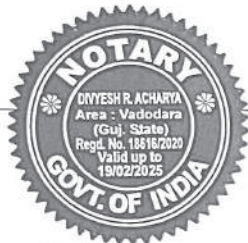


Regd. No.: 485.
Date: 30/05/2024

GANDHINAGAR MAHANAGARPALIKA

A copy of the resolution of the Gandhinagar Mahanagarpalika's Standing Committee Meeting held on 27/10/2023 at 12.00 am under the chairmanship of Shri Jashwantlal Patel.

Subject	Proposal and amendment		Votes were cast		Resolution		Issue and date of the resolution passed on the same subject	
	Name 1. of the Proposer 2. of the Approver	A proposal or amendment is made	In favour	Against	Sr.No & Date	Meaning	Previous resolution of the end	The next Resolution will be decided later
New subject No. 01 A recommend letter was received from the Commissioner about the G.P.M.C Act, section -109 to delegate authority to issue bonds of Rs 25 crores (base issue) + 25 crores = 50 crores and to make provision for expenditure in the budget for the financial year 2023-24.	S/shri. 1.Rajesh Kumar Patel 2.ShaileshKumar Patel 3.Diptiben Patel 4.Sonaliben Patel 5.Mahendrabhai Patel 6.KinjalKumar Patel 7.Dakshaben Makwana 8.Sonalba Vaghela 9.Sanket Panchasara 10.Anjanaben Mehta	It was resolved to approve the recommendation of the Commissioner regarding the provision of expenditure in the budget as per the G..P. M.C. Act, Section-109 of the Act, Rs. 25 crores (base issue) +25 crores = 50 crores to delegate the authority to issue bonds and to make provision for expenditure in the budget for the financial year 2023-24. In particular, the progress made under the said Bond will have to be presented to the Standing Committee at every stage. This matter has been referred to the General Assembly for approval.	11	-	548 27/10/2023	Approved unanimously	-	-



My Commission Expires on 19/02/2025

Certified to be True Translation of Resolution No. 548/27.10.23 of Gandhinagar Palika From Gujarati language to English held on 27/10/2023

Divyesh R. Acharya
DIVYESH R. ACHARYA
NOTARY, (Govt. of India)
30/05/2024

True Copy
s/d I/c. Municipal Secretary
Gandhinagar Mahanagarpalika

Dc/9/chi

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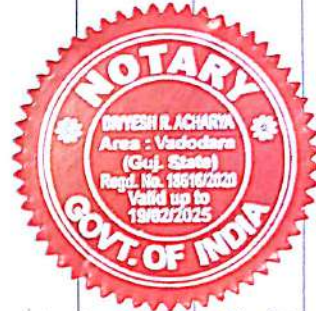
GANDHINAGAR MAHANAGARPALIKA

Regd. No. : 484.

Date : 30/05/2024

A copy of the resolution of the Gandhinagar Mahanagarpalika's General Meeting held on 01/12/2023 at 12.30 pm under the chairmanship of Mayor Shri Hiteshkumar Punambhai Makwana.

Subject	Proposal and amendment		Votes were cast		Resolution		Issue and date of the resolution passed on the same subject	
	Name 1. of the Proposer 2. of the Approver	A proposal or amendment is made	In favour	Against	Sr.No & Date	Meaning	Previous resolution of the end	The next Resolution will be decided later
<u>Subject No. 6</u> A recommend letter was received from the Commissioner about the G.P.M.C Act, section -109 to delegate authority to issue bonds of Rs 25 crores (base issue) + 25 crores = 50 crores and to make provision for expenditure in the budget for the financial year 2023-24 (Approved by Standing Committee Resolution No. 548, dated 27-10-2023.	1. Padamsinh Chauhan 2. Premataben Maheriya	Work papers were seen and discussed. As per GPMC Act, Section-109 of the Act Rs. 25 crores (base issue) + 25 crores = 50 crores to delegate the authority to issue bonds and to make provision for expenditure in the budget for the financial year 2023-24 as per Standing Committee Resolution No.548, dt. 27/10/2023 to approve the resolution passed by the General Meeting dated 27/10/2023.	41	-	108 01/12/2023	Approved Unanimously	-	-



My Commission Expires on 19/02/2025



Certified to be True Translation

of Resolution No. 108/1.12.2023 of Gand. M.N. Palika

From Gujarati Language to English

on 1.12.2023

Divyesh R. Acharya
 NOTARY, (Govt. of India)
 30/05/2024.

True Copy

Sd/-

Municipal Secretary

Gandhinagar Mahanagarpalika

Dc/8/chi



Rogd. No.: 485
Date: 30/05/2024

GANDHINAGAR MAHANAGARPALIKA

A copy of the resolution of the Gandhinagar Mahanagarpalika's Standing Committee Meeting held on 27/10/2023 at 12.00 am under the chairmanship of
Shri Jashwantlal Patel.

Subject	Proposal and amendment		Votes were cast		Resolution		Issue and date of the resolution passed on the same subject	
	Name 1. of the Proposer 2. of the Approver	A proposal or amendment is made	In favour	Against	Sr.No & Date	Meaning	Previous resolution of the end	The next Resolution will be decided later
<u>New subject No. 01</u> A recommend letter was received from the Commissioner about the G.P.M.C Act, section -109 to delegate authority to issue bonds of Rs 25 crores (base issue) + 25 crores = 50 crores and to make provision for expenditure in the budget for the financial year 2023-24.	S/shri. 1.Rajesh Kumar Patel 2.Shailesh Kumar Patel 3.Diptiben Patel 4.Sonaliben Patel 5.Mahendrabhai Patel 6.Kinjalkumar Patel 7.Dakshaben Makwana 8.Sonalba Vaghela 9.Sanket Panchasara 10.Anjanaben Mehta	It was resolved to approve the recommendation of the Commissioner regarding the provision of expenditure in the budget as per the G.P. M.C. Act, Section-109 of the Act, Rs. 25 crores (base issue) +25 crores = 50 crores to delegate the authority to issue bonds and to make provision for expenditure in the budget for the financial year 2023-24. In particular, the progress made under the said Bond will have to be presented to the Standing Committee at every stage. This matter has been referred to the General Assembly for approval.	11	-	548 27/10/2023	Approved unanimously	-	-



My Commission Expires
on 19/02/2025

Certified to be True Translation
of Res. No. 548/27.10.23 of Gandhinagar Mahanagarpalika
From Gujarati Language to English
Sanket Panchasara
held on 27/10/2023

[Signature]
DIVYESH R. ACHARYA
NOTARY, (Govt. of India)
30/05/2024

True Copy
s/d I/c Municipal Secretary
Gandhinagar Mahanagarpalika

Dc/9/chi



	GANDHINAGAR MUNICIPAL CORPORATION	 गठन अभियान बहुसंख्यक ONE EARTH • ONE FAMILY • ONE FUTURE
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	Behind Fire Station, Sector-17 Gandhinagar-382016	
	Ph No- 079 23220440, Fax No-079 232 21419	
	Email:gmc9gandhinagar@gmail.com	

No:GMC/ACC/ 76 /2024-25

Date:01/01/2025

Revised Bond Issue Committee**AUTHORIZATION FOR ISSUANCE OF BONDS AND CONSTITUTION OF BOND ISSUE COMMITTEE**

Sub: Authorization for issue of upto 2,500 (Two Thousand Five Hundred) unsecured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of debentures ("Bonds") of face value of Rs. 1 lakh (Rupees One Lakh Only) each at par amounting upto Rs. 25 Crores (Rupees Twenty Five Crores only) through private placement (the "Issue") by Gandhinagar Municipal Corporation ("Issuer") and for constitution of Bonds Issue Committee

Ref:

1. Standing Committee Resolution No. 548 dated October 27, 2023 in relation to issue of bonds and authorizing Municipal Commissioner to do all activities related to the Issue.
2. General Body Resolution No. 108 dated December 01, 2023 in relation to issue of bonds and authorizing Municipal Commissioner to do all activities for the Issue.

In view of the aforesaid, the following actions to be carried out by the Issuer in relation to the Issue are being hereby approved by the undersigned:

1. In furtherance to the approval from the State Government, the Issuer, proposes to issue unsecured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of debentures (hereinafter referred to as "Bonds"/ "Debentures"/ "NCDs") on a private placement basis for an amount aggregating up to Rs. 25 Crores, including green shoe option, if any, in one or more tranche(s) (hereinafter referred to as "Issue") which shall be listed on the stock exchange(s) as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("SEBI Municipal Debt Regulations"), Securities Contracts (Regulation) Act, 1956, SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2024/54, SEBI Master Circular for Debenture Trustees dated May 16, 2024 bearing reference number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 as may be amended, clarified or updated from time to time 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.

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	Email:gmc9gandhinagar@gmail.com	

2. For the purposes of the Issue, the bond issue committee ("Bond Issue Committee") is hereby constituted and shall comprise of the following officials of the Issuer:

Sr. No.	Designation
1	Municipal Commissioner
2	Deputy Municipal Commissioner (Account Branch)
3	Account Officer (Account Branch)
4	Deputy Executive Engineer
5	Chief Auditor
6	Legal Officer

3. The Bond Issue Committee be, and is hereby jointly and severally authorized to decide the terms of the bond issue including quantum, time and nature of bonds, mode of issuance, ratification of already appointed and appointment of any/ all agencies and intermediaries, including but not limited to merchant banker, credit rating agencies, registrar to the issue, trustee, legal advisors, depositories, stock exchange(s), escrow banks, consortium members, debenture trustee, etc., and also to decide matters like minimum subscription, retention of oversubscription, extension of the Issue and/or early closure of the Issue, etc.
4. The Bonds 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. finalize and approve appointment and ratification of already appointed agencies/intermediaries including but not limited to merchant banker, credit rating agencies, trustee, registrar, legal counsel, depositories, stock exchange(s), bankers to the issue, escrow bank, etc. to be involved in such offerings of Bonds and to remunerate all such persons/agencies including payment of fees, commissions, brokerage etc. as may be decided mutually, on such terms and conditions as mentioned in their individual appointment letters;
 - II. negotiate, modify and approve the terms of the Issue including the actual size, timing, pricing, coupon payment frequency, coupon type, minimum subscription if any, etc, and to accept any amendments, modifications, variations or alterations thereto;
 - III. draw-up, finalize and sign, the Financial Statements/ Abridged Balance Sheet, Income and Expenditure and Receipts and Payments Accounts, Preliminary Placement Memorandum/ Placement Memorandum and other documents/agreements for the Issue and file the same with SEBI and Stock Exchanges, in the manner and as may be required and execute all other

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Email:gmc9gandhinagar@gmail.com			

necessary documents/agreements/contracts/deeds/MoUs/certificates/affidavits/declarations/ undertaking, etc, and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with or incidental to or related to the issue and allotment of Bonds with due compliances of the SEBI/Stock Exchange/s or any other applicable Acts or rules for the issue of said Bonds;

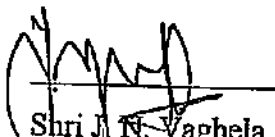
- IV. approve the financial statements/re-formatted financial statements in accordance with the National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the State Government and the rules made thereunder, as applicable, Accounting standards/policies, applicable to Issuer, as specified in their constitution document to be incorporated in the Preliminary Placement Memorandum/ Placement Memorandum for the issue of Bonds;
- V. approve the materiality policy for the litigations, material creditors and material contracts to be disclosed in the Preliminary Placement Memorandum and Placement Memorandum;
- VI. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
- VII. seeking, if required, any approval, consent or waiver from the Issuer's lenders, and/or parties with whom the Issuer has entered into various agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the Issue, offer and allotment of the Bonds;
- VIII. granting of powers of attorney/authority, if required, to such officers/employees of the Issuer or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his/her/its absolute discretion may deem necessary or desirable in connection with the Issue of the Bonds;
- IX. appointing the debenture trustee and execution of the trust deed and other transaction documents in connection with the Issue, in accordance with the provisions of the SEBI Municipal Debt Regulations;
- X. authorization of the maintenance of a register of holders of the Bonds;
- XI. open such banks accounts, demat accounts, escrow accounts including sub-accounts with scheduled commercial banks, institutions or agencies as may be required for the Issue;

	GANDHINAGAR MUNICIPAL CORPORATION Pandit Din Dayal Upadhyay Bhavan Behind Fire Station, Sector-17 Gandhinagar-382016 Ph No- 079 23220440, Fax No-079 232 21419 Email:gmc9gandhinagar@gmail.com	 ग२० दक्षिण एशिया ONE EARTH • ONE FAMILY • ONE FUTURE
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- XII. finalization of the date of allotment and to approve and to issue and allot the Bonds and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, issuing debenture certificates/ allotment advice cum intimation, credit the Bonds to the beneficiary accounts and do all such acts, deeds, matters and things in relation to the allotment of the Bonds;
- XIII. make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- XIV. to appoint independent Chartered Accountant(s), Statutory Auditors to issue and to obtain such certificates, reports including financial reports/statements for the purpose of Issue;
- XV. to apply and follow-up to seek all required approvals from the concerned authorities/regulatory bodies/agencies such as execution and submission of listing application and listing agreement with the Stock Exchanges for listing of the Bonds, appointment of and execution of agreement(s) with the Registrar, National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of Bonds, and execute other necessary document(s)/agreement(s) on behalf of the Issuer/ Municipal Commissioner in relation to the issue of Bonds as required by any statutory authority;
- XVI. to designate and appoint one or more banker(s) for collection of application monies against subscription for the bonds;
- XVII. finalize the term sheet, structure of bonds, as well as structured payment mechanism/escrow mechanism/waterfall mechanism/sinking fund mechanism/interest payment mechanism/DSRA mechanism or any other terms/mechanism as may be required for structuring of bonds and timely servicing of bond obligations;
- XVIII. to open one or more no-lien Escrow Accounts with banks for the Issue and operate the same for remittance of the Issue proceeds received from investors in the issuance of Bonds as well as for the operation of structured payment mechanism/escrow mechanism/waterfall mechanism/Sinking Fund mechanism/Interest payment mechanism (including DSRA) or any other terms/mechanism as may be required for timely repayment of Bond obligations;
- XIX. to prepare, sign, file and execute the Master Creation Form, Corporate Action Form and other necessary documents/agreements with NSDL and CDSL and the Registrar for dematerialization of Bonds, ISIN creation and credit of Bonds;

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- XX. to establish a separate project implementation cell and designate a project office not below the rank of Additional Commissioner, to monitor the progress of the Project and ensure that the funds raised are utilized only for the Project(s) for which the Bonds are issued as disclosed in the Preliminary Placement Memorandum/Placement Memorandum;
- XXI. 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;
- XXII. to allot Bonds under DEMAT facilities and to provide DEMAT facilities by entering into necessary agreement with NSDL/CDSL, Registrar and Transfer Agents in this regard;
- XXIII. to affix the stamp of the Issuer as may be required for the proposed issue of Bonds, dematerialization, and listing thereof,
- XXIV. delegate all or some of the powers vested in them by the Municipal Commissioner to any executive of the Issuer as may be deemed necessary;
- XXV. to pay stamp duty as per the applicable Acts, laws and regulations;
- XXVI. to take decisions on any other matter(s) relating to the proposed issue(s) of Bonds by the Issuer and to generally do any other act or deed incidental to the proposed Issue.


 Shri J. N. Vaghela, IAS

Municipal Commissioner

Gandhinagar Municipal Corporation

Place: Gandhinagar

Date: 01- 01 - 2025



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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BONDS ISSUE COMMITTEE OF GANDHINAGAR MUNICIPAL CORPORATION HELD ON MARCH 06, 2025 AT GANDHINAGAR

RAISING OF UNSECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1 LAKH EACH ("BONDS", "NCDs", "DEBENTURES"), AGGREGATING TOTAL ISSUE SIZE NOT EXCEEDING RS. 25 CRORES (RUPEES TWENTY FIVE CRORES ONLY) ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY GANDHINAGAR MUNICIPAL CORPORATION ("GMC" OR THE "ISSUER" OR THE "CORPORATION"), PROPOSED TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED.

"RESOLVED THAT the Bonds Issue Committee hereby approves the issuance of unsecured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of Debentures of the face value of Rs. 1,00,000/- (Rupees One Lakh) each, for an amount aggregating up to ₹25 crores (Rupees Twenty Five Crores only), in dematerialised form, by way of a private placement basis ("Issue")."

"RESOLVED FURTHER THAT, the Bond Issue Committee hereby accords the approval to the Issue for the projects of "Construction of Civil Works for the Area Development Besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheswar Circle, 2) CH - 0 To Rakshshakti Circle" (hereinafter referred to as the "Project"). The Project cost stands at Rs.103.30 crores, out of which the Issuer shall contribute from its internal resources or grants (in cash or in kind) which shall not be less than 20% (Twenty percent) of the cost of the Project, and remaining Project cost shall be met by the Net Proceeds from the Issue.

The following are the details of the Project:

Project :

Name of the Project	Approved project cost (Rs. in Crores)	Means of the source of the capital cost (Rs. in Crores)	
		GMC Contribution (Internal resources/ Grant of Govt etc)	External Borrowing (Proposed Bonds)
Construction of Civil Works for the Area Development Besides Gandhinagar Metro Rail from 1) Dholakuva To Pancheswar Circle, 2) CH - 0 To Rakshshakti Circle	103.30	78.30	25.00
Total	103.30*	78.30	25.00

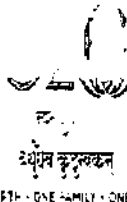
*The above cost is excluding amount payable towards GST and O&M which shall be borne by GMC.

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

(Rs. in Crores)		
Sr. No.	Item Description	Cost
1.	Development of road along with pedestrian and cycling infrastructure including placemaking of surrounding greens.	54.05



[Handwritten Signature]

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Sr.No.	Item Description	Cost
2.	Electrical works along the route and surrounding area under development with 5 year maintenance by supplying skilled manpower for the same.	37.53
	Water supply, Drainage and Storm water works along the route	11.71
Total Cost		103.30*

**The above cost is excluding amount payable towards GST and O&M which shall be borne by GMC.*

"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 Accounts Officer be furnished to such parties concerned with respect to the aforesaid resolutions."

CERTIFIED TO BE TRUE COPY

FOR GANDHINAGAR MUNICIPAL CORPORATION

CHIRAGKUMAR KANTILAL PATEL
ACCOUNTS OFFICER (ACCOUNT BRANCH)



	GANDHINAGAR MUNICIPAL CORPORATION	 सत्यमेव जयते वेदमयं कुटुम्बकम् ONE EARTH - ONE FAMILY - ONE FUTURE
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	Email:gmc9gandhinagar@gmail.com	

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF THE GANDHINAGAR MUNICIPAL CORPORATION HELD ON MARCH 07, 2025 AT GANDHINAGAR

RAISING OF UNSECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE GREEN BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1 LAKH EACH ("BONDS", "NCDs", "DEBENTURES"), FOR CASH, AGGREGATING TOTAL ISSUE SIZE NOT EXCEEDING RS. 25 CRORES (RUPEES TWENTY-FIVE CRORES ONLY) ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY GANDHINAGAR MUNICIPAL CORPORATION ("GMC" OR THE "ISSUER" OR THE "CORPORATION"), PROPOSED TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED.

"RESOLVED FURTHER THAT pursuant to the authority provided by the Municipal Commissioner vide their letter dated January 01, 2025 the preliminary placement memorandum dated March 07, 2025 in relation to the Issue, which has been tabled before the Bond Issue Committee be and is hereby approved"

"RESOLVED FURTHER THAT the Bond Issue Committee hereby accords its approval for filing of the preliminary placement memorandum dated March 07, 2025 with the Securities and Exchange Board of India, National Stock Exchange of India Limited and any other regulatory/statutory authority as required under the law."

"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 Chiragkumar Kantilal Patel may be furnished to the concerned parties and other regulatory and statutory authorities/bodies as may be required."

CERTIFIED TO BE TRUE COPY

FOR GANDHINAGAR MUNICIPAL CORPORATION


CHIRAGKUMAR KANTILAL PATEL
ACCOUNTS OFFICER (ACCOUNT BRANCH)



ANNEXURE - IV
Debenture Trustee Consent
Letter

March 7, 2025

GANDHINAGAR MUNICIPAL CORPORATION

Pandit Dindayal Upadhyay Bhawan, Behind Fire Station,
Sector 17, Gandhinagar -382016

Tipsons Consultancy Services Private Limited

1st Floor, Sheraton House,
Polytechnic Road, Ambawadi,
Ahmedabad - 380015

Dear Sir/ Madam,

Sub: Proposed Issue Private Placement of Upto 2,500 (Two Thousand And Five Hundred) Unsecured, Non-Convertible, Listed, Rated, Redeemable, Taxable Bonds In The Nature of Debentures ("Bonds" / "Debentures" / "NCDs") of Face Value of Rs. 1 Lakh (Rupees One Lakh Only) Each At Par Amounting Upto Rs. 25 Crores (Rupees Twenty Five Crores Only) ("Issue") By Gandhinagar Municipal Corporation("Issuer")

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 preliminary placement memorandum and in the placement memorandum (whether as a draft or otherwise) to be filed with the Securities and Exchange Board of India ("SEBI") and the stock exchange/s where the Bonds are proposed to be listed ("**Stock Exchange**") and also in all related advertisements and communications sent pursuant to the Issue.

The following details with respect to us may be disclosed:

Name: MITCON Credentia Trusteeship Services Limited
Address: 1402/1403, B wing, Dalamal Tower, 14th Floor,
Free Press Journal Marg, 211 Nariman Point,
Mumbai 400 021, Maharashtra, India
Tel: (91) (22) 22828200
Fax: (91) (22) 22024553
Email: contact@mitconcredentia.in
Investor Grievance
Mail: investorgrievances@mitconcredentia.in
Website: www.mitconcredentia.in
Contact Person: Ms. Vaishali Urkude
SEBI Registration No: IND000000596

Logo:



CIN:

U93000PN2018PLC180330

2. We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate is attached as **Annexure A** and a declaration regarding our registration with SEBI in the required format is annexed as **Annexure B** hereto.
3. We also confirm that we have not been prohibited by SEBI to act as an intermediary including, without limitation, in capital market issues, nor we have been debarred from functioning by any regulatory authority. We hereby authorise you/ your representatives to deliver this letter

**MITCON Credentia Trusteeship Services Limited (MCTSL)**

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.inRegistered address: 1st Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in

of consent and make disclosures in relation to the same to Stock Exchange, SEBI or any other statutory/regulatory authority, if required by such authority pursuant to the provisions of applicable laws, and to share, as necessary, with the advisors and intermediaries duly appointed in this regard for their reliance, in respect of the Issue.

4. We hereby confirm that there are no disciplinary actions 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.
5. We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Issuer in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Issuer.
6. We undertake that we shall immediately intimate the Issuer and the merchant banker to the Issue of any changes in the aforementioned details until the listing and trading of the 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 Bonds on the Stock Exchange.
7. This letter may be relied upon by the Issuer, the merchant banker and the legal advisor to the Issue.

Sincerely,

For Mitcon Credentia Trusteeship Services Limited



Authorized Signatory



Name : Yogesh Limbachiya

Designation : AVP & Compliance Officer

CC:

Legal Advisor to the Issue

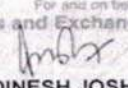
MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

MITCON Credentia Trusteeship Services Limited (MCTSL)

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.in

Registered address: 1st Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in

डिबेंचर न्यासी	FORM-B	DEBENTURE TRUSTEE
भारतीय प्रतिभूति और विनियम बोर्ड SECURITIES AND EXCHANGE BOARD OF INDIA (डिबेंचर न्यासी) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993 000 780 (Regulation 8) रजिस्ट्रीकरण प्रमाणपत्र CERTIFICATE OF REGISTRATION		
1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित इस अधिनियम को बोल-12 की उपधारा (1) द्वारा प्रदान की गई शक्तों का प्रयोग करते हुए, 1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to		
MITCON CREDITIA TRUSTEESHIP SERVICES LIMITED Kubera Chambers, 1st Floor Shivajinagar, Pune-411005, Maharashtra		
जो नियमों में, जहाँ के अधीन यह पत्र और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान किया है। as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.		
2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड 2) Registration Code for the debenture trustee is IND000000596 This Certificate of registration shall be valid for permanent, unless suspended or cancelled by the Board		
3) जब तक नवीकृत न किया गया, रजिस्ट्रीकरण का प्रमाणपत्र 3) Unless renewed, the certificate of registration is valid from _____ to _____		
		
आदेश से भारतीय प्रतिभूति और विनियम बोर्ड के लिए और उपरोक्त और मे By order For and on behalf of Securities and Exchange Board of India  DINESH JOSHI प्राधिकृत हस्ताक्षरकर्ता / Authorised Signatory		
जगह Place : Mumbai तारीख Date : March 17, 2022		



MITCON Credentia Trusteeship Services Limited (MCTSL)

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.in

Registered address: 1st Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in

Annexure B

March 7, 2025

GANDHINAGAR MUNICIPAL CORPORATION

Pandit Dindayal Upadhyay Bhawan, Behind Fire Station,
Sector 17, Gandhinagar -382016

Tipsons Consultancy Services Private Limited

1st Floor, Sheraton House,
Polytechnic Road, Ambawadi,
Ahmedabad - 380015

Dear Sir/ Madam,

Sub: Proposed Issue Private Placement of Upto 2,500 (Two Thousand And Five Hundred) Unsecured, Non-Convertible, Listed, Rated, Redeemable, Taxable Bonds In The Nature of Debentures ("Bonds"/ "Debentures"/ "NCDs") of Face Value of Rs. 1 Lakh (Rupees One Lakh Only) Each At Par Amounting Upto Rs. 25 Crores (Rupees Twenty Five Crores Only) ("Issue") By Gandhinagar Municipal Corporation("Issuer").

1. We hereby confirm that as on date of our Consent Letter, the following details in relation to our registration with the Securities and Exchange Board of India ("SEBI") as Debenture Trustee to the Issue are true and correct:

1.	Registration number	IND000000596			
2.	Date of registration/ Renewal of registration	March 17, 2022			
3.	Date of expiry of registration	Permanent registration			
4.	If applied for renewal, date of application	Not Applicable			
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	None			
6.	Any enquiry/ investigation being conducted by SEBI	Nil at present			
7.	Details of any penalty imposed by SEBI	Sr. No.	Adjudication Order date	Penalty Provisions	Penalty (Rs.)
		1	March 18, 2024	15HB of SEBI Act, 1992	Rs. 2,00,000/- (Rs. Two Lakh
					Remarks In the matter of Pride

MITCON Credentia Trusteeship Services Limited (MCTSL)

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.in

Registered address: 1st Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in

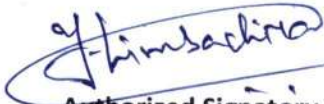


					Only	Properties	Private Limited
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2. We shall immediately intimate the Issuer and the merchant banker for the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant stock exchange, where the Bonds are proposed to be listed ("**Stock Exchange**"). In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Bonds on the Stock Exchange.

Sincerely

For Mitcon Credentia Trusteeship Services Limited


Authorized Signatory



Name : Yogesh Limbachiya
Designation : AVP & Compliance Officer

Legal Advisor to the Issue

MV Kini, Law Firm,
 Kini House,
 6/39 Jangpura-B
 New Delhi 110 014

MITCON Credentia Trusteeship Services Limited (MCTSL)

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.in

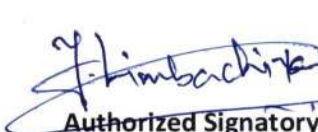
Registered address: 1st Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in

Annexure C

Sr. No.	Adjudication Order date	Penalty Provisions	Penalty (Rs.)	Remarks
1	March 18, 2024	15HB of SEBI Act, 1992	Rs. 2,00,000/- (Rs. Two Lakh Only)	In the matter of Pride Properties Private Limited

Sincerely

For Mitcon Credentia Trusteeship Services Limited


Authorized Signatory



Name : Yogesh Limbachiya
Designation : AVP & Compliance Officer

MITCON Credentia Trusteeship Services Limited (MCTSL)

A subsidiary of MITCON Consultancy & Engineering Services Limited CIN: U93000PN2018PLC180330

Principal address: 1402/ 03, B-Wing, 14th Flr, Dalamal Towers, Free Press Journal Marg, 211, Nariman Point, Mumbai - 400021 MH (India) | contact@mitconcredentia.in

Registered address: 1st Floor, Kubera Chambers, Shivajinagar, Pune 411005, Maharashtra (India) | +91-20-25533309, 25534322 | www.mitconcredentia.in

ANNEXURE – V

Illustration of Bond

Cash Flow



ANNEXURE - VI

Budget Documents

BUDGET SUMMARY FOR THE YEAR 2021-22											
	DETAILS	ACTUAL			ORIGINAL	PROPOSED BY COMMISSIONER		PASSED BY STANDING COMMITTEE		APPROVED BY GENERAL BOARD	
		2017-18	2018-19	2019-20		REVISE 2020-21	ESTIMATE 2021-22	REVISE 2020-21	ESTIMATE 2021-22	REVISE 2020-21	ESTIMATE 2021-22
1	2	3	4	5	6	8	9	10	11	12	13
A	Opening Balance	12857.82	20511.01	15180.62	14554.85	14554.85	18536.29	14554.85	18776.29	14554.85	18776.29
B	Revenue Income	9984.10	9470.39	9721.30	9702.25	10744.58	10761.81	10744.58	10761.81	10744.58	10761.81
C	Capital Income	23207.74	12542.04	16823.44	5103.81	21074.19	8541.39	21074.19	8541.39	21074.19	8541.39
D	Loan Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E	Total Income (B+C)	33191.84	22012.43	26544.74	14806.06	31818.77	19303.20	31818.77	19303.20	31818.77	19303.20
F	Total With Balance (A+B+C+D)	46049.66	42523.44	41725.36	29360.91	46373.62	37839.49	46373.62	38079.49	46373.62	38079.49
G	Revenue Expense	6198.77	7218.58	6189.86	7426.57	9341.29	12041.70	9341.29	12042.20	9341.29	12042.20
H	Capital Expense	19339.87	20124.24	21230.66	21756.42	18496.04	22478.69	18256.04	24052.69	18256.04	24052.69
I	Total Expense (G+H)	25538.64	27342.82	27420.52	29182.99	27837.33	34520.39	27597.33	36094.89	27597.33	36094.89
J	Balance	20511.02	15180.62	14304.84	177.92	18536.29	3319.10	18776.29	1984.60	18776.29	1984.60
K	Proposed Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L	Balance	20511.02	15180.62	14304.84	177.92	18536.29	3319.10	18776.29	1984.60	18776.29	1984.60

	BUDGET SUMMARY FOR THE YEAR 2022-23										
	DETAILS	ACTUAL			ORIGINAL	PROPOSED BY COMMISSIONER		PASSED BY STANDING COMMITTEE		APPROVED BY GENERAL BOARD	
		2018-19	2019-20	2020-21	2021-22	REVISE 2021-22	ESTIMATE 2022-23	REVISE 2021-22	ESTIMATE 2022-23	REVISE 2021-22	ESTIMATE 2022-23
1	2	3	4	5	6	8	9	10	11	12	13
A	Opening Balance	20511.01	15180.62	14554.85	18776.29	18776.29	26751.47	18776.29	26751.47	18776.29	26751.47
B	Revenue Income	9470.39	9721.30	10744.58	10761.81	13593.18	20544.03	13593.18	21520.51	13593.18	21520.51
C	Capital Income	12542.04	16823.44	21074.19	8541.39	23441.02	7357.00	23441.02	7357.00	23441.02	7357.00
D	Loan Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E	Total Income (B+C)	22012.43	26544.74	31818.77	19303.20	37034.20	27901.03	37034.20	28877.51	37034.20	28877.51
F	Total With Balance (A+B+C+D)	42523.44	41725.36	46373.62	38079.49	55810.49	54652.50	55810.49	55628.98	55810.49	55628.98
G	Revenue Expense	7218.58	6189.86	9341.29	12042.20	13079.53	14381.52	13079.53	14620.52	13079.53	14620.52
H	Capital Expense	20124.24	21230.66	18256.04	24052.69	15979.49	36905.38	15979.49	39447.38	15979.49	39447.38
I	Total Expense (G+H)	27342.82	27420.52	27597.33	36094.89	29059.02	51286.90	29059.02	54067.90	29059.02	54067.90
J	Balance	15180.62	14304.84	18776.29	1984.60	26751.47	3365.60	26751.47	1561.08	26751.47	1561.08
K	Proposed Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L	Balance	15180.62	14304.84	18776.29	1984.60	26751.47	3365.60	26751.47	1561.08	26751.47	1561.08

	BUDGET SUMMARY FOR THE YEAR 2023-24										
	DETAILS	ACTUAL			ORIGINAL	PROPOSED BY COMMISSIONER		PASSED BY STANDING COMMITTEE		APPROVED BY GENERAL BOARD	
		2019-20	2020-21	2021-22		REVISE 2022-23	ESTIMATE 2023-24	REVISE 2022-23	ESTIMATE 2023-24	REVISE 2022-23	ESTIMATE 2023-24
1	2	3	4	5	6	8	9	10	11	12	13
A	Opening Balance	15180.62	14554.85	18776.29	26751.47	26751.47	44459.67	26751.47	44437.67	26751.47	44437.67
B	Revenue Income	9721.30	10744.58	13593.18	21520.51	27302.84	28263.81	27302.84	28830.81	27302.84	28830.81
C	Capital Income	16823.44	21074.19	23441.02	7357.00	37144.00	48092.67	37144.00	48092.67	37144.00	48092.67
D	Loan Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E	Total Income (B+C)	26544.74	31818.77	37034.20	28877.51	64446.84	76356.48	64446.84	76923.48	64446.84	76923.48
F	Total With Balance (A+B+C+D)	41725.36	46373.62	55810.49	55628.98	91198.31	120816.15	91198.31	121361.15	91198.31	121361.15
G	Revenue Expense	6189.86	9341.29	13079.53	14620.52	16716.52	21905.54	16738.52	22024.54	16738.52	22024.54
H	Capital Expense	21230.66	18256.04	15979.49	39447.38	30022.12	72496.31	30022.12	72955.31	30022.12	72955.31
I	Total Expense (G+H)	27420.52	27597.33	29059.02	54067.90	46738.64	94401.85	46760.64	94979.85	46760.64	94979.85
J	Balance	14304.84	18776.29	26751.47	1561.08	44459.67	26414.30	44437.67	26381.30	44437.67	26381.30
K	Proposed Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L	Balance	14304.84	18776.29	26751.47	1561.08	44459.67	26414.30	44437.67	26381.30	44437.67	26381.30

	BUDGET SUMMARY FOR THE YEAR 2024-25										
	DETAILS	ACTUAL			ORIGINAL	PROPOSED BY COMMISSIONER		PASSED BY STANDING COMMITTEE		APPROVED BY GENERAL BOARD	
		2020-21	2021-22	2022-23		REVISE 2023-24	ESTIMATE 2024-25	REVISE 2023-24	ESTIMATE 2024-25	REVISE 2023-24	ESTIMATE 2024-25
1	2	4	5	5	6	8	9	10	11	12	13
A	Opening Balance	14554.85	18776.29	26751.47	44437.67	44437.67	74764.29	44437.67	74725.94	44437.67	74561.60
B	Revenue Income	10744.58	13593.18	27302.84	28830.81	58477.05	56292.60	58557.05	56301.85	58557.05	56301.85
C	Capital Income	21074.19	23441.02	37144.00	48092.67	53998.71	54606.51	53998.71	54606.51	53998.71	54606.51
D	Loan Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E	Total Income (B+C)	31818.77	37034.20	64446.84	76923.48	112475.76	110899.11	112555.76	110908.36	112555.76	110908.36
F	Total With Balance (A+B+C+D)	46373.62	55810.49	91198.31	121361.15	156913.43	185663.40	156993.43	185634.30	156993.43	185469.96
G	Revenue Expense	9341.29	13079.53	16738.52	22024.54	24630.81	32420.46	24642.35	32475.46	24842.35	32500.46
H	Capital Expense	18256.04	15979.49	30022.12	72955.31	57518.33	92297.90	57625.14	93509.18	57589.48	93509.18
I	Total Expense (G+H)	27597.33	29059.02	46760.64	94979.85	82149.14	124718.36	82267.49	125984.64	82431.83	126009.64
J	Balance	18776.29	26751.47	44437.67	26381.30	74764.29	60945.04	74725.94	59649.66	74561.60	59460.32
K	Proposed Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
L	Balance	18776.29	26751.47	44437.67	26381.30	74764.29	60945.04	74725.94	59649.66	74561.60	59460.32