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(This Information Memorandum is neither a Prospectus nor a Statement in lieu of Prospectus. This Information Memorandum has been prepared in conformity of the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, issued vide No. SEBI/LAD-NRO/GN/2015-15/006 (dated 15 July, 2015) and as amended from time to time.

Dated: 19th June, 2017



PUNE MUNICIPAL CORPORATION

(Constituted under the Maharashtra Municipal Corporation Act, 1949)

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PRIVATE PLACEMENT OF UNSECURED, REDEEMABLE, TAXABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS.10,00,000/- (RUPEES TEN LAKH) EACH FOR CASH AT PAR AGGREGATING RS. 200,00,00,000/- (RUPEES TWO HUNDRED CRORE) BY PUNE MUNICIPAL CORPORATION

GENERAL RISK

Investors are advised to read the Information Memorandum fully before taking an investment decision in this offering. For taking an investment decision the investor must rely on their examination of the Issuer and the offer including the risks involved. The issue of Debentures has not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

The Issuer confirms that, as of the date hereof, this Information 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 Debentures, 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 to make the statements herein, in the light of the circumstances under which they are made, are not misleading in any material respect.

CREDIT RATING

The Bonds proposed to be issued have been assigned a rating of 'Provisional IND AA+/Stable vide its letter dated 16th June 2017 and CARE AA+; Stable (Double AA Plus; Outlook: Stable) by CARE vide its letter dated 16th June 2017.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. 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. Please refer to Annexure for Rating Letters for the above ratings.

LISTING

The Bonds are proposed to be listed on the Wholesale Debt Market segment of BSE Ltd.

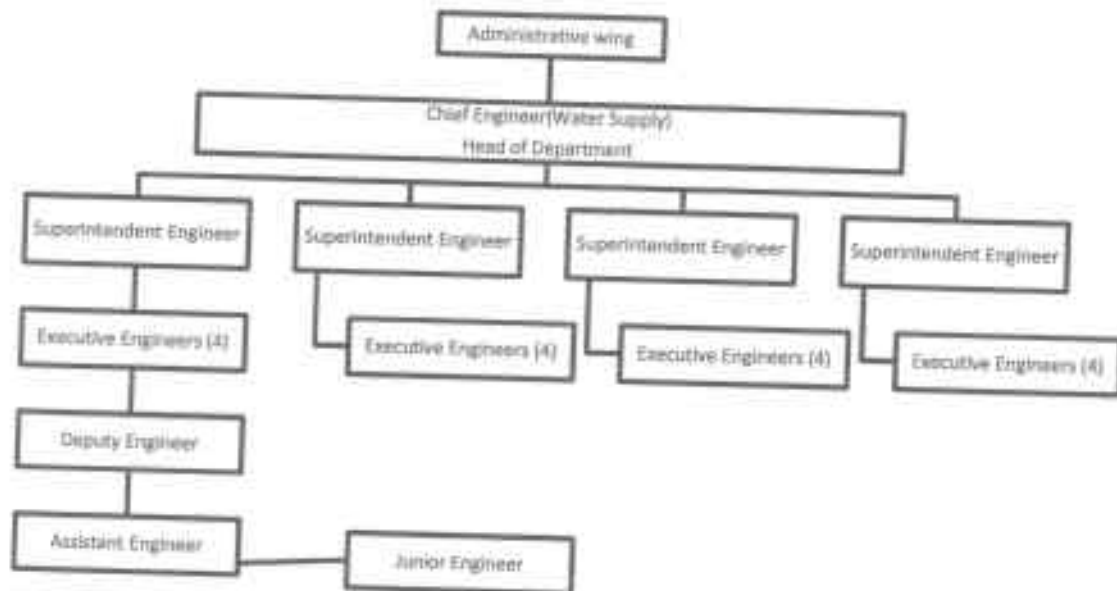
Arranger of the Issue	Trustee of the Issue	Registrar of the Issue
 SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Tel: +91-22-22178300 Fax: +91-22-2218 8332 Email: dom@sbicaps.com Website: www.sbicaps.com	 SBICAP Trustee Company Limited Apeejay House, 6th Floor, 3, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020 Tel: +91 22 43025555 Fax: +91-22- 2204 0455 Email: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com	 Karvy Computershare Private Limited Karvy Selenyum Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91-40-6716 1500 Fax: +91-40-2331 1968 Website: www.karvycomputershare.com
Issue Opens on 20 th June 2017	Issue Closes on 20 th June 2017	Deemed Date of Allotment 20 th June 2017

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

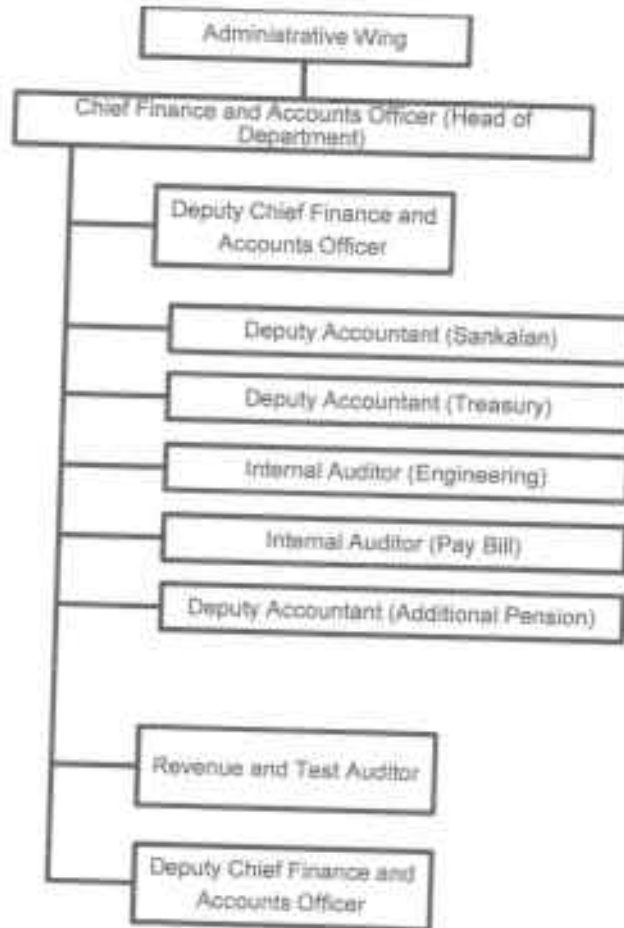


ii. Management Structure of the Department implementing the Project:

Water Project Department



iii. **Management Structure of the Department issuing the Bond:**



c. Details of all projects undertaken or proposed:

i. Storm Water Management

National Level Objective: Construction and improvement of drains and storm water drains in order to reduce and eliminate flooding thereby making cities resilient

City Level Objective: The main objective of this project implementation is to remove all frequently flooding spots, water logging / stagnation problem in low laying areas or areas located near nallas to provide good accessibility, improvement of quality life, development of hygienic conditions.

Project Brief: Project includes identification of frequently flooding areas, providing the solutions to eliminate the flooding and implementation as per prioritization. The project includes the flood remedial measures like nalla development, providing storm drains up to outfalls, providing/replacing grating, reconstruction of in-adequate culverts cleaning existing storm drains etc.

Estimated Cost and Funding pattern:

The total estimated cost of the project is Rs. 485 crores. The project shall be funded through internal accruals of PMC.

Current Physical Progress:

Phase I	Approved Project Cost- Rs.154 Crore	Overall 75% works completed (Nalla- 7 Km, Road Drains 39 Km, CD -6 Nos, 7 Work in Progress)
Phase II	Approved Project Cost- Rs.100.03 Crore	Work order issued
Phase III	Will be implemented in Year 2018 to 2020	-

ii. Sewerage Management Project

Daily water supply to the City is around 1250 MLD, against which 750 MLD sewage is generated. The total sewage treatment capacity with PMC is 567 MLD. Considering the sewage generation for the year 2027 and treatment of 100 % sewage then a project has been prepared. The project has been approved by Government of India. The cost of the project is Rs. 990 Crores. The breakup of the project funding is 85% (841 Cr.) from GOI & 15 % (Rs 150 Cr.)PMC.

Project involves construction of 11 STP's (total capacity 396 MLD) Development of conveyance lines around 70 Kms, Development of collection system around 43 Kms, SCADA system etc. The project is expected to be completed in 4 years. As on date we have received Rs. 25 Cr. from GOI. There is no contribution from GOM.

iii. Pune BRTS and Procurement of buses

The public transport in the Pune city is handled by Pune Mahanagar Parivahan Mahamandal Ltd. (PMPML), a Joint Venture between Pune Municipal Corporation (PMC) and Pimpri Chinchwad Municipal Corporation (PCMC). The shareholding of PMPL is 60% whereas PCMC is 40%.

National Level Objective: National Urban Transport Policy (NUTP) envisages providing high quality



public transport to improve mobility and reduce dependency on private vehicles in the city. Bus Rapid Transit is a step towards it which provides rapid mass transit option at affordable cost for the city.

City Level Objective: As per Comprehensive Mobility Plan, Pune City have to achieve public transport mode share of 40% by 2031.

- Network of 100 km of BRT
- Public Transport fleet 50 buses per lakh population
- Supporting facilities such as terminals and multi modal hubs

Project Brief:

Rainbow BRT, launched in 2015 - Pune's high quality mass transit system is witnessing constant expansion. The city is rapidly expanding the BRT corridors with own funds as well as under smart cities mission. The city has goals to achieve 40% of mode share by 2031.

PMC will be strengthening the public transportation fleet by adding 600 more buses to the fleet of PMPML. The city is paying heed to elevate the quality of public transport by introducing AC buses, ITMS, real time tracking, mobile app and common mobility card. Various terminals, depots and multi modal hubs will be developed to facilitate the passenger and fleet needs.

Estimated Cost and Funding pattern:

PMPML is proposing to purchase 120 Midi Buses and 800 Buses. Of the total cost for purchase of buses, PMC shall contribute Rs. 280 crores. The funds will be met by PMC through its internal accruals.

Status of Progress:

Project	Details
Pune BRT	Phase I - The city already has 16 km dedicated BRT - The city is constructing 15 km dedicated BRT (Aundh & old NH4) corridor which will be in operation by end of 2017 - The city is redesigning 6 km of Satara road BRT which will be in operation by end of 2017 - The city is procuring total 600 buses to target the mode share of 2017-18, which will be used on the BRT corridors and as feeders. - Work status: work started Phase II - The Maha Metro Corporation Ltd will develop key depots and terminals to improve public transport, BRT as complementary modes of transport. - The city will start redesigning Solapur road BRT corridor in the year 2017-18 which is targeted to be in operations by end of 2019. - By end of 2019, the city is expected to have 61 km of BRT network.
Procurement of Buses:	- Procurement of 120 Midi buses - Work order has been issued by PMPML and production is going on - Procurement of 800 buses- Under tendering process



iv. **Pune Metro**

National Level Objective: National Urban Transport Policy (NUTP) envisage providing high quality public transport to improve mobility and reduce dependency on private vehicles in the city. Metro is a step towards it which provides rapid mass transit option at affordable cost for the city.

City Level Objective: Being the 9th most populous city in India, Pune is a sprawling complex of academic and industrial suburb which lead to rapid urbanization further, adding stress on the city's travel infrastructure. The existing road-based urban transport system of Pune City is already under burden resulting in longer travel time, increased air pollution and rise in number of road accidents.

Therefore, Maharashtra Metro Rail Corporation Limited (MAHAMETRO) has created as per proposal approved by the Prime Minister's Office, a provision of rail-based mass Rapid Transit System for Pune commuters which will benefit around 50 lakh people in the Pune metropolitan area

Project Brief:

The first phase of the Pune Metro rail project will cover a distance of 31.254 km over two corridors with one dedicated maintenance depots to each. These depots will be used for stabling of trains, cleaning, schedule inspections, wheel-re-profiling, minor & major repairs as well as Overhauls.

Corridor I, a mix of underground and elevated sections will run from Pimpri Chinchwad Municipal Corporation to Swargate covering 16.6 km (11.5 km elevated & 5.02 underground) with 15 stations.

Corridor II from Vanaz to Ramwadi covering 14.7 km completely elevated with 16 stations. Stations have been located so as to serve major passenger destinations and to enable convenient integration with other modes of transport.

The Pune metro rail alignments are expected to provide much needed connectivity to commuters and will traverse through some of the densest and traffic congested routes in the Pune metropolitan area. It will also serve as environmentally sustainable and an affordable mobility.

Maharashtra Metro Rail Corporation Limited (MAHA-METRO) shall function as a Special Purpose Vehicle for implementation of the project which shall be jointly owned by GoI & GoM on 50-50 equity basis

Estimated Cost and Funding pattern:

As per the Government of India's (GOI) sanction (ref no K-14011/11/2015-mrts-IV DATED 9th January 2017), the total cost of the phase -I metro project is estimated to be Rs. 11420.00 Crores to be invested over a period of 5 years. As per the GOI's approval grant from ULB's is 28.50 crores out of which Pune Municipal Corporation (PMC) share is (appx. 70%) 20 crores and subordinate debt (SD) for land, R&R and State taxes from ULB's is 1210.80 crores out of which PMC's share of SD (appx. 70%) is 847.56 crores.

Current Physical Progress

- Geo technical Survey for the corridor is started
- Works have started pursuant to a work order issued for the stretch between Pimpri Chinchwad Municipal Corporation (PCMC) and Range Hills.
- Tenders have been invited for the stretch between Vanaz and Shivajinagar.



v. Project under Smart City Mission

1. Smart Elements

Name of the project: Network of Smart Elements in Pune

Brief description of the Project: The project envisages the development of a city wide network of Smart Elements including the following components;

State of the art command and control centre -the Smart City Operations Centre (SCOC) - which seamlessly integrates all elements to monitor & manage entire city operations, while enabling access to data & services to mobile based applications.

- 200+ Wi-Fi hotspots across strategic locations including parks, hospitals, other public spaces.
- 50+ environmental monitoring systems to monitor critical parameters such as flood sensors, temperature, air quality, noise etc
- 125+ public announcement systems at key locations
- Emergency Response systems for citizen safety
- 160+ Variable Message Systems for informative messages, alerts and city updates

The System Integrator (L&T) appointed by the SPV for the project is required to implement the project in a period of 6 months. After achieving the Go-Live stage for the project, the System Integrator will be required to further operate and maintain the network of smart elements over a period of 5 years.

Likely completion: June 2017

Similarly, in case of low light situations (rainy or cloudy days), the SCOC can get alerts from environment sensors, and post messages to citizens to turn on headlights, while in parallel switching on streetlights.

Due to its modular nature and capacity to scale up, the project platform is forward looking and enables additional solutions / services to be added and scaled up in future.

2. Street Lighting

Name of the Project/ Sector: Street Lighting; Urban Development/Smart.

Brief description of the Project: The project aims to replace 70000 existing conventional street lights with energy efficient LED street lighting systems integrated with a SCADA system, which is controlled through a dedicated command and control centre. The project is being implemented on public private partnership basis, with no cost to the city.

Likely completion: June, 2017

3. Street Re-Design Pilot

Name of the Project/ Sector: Pilot Street re-design for 1.5 km

Brief description of the Project: Under the Pune Smart City Plan, it is envisaged to redesign roads in the Aundh-Baner-Balewadi (ABB) region, giving preference to walkability, universal accessibility and cycling. The pilot of 1.5 km has been taken up after extensive citizen engagements including a mock-up of proposed design changes. This 1.5 km is part of a larger network of around 27 km which is to be redesigned. The redesign of the balance 25.5 km will incorporate the feedback from the pilot street redesign.

Likely completion: June 2017



4. Place Making

Name of the Project/ Sector: Pilot development of 4 Place making sites across Pune

Brief Description of the Project: Place making is an initiative aiming to develop underutilized & fallow land parcels and vacant spaces to provide public amenities to local residents that suit their changing lifestyle and needs. The essential objective is to transform these little used places into vibrant spaces where citizens can congregate and participate. The four pilot place making sites are to be developed based on themes such as leisure & meditation, arts & music, innovation & sustainability and skill development.

Likely completion: June 2017

5. Adaptive Traffic Management System

Name of the Project/ Sector: Adaptive Traffic Management System/ Transportation

Brief description of Project: The city of Pune is undergoing rapid urbanization, leading to enormous growth in traffic volumes on city roads. This has resulted in traffic related issues such as traffic jams & congestion, increase in road accidents etc., which severely inconvenience citizens. During the citizen engagement carried out for the Pune Smart City Plan, transportation and mobility emerged as the most important issue for citizens.

The Adaptive Traffic Management System (ATMS) was identified as one of the critical projects to mitigate traffic congestion and transportation issues in Pune. The ATMS project integrates technology based regulation, intervention, information & enforcement systems to improve mobility, discipline and safety on Pune roads. These include various sub-systems which will help police and security agencies to proactively plan and ensure smooth and safer traffic flows in the city. Some of the main components of the project include::

- Adaptive traffic control system to provide adaptive traffic signals ensuring smooth traffic flow and traffic control on real time basis across 368 traffic signal locations;
- Red Light Violation Detection (RLVD) System at 33 locations integrated with e-challan system to detect and act on traffic violations ;
- Deployment of Variable Messaging Sign boards across Pune integrated with the Traffic Command and Control Centre;
- Real time analytics platform at the Traffic Command and Control Centre;
- All IT and connectivity infrastructure supporting the above.

Likely completion: December, 2018

For all the projects under the Pune Municipal Contribution in the Smart City Mission PMC has earmarked its contribution as below: is fixed to Rs. 50 crores per year

Sr. No		Central Government Contribution	State government Contribution	Pune Municipal Corporation Contribution
1	Central government decided funds for smart city for per year/per city	100 crores	50 Crores	50 Crores



d. Details of the project for which finance is raised:

i. Overview of the project

Pune Municipal Corporation to undertake Water Supply project for 24X7 water supply to Pune City.

Scopes and Objectives

A key factor for the success of any major infrastructure project is the consensus of the concerned community. This is especially true in cases where the important improvement of the water supply service due to the 24x7 distribution is also accompanied by a drastic change in the payment of the water charges based upon the actual water consumed.

The achievement of consensus should be pursued through a determined effort to inform the population on the project, on its benefits as well as on the various aspects related to the introduction of the water consumption metering. It is important that the people are made aware that a rational use of the water will not imply an increase of the water charges even after the full implementation of the project.

In addition to that, studies conducted in many cities reveal that level of awareness also influence positively the willingness to pay of the consumers and, hence, the cost recovery and the ability of the water utility to cover the water production and distribution costs.

Finally it should also point out that an effective awareness program may also provide the water utility with essential information on various aspects such as:

- a) The ability and willingness to pay,
- b) The people perception about the quality of the water service that they are receiving and the complaints on the deficiencies of the service,
- c) The people expectations about the improvements determined by the new system.

The above mentioned information will be very useful for the Pune Municipal Corporation in order to properly address the communication to the community, to correct the distribution deficiencies with improved O&M, to refine the strategy for the gradual adjustments of tariffs and to put in place appropriate measures able to improve the business-consumer relations

In conclusion, to maintain effective consumer awareness programmes is an effective tool for achieving various objectives such as to improve the level of satisfaction of the consumers, to raise the quality of service, to develop and apply the appropriate water tariff and finally, to improve the socioeconomic and financial sustainability of the project.

Objectives

The main objectives of the project are:

- d) To ensure safe and equitable water supply to the entire population in Pune city for the next 30 years,
- e) To ensure the distribution of the water during the entire day (24x7 modality);
- f) To reduce the level of water losses and Non-Revenue Water,
- g) To ensure the technical and economical sustainability of the water supply service



Current Pune Water Distribution

The Pune water supply system is affected by many problems which are due to the fast and chaotic development of Pune and by the consequent need-based development of the water distribution network for keeping the pace of the water demand growth in various parts of the town. This irregular development determined the progressive accumulation of the following problems and deficiencies of the water supply service:

- h) The marginal parts of the town receive water in insufficient quantity and pressure and distributed over few hours per day. On the contrary some central parts of Pune are benefited by large availability and adequate pressure.
- i) The water resources have been exploited up to their maximum potential and it will be more difficult to find additional water sources able to meet the water demand if growing with the current level of consumption.
- j) The system is presently affected by a high level of Non-Revenue Water and water losses largely exceeding the government established target of 15%.
- k) Over 70% of the consumer connections are not metered and many illegal or unregistered connections are present. The water charges of the un-metered connections are collected through a specific quota paid with the property taxes. This system does not encourage efficient and rational usage of water which is progressively becoming a scarce resource.
- l) Accurate and reliable water balance is not possible being the consumption largely unmetered and given the very low number of working bulk flow meters existing along the transmission system.
- m) The storage capacity of service reservoirs is lower than the balancing storage requirement. In addition, such storage is not uniformly distributed over the territory which increases the inequality of water received in various parts of the town.
- n) Many service reservoirs are very old and in poor conditions of conservation. Also several reservoirs in RCC present significant damages and corrosion phenomena that have to be halted and repaired.
- o) The level of PMC revenues from the water services does not cover the Operation and Maintenance costs.

Description of the Project Area

The classification of the proposed land use for the 24X7 water project is given in Table below:

Sr. No.	Category	Area in sq. km
1	Residential	104.57
2	Commercial	4.05
3	Industrial	8.54
4	Public and Semi Public	17.22
5	Public Utilities	4.05
6	Transport	30.02
7	Reserved Forest and Agriculture	30.05
8	Water bodies	13.11
9	Hills	12.50
10	Recreational	19.84
Total		243.95



Description of the Existing Water Supply System

The population of Pune, as per census of 2011 is 3,115,431. This figure indicates 29% growth in the preceding decade. The water supply to Pune city is provided by the four storage reservoirs, belonging to the Irrigation Department of the Govt. of Maharashtra.

The capacities of these dams are as below -

Sr. No.	Name of the Dam	Storage capacity in TMC
1	Panshet	10.64
2	Varasgaon	12.81
3	Temghar	3.71
4	Khadakwasla	1.96
Total		29.12

There are nine water treatment plants with a combined capacity of 1688 MLD. The PMC presently provides pipe water supply of about 1250 MLD, covering almost the entire city, areas of Pune Cantonment, Khadki Cantonment, Defence establishments and few Rural fringe areas.

There are 85 storage reservoirs, with a combined capacity of 290 ML. There are 67 waters supply zones in the city to distribute the water to different parts of the city. The water supply is made through the pipe network of about 2700 km.

The average water supply at city level appears to be adequate. However spatial distribution is uneven, and in some areas is below average. The probable reasons are shortage of adequate storage, very large water supply zones where low lying areas get more than stipulated water and higher areas are starved. The network in parts of the city is very old, and high leakages are prevalent.

The water supply is largely intermittent, with average supply hours being 6. However the supply is unequal, with maximum of 20 hours of supply in Dhole Patil road area, and minimum of 2 hours in Yerwada. There is no universal metering system in the city. The Meters are fixed for Bulk consumers and commercial and industrial establishments. There are very few residential premises with metering system in place. The overall percentage of the metered supply is less than 30 percent.

Approach of the Project

In order to achieve the above-mentioned objectives and solve the structural and operational problems listed above, PMC has decided to undertake a radical and comprehensive approach which clearly defined the main concepts to be developed in the present project:

To introduce in the universal metering of the water consumption and the application of water charges based on the effective water consumption by the consumer;

To apply extensively the water audit by setting bulk flow meters in all the water supply components, from the water sources, the treatment plans, the transmission pipelines, the reservoirs up to the distribution network, by the introduction of District Metering Areas (DMA).

- To substantially improve, rationalise and upgrade the various components of the water supply distribution system such as the pumping stations, the transmission pipelines and the distribution network in such a manner that the system will be able to satisfy the Pune water demand over the period 2017-2047.
- To set up a SCADA for timely and effective control of the system operation, water quality monitoring and monitoring of the achieved service level;
- To undertake systematic leakage detection and repair activity up to bringing down the level of NRW in the distribution system to the desired level of 15%.

It is important to mention that, in parallel to the present project, which is mainly focused on the aspects



of the water distribution system, PMC has undertaken other important interventions aimed at increasing the availability of potable water through the following projects that are presently in the stage of construction, financing or design:

- The BhamaAshked project which will provide 200 MLD of treated water to the North-eastern side of Pune,
- The 2200 mm raw water conduit from Parvati water works to cantonment water works
- The construction of new treatment plants at Parvati (500 MLD)

The present project has obviously considered all the above new plans and designs, that substantially cover all the aspects of the raw water and its planned sources. Therefore it is concentrated on the water supply aspects related to the transmission and distribution of the treated water within the PMC service area. As established in the terms of Reference the project includes the detailed analysis of the present infrastructures and the definition of the new infrastructures required to meet the city water demand up for a 30 year period. The study therefore also covered the elaboration of the population projections and the related water demand in all the areas of the distribution network.

Proposed Tariff Unit Model for Water User Categories

With telescopic tariffs the consumers using less than or up to standard per capita water allowance of 150 lpcd, will pay the minimum specified bench mark rate, whereas consumers using water more than stipulated level of consumptions will have to pay for water at higher rates. Telescopic tariff system is used in Mumbai, Navi Mumbai and Aurangabad in Maharashtra, and in other Metro cities like Delhi, Hyderabad, Chennai, Bangalore, etc.

After introduction of telescopic system of tariff for metered water supply, PMC will be able to recover revenue expenditure of water supply operations. The consumers will be motivated to use less water to save on water supply bill. However, for this purpose 100% metered water supply is essential.

It is proposed to charge water supply services according to the level of consumption. Proposed tariffs will be as mentioned below:

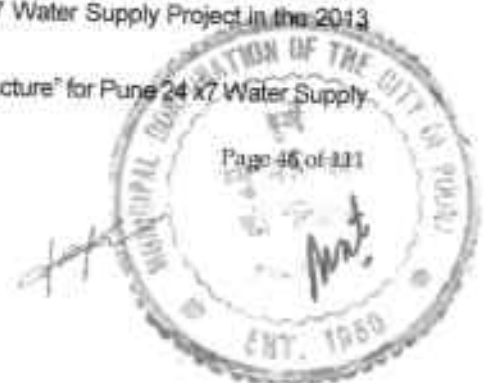
Sr. No.	Particulars	Water Tariff
A	Water Connection Charges	
	Domestic Connection	Rs. 5,000 per connection
	Non-Domestic Connections	Rs. 10,000 per connection
B	Water Usage Charges (Domestic)	
	0 - 22.5 m ³ /mo. (150 lpcd)	Rs. 5.78 per kL
	22.5 - 30 m ³ /mo. (150 to 200 lpcd)	Rs. 9.66 per kL
	30 - 37.5 m ³ /mo. (200 to 250 lpcd)	Rs. 19.22 per kL
	Above 37.5 m ³ /mo. (Above 250 lpcd)	Rs. 28.88 per kL
	Water Usage Charges (Non-Domestic)	Rs. 49.98 per kL

Note: These tariffs will be increased by 5% every year.

Category-wise tariff rates as per present system as a part of Property Tax will not be applicable once 100% metering is achieved. All types of customers will be included in the consumption slabs and based on the type of usage (residential/commercial)

Recognitions to the Water Project

- Received Certificate of Achievement Under Category "Innovation in Water, Wastewater and Storm water Network Modeling and Analysis" for Pune 24 x7 Water Supply Project in the 2013 Be Inspired Awards organized by Bentley
- Received Innovative Smart Solution Under Category "Infrastructure" for Pune 24 x7 Water Supply Project in the BW Business world Awards 2016



- World Water Leadership Congress Awards : Best Design & Architecture & Best Water Infrastructure Innovation Project

- ii. An investment plan for the project components indicating phasing as well as financing approved by the local authority or the agency as the case may be

A summary of capital cost and sources and contribution of funds for proposed 24x7 water supply projected are presented in table below:

Sr No	Project Component	(Rs. in Lakhs)
1	Land Acquisition	4062
2	Shifting of Utilities	531
3	Pilot DMA	1612
4	Consumer Survey	555
5	Statutory Compliances	50
6	Physical Infrastructure	264196
Total Base Cost		271006
7	Contingencies @ 3% on Base Cost	8130
8	Provision for Project Design and Management @ 1% of Base Cost	2710
Total Estimated Project Cost		281846
Total Estimated Project Cost (Rs Crores)		2818.46

Financing of the project	
Description	Total Amount (Rs. in Crores)
Capital Expenditure	2819
Interest During Construction	494
Total Out flow	3312
Grant from Pune Smart City	299
PMC Contribution from internal revenue generation	749
External Borrowing	2264
Total Outflow	3312

iii. Schedule of implementation of the project

No.	Package Description	2016		2017				2018				2019				2020				2021			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Construction of Reservoir (5 lots)																						
1.1	Reservoirs in Warje & Holkar																						
1.2	Reservoirs in Vadgaon																						
1.3	Reservoirs in Parvati																						
1.4	Reservoirs in Cantonment																						
1.5	Reservoirs in Bhama Askhed																						
2	Smart Consumer Metering																						
2.1	Metering in Warje & Holkar																						
2.2	Metering in Vadgaon																						
2.3	Metering in Parvati																						
2.4	Metering in Cantonment																						
2.5	Metering in Bhama Askhed																						
3	Revamping of entire water supply system																						
3.1	Revamping in Warje & Holkar																						
3.2	Revamping in Vadgaon																						
3.3	Revamping in Parvati																						
3.4	Revamping in Cantonment																						
3.5	Revamping in Bhama Askhed																						



iv. **Capital structure relating to projects for which funds are proposed to be mobilized**

The project cost is proposed to be financed as follows:

Financing of the project	
Description	Total Amount (Rs. in Crores)
Capital Expenditure	2819
Interest During Construction	494
Total Out flow	3312
Capital Grant from Pune Smart City	299
PMC Contribution from internal revenue generation	749
External Borrowing	2264
Total Outflow	3312

v. **Capital structure relating to projects for which funds are proposed to be mobilized**

The total capital grant for the proposed project is Rs. 299 crores to be received from the Pune Smart City. Of the approved grant, PMC is yet to receive any amounts under it.

vi. **Details of State Finance Commission Grant on annual basis**

There is no state finance commission grant to be received for the project on an annual basis.

vii. **Benchmarks for commencement and completion of the project including milestone dates for all components of the project**

As mentioned in Schedule of Implementation of the Project

viii. **Details and status of the regulatory approval**

Sr. No	Agency	Activity	Status
1	National Highway	Permission for laying the pipe lines in the right of way Crossing of NH	✓
2	Indian Railways	Pipeline crossing the rail track	✓
3	Utility owners	Shifting of utilities	✓
4	Irrigation Department	Canal crossings	✓



Approval Matrix for 24x7 Water Supply Project

Sr. No.	Description	Approved By	Approved (Yes/No)	Date of Approval	Remark
Design & Estimates					
1	Estimates	Estimating Committee	Yes	Dec-14	
2	DPR /DER	Water Supply Department	Yes	Feb-15	
3	Project Approval	City Improvement Committee	Yes	Mar-15	
4	Volumetric Tariff Approval	Hon .General Body	Yes	Feb-16	
5	Project Approval	Government of Maharashtra	Yes	Jul-16	
6	Project Approval For Funding	Hon .General Body	Yes	June - 16	
Tendering					
1	SR	Water Supply Department	Yes	Jul-16	
2	Metering	Water Supply Department	Yes	Sep-16	
3	Revamping	Water Supply Department	Yes	Jan-17	
Tendering Status					
1	SR	Hon. Standing Committee	Yes	Sep-16	Work Awarded to L&T
2	Metering	Hon. Standing Committee	Yet to present to Hon. Standing Committee		Technical evaluation completed, WO is expected to be awarded by end of July 2017
3	Revamping	Hon. Standing Committee	Yet to present to Hon. Standing Committee		Last date of Tender Submission is on 24th March 2017. WO is expected to be awarded by end of July 2017
Funding					
1	Approval authorizing the Issue	Hon. Standing Committee	Yes	May 30, 2017	Copy of the said resolution annexed with the Information Memorandum
2	Approval authorizing the Issue	Hon. General Body	Yes	June 7, 2017	Copy of the said resolution annexed with the Information Memorandum



3.	Approval authorizing the Issue	State Government of Maharashtra	Yes	June 12, 2017	Copy of the said resolution annexed with the Information Memorandum
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ix. **Financial viability of the project showing the stage wise cost and revenue flows for the project**

The cash flow of the project is expected as under:

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
Total Capex (-)	425	583	678	621	414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants Inflow (+)	35	67	71	70	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Inflow (+)	261	496	526	523	417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Servicing during const. (-)	8	44	88	134	178	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Funded by equity	136	165	168	161	119	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Cash Flows	-6	22	55	96	145	147	181	239	299	367	441	523	617	718	830	953	1087	1168	1512	1608
Interest Servicing after construction	-	-	-	-	-	(183)	(193)	(193)	(193)	(193)	(182)	(149)	(105)	(59)	(18)	(0)	(0)	(0)	(0)	(0)
Debt Repayment	-	-	-	-	-	-	-	-	-	-	(261)	(496)	(526)	(523)	(417)	-	-	-	-	-
Net Cash Flow to PMC	(141)	(143)	(113)	(66)	25	(46)	(12)	45	106	173	(2)	(122)	(14)	136	395	953	1,087	1,168	1,512	1,608

As can be seen from the above table the project is able to generate operational cash flows and will be viable over a period of time.

x. **Revenue generation/resources and sufficiency for timely servicing and redemption**

The bond issued under this Information Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism property tax collected by and due to PMC will be deposited every month in a separate no-lien escrow account for debt serving of bonds. Please refer to Annexure I for detailed Structured Payment Mechanism.

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



- xi. Details of the independent trustee of the escrow account
Not Applicable
- xii. Latest Audit report of the escrow and project account by a firm of chartered accountants appointed by the concerned State Urban Development Departments from a panel CA's approved by the C& AG
Not Applicable
- e. Performance with respect to key financial and operational parameters for the last 3 years:
- i. Abridged Balance Sheet, Income and Expenditure and Receipts and Payments Accounts for the last three years with major heads
Abridged Balance Sheet

SOURCE OF FUNDS			
	FY 2015-16	FY 2014-15	FY 2013-14
Municipal (General) Fund			
Pune Municipal Fund	11,09,37,36,702.59	11,09,37,36,702.59	11,09,37,36,702.59
Water & Sewerage Fund	19,46,12,17,167.73	19,08,09,34,441.73	15,97,32,39,743.73
Earmarked Funds	12,61,20,75,911.85	6,73,12,33,660.38	5,42,59,32,378.89
Reserves & Surplus			
Capital Reserves	70,38,70,08,860.59	59,98,90,26,684.97	50,50,15,94,546.59
Deficit*	(13,35,98,29,460.80)	(13,35,98,29,460.80)	(13,35,98,29,460.80)
Deficit -13-14	(3,28,65,09,064.49)	(3,28,65,09,064.49)	(3,28,65,09,064.49)
Deficit -14-15	(3,30,00,36,323.01)	(3,30,00,36,323.01)	
Deficit -15-16	(5,10,96,06,472.96)		
Secured Loan			
Loans From Banks and Other Financial Institutions	1,22,06,12,720.00	1,46,54,40,210.00	1,68,34,93,023.00
Unsecured Loans			
Deposits Received	6,78,08,57,818.28	6,34,18,95,643.58	6,02,78,37,268.63
Other Liability			
Accounts Payable	1,04,67,51,473.99	1,25,10,10,876.75	1,09,19,03,200.26
Retirement Benefit Payable	21,96,13,073.38	33,26,83,137.20	13,86,30,957.69
Statutory Deduction Payable Into State Govt Treasury#	1,09,60,91,087.73	1,14,92,42,093.64	1,62,46,86,531.47
Payable to State Government	(4,62,51,506.93)	51,21,43,117.62	1,13,51,64,634.63
Share in Octroi payable to other agencies	8,54,60,177.00	8,54,60,177.00	8,54,60,177.00
Salary Payable	49,06,26,584.32	1,03,60,52,943.47	1,36,75,68,414.64
TOTAL SOURCES OF FUNDS	99,39,18,18,747.27	89,10,24,84,840.63	79,50,29,08,953.83



APPLICATION OF FUNDS (Amount in Rupees)			
	FY 2015-16	FY 2014-15	FY 2013-14
Fixed Assets			
Gross Block	77,35,49,88,617.97	68,48,92,29,855.43	60,81,85,47,900.68
Less : Accumulated Depreciation	20,68,88,55,869.34	17,15,25,15,775.65	14,04,30,50,290.81
Net Block	56,66,61,32,748.64	51,33,67,14,079.79	46,77,54,97,609.88
Capital Work In Progress	6,95,07,26,624.72	5,31,02,91,988.89	3,40,80,70,643.08
Investments	14,91,57,75,810.00	8,08,57,75,810.00	10,20,07,33,320.00
Current Assets, Loans and Advances			
Stock in Hand	2,36,41,77,116.79	2,02,98,88,772.73	1,65,73,28,749.94
Sundry Debtors (Receivables)	20,23,01,97,005.15	21,98,33,66,099.22	18,32,61,48,325.25
Less:- Provision for Overdues Property Tax & Rents	11,92,00,78,546.96	11,17,69,61,272.78	9,21,44,65,427.58
Net Sundry Debtors (Receivable)	8,31,01,18,458.19	10,80,64,04,826.43	9,11,16,82,897.66
Cash and Bank Balance	6,70,02,08,117.09	7,83,87,41,399.32	3,86,84,98,606.19
Loans, Advances and Deposits	3,48,46,79,671.84	3,69,46,67,963.47	4,48,10,97,127.07
TOTAL APPLICATION OF FUNDS	99,39,18,18,747.27	89,10,24,84,840.63	79,50,29,08,953.83

*PMC has made revenue surplus over last 5 years from which it has made transfer to various reserves, funds and towards budgetary allocations and depreciation. Any shortfall is mentioned as deficit which is not a revenue loss.

The share of the State Government in the Property Tax Collection as on Balance Sheet date has been subsequently deposited. This is in the nature of liability and is not available for debt servicing.

Abridged Income and Expenditure Account

INCOME(Amount in Rupees)			
	FY 2015-16	FY 2014-15	FY 2013-14
Property Tax & Water Tax	9,16,58,36,826.18	11,44,32,16,286.25	9,68,14,29,904.26
Local Body Tax	14,63,45,32,431.62	13,03,33,43,348.38	10,32,93,98,844.14
Rental Income from Municipal Properties	16,34,71,279.27	31,54,08,694.63	51,02,17,009.43
Fees and User Charges	11,64,53,36,339.16	9,46,87,70,614.06	7,26,24,63,789.35
Sale of Forms & Publications	29,56,59,409.55	28,84,21,284.31	34,47,10,673.43
Revenue Grants, Contribution & Subsidies Received	1,10,04,73,986.05	1,04,13,10,517.95	2,69,82,82,044.98
Interest	84,07,63,851.13	92,31,01,977.26	1,10,84,24,170.30
Other Income	56,00,78,154.95	38,54,35,227.60	55,62,50,823.18
Others Taxes	1,34,64,060.00	1,59,87,764.00	1,16,14,100.00
Total Income	38,61,96,16,337.91	36,91,49,95,714.44	32,50,27,91,359.09

Surplus/(Deficit) Transfer to Reserve & Surplus	-	-	-
Total Income	38,61,96,16,337.91	36,91,49,95,714.44	32,50,27,91,359.09
EXPENSES(Amount in Rupees)			
	FY 2015-16	FY 2014-15	FY 2013-14
Establishment Expenses	11,44,46,49,183.41	8,49,69,84,563.93	6,54,62,98,447.17
Administrative Expenses	1,73,06,13,519.25	1,81,36,50,686.16	1,50,89,72,807.48
Operation & Maintenance	1,99,79,79,527.62	1,46,10,34,359.16	1,51,65,28,381.95
Repairs & Maintenance Expenses of Assets	1,77,30,92,297.93	1,52,34,50,373.29	2,01,47,92,972.84
Interest and Finance Charges	14,16,07,960.00	16,85,45,046.00	18,59,63,649.00
Programme Expenses	8,14,73,797.07	7,60,01,142.45	7,78,91,633.18
Revenue Grants, Contribution & Subsidies	2,23,71,86,921.25	4,46,25,59,991.77	4,35,73,54,185.37
Miscellaneous Expenses	7,19,81,316.48	5,57,68,051.64	7,79,02,216.13
Provision For Overdues Property Tax & Rent Receivable	74,31,17,274.17	1,96,24,95,845.20	1,32,66,95,743.09
A. Total Expenses Before Appropriation	20,22,17,01,797.18	20,04,04,90,059.60	17,61,14,00,036.21
Surplus Before Appropriation & Depreciation	18,39,79,14,540.73	16,87,45,05,654.84	14,89,13,91,322.88
Appropriations & Transfer to Reserves	19,97,11,80,920.00	17,06,50,76,493.00	15,46,24,08,228.00
Depreciation	3,53,63,40,093.69	3,10,94,65,484.84	2,71,54,92,159.37
B. Total Expenses After Appropriation	23,50,75,21,014.69	20,17,45,41,977.84	18,17,79,00,387.37
C. Surplus / (Deficit) After Appropriation & Depreciation	(5,10,96,06,472.96)	(3,30,00,36,323.01)	(3,28,65,09,064.49)
TOTAL EXPENSES (A+B+C)	38,61,96,16,337.91	36,91,49,95,714.44	32,50,27,91,359.09



Income and Expenditure Account for the Half-Year ended 30th September, 2016 on Cash Basis

Income			Expenditure		
Description	2016-17 Approved (Rs in crores)	H1FY2017(Rs in crores)	Description	2016-17 Approved(Rs in crores)	H1FY2017(Rs in crores)
			Salary & pension	1138.50	443.14
LBT	1650.0	712.48	Loan Repayment	106.54	19.30
Property Tax	1106.41	618.28	Primary School	335.66	64.39
Building Permission & Development Changes	1035.10	237.09	Electricity charges	197.70	65.22
Water Meter	235.95	0.00	Water charges	28.00	5.58
Other Receipts (meter)	158.87	22.28	Medicine	107.28	35.14
Other Receipts	875.06	164.36	Depreciation	12.57	12.57
Govt. Grants	194.30	28.60	Other Exp.	670.80	148.78
JNNURM & SMART CITY AMRUT	202.69	0.00	Maintenance	19.12	2.07
Loan	289.60	0.00	Petrol	26.10	9.62
			Wardwise works	32.40	2.21
			Work from Ward offices	129.66	4.31
Revenue Income	5748.00	1783.09	Revenue Expenditure	3006.35	812.33
			Building	298.61	38.69
			Road	545.86	76.83
			Traffic Planning	80.03	0.66
			Electricity	113.91	4.61
			River improvement	69.46	0.78
			Storm water	63.75	1.65
			Garden	75.61	8.31
			Solid Waste Management	53.86	7.61
			Swach Bharat Abhiyan	0.00	20.02
			Land acquisition	99.50	11.96
			Slum	69.37	1.43
			Backward class welfare	8.53	1.09
			Mata Bai welfare scheme	39.62	1.89
			Youth welfare scheme	13.85	1.26
			Disability Welfare Scheme	13.20	3.00
			District Planning Dev.	5.60	1.93
			Machinery	30.52	1.93



			Tree Au., Sankalp	4.23	0.75
			SPV	320.67	20.57
			JNNURM	212.50	38.68
			Work from ward offices	18.12	0.00
			Total A - Capital Expenditure	2136.80	243.65
			Water Supply & drainage		
			Water supply operation	115.98	81.61
			Drainage operation	72.11	2.35
			Water supply project	385.22	9.32
			Drainage project	25.65	1.47
			Works from ward office	5.87	0.0
			Total C - Capital Expenditure	604.82	94.75
			A+C	2741.62	338.40
			As compare to Expenditure		632.36
Total Income	5748.00	1783.09	Total Expense	5748.00	1783.09

- ii. Link to the web page where the entire financials of the Municipal Body can be accessed
<https://pmc.gov.in/en/financial-details>

iii. Financial Parameters

Key Financial Parameters of the Issuer are as under

Key Financial Figures(Amount in Rupees)	FY 2015-16	FY 2014-15	FY 2013-14
Revenue Income	37,778,852,487	35,991,893,737	31,394,367,189
Revenue Expenditure (Excl Interest)	23,616,433,931	22,981,410,498	20,140,941,547
Operating Revenue Surplus	14,020,810,596	12,841,938,193	11,067,474,983
Interest Expenses	141,585,060	168,545,046	185,950,649
Principal Repayment (Outside Sinking fund)	244,838,940	218,052,813	199,563,351
Contribution to sinking fund	650,000,000	590,000,000	531,110,462
Revenue Surplus	14,861,574,447	13,765,040,170	12,175,899,164
Capital Income	122,976,673	273,540,500	600,784,000
capital Expenses	10,506,193,398	9,572,903,801	10,246,741,317

Capital Surplus	(10,383,216,725)	(9,299,362,801)	(9,645,957,317)
Overall Surplus	4,478,357,722	4,465,677,369	2,529,941,847
Deposit and Advances (net)	6,780,857,816	6,341,895,644	6,027,837,269
Initial cash/bank balance (opening)	15,924,517,209	14,069,231,926	14,585,794,651
change in cash/ bank balance	5,691,466,718	1,855,285,283	(516,562,725)
Final cash /Bank balance (closing)	21,615,983,927	15,924,517,209	14,069,231,926
Loan Repayment from sinking fund	-	-	-
Initial sinking fund balance	598,999,349	544,939,336	485,428,874
Change in sinking fund balance	57,818,464	54,060,013	59,510,462
Final Sinking fund balance	656,817,813	598,999,349	544,939,336
Total debt	1,220,612,720	1,465,440,210	1,683,493,023
Ratio of Total expenditure/Total revenue	61.52%	62.71%	62.54%
Cash Surplus/Total Revenue	47.64%	49.84%	45.82%
Ratio of debt service /Total revenue	1.00%	1.05%	1.19%

iv. Operational Parameters

The details of the top 5 revenue sources for the last 3 years are as under

Revenue Receipt type	Actual (Rs.) FY 2015-16	Actual(Rs.) FY 2014-15	Actual(Rs.) FY 2013-14
Local Body Tax	14,63,45,32,431.62	13,03,33,43,348.38	10,32,93,98,844.14
Fees and User Charges	11,84,53,36,339.16	9,46,87,70,614.06	7,26,24,63,789.35
Property Tax & Water Tax	9,16,58,36,826.18	11,44,32,16,266.25	9,68,14,29,904.28
Revenue Grants, Contribution & Subsidies Received	1,10,04,73,986.05	1,04,13,10,517.95	2,69,82,82,044.98
Other Income	56,00,78,154.95	38,54,35,227.60	55,62,50,823.18

v. Details of Property Tax Collections

The details of the Property Tax Collection are as under

Particulars	Demand Raised (Rs. Crores)			Collections(Rs. Crores)			Overall	Current
	Arrears	Current	Total	Current	Arrears	Total	Collection Ratio	Collection Ratio
FY 2013-14	1,268.51	642.29	1,910.81	542.62	206.36	748.98	39.20%	84.48%
FY 2014-15	1,647.91	707.79	2,355.70	611.96	201.71	813.67	34.54%	86.46%
FY 2015-16	2,122.81	855.80	2,978.61	797.11	364.08	1,161.19	38.98%	93.14%
FY 2016-17	1,997.68	952.98	2,950.66	940.61	258.75	1,199.36	40.65%	98.70%

Note: Arrears and dues amount included double properties, court cases, mobile tower and disputed amount



- vi. **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**

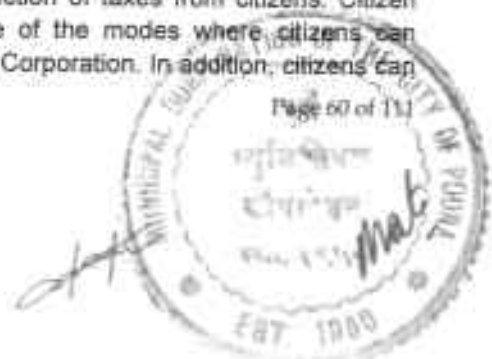
Status of E-Governance

PMC is committed for making governance citizen friendly and cost effective by delivering services electronically to ensure accountability and transparency, especially using easily accessible platforms such as mobiles and online web services to reduce cost of services and providing services to its stakeholders without having to physically go to the municipal offices and by facilitating e-groups get feedbacks from people and use online monitoring of programs.

To ensure and provide more effective and efficient public service delivery by Pune Municipal Corporation, the e-governance project is being implemented. Under e-Governance Project, Pune Municipal Corporation has been developing web applications and mobile applications for service delivery through different departments. Following is the list of Mobile Applications and Online Web Applications developed and implemented under the e-governance project of Pune Municipal Corporation.

1. Online RTS (Right To Services) Application.
2. CFC (Citizen Facilitation Center).
3. Online Marriage Registration Application.
4. Birth & Death Certificate Application.
5. Complain Management System
6. Disaster Management System
7. Slum Billing.
8. Water Meter Billing.
9. Solid Waste Management.
10. Ward Facility Management System.
11. Legal Department Application.
12. Municipal Secretary Department Application.
13. Social Welfare Department Application.
14. IT Asset Management Application.
15. HRMS, Payroll, & Pension Management.
16. Online Ticketing.
17. EBRs(Electricity Bill Reconciliation Services)
18. Officer Connect Mobile Application.
19. Pune Connect Mobile Application.
20. Open Data Portal.
21. PMC CARE Mobile Application.
22. PMC Online Payment Gateway.
23. PMC SMS Gateway.
24. PMC Email Gateway.
25. Enterprise GIS application
26. Online property tax application
27. Official CMS based PMC portal
28. Works management system
29. Online Building Permission System
30. Online e-tendering system

Property tax, water tax, and solid waste management departments of Pune Municipal Corporation use different modes and channels for collection of taxes from citizens. Citizen Facilitation Center and divisional ward offices are one of the modes where citizens can physically visit and pay various taxes for Pune Municipal Corporation. In addition, citizens can



pay their taxes through online payment gateway that is integrated with various web applications and mobiles applications. For the financial year 2016 – 2017, citizens have approximately paid 30% of total property tax and water tax using the online payment modes that PMC has on offer. In addition to this, a new concept, "Doorstep Delivery Services", where citizens will receive doorstep services on demand will be initiated.

Status of Property tax

PMC have taken the massive efforts to disseminate the information about Property tax department and various scheme through newspaper, radio, Banners, hoarding, In-cinema advertising, Auto rickshaw panel, etc. PMC property tax department has provided its citizen with the availability to evaluate their property tax liability & pay same through a website. Citizens can fill the self-assessment property tax details online and calculate the tax on their own based on the rated decided by the PMC.

Status of Double entry accounting

PMC used to work on single entry accounting system till 2006. With the inset of JNNUR Mission the corporations we requested to switch to double entry accrual based accounting system. Accordingly PMC floated the tender for preparation of opening balance sheet under accrual based double entry accounting system and the tender was awarded to S R Batiwal and Company and E&Y.

The first double entry accrual based opening balance sheet was prepared as on 01.04.2006. Subsequently, from FY2007, preparation of the accrual based double entry accounting system balance sheet was awarded to A N Gawade & Co and Sandip Desai & Co Chartered accountants. PMC has been following the said system till date.

PMC has recently floated a tender for Enterprise resource planning (ERP) system and PMC is in process of finalising the vendor for ERP system. The implementation of ERP shall help PMC get real time data updates and also shall shorten the annual accounts closure timelines.

Service Level Benchmarks / Performance Parameters for Basic Urban Services

Service level performance parameters have been identified for four basic urban services. The service indicators for water, sewerage, solid waste and storm water drainage for PMC are provided below:

❖ Water Supply

During last 3 years water supply department has carried out major water supply projects. However the most prestigious project of 24X7 water supply has not been implemented. The implementation of the project has just began in the last financial year. As a part of the project water tariff was increased by 15% on account of which there was additional income of around 23 crores, compared to financial year 2015-16. The parameters of SLB can be improves only after remarkable progress of the 24X7 project. As of now study regarding leakages is being taken up. As regards quality of water supplied to the citizens is concerned 100% quality is maintained works to improve the development of distribution system works are being carried out through the budget of the PMC. These works are over and above the 24X7 water project.



S.No	Water Supply Indicator Values	Unit	FY 2013-2014	FY 2014-2015	FY 2015-2016
1	Coverage of water supply connections	%	94	91	90
2	Per capita supply of water (At consumer end)	Lpcd	235	230	191
3	Extent of metering of water connections	%	14	12	12
4	Extent of Non-Revenue Water	%			26
5	Continuity of water supply	Hours/Day	5.00	5.00	3.50
6	Efficiency in redressal of customer complaints	%	100	100	100
7	Quality of water supplied	%	100	99	100
8	Cost recovery in water supply services	%	88	87	85
9	Efficiency in collection of water supply related charges	%	89	87	81

❖ Sewerage

S.No	Sewerage Service Indicator Values	Unit	FY 2013-2014	FY 2014-2015	FY 2015-2016
1	Coverage of Toilets	%	98	nd	100
2	Coverage of sewerage network services	%	85	91	90
3	Collection efficiency of sewerage networks	%	67	67	76
4	Adequacy of sewerage treatment capacity	%	67	67	76
5	Extent of reuse and recycling of sewage	%	7	7	45
6	Quality of sewage treatment	%	100	100	100
7	Efficiency in redressal of customer complaints	%	100	100	100
8	Extent of cost recovery in sewerage management	%	117	106	233
9	Efficiency in collection of sewerage charges	%	89	nd	68

❖ Solid Waste Management

PMC's approach towards waste management is in a comprehensive manner with careful selection and sustained application of appropriate technology, working conditions, and establishment of a 'social license' between the community and other service providers. Instead of something disposable, we see waste as a renewable resource with potential to aid in problems including electricity shortages and resourced recovery.

Municipal Solid Waste includes commercial and residential wastes generated in a municipal or notified area of 250.59 sq.km., in either solid or semi-solid form, excluding industrial hazardous wastes but including treated biomedical wastes. Population of the Pune City is 40 lakhs. PMC is responsible for the proper and scientific collection, segregation, transportation, processing and disposal of municipal solid waste within the limits of its jurisdiction.

1. Pune generates 1600-1700 tons of solid waste per day. 160 trucks collect waste door to door. Approx. 3000 waste pickers cover about 5.5 lacks households. Door to door collection in entire pune including slums and commercial areas are done by these waste pickers.
2. The entire municipal solid waste generated within the city is effectively collected and transferred to the various processing plants effectively. A dedicated department i.e. vehicle depot looks after this activity. This department with the following available vehicles manage this activity.

Vehicle type	Quantity
Ghantagadi	160
Dumper placed	85



Compactor	24
BRC	59
Mechanical sweeper	2
Other	119
Total	449

- The target of PMC to ensure segregation at source is by 2025. Presently PMC is able to ensure segregation at source around 50-52% with the help of SWaCh and other agencies. Also amendment in the building permission byelaws has made such that new building constructed after year 2000 will process the waste generated within their premises only.
- Out of daily waste generation which is around 1678 TPD, PMC is able to recover/recycled around 125MTD with the help of door to door collection by SWaCh and various miscellaneous agencies/projects within the city.
- PMC has set up various municipal solid waste processing plants to ensure scientific processing of waste within the city. Following table gives details of various plants with their present capacity.

Treatment Facilities	Current Capacity
Operational	
Biogas (25)	80
Noble Exchange	50
Ajinkya	200
Mechanical Composting	8
Thermal Composting	32
On-site processing by housing societies	45
Farmers	100
Total	515

- As stated earlier through various municipal solid waste processing plants waste is processed and output of the various plants is reused. Biogas generated out of plant is converted into electricity and is used for street lights. Similarly manure generated out of various plants is used by garden department of PMC.
- There are no specific charges collected by the PMC. This is considered part of the conservancy tax. For primary collection Swachh permitted to collect charges from the citizens for door to door waste collection.
- Complaint.punecorporation.org, grievances.maharashtra.gov.in these are the sites made available for citizens to register complaints regarding solid waste management. A dedicated staff ensures redressal of the issues/complaints raised by citizens.

S.No	Solid Waste Management Indicators	Unit	FY 2013-2014	FY 2014-2015	FY 2015-2016
1	Household level coverage of solid waste management services	%	76.3	74.3	71.6
2	Efficiency of collection of municipal solid waste	%	95.05	82.04	88.32
3	Extent of segregation of municipal solid waste	%	42	57	60
4	Extent of municipal solid waste recovered	%	100	67	51
5	Extent of scientific disposal of municipal solid waste	%	100.0	Nd	100.0



6	Extent of cost recovery in solid waste management services	%	68.2	65.2	65.0
7	Efficiency in collection of solid waste management charges	%	86.7	88.6	91.8
8	Efficiency in redressal of customer complaints	%	92.0	100.0	100.0

❖ Storm Water Drainage

Performance parameters should be applied in a manner across all cities and be regularly used by all stakeholders. Practical considerations will drive frequency of measurement and reporting; and the jurisdiction of measurement and reporting, both critical aspects in performance measurement. Performance will need to be measured at a frequency higher than or at least equal to the frequency at which it will need to be reported. Frequency should be at such interval at which the variables driving the performance parameter will undergo visible changed, and thereby reflect change in performance over different time periods.

S.No	Storm Water Drainage	Unit	FY 2013-2014	FY 2014-2015	FY 2015-2016
1	Coverage of Storm Water Drainage Network	%	95	95	95.8
2	Incidence of water Logging / Flooding	No	33	33	0

D. Details of Issuers Outstanding Borrowings:

a. Details of borrowings of the Issuer as on 31st March 2017:

The total borrowings outstanding of the Issuer as on 31st March 2017 was Rs. 93.67 crores

b. Details of Secured Loan Facilities of the Issuer as on 31st March 2017:

Sr. no.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount O/s	Repayment Date /Schedule	Security
1	Canara Bank	Term Loan	Rs. 165 Crores	93.67 Crores	Monthly Repayment	Property tax & Octroi

c. Details of Unsecured Loan Facilities of the Issuer as on 31st March 2017:

There are no unsecured loan facilities outstanding as on 31st March 2017

d. Details of NCDs/Bonds as on 31st March 2017:

There are no NCDs/Bonds of the issuer outstanding as on 31st March 2017

e. List of Top 10 Debenture Holders as on 31st March 2017:

Not Applicable



- f. **The amount of charge created along with the name of the counterparty (like name of project etc.) as on 31st March 2017:**
Nil

- g. **Details of Commercial Paper outstanding as on 31st March 2017:**
There are no Commercial Papers of the Issuer outstanding as on 31st March 2017

- h. **Details of Rest of Borrowings as on 31st March 2017:**
Other than as mentioned above, there are no other borrowings outstanding as on 31st March 2017

- i. **Estimated Scenarios of Asset Liability Mis-matches, efforts intended to resolve the same:**
Since the borrowing of the Issuer is Rs. 93.67 crores, the Issuer does not see any scenarios of Asset Liability Mismatches. The entire loan has been repaid as on 31st May 2017.

With respect to the repayment of debt and revenue generation, the bonds are paid from the collection of the property tax. The current collection of the property tax is sufficient to ensure redemption of bonds. The Structure Payment Mechanism as mentioned in Annexure I shall ensure that the funds are deposited over a period will be sufficient to service the bonds.

- j. **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial instrument issued by the Issuer, in the past 3 years:**
There has been no default (s) and / or delay (s) in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years.

- k. **Details of change in terms and conditions of debt securities issued in the past 5 years:**
The Issuer has not issued any debt securities in the past 5 years.

- l. **Undertaking that the issuer has obtained lenders consent for creating charge on assets in case of issuance of Secured Bonds:**
Not Applicable as the present issue of the bonds is unsecured.

- m. **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash, whether in whole or part, at a premium or discount, or in pursuance of an option:**
The Issuer confirms that other than and to the extent mentioned elsewhere in this Information Memorandum, there are no debt securities issued which are outstanding or agreed to issue any debt securities or availed any borrowings which is outstanding for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option.



- n. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/Promoters, Tax litigations resulting in material liabilities, restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby confirms that other than the information disclosed in the Public Domain, the Issuer's website (www.pmc.gov.in) and this Information Memorandum there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, restructuring event etc.) at the time of Issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities of the issuer.

Impact of implementation of GST

The Maharashtra State Government is set to implement GST from 1st July 2017. With the implementation of GST, the PMC will discontinue levying LBT, which is one of the main sources of revenue for the civic body, PMC. Under the proposed Maharashtra Goods and Services Tax (Compensation to Local Authorities) Act, 2017 State Government shall compensate PMC for losses of revenue accrued to PMC due to discontinuation of LBT, by way of grant as per a pre-determined formula. The amount and other details of the same are yet to be finalized.

o. Rating and Detailed Rating Rationale

IRRPL vide its letter dated 16th June 2017 has assigned a credit rating of 'Provisional IND AA+/Stable' to the Issuer's Bonds for an amount aggregating to Rs. 200 crores. CARE vide its letter dated 15th June 2017 has assigned a credit rating of CARE AA+, Stable (Double AA Plus; Outlook: Stable) to the Issuer's Bonds for an amount aggregating to Rs. 200 crores. The present issue of Bonds is being issued with the above ratings. Copy of rating letter from IRRPL and CARE Ratings are enclosed within the Annexure in this Information Memorandum.

Other than the credit ratings mentioned herein above, the Issuer has not accepted any other credit rating from any other credit rating agency(ies) for the Bonds offered for subscription under the terms of this Information Memorandum. However, the Issuer reserves the right to get the issue rated by any other credit rating agency at a later date, should it feel the necessity.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

p. Credit Enhancement Mechanisms, if any

The Bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal. Please refer Annexure I for detailed structured payment mechanism.



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

The Bonds are not backed by a guarantee or letter of comfort from the State Government or any other party. However, the Bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal. Please refer Annexure I for detailed structured payment mechanism.

- r. Escrow mechanism for repayment of interest/principal

The Bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal. Please refer Annexure I for detailed structured payment mechanism.

- s. Names of the Trustee and Consent thereof:

In accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, issued vide No. SEBI/ LAD-NRO/GN/2015-16/006 (dated 15 July, 2015), as amended, the Issuer has appointed SBICAP Trustee Company Limited to act as Trustee to the Bondholder(s).

The address and contact details of the Trustee are as under:

SBICAP Trustee Company Limited
Apeejay House, 6th Floor,
3, Dinshaw Wacha Road,
Churchgate, Mumbai – 400 020
Tel: +91 22 43025555
Fax: +91-22- 2204 0465
Email: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com

Copy of letter from SBICAP Trustee Company Limited dated 19th June, 2017 conveying their consent to act as Trustee for the current issue of Bonds is enclosed within the Annexure in this Disclosure Document.

The Issuer hereby undertakes that a Debenture Trust Deed shall be executed by it in favor of the Trustee within the time frame prescribed in the relevant regulations/act/rules etc. Further, the Debenture Trustee Agreement shall not contain a clause which has the effect of

- Limiting or extinguishing the obligations and liabilities of the debenture trustee or the issuer in relation to any rights or interests of the investors;
- Limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by the Board;
- Indemnifying the debenture trustee or the issuer 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 Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustee on behalf of the Bondholder(s) shall discharge the issuer pro -tanto to the Bondholder(s). No

Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fail to do so.

The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee 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 Trustee. The Trustee 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 Trustee) Regulations, 1993, the Debenture Trustee Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

t. Stock Exchange where Bonds are proposed to be listed

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

u. Penal interest payable by the Municipal Corporation in case of delay in execution of Trust Deed and Charge documents

In case of delay in execution of the Debenture Trust Deed within the stipulated time no penal interest shall be payable by the Issuer.

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

In case of a payment Event of Default, revised interest of 2% p.a. over the coupon rate will be payable by the Company for the defaulting period commencing from and including the date on which such amount becomes due and ending on the day before such amount is actually paid.

w. Penal interest payable by the Municipal Corporation in case of delay in listing of debt securities from the deemed date of allotment

In case of delay in listing of debt securities no penal interest shall be payable by the Issuer.

x. Future Borrowings

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

It is clarified that as long as both the financial covenants are met, the Issuer shall be entitled to borrow such further amounts against the Structured Payment Mechanism as necessary without any consent of the Bondholder(s).

Further, in case the Issuer complies with financial covenant related to DSCR on Operating Surplus but does not comply with the other financial covenant, the Issuer shall not be permitted without the consent of the Bondholder(s) to borrow further amount(s) against the Structured Payment Mechanism. However, this shall not prevent the Issuer, from borrowing such amount(s) without the consent of the Bondholder(s), without recourse to the Structured Payment Mechanism as long as the financial covenant relating to DSCR on Operating Surplus is met by the Issuer.



Notwithstanding anything contained above, no amount shall be borrowed by the PMC without the consent of the Trustee, in case such borrowing is likely to result in breach of any covenant mentioned in Information Memorandum except to the extent mentioned above.

y. Other Details:

i. DRR/such other Reserve Creation –

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

Under Section 111, of the Municipal Act every loan raised by the Corporation is required to be repaid within the time approved and by such of the following methods as may be approved under the said proviso, namely - (a) by payment from a sinking fund established under section 112 of the Municipal Act.

Under Section 112 of the Municipal Act, whenever the repayment of a loan from a sinking fund has been sanctioned, the Corporation shall establish such a fund and shall pay into it, on such dates as may have been approved under the said proviso, such sum as will, with accumulations of compound interest, be sufficient after payment of all expenses to pay off the loan within the period approved.

Provided that if at any time the sum standing to the credit of the sinking fund established for the repayment of any loan is of such amount that is allowed to accumulate at compound interest it will be sufficient to repay the loan within the period approved, then with the permission of the State Government further payments into such fund may be discontinued.

The Corporation may apply a sinking fund, or any part thereof, in or towards the discharge of the loan for which such fund was established and, until such loan or part is wholly discharged, shall not apply the same for any other purpose.

Under Section 113 of the Municipal Act, all money paid into a sinking fund shall within one month of the date on which the payment was due is required to be invested in public securities. All interest and other sums received in respect of any such investment shall be required to be paid into the sinking fund and shall, within one month of receipt, be invested in the manner prescribed.

Money standing to the credit of two or more sinking funds may, at the discretion of the Corporation, be invested in a common fund, and it shall not be necessary for the Corporation to allocate the securities held in such investment among the several sinking funds.

When any part of a sinking fund is invested in debentures issued by the Corporation or is applied in paying off any part of a loan before the period fixed for repayment, the interest which would otherwise have been payable on such debenture or on such part of the loan shall be paid into the sinking fund and invested in the manner laid down.

Any investment made under sub-section (1) of Section 113 of the Municipal Act, may be varied from time to time or may be transferred from one sinking fund to another.

Provided that the fund from which the transfer is made shall be reimbursed the value of such investment as on the date on which the transfer is made.

During the year in which the loan for the repayment of which a sinking fund is established is due for repayment, the sum to be set apart as portion of the principal of such sinking fund and the sum received on account of interest on moneys forming part of such sinking fund may be retained by the Corporation in such form as it thinks fit.



ii. Issue/instrument specific regulations

This issue of Bonds is being made in accordance with Section 109 of the Municipal Act and the approval of the State Government. The present issue of Bonds is being made pursuant to the resolution of the General Body of the Issuer, passed at its meeting held on 7th June 2017 and the approval of the State Government dated 12th June, 2017. The Issuer can issue the Bonds proposed by it in view of the present approvals and no further internal or external permission/ approval(s) is/are required by it to undertake the proposed activity.

Under Section 109 of the Municipal Act, the Corporation may, with the previous sanction of the State Government, from time to time, borrow or re-borrow and take up at interest by the issue of debentures or otherwise on the security of any immovable property vested in the Corporation or proposed to be acquired by it under the Municipal Act or of all the taxes or of any tax which it is authorised to levy for the purposes of the Municipal 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 the Municipal Act;
- b) for discharging any loan contracted under the Municipal Act or any other loan or debt for the repayment of which the Corporation is liable;
- c) generally, for carrying out the purposes of the Municipal Act, including the advance of loans authorised thereunder.

Provided that —

- (i) no loan shall be raised for the execution of any work other than permanent work, which expression shall include any work of which the cost should, in the opinion of the State Government, be spread over a term of years;
- (ii) no loan shall be raised unless the State Government has approved the terms on and the method by which the loan is to be raised and repaid;
- (iii) the period within which the loan is to be repaid shall in no case exceed sixty years

When any sum of money has been borrowed, or re-borrowed —

- a) no portion thereof shall, without the previous sanction of the State Government, be applied to any purpose other than that for which it was borrowed; and
- b) no portion of any sum of money borrowed or re-borrowed for the execution of any work shall be applied to the payment of salaries or allowances of any municipal officers or servants other than those who are exclusively employed upon the work for the construction of which the money was borrowed;

Provided that, such share of the cost on account of the salaries and allowances of municipal officers or servants employed in part upon the preparation of plans and estimates or the construction or supervision of or upon the maintenance of the accounts of such work as the Standing Committee may fix may be paid out of the sum so borrowed or re-borrowed.

Under Section 117 of the Municipal Act, if any money borrowed by the Corporation or any interest or costs due in respect thereof is or are not repaid according to the conditions of the loan, the State Government, if it has itself given the loan, may, and in other cases shall, on the application of the lender, attach the 'Municipal Fund' or the 'Transport Fund' or a portion of the 'Municipal Fund' or the 'Transport Fund'.

After such attachment no person, except an officer appointed in this behalf by the State Government, shall in any way deal with the attached fund or portion thereof; but such officer may do all acts in respect thereof which any municipal authority, officer or servant might have done if such attachment had not taken place and may apply the proceeds in satisfaction of the arrears and of all interest and cost due in respect thereof and of all expenses caused by the attachment and subsequent proceedings:



Provided that, no such attachment shall defeat or prejudice any debt for which the fund or portion thereof attached was previously pledged in accordance with law, and all such prior charges shall be paid out of the proceeds of the fund or portion thereof before any part of the proceeds is applied to the satisfaction of the liability in respect of which such attachment is made

iii. **Application Process**

1. **Who Can Apply**

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

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

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

2. **Documents to be provided by Investors**

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

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

3. **How to Apply**

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

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

The payment should be made by electronic transfer of funds through RTGS mechanism for credit as



per details given hereunder:

Name of the Banker	Bank of Maharashtra
Account Name	PMC MUNI BONDS ISSUE PROCEEDS ACCOUNT
Credit into Current A/c No.	60284820657
IFS Code	MAHB0000001
Address of the Branch	Bajirao Road Branch - Janmangal , 1177 , Budhwarpeth , Pune - 411002
Narration	Application Money for Bond Issue

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

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

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

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

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

4. Terms of Payment

The full face value of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and payment through RTGS for the full value of Bonds applied for.

5. 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.

6. Applications under Power Of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars 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.



7. Application by Mutual Funds

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

8. Application by Provident Funds, Superannuation Funds and Gratuity Funds

The applications must be accompanied by certified true copies of

- a. Trust Deed / Bye Laws /Resolutions
- b. Resolution authorizing investment
- c. Specimen Signatures of the Authorized Signatories

Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate issued by the Income Tax Officer along with the Application form. For subsequent interest payments, such certificates have to be submitted periodically.

9. Acknowledgements

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

10. Basis of Allocation

Beginning from the issue opening date and until the day immediately prior to the issue closing date, the Issuer at its sole discretion shall make allotment against all valid applications for the Bonds received, subject to a limit of the issue size, in accordance with applicable laws. At its sole discretion, the Issuer shall decide the amount of oversubscription to be retained over and above the basic issue size.

11. Right to Accept or Reject Applications

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

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

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



12. PAN /GIR Number

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

13. 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.

14. Nomination Facility

Only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non -individuals including holders of Power of Attorney cannot nominate.

15. Fictitious Applications

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

16. Depository Arrangements

The Issuer has appointed Karvy Computer Share Private Limited, (Address: Karvy Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Tel.: +91-40-6716 1500, Fax.: +91-40-2331 1968 Email: einward.rls@karvy.com, Website: www.karvycomputershare.com) as the Registrar for the present Bond Issue. The issuer has entered into necessary depository arrangements with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("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 shall sign tripartite agreements as under:

- Tripartite Agreement between the Issuer, NSDL and the Registrar for dematerialization of the Bonds offered under the present Issue and/or
- Tripartite Agreement between the Issuer, CDSL and the Registrar for dematerialization of the Bonds offered under the present Issue.

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

17. Procedure for applying for Demat Facility

- Applicant(s) must have a Beneficiary Account with any Depository Participant of NSDL or CDSL prior to making the application.
- Applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.
- For subscribing to the Bonds, names in the application form should be identical to those appearing in the account details of the Depository. In case of Joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Bank.
- The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form.



and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.

- f. Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- g. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

iv. Others

1. Right of Bondholder(s)

Bondholder is not a shareholder. The Bondholders will not be entitled to any rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meetings of the Issuer. Subject to the provisions of The Maharashtra Municipal Corporations Act, 1949 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 above, the Bonds shall be subject to the provisions of the terms of this bond issue and the other terms and conditions as may be incorporated in the Debenture Trustee Agreement and other documents that may be executed in respect of these Bonds.

2. Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

3. 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 speed post/ registered post/courier to the sole/ first holder of the Bonds and/ or if published in one English daily newspaper having nation -wide circulation and one regional language newspaper.

All notices required to be given by the Bondholder(s) shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

4. Minimum subscription

As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Issuer shall not be liable to refund the issue subscription(s) / proceed (s) in the event of the total issue collection falling short of the issue size or certain percentage of the issue size.



5. Underwriting

The present issue of Bonds is not underwritten.

6. Deemed Date of Allotment

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

7. Letter(s) of Allotment / Refund Order (s)/ Issue of Letter(s) of Allotment

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within the stipulated time period. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

8. Issue of Bond Certificate(s)

Subject to the completion of all statutory formalities within time frame prescribed in the relevant Regulations/Act/ Rules etc., the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

9. Market Lot

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

10. Trading of Bonds

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

11. Mode of Transfer of Bonds

Subject to the provisions of The Maharashtra Municipal Corporation Act, 1949 the Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/Depository Participant of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in



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Disclaimers:

1. General Disclaimer:

This Information Memorandum has been prepared by the Issuer solely to evaluate the interest of potential investors in an investment in the securities of the Issuer and does not constitute an offer, or an invitation or solicitation to offer, to subscribe to the securities of the Issuer. Neither this Information Memorandum nor any other information supplied in connection with the contemplated issue should be construed as legal, tax, accounting or investment advice.

The issue of Debentures is being made strictly on a private placement basis. This Information Memorandum is not intended to be circulated to more than 200 (two hundred) persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general.

This Information Memorandum has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015. Therefore, as per the applicable provisions, copy of this Information Memorandum has not been filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Information Memorandum acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential 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 Debentures and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This Information 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 recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Information Memorandum being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Information Memorandum has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

Each person receiving this Information Memorandum acknowledges that:

- a) Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and
- b) Such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any sale of Debentures 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 hereof.

This Information 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 authorized 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 Debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential. Each recipient must not reproduce or distribute this Information Memorandum, in whole or part, or make any announcement in public or to a third party regarding the contents without the express written consent of the Issuer or use it for any purpose other than the evaluation of the Issuer by the recipient.

It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Information Memorandum and the applicable laws, and ensure that the same does not constitute an offer to the public.

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

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

3. Disclaimer of the Arranger to the Issue:

The role of the Arranger in the assignment is confined to marketing and placement of the Debentures Bonds (Debentures and Bonds have been used interchangeably in this Disclaimer) on the basis of this



Information Memorandum as prepared by the Issuer. The Arranger has neither scrutinized nor vetted nor reviewed nor has it done any due-diligence for verification of the contents of this Information Memorandum. The Arranger shall use this Information Memorandum for the purpose of soliciting subscription(s) from Eligible Investors in the Debentures to be issued by the Issuer on a private placement basis. It is to be distinctly understood that the use and distribution of this Information Memorandum by the Arranger should not in any way be deemed or construed to mean that the Information Memorandum has been endorsed by the Arranger in any manner.

It is the responsibility of the Issuer to comply with all laws, rules and regulations and obtain all regulatory, governmental and other necessary approvals for the issuance of the Bonds. The Arranger has not verified whether the regulatory requirements have been fulfilled and necessary approvals have been obtained by the Issuer.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible and liable for its contents. The Issuer confirms that all the information contained in this Information 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 that such information has not been independently verified by the Arranger.

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The Eligible Investors should carefully read this Information Memorandum. This Information Memorandum is for general information purposes only, without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation and the Eligible Investors are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and the Eligible Investors should consult with its own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bonds. This Information 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 therein, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

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Please note that:



- a) the Arranger and/or their affiliates may, now and/or in the future, have other investment and commercial banking, trust and other relationships with the Issuer and other entities related to the Issuer;
- b) as a result of those other relationships, the Arranger and/or their affiliates may get information about the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Arranger and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Information Memorandum;
- c) the Arranger and/or their affiliates may, now and in the future, have fiduciary or other relationships under which it, or they, may exercise voting power over securities of various persons. Those securities may, from time to time, include securities of the Issuer;
- d) the Arranger and/or their affiliates may exercise such voting powers, and otherwise perform its functions in connection with such fiduciary or other relationships, without regard to its relationship to the Issuer and/or the securities;
- e) the Arranger is not acting as trustee or fiduciary for the investors or any other person; and
- f) the Arranger is under no obligation to conduct any "know your customer" or other procedures in relation to any person.

Nothing in this Information Memorandum constitutes an offer of securities for sale in the United States of America or any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation. No action is being taken to permit an offering of the bonds in the nature of debentures or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution/taking/sending/dispatching/transmitting of this Information Memorandum and the offering and sale of the Bonds may be restricted by law in certain jurisdictions, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

Each person receiving this Information Memorandum acknowledges that:

- a) Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and
- b) Has not relied on the Arranger and/or its affiliates that may be associated with the Bonds in connection with its investigation of the accuracy of such information or its investment decision.

Issuer hereby declares that the Issuer has exercised due-diligence to ensure complete compliance of applicable disclosure norms in this Information Memorandum. The Arranger: (a) is not acting as trustee or fiduciary for the investors or any other person; and (b) is under no obligation to conduct any "know your customer" or other procedures in relation to any person. The Arranger is not responsible for (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Issuer or any other person in or in connection with this Information Memorandum; or (b) the legality, validity, effectiveness, adequacy or enforceability of this Information Memorandum or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Information Memorandum; or (c) any determination as to whether any information provided or to be provided to any investor is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

The Arranger or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this document. By accepting this Information Memorandum, investor(s) agree(s) that the Arranger will not have any such liability.

4. Disclaimer of the Stock Exchange:

If required, a copy of this Information Memorandum may be submitted to BSE Limited (hereinafter referred to as "BSE") for hosting the same on its website. It is to be distinctly understood that submission of the



Information Memorandum to the Bombay Stock Exchange should not in any way be deemed or construed to mean that the Information Memorandum has been cleared or approved by Bombay Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Bombay Stock Exchange; 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 Information Memorandum is aimed at assisting investors in taking an informed decision for making investment in the proposed issue.

5. Disclaimer of the Rating Agencies:

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from the sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

6. Disclaimer of the Trustee:

Investors should carefully read and note the contents of the Information Memorandum. Each Prospective investor should make its own independent assessment of the merit of the investment in NCDs/Bonds and the issuer. Prospective investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs 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 can bear the economic risk of investing in such instruments.

7. Disclaimer of the Legal Counsel:

The role of the Legal Counsel in the assignment is confined to advising the Issuer in relation to the applicable laws for issuing the Debentures / Bonds (on the basis of this Information Memorandum as prepared by the Issuer and issuing a certificate with respect to the same. The Legal Counsel has neither scrutinized nor vetted nor reviewed nor has it done any due-diligence for verification of the contents of this Information Memorandum. Legal Counsel has based its certification on information obtained from the sources believed by it to be accurate and reliable as per the best of its knowledge and understanding. Legal Counsel does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information.

It is the responsibility of the Issuer to comply with all laws, rules and regulations and obtain all regulatory, governmental and other necessary approvals for the issuance of the Bonds. The Legal Counsel has not



verified whether the regulatory requirements have been fulfilled and necessary approvals have been obtained by the Issuer.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible and liable for its contents. The Issuer confirms that all the information contained in this Information 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 that such information has not been independently verified by the Legal Counsel.

No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Legal Counsel or any of their employees, partners, directors or their Affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Legal Counsel hereby expressly disclaims any responsibility or liability to the fullest extent for the contents of this Information memorandum, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions there from. Neither Legal Counsel nor its affiliates, nor its partners, directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this document. By accepting this Information Memorandum, the Eligible Investor accepts this disclaimer of the Legal Counsel, which forms an integral part of this Information Memorandum and agrees that the Legal Counsel will not have any such liability.

This Information Memorandum does not constitute any recommendation and the Eligible Investors are not to construe the contents of this information Memorandum as investment, legal, regulatory or tax advice, and the Eligible Investors should consult with its own advisors as to all legal, regulatory, and related matters concerning an investment in the Bonds.

Please note that:

- a) the Legal Counsel and/or their Affiliates may, prior to this Issue now and/or in the future, have other legal and advisory, attorney, service provider and other relationships with the Issuer and other entities related to the Issuer;
- b) as a result of those other relationships, the Legal Counsel and/or their affiliates may get information about the Issuer and/or the Issue or that may be relevant to any of them. Despite this, the Legal Counsel and/or their affiliates will not be required to disclose such information, or the fact that it is in possession of such information, to any recipient of this Information Memorandum under the attorney client privilege or other confidentiality terms between the Legal Counsel and the Issuer;
- c) the Legal Counsel is not acting as trustee or fiduciary for the investors or any other person; and

issuer hereby declares that the issuer has exercised due-diligence to ensure complete compliance of applicable disclosure norms in this Information Memorandum. The Legal Counsel is not responsible for –

- a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the issuer or any other person in or in connection with this Information Memorandum; or
- b) the legality, validity, effectiveness, adequacy or enforceability of this Information Memorandum or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Information Memorandum; or
- c) any determination as to whether any information provided or to be provided to any investor is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.



Forward Looking Statements

All statements in this Information Memorandum that are not statements of historical fact constitute "forward looking statements". Readers can identify forward-looking statements by terminology like "aim", "anticipate", "intend", "believe", "continue", "estimate", "expect", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would" or other words or phrases of similar import. All statements regarding the Issuer's expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward-looking statements and any other projections contained in this Information Memorandum (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

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

INDUSTRY AND MARKET DATA

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



List of Defined Terms used in this Information Memorandum

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

1. General terms

Term	Description
"Pune Municipal Corporation" or the "Corporation" or the "Issuer" or "PMC"	Pune Municipal Corporation established in July 1950 under the Maharashtra Municipal Corporations Act, 1949 having its office at PMC Building, Near Mangla Theatre, Shivajinagar, Pune-411 005 India.
"we", "us", "our"	Unless the context otherwise requires, the Corporation, its Subsidiaries, and joint ventures

2. Corporation related terms

Term	Description
Municipal Act	Maharashtra Municipal Corporations Act, 1949
Auditors	SMDL & Associates, Chartered Accountants, having their office at #3, 'Phule Chambers', off Rajiv Gandhi E learning School, Parvati, Pune - 411009
Committee Member	The Standing Committee Member or Member of a duly constituted committee thereof
Head Office	Pune Municipal Corporation Building, Near Mangla Theatre, Shivajinagar, Pune-411 005, Maharashtra, India.
Committee	Standing Committee of the Pune Municipal Corporation or a duly constituted committee thereof

3. Issue related terms

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue
Application Form	The form in which an investor can apply for subscription to the Debentures.
Beneficial Owner(s)	Holder(s) of the Debentures in dematerialized form as defined under Section 2 of the Depositories Act, 1996
Business Day	As defined in the Summary Term Sheet
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 2013 as amended, re-enacted or replaced from time to time
Coupon Payment Date	As mentioned in the Summary Term Sheet
Credit Rating Agency(ies)/ Rating Agency(ies)	India Ratings and Research Private Limited and Credit Analysis & Research Limited or any other rating agency appointed for rating the issue.
Deemed Date of Allotment	The dates on which allotment for this Issue is made
Debentures / Bonds	2000 (Two thousand) unsecured, redeemable, taxable, non-convertible debentures of face of Rs.10,00,000/- (Rupees ten lakh) each for cash at par aggregating to Rs.200,00,00,000/- (Rupees two hundred crore)
Debenture Holder(s) / Bond Holder(s)	The investors who are allotted Debentures
Debenture Trust Deed	An agreement executed as per the terms of this Information Memorandum between the Issuer and Debenture Trustee
Debenture Trustee/ Trustee	SBICAP Trustee Company Limited
Debenture Trustee	Securities and Exchange Board of India (Debenture Trustee)



Regulations	Regulations, 1993, as amended from time to time
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL & CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1996
EPC Contract	Engineering, procurement and construction contract
Information Memorandum	This Information Memorandum which sets out the information regarding the Issue
IRRPL	India Ratings & Research Private Limited
ECS	Electronic Clearing Service
Eligible Investors	Investors listed under the Summary Term Sheet
FEMA	Foreign Exchange Management Act, 1999
FEMA Regulations	Rules and Regulations issued by the RBI under the FEMA
Fiscal	Period of twelve months ended March 31 of that year, unless otherwise stated
FY	Financial year ending on 31 st March
GoM	Government of Maharashtra
GoI	Government of India
Issue	Issue by way of private placement of the Debentures by the Issuer
ISIN	International Securities Identification Number
Maturity Date	The date on which repayment of principal amount in respect of the Debentures shall be made
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
Pay-in Date	Unless the context otherwise requires, the date on which the Debenture Holders shall make payment, either in whole or in part, as may be applicable, for subscription to the Debentures
PCMC	Pimpri Chinchwad Municipal Corporation
Record Date	The date prior to the Maturity Date on which the determination of the persons entitled to redemption premium / discount in respect of the Debentures (i.e., persons whose names are registered in the Register of Debenture Holders or Depositories record) shall be made
Registered Debenture Holder	The Debenture Holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by Depositories for this purpose
Register of Debenture Holders	The register maintained by the Issuer containing the name of Debenture Holders entitled to receive redemption premium in respect of the Debentures on the Record Date, which shall be maintained at the registered office of the Issuer
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having offices at Karvy Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
RTGS	Real Time Gross Settlement
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 as amended from time to time
Term Sheet	The respective summary term sheet which specifies the terms and conditions applicable to the Issue of Debentures



4. Conventional and General Terms, Abbreviations and References to Other Business Entities

Abbreviation	Full form
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
HY	Half year ending on 30 September
IPO	Initial public offering
ISIN	International Securities Identification Number
IT Act	The Income Tax Act, 1961, as amended from time to time
LOA	Letter of Allotment
LOA ISIN	Letter of Allotment ISIN
MOEF	Ministry of Environment and Forests
MTPA	Million tonnes per annum
MW	Mega Watt
NCR	National Capital Region of Delhi
BSE	Bombay Stock Exchange of India Limited
NSE	National Stock Exchange
p.a.	per annum
PAN	Permanent Account Number
PAC	Persons acting in concert
RBI	The Reserve Bank of India
Rs.	Rupees
TDS	Tax Deducted at Source
AMR	Automatic meter Reading
ARV	Annual Rental Value
CDP	City Development Plan
CI	Cast Iron
cm	Centimetre
CPHEEO	Central Public Health and Environmental Engineering Organisation
DI	Ductile Iron
DMA	District Metering Area
EMF	Electro Magnetic Flow meter
ESR	Elevated Service Reservoir
FGL	Finished Ground Level
FSI	Floor Space Index
FSL	Full Supply Level
GI	Galvanizes Iron
GPRS	General Packet Radio Service
gm	Gram
GL	Ground level
GSR	Ground Service Reservoir
HLR	High Level reservoir
hp	Horsepower
HRT	Hydraulic Retention Time
HSC pump	Horizontal Split Case centrifugal pump
HSC	House Service Connection
hr	Hour
IRR	Internal Rate of Return
IS	Indian standard
IWWA	Indian Water Works Association
IWA	International Water Supply Association
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KL	Kilo Litre



km	Kilometre
kV	Kilo Volt
kVA	Kilo Volt-ampere
kW	Kilo Watt
L	Litre
LDL	Lowest Draw Level
LLR	Low Level reservoir
lpcd	Litres per capita per day
m	Metre
m ²	Square metre
m ³	Cubic metre
m ³	Cubic metre
MBR	Master Balancing Reservoir
mg/l	Milligram per litre
ML	Million Litres
MLD	Million Litres per Day
MLR	Middle Level reservoir
MT	Metric Tonnes
NPV	Net Present Value
NRW	Non-Revenue Water
O & M	Operation and Maintenance
PAC	Poly Aluminium Chloride
PCWW	Pune Cantonment Water works
PF	Power factor
PMC	Pune Municipal Corporation
PSC	Pre Stressed Concrete
PRV	Pressure Reducing Valve
RCC	Reinforced Cement Concrete
RL. m	Reduced Level in meters
SCADA	Supervisory Control and Data Acquisition
TDS	Total Dissolved Solids
SR	Service Reservoir
TMC	Thousand Million cubic feet
UFW	Unaccounted For Water
VT Pump	Vertical Turbine pump
WTP	Water treatment Plant

Unless the context of this Information Memorandum otherwise requires, the following rules of interpretation shall apply to this Information Memorandum:

- (i) references to one gender include all genders. The singular shall include the plural, and the plural shall include the singular;
- (ii) references to statutes or statutory provisions include such statutes or statutory provisions and any orders, regulations, instruments or other subordinate legislation made under them as amended, supplemented, extended, consolidated, re-enacted or replaced from time to time; and
- (iii) references to an agreement or any other document in this Information Memorandum shall, be construed as a references to the agreement or such other document as amended, restated, varied, supplemented, notated and/or replaced in any manner from time to time.



Risk Factors

1. General Risks

Prospective investors should consult their own legal, regulatory, tax, financial and/or accounting advisors about risks associated with an investment in the Debentures and the suitability of investing in the Debentures in light of their particular circumstances.

Investment in these Debentures involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment if the Debentures are not held till or for any reason must be sold or redeemed before the final redemption date. Potential investors are advised to read this Information Memorandum carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. This Information Memorandum has not been submitted, cleared or approved by SEBI.

2. Credit Risk

This is the second issue from the Issuer since its establishment in 1950 and PMC have repaid the earlier bond issue on the timely manner. The Issuer currently has an issuer rating of "AA+" by India Ratings; the rating was upgraded to "AA+" from "AA" in December 2016. Issuer also received an issue rating of "AA+" from CARE ratings agency in March 2017, which pertains to the current proposed issue.

There is a risk that either the Issuer rating or the Issue rating of the Issuer could be downgraded, if there is a deterioration in its financial performance or position, if the accumulation of debt for capital projects results in increased risk to Debenture Holders, or if inter-governmental regulations detrimentally affect either the ability of the Issuer to collect revenues or manage expenditures. The Issuer's current rating is very high, as noted above. Therefore, the risk of a significant deterioration in its financial or debt positions remains low. Issuer has an established record of positive operating performance (operating revenues minus operating expenditures), which has allowed the Issuer to make significant investments in capital projects on a pay-as-you-go basis, and to accumulate sizable restricted and unrestricted reserves. Issuer's financial forecast (on a cash budget accounting basis) shows an expectation that these trends will continue for the foreseeable future. Importantly, Issuer has also adopted a debt management policy, which will preserve its financial flexibility to provide ample coverage of service debt, and maintain its financial flexibility.

3. Financial Risks

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 Debentures

PMC's ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, inter-alia PMC's financial condition, profitability, revenue generation and the general economic conditions prevailing in India and in the global financial markets. PMC cannot assure that PMC would be able to repay the principal amount outstanding from time to time on the Debentures and/or the interest accrued thereon in a timely manner, or at all. PMC will create appropriate escrow account in favour of the Debenture Trustee for the Debenture Holders on the receivables adequate to ensure 100%



cover for the Debentures and interest accrued thereon, the realizable value of the may be lower than the outstanding principal and/or interest accrued thereon in connection with the Debentures.

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 Debentures

PMC's ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, inter-alia PMC's financial condition, profitability, revenue generation and the general economic conditions in India and in the global financial markets. PMC cannot assure that it would be able to repay the principal amount outstanding from time to time on the Debentures, and/or the interest accrued thereon, in a timely manner, or at all. Although PMC will create appropriate escrow account in favour of the Debenture Trustee for the holders of the Debentures on the receivables adequate to ensure 100% cover for the Debentures and interest accrued thereon, the realizable value of the may be lower than the outstanding principal and/or interest accrued thereon in connection with the Debentures.

4. Changes in interest rates may affect the price of the Debentures

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

5. Debentures are unsecured

As the proposed Debentures are unsecured, investors may find it recover their money in case of any default by the Issuer. The Debenture Trustee is not a guarantor and will not be responsible for any loss or claim.

6. Natural Calamities

Natural calamities like floods, droughts & earthquakes could hamper the project implementation; however, the city of Pune has not faced any such calamity in recent past.

Earthquakes: Pune lies very close to the seismically active zone around Koyna Dam, about 100 km (62 mi) south of the city. While the probability of occurrence is 'Indeterminate,' the entire city is at the risk of earthquakes. All the wards have dense population and congested areas, making the population vulnerable to earthquakes.

Floods and Flash Floods: Central Pune is located at the confluence of the Mula and Mutha rivers. There are 3 dams which store water for Pune, and which are upstream. The water is released from the dams on occasions and in monsoons when the dam capacity is full. Hence, flooding of Mula and Mutha rivers happens only during heavy monsoons. PMC has marked the low and high flood lines, and construction is not allowed within this flood zone; however, there are some old or unauthorized constructions, as well as slums in the flood zones. The highest risk of loss of life due to floods, however, would occur in the unlikely event of a Khadakwasla Dam burst.

Landslides: Pune has a saucer shape profile and is surrounded by hills. As the city limits expand, it is increasing stress on the surrounding landscape. The Issuer is permitting the use of foot hill



slopes for construction activities. Roads are also constructed by cutting the hills. Therefore, the remaining hills are prone to landslides and mudslides.

7. Terrorism:

Pune has a high probability of terrorism. A series of bomb blasts in recent years have placed Pune on the terrorism map. With several key military installations Pune is a potential target for national and international terrorism.

8. Disaster Management Planning

PMC completed a disaster management plan in 2016, in which it conducted a thorough risk assessment and vulnerability mapping across its various wards. PMC also operates a disaster management cell that is to respond and coordinate immediately as and when a disaster occurs, take effective actions by providing relief and aid to the affected, and enhance the preparedness of the municipal corporation in the event of a disaster. This includes establishing different help and relief groups, training, mock drills and awareness programs. The cell co-ordinates with other departments such as police, fire brigade, district administration, Divisional Commissioner office, Irrigation Department, Department of Climatology, Secretariats, etc. during pre-disaster, disaster and post-disaster to carry out vital functions. The disaster management plan, however, recognizes that the capacity of the fire, police and emergency services are inadequate in PMC.

9. Decentralization and Municipal Corporations

Decentralization within India is an ongoing process, and further adjustments in service responsibility, taxation authority and accountability are likely in the coming years. PMC has legislative and administrative control over its operating revenues, expenditures and capital plans, as permitted under the Municipal Act of Maharashtra. Nevertheless, changes in State and Central Government revenue sources and regulatory frameworks could have an effect on the credit profile of PMC (positive and negative), should those changes result in devolution of power, of revenues or of spending mandates. Recent examples include investment and institutional reform initiatives by the MoUD under the JNNURM program and under its successor, the Smart Cities program, and the adoption of the GST by the Government of India and by the states. In the State of Maharashtra, for example, part of its GST allocation will go to the municipal corporations as a replacement for the local body tax. The Maharashtra State Government is set to implement GST from 1st July 2017. With the implementation of GST, the PMC will discontinue levying LBT, which is one of the main sources of revenue for the civic body, PMC. Under the proposed Maharashtra Goods and Services Tax (Compensation to Local Authorities) Act, 2017 State Government shall compensate PMC for losses of revenue accrued to PMC due to discontinuation of LBT, by way of grant as per a pre-determined formula. The amount and other details of the same are yet to be finalized.

Additionally, PMC is subject to regulations by Indian governmental authorities. These laws and regulations impose numerous requirements and restrictions for PMC to grow our area of operations and revenue generation, including asset classifications and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect PMC.

10. Pune Municipal Corporation Policy Focus

Periodic elections and / or rotation of the municipal commissioner can result in changes in policy focus for the municipal corporation, which can affect the distribution of resources devoted to both operating services and capital projects. While such changes in policy focus might affect the relative priority of capital expenditures for the water project, this will not affect the payment of debt service on the bonds, which are secured by property taxes to be collected and remitted to the escrow agent for payment of debt service for the life of the bonds.



11. Pune Municipal Corporation Water Project

PMC obtained the requisite local, state and central government approvals for the water project (see Section 4, page 46 of this Information Memorandum for details), which will be funded by the proceeds of the authorized bonds, beginning with the Series 2017 bonds. The project is susceptible to regulatory risk by the State, as occurred in recent months when the State imposed a temporary moratorium of construction of water towers which were bid as a separate contract under PMC's water project plan. While such temporary stays of construction could affect the cost and scheduled delivery of the project, they will not affect the payment of debt service for the bonds, which are secured backed by the property taxes to be collected and remitted to the escrow agent for payment of debt service for the life of the bonds.

The water project forecast for construction costs is predicated upon a detailed project report which was completed in 2015. There is a risk that a funding gap could develop in future years should actual project costs exceed cost projections from the study. A funding gap, should it develop, could pose a contingent budgetary risk for PMC's Municipal Fund, or result in a request to the Standing Committee for additional borrowing authority for the water project. The current resolution, however, has a contingency for additional borrowing for completion costs. There is also a possibility that the implementation of the project might get delayed due to workforce issues or due to contractor issues. Potential water project cost overruns or delays will not affect the payment of debt service for the bonds, which are secured backed by property taxes to be collected and remitted to the escrow agent for payment of debt service for the life of the bonds.

12. Financial statements

The audited financial statements through FY 2015-16 and derived ratios there from contained in the Offer Document have been prepared / computed as per the permissible practices. While due care has been taken to reflect the true economic reality regarding the financials of the Corporation as far as possible, the investors may want to make their own adjustments to the same before arriving at an investment decision in this Bond issue.

13. Inconsistent Revenue Collections

Generally, our revenue collection through property tax is not consistent throughout the year.

14. Litigation

As on March 2017, it is estimated that the PMC is involved in approximately 3044 pending cases. Out of these, two claims are for a significant amount, being Rs. 544 Crore and Rs. 242.5 Crore. These claims if materialized can have an impact on the financial position of the Issuer.

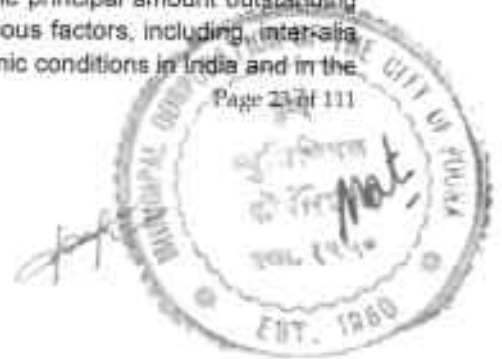
It may be noted that the number of proceedings in which PMC is involved is not unusual for a corporation of its size in the context of functioning as a municipal body of one of the major cities in India.

15. There is no guarantee that the Bonds issued pursuant to this issue will be listed on the BSE in a timely manner, or at all

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the BSE.

16. Uncertainty over recovery, 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

The Issuers ability to pay interest accrued on the Bonds and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including, inter alia, the Issuer's financial condition, profitability and the general economic conditions in India and in the



global financial markets. The Issuer cannot assure that it would be able to repay the principal amount outstanding from time to time on the Bonds and/or the interest accrued thereon in a timely manner, or at all although the Issue is backed by a structured payment mechanism.

17. Volatility in the price of the Bonds

All extraneous factors which influence the bond market will affect the present Bonds. The pricing will be subject to factors affecting the general economic condition in India and in the global financial markets. Further any downgrading in the rating of our Bonds will affect the price of the bonds. All securities where a fixed rate of interest is offered, such as our Bonds are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates 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 and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which accompany inflation and/or a growing economy, may have a negative effect on the price of our Bonds.

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

The Bonds proposed to be issued under this Issue have been rated 'Provisional IND AA+/Stable by IRRPL vide its dated 16th June 2017, 'CARE AA+; Stable' (Double A Plus, Outlook: Stable) by CARE vide its letter dated 15th June 2017. The Issuer cannot guarantee that these credit ratings will not be downgraded by the rating agencies in future. The ratings provided by these Credit Rating Agencies may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit rating may lower the value of the Bonds and may also affect the Issuer's ability to raise further debt.

18. There may be a delay in making refunds to applicants

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



A. Issuer Information

Pune Municipal Corporation

Constituted under the Maharashtra Municipal Corporation Act, 1949

a. Name and Address of the following:

i. Head Office of the Issuer:

Pune Municipal Corporation
Pune Municipal Corporation Building,
Near Mangla Theatre, Shivajinagar,
Pune-411 005 India.
Tel no.: +91-20-2550 1000
Fax no.: +91-20-2550 1104
E-mail: compliance@punecorporation.org
Website: www.pmc.gov.in

ii. Compliance Officer of the Issuer:

Mr. Kunal Mandawale
Revenue & Test Auditor/Dy. Chief Accounts and Finance Officer
Pune Municipal Corporation
Pune Municipal Corporation Building,
Near Mangla Theatre, Shivajinagar,
Pune-411 005 India.
Tel no.: +91-20-2550 1000
Fax no.: +91-20-2550 1104
E-mail: compliance@punecorporation.org

iii. Investor Grievances Contact Person:

Mr. Kunal Mandawale
Revenue & Test Auditor/Dy. Chief Accounts and Finance Officer
Pune Municipal Corporation
Pune Municipal Corporation Building,
Near Mangla Theatre, Shivajinagar,
Pune-411 005 India.
Tel no.: +91-20-2550 1000
Fax no.: +91-20-2550 1104
E-mail: compliance@punecorporation.org

iv. Chief Accounts and Finance Officer of the Issuer:

Ms. Ulka Kalaskar,
Chief Accounts & Finance Officer
Pune Municipal Corporation
Pune Municipal Corporation Building,
Near Mangla Theatre, Shivajinagar,
Pune-411 005 India.
Tel no.: +91-20-2550 1051
Fax no.: +91-20-2550 1104
E-mail: ulka.kalaskar@punecorporation.org



- v. **Arranger of the issue:**
SBI Capital Markets Limited
202, Maker Tower 'E',
Cuffe Parade,
Mumbai - 400 005
Tel: +91-22-22178300
Fax: +91-22-2218 8332
Email: dcn@sbcaps.com
Website: www.sbcaps.com
- vi. **Trustee of the issue:**
SBICAP Trustee Company Limited
Apeejay House, 6th Floor,
3, Dinshaw Wacha Road,
Churchgate, Mumbai - 400 020
Tel: +91 22 43025555
Fax: +91-22- 2204 0465
Email: corporate@sbicaptrustee.com
Website: www.sbicaptrustee.com
- vii. **Registrar of the issue:**
Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot Nos. 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032
Tel: +91-40-6716 1500
Fax: +91-40-2331 1968
Contact: Mr. MRV Subramniam
Email: einward.ris@karvy.com
Website: www.karvycomputershare.com
- viii. **Credit Rating Agencies of the issue:**
1. **India Ratings and Research Private Limited**
Wockhardt Tower, Level 4, West Wing
Bandra Kurla Complex, Bandra (E)
Mumbai - 400051
Tel: +91-22-4000 1700
Fax: +91-22-4000 1701
Website: www.indiaratings.co.in
2. **Credit Analysis & Research Ltd.**
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456
Fax: +91-22-6754 3457
E-mail: care@careratings.com
Website: www.careratings.com



- ix. **Auditors of the Issuer:**
M/s. SMDL & Associates,
Chartered Accountants
FRN: 134444W
#3, 'Phule Chambers',
off Rajiv Gandhi E learning School,
Parvati, Pune - 411009
Tel: +91-20-2422 5256
Email: smdl.pune@gmail.com

- x. **Legal Counsel to the Issue:**

Legasis Partners
B-105, International Convention Centre,
Senapati Bapat Road,
Pune - 411016, India.
Tel: +91-20-3029 4200
Fax: +91-20-3022 1012
Email: suhas.t@legasispartners.in

- xi. **Relevant Act under which the Issuer is constituted and governed**

The Issuer has been constituted and is governed under the provisions of the Maharashtra Municipal Corporations Act, 1949, as amended from time to time.



B. Organization Details
Pune Municipal Corporation

Constituted under the Maharashtra Municipal Corporation Act, 1949

a. Details of Mayor/ Deputy Mayor:

Sr.No.	Name	Designation	Appointment Date
1	Mrs. Mukta Shailesh Tilak	Mayor	15.03.2017
2	Dr. Siddharth Dhende	Deputy Mayor	14.06.2017

b. Details of Commissioner / Deputy Commissioner:

Sr. No	Name	Designation	Appointment Date
1	Mr. Kunal Kumar	Commissioner of Pune	19.08.2014
2	Mrs. Sheetal Ugale	Additional Commissioner, General & Estate	11.05.2017
3	Mrs. Prerana Deshbrathar	Additional Commissioner, Special	05.03.2016
4	Mr. Prakash Borse	Deputy Commissioner, General & Vigilance	08.08.2014
5	Mr. Dnyaneshwar Molak	Deputy Commissioner, LBT	30.10.2001
6	Mr. Vilas Kanade	Deputy Commissioner, Special	30.10.2001
7	Mr. Satish Kulkarni	Deputy Commissioner, Estate Management & Election	02.05.2014
8	Mr. Suhas Mapari	Deputy Commissioner, Tax Assessor and Collector	25.08.2014
9	Mr. Sunil Kesari	Deputy Commissioner, Zonal	28.11.2011
10	Mr. Suresh Jagtap	Deputy Commissioner, Zonal & Solid Waste Managment	30.10.2001
11	Mr. Vijay Dahibhate	Deputy Commissioner, Zonal	02.12.2008
12	Mr. Dnyaneshwar Molak	Deputy Commissioner, Zonal	30.10.2001
13	Mr. Bhor	Deputy Commissioner, Social Welfare	21.11.2016

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

The Issuer has not undergone any reorganization or reconstruction in the last 1 year



d. Details of the members of the Committee approving the project/ various Standing Committees relating to taxation / Finance / Accounts / Audit / Infrastructure:

i. Standing Committee:

Purpose of the Committee

- Standing Committee as per the Municipal Act, is responsible for all the decisions pertaining to municipal finance matters. The Standing Committee comprises of 16 members out of the 161 elected from the general elections.
- The Standing Committee enjoys financial powers pertaining to municipal finance matters and is subjected to supervision by the state government.
- While preparation of the civic budget is one of its significant functions, it is a stakeholder in almost all financial decisions such as approval of project tenders.

The details of the members of the Standing Committee as on 31st May 2017 are as follows:

Sr. No.	Name & Designation	Date of Appointment/ Resignation	Member of the Committee since (in case of resignation)	Remarks
1	Mr. Muriidhar Mohol Chairman	29.03.2017		Elected Representatives
2	Mr. Kamble Sunil Dnyandeo Member	29.03.2017		Elected Representatives
3	Mrs. Khade Nilima Dattatray Member	29.03.2017		Elected Representatives
4	Mr. Tingre Anil (Bobby) Vasantrao Member	29.03.2017		Elected Representatives
5	Mr. Samel Yogesh Dattatraya Member	29.03.2017		Elected Representatives
6	Mr. Barate Rajabhau Kisan Member	29.03.2017		Elected Representatives
7	Mr. Charwad Haridas Krushna Member	29.03.2017		Elected Representatives
8	Mr. Tupe Maruti Shivaji Member	29.03.2017		Elected Representatives
9	Mrs. Nagpure Manjusha Deepak Member	29.03.2017		Elected Representatives
10	Mrs. Vairage Kavita Bharat Member	29.03.2017		Elected Representatives
11	Mr. Bagve Avinash Ramesh Member	29.03.2017		Elected Representatives
12	Mr. Bhangire Pramod Urf Nana Vasant Member	29.03.2017		Elected Representatives
13	Mr. Barate Dilip Prabhakar Member	29.03.2017		Elected Representatives



14	Mr. Alkunte Anand Anna Member	29.03.2017		Elected Representatives
15	Mrs. Tingre Rekha Chandrakant Member	29.03.2017		Elected Representatives
16	Mrs. Gadade Priya Shivaji Member	29.03.2017		Elected Representatives

ii. City Development Committee:

This special committee addresses issues and questions pertaining to:

- City Engineers Department
- Roads, buildings, water supply and waterworks, parks and gardens, fire-brigade, workshop mechanical branch and other works of the engineering department
- Public safety and convenience
- Lands and estates department
- Inspection of all the work done and calling for reports from the Municipal Commissioner whenever necessary.
- General improvement of the city, master plan, schemes, industrial estate, housing schemes etc.
- Slum improvement, slum clearance, housing and social welfare issues related to the same.

The details of the members of the City Development Committee as on 31st May 2017 are as follows:

Sr. No.	Name & Designation	Date of Appointment/ Resignation	Member of the Committee since (in case of resignation)	Remarks
1	Ladkat Mahesh Namdeo Chairman	07.04.2017		Elected Representatives
2	Dagade Patil Kiran Dy. Chairman	07.04.2017		Elected Representatives
3	Ghate Dhraj Ramchandra Member	07.04.2017		Elected Representatives
4	Wable Mahesh Narsing Member	07.04.2017		Elected Representatives
5	Jangale Ujjwala Subhash Member	07.04.2017		Elected Representatives
6	Sahastrabuddhe Madhuri Sriram Member	07.04.2017		Elected Representatives
7	Vaste Smita Padmakar Member	07.04.2017		Elected Representatives
8	Sawant Sheetal Ajay Member	07.04.2017		Elected Representatives
9	Smt. Rajguru Latataai Dayaram Member	07.04.2017		Elected Representatives
10	Oswal Balaurf Pramod Premchand Member	07.04.2017		Elected Representatives
11	Dodke Sachin Shivajirao Member	07.04.2017		Elected Representatives



12	Gaikwad Pradip Machhindra Member	07.04.2017		Elected Representatives
13	Pathare Suman Balasaheb Member	07.04.2017		Elected Representatives

iii. **Estimates Committee:**

For the projects approved in the Budget, the detailed project cost estimates are made by the concerned department and is put up to the Estimates Committee for approval and technical sanction. This special committee considers the following:

- coordination of various technical persons needed to authorize/authenticate the estimate of work/project etc for an expenditure of amount exceeding Rs. 1 crore;
- technical project approval and overall development of city.

The details of the members of the Estimate Committee as on 31st May 2017 are as follows:

Sr. No.	Name & Designation	Date of Appointment/ Resignation	Member of the Committee since (in case of resignation)	Remarks
1	Ms. Prema Deshbhratar (Additional Municipal Commissioner Special) Chairperson	29.05.2017		
2	Mr. Prashant Waghmare (City engineer) Co-Chairman	25.02.2009		
3	Mr. Srinivas Bonala (Chief Engineer – Projects) Member	25.02.2009		
4	Mr. V G Kulkarni (Chief Engineer Water Supply) Member	25.02.2009		
5	Mr. Rajendra Raut (Chief Engineer – Roads) Member	25.02.2009		
6	Mr. Sandip Khandve (Superintending Engineer) Member & Secretary	25.02.2009		
7	All Superintending Engineers of all technical departments	25.02.2009		



e. Details of the Auditors:

Name	Address	Auditor since
SMDL & Associates, Chartered Accountants FRN: 134444W	#3, 'Phule Chambers', off Rajiv Gandhi E learning School, Parvati, Pune 411009 Tel: +91-20-2422 5256 Email: smdl.pune@gmail.com	FY 2013

f. Details of the Trustee:

Name	Address	Contact person
SBICAP Trustee Company Limited	SBICAP Trustee Company Limited Apeejay House, 6th Floor, 3, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020 Tel: +91 22 43025555 Fax: +91-22- 2204 0465 Email: corporate@sbicaptrustee.com Website: www.sbicaptrustee.com	Mr. Ajit Joshi



C. A brief summary of the business / activities of the issuer and the Project for which funds are to be raised:

a. Overview of the issuer:

About Pune:

Pune, formerly Poona, is the eighth largest urban agglomeration and ninth largest city in India, the second largest in the state of Maharashtra after Mumbai, and the largest city in the Western Ghats. As of the most recent census taken in 2011, the city population is 3,124,458, while the metropolitan area population is 5,049,968. Once the centre of power of the Maratha Empire, it is situated 560metres above sea level on the Deccan plateau at the confluence of the Mula and Mutha rivers. It is situated on the leeward side of the Sahyadri mountain range, which forms a barrier from the Arabian Sea. It is a relatively hilly city, with its tallest hill, Vetal Hill, rising to 800 m above sea level.

Pune is known to have existed as a town since 937 AD. In 1730, Pune became an important political center as the seat of the Peshwa, the prime minister of the Chhatrapati of Satara. It was during this era that Pune became the centre of Indian politics. After the town was annexed to British India in 1817, it served as a cantonment town and also as the "monsoon capital" of the Bombay Presidency until the independence of India.

Today, Pune Metropolitan Area is a growing center for industrial, commercial and institutional employment. It is home to a number of automobile manufacturers, including Bajaj Auto, Tata Motors and DaimlerChrysler.

Engineering goods industries include Bharat Forge Ltd, Cummins Engines Co Ltd., and Thermax Limited, which is a global player in sustainable energy and environmental solutions. Electronic goods giants, such as Whirlpool and LG have appliance manufacturing plants in Pune, as do food majors, such as Frito Lay and Coca Cola. A number of key IT parks in Pune have allowed the software industry to thrive, including such firms as Fiserv, Infosys, Tech Mahindra, Accenture, HSBC Global Technology, IBM, Dell and Siemens, among many others.

Pune Metropolitan Area has over 100 universities and colleges, including the Savitribai Phule Pune University (established in 1948), with 46 academic departments and several important research institutes. Other universities include the Bharati Vidyapeeth Deemed University, the Deccan College Post-Graduate and Research Institute, the Gokhale Institute of Politics and Economics, the Indian Institute of Science Education and Research, and the Institute of Armament Technology. It is also home to a number of key military installations and colleges, including Air Force Station Lohegaon, and the College of Military Engineering.

About Pune Municipal Corporation

PMC is the second-largest corporation in the state of Maharashtra. It was established in 1950 and is governed by The Maharashtra Municipal Corporations Act. PMC is mainly responsible for the administration of the city, maintaining infrastructure facilities, and providing various civic services such as water supply, solid waste management, sewerage, education, health and others to its citizens.

The Pune municipal area is divided into 41 municipal wards and each ward is represented by four elected ward members called the corporators. The general body is formed by the corporators and they elect a Mayor and a Deputy Mayor from among themselves. Corporators take care of civic infrastructure



of their wards while the assistant Municipal Commissioner of PMC is in charge of local administration in the wards.

Elected representatives in PMC:

Pune city administration of 15 wards is further divided into 41 'prabhags' classified into four groups namely 'A', 'B', 'C' and 'D' with a total number of 167 councillors / corporators out of which 5 councillors / corporators are co-opted and 162 councillors / corporators are elected. These councillors and five appointed members comprising the general body are headed by the Mayor. The governance is distributed in terms of policy making as a responsibility of the General Body, financial decision making as a responsibility of the Standing Committee and Municipal Commissioner as the Chief Executive of the authority.

Standing Committee is the most powerful body in Pune Municipal Corporation as per the Municipal Act, responsible for all the decisions pertaining to municipal finance matters. The Standing Committee comprises 16 members out of the 162 elected from the corporation elections. These 16 members of the Standing Committee then elect a chairman of the committee. While preparation of the civic budget is one of its significant functions, it is a stakeholder in almost all financial decisions such as approval of project tenders.

In the elected wing the Mayor is the head and is subordinated and supported by wards committees/ prabhag samitis. Councillors are elected representatives of 76 electoral wards of the city who are elected every 5 years and the meeting of the councillors is held once in a month. The electoral wards and their "structure" keeps changing. It went from being 48 wards with 3-member panels, to 144 single member wards, to now 76, 2-member panels and now is of 39 wards with 4-member panel and two wards with 3-member panel.

The mayor, the first citizen of the city, is elected by the councillors and holds office for a period of two and a half years, according to the Municipal Act. The Mayor presides over the General Body Meetings of the councillors. Along with the General Body there are different committees which work in the city. Wards are represented by the wards committees, whose main function is to approve the cost of works for the wards, incorporate the expenses in the budget etc. There are 15 Prabhag Samitis in Pune city. According to Section 29A of the Municipal Act the minimum number of Wards Committees in a corporation with a population of above of 24 lakhs has to be 13 can be increased up to maximum 25 Wards Committees. Accordingly, Pune has 15 Wards Committees for a population of 30 lakhs.

Administrative cadre in PMC:

The Administrative wing of the PMC works under the command of Municipal Commissioner who is heading a team of officials from Additional Commissioner level to Deputy Commissioner and other line of officials who administer their respective domains. The Administrative wing is responsible for all the developmental works in the city, maintenance of infrastructure, collection of taxes, preparation of developmental plans and budgets. PMC has more than 18000 employees in several cadres.

Functions of the Corporation:

The Municipal Act defines the scope and extent of responsibilities of the Corporation. The Municipal Act has entrusted PMC the responsibility for the maintenance, operation and development of certain public utilities in the city. The services presently being provided by the PMC are classified as obligatory and discretionary services.



Services provided by the Pune Municipal Corporation

➤ *Obligatory services*

1. Erection of boundary of city defining city limits.
2. Watering, Scavenging and Cleansing of all public streets and places
3. Sewage services
4. Drainage services
5. Fire services
6. Health & Medical services
7. Street Lighting services
8. Maintenance of a monuments & open spaces
9. Identification of streets & houses
10. Regulation and abatement of offensive and dangerous trades or practices
11. Maintenance of burial houses and funeral homes
12. Construction or acquisition of public markets and slaughter houses
13. Construction or acquisition of cattle-pounds
14. Primary education services
15. Health and hygiene services
16. Construction, maintenance and alternation of bridges
17. Water supply services
18. Preventing and checking the spread of dangerous diseases
19. The securing or removal of dangerous buildings and places
20. Construction of conservancy staff quarters
21. Maintenance of relief works in scarcity, flood etc.

➤ *Discretionary Services*

1. Construction and maintenance of maternity homes & infant welfare houses
2. Maintenance of central laboratories
3. Swimming pool and other public health services
4. Tree plantation on road sides
5. Construction and maintenance of public parks and gardens
6. The holding of exhibition, athletics or games
7. The maintenance of an ambulance services
8. Construction and maintenance of theaters, community halls and museums etc.
9. Building or purchase of staff quarters
10. Construction and maintenance of public transport facilities
11. Construction and maintenance of educational institutes
12. Construction and maintenance of infirmaries and hospitals
13. The destruction of animals and birds causing a nuisance
14. Construction and maintenance of factory for the disposal of sewage
15. The building or purchase and maintenance of suitable dwellings for the poor and working classes
16. Provision of shelter to homeless persons and poor relief
17. Surveys of buildings or lands
18. Measures to meet any calamity affecting the public in the city any measure to promote public safety, health, convenience or instruction

Strengths of Pune

- Second Largest City of The State
- Excellent Connectivity To Mumbai
- Presence Of Multinationals

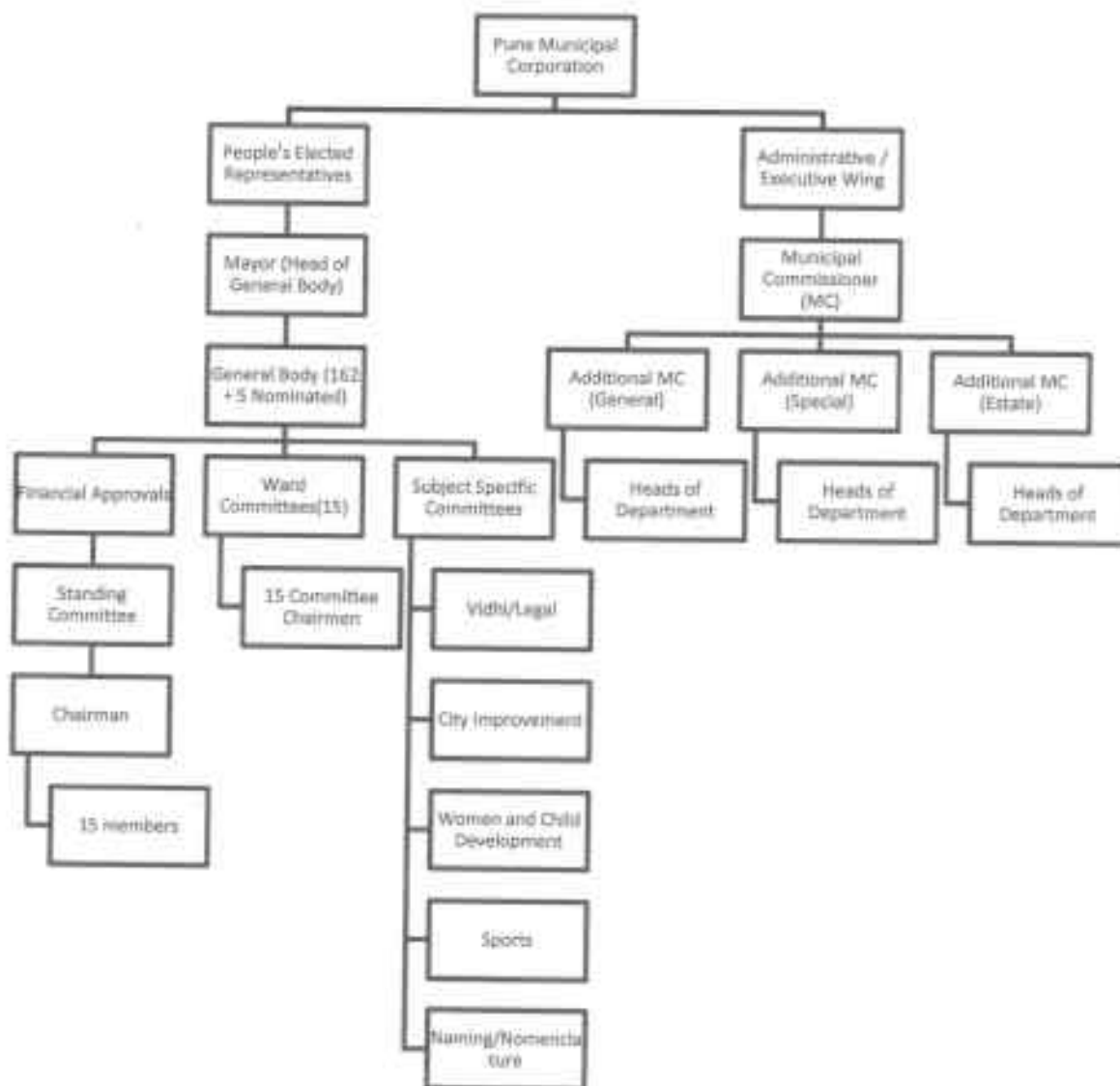


- Reliable And Consistent
- Upgraded Telecom Facility
- Healthy Industrial Climate
- Availability Of Technical Manpower
- Salubrious Climate
- Good Water Supply
- Peaceful Law And Order
- Academic And Cultural Centre



b. Management Structure of the Issuer:

i. Management Structure of the Issuer:



Ant

dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

12. Common Form of Transfer

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

13. Interest on Application Money

Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds.

Such interest shall be paid for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed as per Actual/Actual day count convention. Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

Provided that, notwithstanding anything contained hereinabove, Bank shall not be liable to pay any interest on monies liable to be refunded in case of Invalid Applications or Applications liable to be rejected.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be dispatched by the Issuer within 15 days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s), as the case may be, will be dispatched by registered post to the sole/ first applicant, at the sole risk of the applicant.

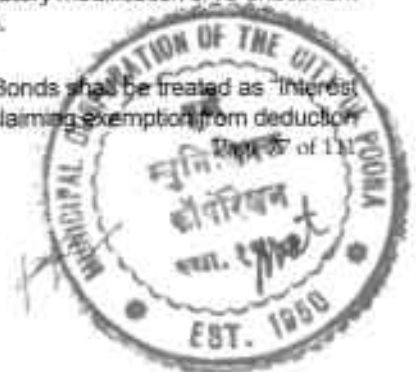
14. Interest on the Bonds

The Bonds shall carry a fixed rate of interest at the Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the next Coupon Payment Date/ Call Option Date (if exercised), payable on the "Coupon Payment Dates", on the outstanding Principal Amount of Bonds, to the holders of Bonds (the "Holders" and each, a "Holder") as of the relevant Record Date. Interest on Bonds will cease from the Call Option Date (if exercised) in all events.

15. Deduction of Tax at Source

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

Interest payable subsequent to the Deemed Date of Allotment of Bonds shall be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction



of income tax at source on the interest payable on Bonds should submit tax exemption certificate/document, under Section 193 of the Income Tax Act, 1961, if any, with the Registrars, or to such other person(s) at such other address (es) as the Issuer may specify from time to time through suitable communication, at least 45 days before the payment becoming due. Regarding deduction of tax at source and the requisite declaration forms to be submitted, applicants are advised to consult their own tax consultant(s).

16. 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.

17. Succession

Subject to the provisions of The Maharashtra Municipal Corporations Act, 1949, 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:

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

18. Joint - Holders

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to provisions contained in the Maharashtra Municipal Corporations Act, 1949 and the amendments there to.

19. Procedure for deciding and adjusting payment dates

Please refer to "Business Day Convention" in the Summary Term Sheet.

20. List of Documents which have been executed/ will be executed in relation to the issue

Please refer to "Transaction Documents" in the Summary Term Sheet.

21. 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 courts of Pune, Maharashtra.



22. Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer shall endeavor to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has designated a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Information Memorandum.

23. Material Contracts & Agreements Involving Financial Obligations of the Issuer

By very nature of its business, the Issuer is involved in many transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts referred to in below (not being contracts entered in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material that have been entered into by the Issuer. Copies of these contracts together with the copies of documents may be inspected at the Head Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

Material Contracts & Documents

- a. Letter appointing Registrars
- b. Letter appointing Trustee to the Issue.
- c. The Maharashtra Municipal Corporations Act, 1949
- d. General Body Resolution of the meeting held on 7th June 2017 authorizing issue of Bonds offered under terms of this Information Memorandum.
- e. State Government Approval dated 12th June 2017 authorizing the issue of Bonds.
- f. Letter of Consent from the Trustee to act as Trustee to the Issue.
- g. Letter of Consent from the Registrars for acting as Registrars to the Issue.
- h. Letter/Email granting in-principle Approval for listing of Bonds by BSE.
- i. Letter from IRRPL dated 16th June 2017 & CARE dated 15th June 2017 conveying the credit rating for the Bonds.
- j. Tripartite Agreement between the Issuer, Bank of Maharashtra and the Trustee for operation of Escrow Account, Interest Payment Account, Debt Service Reserve Account and Sinking Fund Account.
- k. Debenture Trust Deed
- l. Financial Reports of the Issuer



E. Issue Details**a. Summary Term Sheet:**

Security Name	7.59% Pune Muni Bond 2027 Series I
Issuer	Pune Municipal Corporation
Type of Instrument	Unsecured, listed, taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	• Mutual Funds registered with SEBI; • Public Financial Institutions as defined in Section 2(72) of the Companies Act, 2013; • Scheduled Commercial Banks; • State Industrial Development Corporations; • Multilateral and Bilateral Development Financial Institutions; • Insurance Companies registered with the Insurance Regulatory and Development Authority; • Provident Funds; • Pension Funds; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Insurance Funds set up and managed by army, navy or air force of the Union of India • Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013; • Statutory Bodies/ Corporations; • Cooperative Banks; • Regional Rural Banks; • Limited Liability Partnerships; • Trusts including Public/ Private/ Charitable/ Religious Trusts; • Societies registered under the applicable laws in India and authorized to invest in Debentures; • Any other legal entities authorized to invest in Debentures, subject to compliance with the relevant regulations applicable to such entities.
Investors not eligible to apply	• Venture Capital Funds; • Foreign Nationals; • Minors without a guardian name; • Persons resident outside India; • Overseas Corporate Bodies; • Person ineligible to contract under applicable statutory/ regulatory requirements; • Resident Individual Investors, Hindu Undivided Families through Karta, Non Resident Indians applying for aggregate face value of Bonds of up to and including Rs. 25 lacs
Listing	Wholesale debt market segment of BSE Ltd
Rating of the Instrument	CARE AA+; Stable by CARE & 'Provisional IND AA+' Stable by IRRPL
Issue Size	Rs. 200,00,00,000/- (Rupees two hundred crores only)



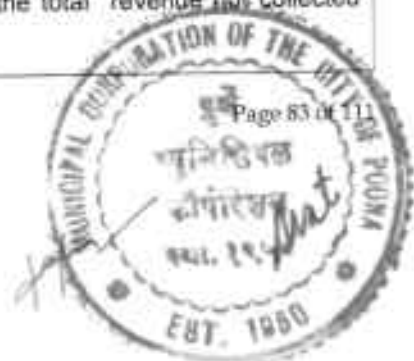
Option to retain oversubscription (Amount)	NA
Objects of the Issue	The proceeds for the issue shall be utilised towards capex for implementation of 24X7 water supply project
Details of the utilization of the Proceeds	As per 'Objects of the Issue'
Coupon Rate	7.59% p.a.
Taxable/Tax free	Taxable
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Semi Annual
Coupon payment dates	20 th December & 20 th June of each year till redemption of bonds
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
Day Count Basis	Actual / Actual
Interest on Application Money	Interest at the Coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the deemed Date of Allotment. Provided that, notwithstanding anything contained hereinabove, Issuer's Bank shall not be liable to pay any interest on monies liable to be refunded in case of invalid applications or applications liable to be rejected including Applications made by persons ineligible to apply for and/or hold the Bonds.
Tenor	10 Years
Redemption Date	20 th June, 2027
Redemption Amount	Rs. 10 lakh per bond (at par)
Redemption Premium /Discount	Not Applicable
Issue Price	At par i.e. Rs. 10 lakh per bond
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. 10,00,000/- (Rupees ten lakhs)
Minimum Application and in multiples of Debt Securities thereafter	Minimum 5 bonds and Multiple of 1 thereafter



Structured Mechanism	Payment	Under the structured payment mechanism property tax collected by and due to PMC will be deposited every month in a separate no-lien escrow account for debt serving of bonds. Firstly, a Debt Service Reserve Account (DSRA) account is funded one day before the pay-in date with an amount equal to two interest payments. The salient features of the Structure Payment Mechanism are as follows: 1. At the beginning of every month, the funds lying/ deposited in escrow account shall be used in the following priority: a) Firstly, transfer to Debt Service Reserve Account (DSRA) to make good any shortfall in DSRA. At all times the DSRA is maintained at 2 interest payments. b) Secondly, transfer to Interest Payment Account on monthly basis, an amount as mentioned in Schedule I and any shortfall in earlier contributions. c) Thirdly, transfer to the Sinking Fund Account on monthly basis, an amount mentioned in Schedule I and any shortfall in earlier contributions. 2. Any surplus funds in the account thereafter shall be transferred out of the escrow account to account of PMC. The debenture trustee shall have the lien on the Interest Payment account, DSRA and Sinking Fund accounts for the benefit of the bond holders. The Amount deposited in Interest Payment Account, DSRA and Sinking Fund shall be used solely for meeting the dues to the bondholders. Any surplus in the account after meeting the dues to the bondholders can be transferred to the PMC. No amount can be withdrawn from these accounts without the approval of Trustee to the bond holders. The Funds lying credited in the Interest Payment Account and DSRA 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 funds lying to the credit of Sinking Fund Account can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AA and 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. Any actual interest income earned and received on the investments made from the funds in the interest payment account and DSRA account can be utilized towards the next installment of the interest in the interest payment account or to cover any shortfall in the DSRA account. DSRA, Interest Payment Account and Sinking Fund Account shall be maintained with Bank of Maharashtra or any scheduled commercial bank rated at least A by two rating agencies through the tenor of the instrument. In case, at any point of time the rating of senior debt of
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	the Bank falls below A, the PMC has to move the funds to other bank satisfying the previous condition. And the bank shall share the annual statements of these three accounts with debenture trustee and the rating agencies during the tenor of bonds. PMC and Trustee shall keep the rating agencies informed in case of change in the escrow banker. Interest Payment Mechanism The Trustee shall check the amount lying to the credit of Interest Payment Account at least 25 days prior to the interest payment date. In case of any shortfall in amount, the Trustee shall intimate PMC of the shortfall and PMC shall make good the shortfall in the Interest Payment Account by at least 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account at 14 days prior to the Interest Payment date, the Trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from DSRA to the Interest Payment Account by 10 days prior to the interest payment date. The Interest shall be paid by PMC on the due date. Any amount drawn from the DSRA should be deposited back in the DSRA account as per the mechanism indicated above. The debenture trustee shall check the balance in the sinking fund at the end of the year and in case of any shortfall in the sinking fund account, PMC shall replenish the sinking fund account with the necessary amount to fill the shortfall. The Trustee shall check the amount lying to the credit of Sinking Fund Account at least 25 days prior to the redemption date. In case of any shortfall in amount, the Trustee shall intimate PMC of the shortfall and PMC shall make good the shortfall in the Sinking Fund Account by at least 15 days prior to the redemption date. The Trustee shall keep the rating agencies informed of any shortfall in Interest Payment Account, DSRA, Sinking Fund Account and any transfer from DSRA to Interest Payment Account.
Financial Covenants	Restriction on the total borrowing (A) <u>DSCR on operating Surplus:</u> Debt Service Coverage Ratio ("DSCR") for the PMC will not be less than 1.5 times of operating surplus calculated as the below: <u>DSCR on operating Surplus</u> = $\frac{\text{operating surplus}}{\text{total debt service}}$ i) Operating surplus calculated as the below: Operating Surplus = total adjusted income – total adjusted expenditure total adjusted income = Total income – Provisions of doubtful debt – (disputed taxes > 1% of the total revenue not collected during the year)



	total adjusted expenditure = Total expenditure – provision of doubtful debt - Depreciation ii) total debt service = interest payment + principal repayment deposited in the sinking funds or proportionate notional principal payment (B) The total amount collected in escrow account shall be atleast 1.25 times of the Debt Service Amount on an annual basis. In case, the ratio falls below 1.25 times, PMC shall not, without the previous approval of the Trustee to the Debenture Holders, borrow any further amount against the cash flow of the escrow account. DSA is defined as follows: DSA = Interest payment for the month + proportionate principal deposited in sinking fund or equal installment of principal redemption
Issue Timing	
1. Issue Opening Date	20 th June, 2017
2. Issue Closing date	20 th June, 2017
3. Pay-in Date	20 th June, 2017
4. Deemed Date of Allotment	20 th June, 2017
Issuance mode of the Instrument	Private placement
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.
Depository	NSDL and/or CDSL
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Pune and the days when the money market is functioning in Mumbai. If the date of payment of interest does not fall on a Business Day, then the payment shall be made on the following business day in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.
Record Date	15 days prior to each Coupon Payment Date and repayment date. In the event the Record Date falls on a day which is not a Business Day, the succeeding Business Day will be considered as Record Date.
Security	NA
Transaction Documents	(a) Copy of letters appointing Arranger to the Issue (b) Copy of letter appointing Registrar to Issuer (c) Copy of letter appointing Debenture Trustee (d) Copy of the Standing Committee Resolution dated 30th May 2017 authorizing issue of Bonds (e) Copy of the General Body Resolution dated 7th June 2017 authorizing issue of Bonds



	(f) Copy of the State approval dated 12th June 2017 authorizing issue of Bonds (g) Letter of consent from the Trustee for acting as trustee for and on behalf of the holder(s) of the Bonds. (h) Letter from BSE conveying their in-principle approval for listing of Bonds. (i) Letter from CARE Ratings conveying the credit rating for the Bonds. (j) Letter from India Ratings conveying the credit rating for the Bonds.
Conditions Precedent to Disbursement	The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following: a) Rating Letters from CARE and IRRPL b) Consent Letter from the Trustee to act as Trustee to the Debenture Holder(s) c) BSE 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 Information 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; c) Taking steps for listing of Bonds with BSE within stipulated time; d) Shall execute DTD with in applicable time Besides, the issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Information 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 Trust Deed to be entered into Issuer and Bond Trustee. Remedies upon the occurrence of an Event of Default will be specified in the Debenture Trust Deed
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 Trust Deed
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 Pune, Maharashtra.

Note: The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Issuer also reserves its sole and absolute right to change the deemed date of allotment of the above issue without giving any reasons or prior notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Call Option Date, if any may also be changed at the sole and absolute discretion of the Issuer. The Issuer reserves the right to close the Issue earlier than the stipulated issue closing date and it is further clarified that the Issuer need not wait for any minimum subscription amount to the Bonds before closing the Issue.



F. DECLARATION

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

The Issuer also confirms that to the best of its knowledge and beliefs this Information Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Information Memorandum also does not contain any false or misleading statement.

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

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

For Pune Municipal Corporation


Commissioner
Place: Mumbai
Date: 19th June 2017



Declaration

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

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For Pune Municipal Corporation



Mayor

Place: Mumbai

Date: 19th June 2017



SCHEDULE I:

Name of the issuer	Pune Municipal Corporation
Issue Amount	Rs. 200 Crores
Deemed Date of Allotment	20-June-17
Pay-in Date	20-June-17
Redemption Date	20-June-27
Tenor	10 Years
Interest Payment Frequency	Semi Annual
Interest Payment Date	20 th December & 20 th June every year till redemption
Coupon	7.59% p.a.

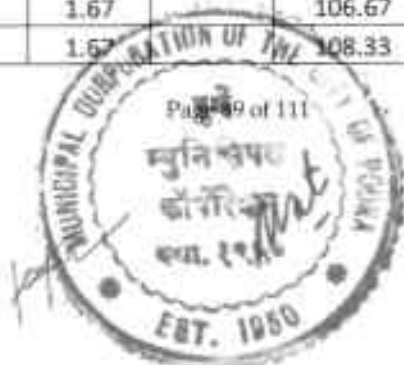
Amounts to be transferred to DSRA Account, Interest Payment Account and Sinking Fund Account

Rs. in crores

Date/Month	DSRA			Interest Payment			Sinking Fund		
	Amount	Transfer to Escrow	Cumulative Amount	Amount	Payment	Cumulative Amount	Amount	Redemption	Cumulative Amount
19-Jun-17	15.18		15.18						
Jul-17	-		15.18	1.52		1.52	1.67		1.67
Aug-17	-		15.18	1.52		3.04	1.67		3.33
Sep-17	-		15.18	1.52		4.55	1.67		5.00
Oct-17	-		15.18	1.52		6.07	1.67		6.67
Nov-17	-		15.18	1.52		7.59	1.67		8.33
Dec-17	-		15.18	1.27	7.59	1.27	1.67		10.00
Jan-18	-		15.18	1.27		2.53	1.67		11.67
Feb-18	-		15.18	1.27		3.80	1.67		13.33
Mar-18	-		15.18	1.27		5.06	1.67		15.00
Apr-18	-		15.18	1.27		6.33	1.67		16.67
May-18	-		15.18	1.27		7.59	1.67		18.33
Jun-18	-		15.18	1.27	7.59	1.27	1.67		20.00
Jul-18	-		15.18	1.27		2.53	1.67		21.67
Aug-18	-		15.18	1.27		3.80	1.67		23.33
Sep-18	-		15.18	1.27		5.06	1.67		25.00
Oct-18	-		15.18	1.27		6.33	1.67		26.67
Nov-18	-		15.18	1.27		7.59	1.67		28.33
Dec-18	-		15.18	1.27	7.59	1.27	1.67		30.00
Jan-19	-		15.18	1.27		2.53	1.67		31.67
Feb-19	-		15.18	1.27		3.80	1.67		33.33
Mar-19	-		15.18	1.27		5.06	1.67		35.00
Apr-19	-		15.18	1.27		6.33	1.67		36.67



May-19	-		15.18	1.27		7.59	1.67	38.33
Jun-19	-		15.18	1.27	7.59	1.27	1.67	40.00
Jul-19	-		15.18	1.27		2.53	1.67	41.67
Aug-19	-		15.18	1.27		3.79	1.67	43.33
Sep-19	-		15.18	1.27		5.06	1.67	45.00
Oct-19	-		15.18	1.27		6.32	1.67	46.67
Nov-19	-		15.18	1.27		7.59	1.67	48.33
Dec-19	-		15.18	1.27	7.59	1.26	1.67	50.00
Jan-20	-		15.18	1.27		2.53	1.67	51.67
Feb-20	-		15.18	1.27		3.79	1.67	53.33
Mar-20	-		15.18	1.27		5.06	1.67	55.00
Apr-20	-		15.18	1.27		6.32	1.67	56.67
May-20	-		15.18	1.27		7.59	1.67	58.33
Jun-20	-		15.18	1.27	7.59	1.26	1.67	60.00
Jul-20	-		15.18	1.27		2.53	1.67	61.67
Aug-20	-		15.18	1.27		3.79	1.67	63.33
Sep-20	-		15.18	1.27		5.06	1.67	65.00
Oct-20	-		15.18	1.27		6.32	1.67	66.67
Nov-20	-		15.18	1.27		7.59	1.67	68.33
Dec-20	-		15.18	1.27	7.59	1.26	1.67	70.00
Jan-21	-		15.18	1.27		2.53	1.67	71.67
Feb-21	-		15.18	1.27		3.79	1.67	73.33
Mar-21	-		15.18	1.27		5.06	1.67	75.00
Apr-21	-		15.18	1.27		6.32	1.67	76.67
May-21	-		15.18	1.27		7.59	1.67	78.33
Jun-21	-		15.18	1.27	7.59	1.26	1.67	80.00
Jul-21	-		15.18	1.27		2.53	1.67	81.67
Aug-21	-		15.18	1.27		3.79	1.67	83.33
Sep-21	-		15.18	1.27		5.06	1.67	85.00
Oct-21	-		15.18	1.27		6.32	1.67	86.67
Nov-21	-		15.18	1.27		7.59	1.67	88.33
Dec-21	-		15.18	1.27	7.59	1.26	1.67	90.00
Jan-22	-		15.18	1.27		2.53	1.67	91.67
Feb-22	-		15.18	1.27		3.79	1.67	93.33
Mar-22	-		15.18	1.27		5.06	1.67	95.00
Apr-22	-		15.18	1.27		6.32	1.67	96.67
May-22	-		15.18	1.27		7.59	1.67	98.33
Jun-22	-		15.18	1.27	7.59	1.26	1.67	100.00
Jul-22	-		15.18	1.27		2.53	1.67	101.67
Aug-22	-		15.18	1.27		3.79	1.67	103.33
Sep-22	-		15.18	1.27		5.06	1.67	105.00
Oct-22	-		15.18	1.27		6.32	1.67	106.67
Nov-22	-		15.18	1.27		7.59	1.67	108.33



Dec-22	-		15.18	1.27	7.59	1.26	1.67		110.00
Jan-23	-		15.18	1.27		2.53	1.67		111.67
Feb-23	-		15.18	1.27		3.79	1.67		113.33
Mar-23	-		15.18	1.27		5.06	1.67		115.00
Apr-23	-		15.18	1.27		6.32	1.67		116.67
May-23	-		15.18	1.27		7.59	1.67		118.33
Jun-23	-		15.18	1.27	7.59	1.26	1.67		120.00
Jul-23	-		15.18	1.27		2.53	1.67		121.67
Aug-23	-		15.18	1.27		3.79	1.67		123.33
Sep-23	-		15.18	1.27		5.06	1.67		125.00
Oct-23	-		15.18	1.27		6.32	1.67		126.67
Nov-23	-		15.18	1.27		7.59	1.67		128.33
Dec-23	-		15.18	1.27	7.59	1.26	1.67		130.00
Jan-24	-		15.18	1.27		2.53	1.67		131.67
Feb-24	-		15.18	1.27		3.79	1.67		133.33
Mar-24	-		15.18	1.27		5.06	1.67		135.00
Apr-24	-		15.18	1.27		6.32	1.67		136.67
May-24	-		15.18	1.27		7.59	1.67		138.33
Jun-24	-		15.18	1.27	7.59	1.26	1.67		140.00
Jul-24	-		15.18	1.27		2.53	1.67		141.67
Aug-24	-		15.18	1.27		3.79	1.67		143.33
Sep-24	-		15.18	1.27		5.06	1.67		145.00
Oct-24	-		15.18	1.27		6.32	1.67		146.67
Nov-24	-		15.18	1.27		7.59	1.67		148.33
Dec-24	-		15.18	1.27	7.59	1.26	1.67		150.00
Jan-25	-		15.18	1.27		2.53	1.67		151.67
Feb-25	-		15.18	1.27		3.79	1.67		153.33
Mar-25	-		15.18	1.27		5.06	1.67		155.00
Apr-25	-		15.18	1.27		6.32	1.67		156.67
May-25	-		15.18	1.27		7.59	1.67		158.33
Jun-25	-		15.18	1.27	7.59	1.26	1.67		160.00
Jul-25	-		15.18	1.27		2.53	1.67		161.67
Aug-25	-		15.18	1.27		3.79	1.67		163.33
Sep-25	-		15.18	1.27		5.06	1.67		165.00
Oct-25	-		15.18	1.27		6.32	1.67		166.67
Nov-25	-		15.18	1.27		7.59	1.67		168.33
Dec-25	-		15.18	1.27	7.59	1.26	1.67		170.00
Jan-26	-		15.18	1.27		2.53	1.67		171.67
Feb-26	-		15.18	1.27		3.79	1.67		173.33
Mar-26	-		15.18	1.27		5.06	1.67		175.00
Apr-26	-		15.18	1.27		6.32	1.67		176.67
May-26	-		15.18	1.27		7.59	1.67		178.33
Jun-26	-		15.18	1.27	7.59	1.26	1.67		180.00



Jul-26	-		15.18	1.27		2.53	1.67		181.67
Aug-26	-		15.18	1.27		3.79	1.67		183.33
Sep-26	-		15.18	1.27		5.06	1.67		185.00
Oct-26	-		15.18	1.27		6.32	1.67		186.67
Nov-26	-		15.18	1.27		7.59	1.67		188.33
Dec-26	-		15.18	1.27	7.59	1.26	1.67		190.00
Jan-27	-	7.59	7.59	1.27		2.53	1.67		191.67
Feb-27	-		7.59	1.27		3.79	1.67		193.33
Mar-27	-		7.59	1.27		5.06	1.67		195.00
Apr-27	-		7.59	1.27		6.32	1.67		196.67
May-27	-		7.59	1.27		7.59	1.67		198.33
Jun-27	-	7.59	-		7.59	(0.00)	1.67	200.00	(0.00)

Notes:

- Any Shortfall in the cumulative amount needs to be met by Escrow Account in priority mentioned in Summary Term Sheet
- Shortfall = Cumulative Amount - Amount lying in relevant Account (including Fixed Deposits/Investment at cost only)
- Accrued Interest or interest not realized by way of cash flow needs to be excluded
- Any Fixed Deposit Interest realized and deposited in Interest Payment Account or DSRA Account can be used towards the months installment of Interest
- In case the funds lying to the credit of Escrow Account are to be utilized before the start of next month, the same can be done provided the payment due to DSRA Account, Interest Payment Account and Sinking Fund Account for that month has been made in priority.



ANNEXURE I: Structured Payment Mechanism

Under the structured payment mechanism property tax collected by and due to PMC will be deposited every month in a separate no-lien escrow account for debt serving of bonds.

Firstly, a Debt Service Reserve Account (DSRA) account is funded one day before the pay-in date with an amount equal to two interest payments.

The salient features of the Structure Payment Mechanism are as follows:

1. At the beginning of every month, the funds lying/ deposited in escrow account shall be used in the following priority:
 - a) Firstly, transfer to Debt Service Reserve Account (DSRA) to make good any shortfall in DSRA. At all times the DSRA is maintained at 2 interest payments.
 - b) Secondly, transfer to Interest Payment Account on monthly basis, an amount as mentioned in Schedule I and any shortfall in earlier contributions.
 - c) Thirdly, transfer to the Sinking Fund Account on monthly basis, an amount mentioned in Schedule I and any shortfall in earlier contributions.
2. Any surplus funds in the account thereafter shall be transferred out of the escrow account to account of PMC.

The debenture trustee shall have the lien on the Interest Payment account, DSRA and Sinking Fund accounts for the benefit of the bond holders. The Amount deposited in Interest Payment Account, DSRA and Sinking Fund shall be used solely for meeting the dues to the bondholders. Any surplus in the account after meeting the dues to the bondholders can be transferred to the PMC. No amount can be withdrawn from these accounts without the approval of Trustee to the bond holders. The Funds lying credited in the Interest Payment Account and DSRA 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 funds lying to the credit of Sinking Fund Account can be deposited in Fixed Deposit with any scheduled commercial bank with a dual rating of AA and 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. Any actual interest income earned and received on the investments made from the funds in the interest payment account and DSRA account can be utilized towards the next installment of the interest in the interest payment account or to cover any shortfall in the DSRA account.

DSRA, Interest Payment Account and Sinking Fund Account shall be maintained with Bank of Maharashtra or the scheduled commercial bank rated at least A by two rating agencies through the tenor of the instrument. In case, at any point of time the rating of senior debt of the Bank falls below A, the PMC has to move the funds to other bank satisfying the previous condition. And the bank shall share the annual statements of these three accounts with debenture trustee and the rating agencies during the tenor of bonds. PMC and Trustee shall keep the rating agencies informed in case of change in the escrow banker.

Interest Payment Mechanism

The Trustee shall check the amount lying to the credit of Interest Payment Account at 25 days prior to the interest payment date. In case of any shortfall in amount, the Trustee shall intimate PMC of the shortfall and PMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account at 14 days prior to the Interest Payment date, the Trustee shall trigger the payment mechanism and instruct bank to



transfer the shortfall amount from DSRA to the Interest Payment Account by 10 days prior to the interest payment date. The interest shall be paid by PMC on the due date. Any amount drawn from the DSRA should be deposited back in the DSRA account as per the mechanism indicated above. The debenture trustee shall check the balance in the sinking fund at the end of the year and in case of any shortfall in the sinking fund account, PMC shall replenish the sinking fund account with the necessary amount to fill the shortfall. The Trustee shall check the amount lying to the credit of Sinking Fund Account at 25 days prior to the redemption date. In case of any shortfall in amount, the Trustee shall intimate PMC of the shortfall and PMC shall make good the shortfall in the Sinking Fund Account by 15 days prior to the redemption date. The Trustee shall keep the rating agencies informed of any shortfall in Interest Payment Account, DSRA, Sinking Fund Account and any transfer from DSRA to Interest Payment Account.

Restriction on the total borrowing

- (A) DSCR on operating Surplus: Debt Service Coverage Ratio ("DSCR") for the PMC will not be less than 1.5 times of operating surplus calculated as the below:

DSCR on operating Surplus = operating surplus / total debt service

- i) Operating surplus calculated as the below:

Operating Surplus = total adjusted income – total adjusted expenditure

total adjusted income = Total income – Provisions of doubtful debt – (disputed taxes >1% of the total revenue not collected during the year)

total adjusted expenditure = Total expenditure – provision of doubtful debt - Depreciation

- ii) total debt service = interest payment + principal repayment deposited in the sinking funds or proportionate notional principal payment

- (B) The total amount collected in escrow account shall be atleast 1.25 times of the Debt Service Amount on an annual basis. In case, the ratio falls below 1.25 times, PMC shall not, without the previous approval of the Trustee to the Debenture Holders, borrow any further amount against the cash flow of the escrow account.

DSA is defined as follows:

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



ANNEXURE II: Rating from CARE



No. CARE/HO/RL/2017-18/1623

Mr. Kunal Kumar, IAS
The Commissioner,
Pune Municipal Corporation,
Shivajinagar,
Pune 4011 005.

June 15, 2017

Confidential

Dear Sir

Credit rating for proposed Non-Convertible Debentures (NCDs)

Please refer to our letter dated March 9th, 2017 and your request for revalidation of the rating assigned to the proposed bond issue of your corporation, for a limit of Rs 200 crore.

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

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed NCDs	200 (Rs. Two hundred crore only)	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed

- The NCDs are repayable as bullet repayment of Rs. 200 crore by 2027 (i.e 10 years after date of issuance).
- 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 details of issue [date of issue, name of investor, amount issued, interest rate, date of maturity, etc.] as soon as it has been placed.

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



6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action, in the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

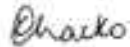
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Dr. Rucha Ranadive
Associate Economist
rucha.ranadive@careratings.com



Ms. Kavita Chacko
Senior Economist
kavita.chacko@careratings.com

Encl.: As above



Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.



ANNEXURE III: Rating from IRRPL
Copy of rating letter from IRRPL

**India Ratings
& Research**

Fitch Group

Mr. Kunal Kumar
Municipal Commissioner
Pune Municipal Corporation
1106, Hari Krishna Temple Road,
Shivajinagar
Pune - 411005

June 16, 2017

Kind Attn: Mr. Kunal Kumar, Municipal Commissioner

Dear Sir,

Re: Long-Term Issuer Rating and Proposed Non-Convertible Debentures Rating for Pune Municipal Corporation

India Ratings and Research (Ind.Ra) has taken the following rating actions on Pune Municipal Corporation (PMC):

Instrument Type	Size of Issue (millions)	Rating/Outlook	Rating Action
Issuer rating	-	IND AA+/Stable	Affirmed
Proposed non-convertible debentures* (NCDs)	INR2,000	Provisional IND AA+/Stable	Assigned

*The final rating will be assigned upon the issuance of NCDs and receipt of transaction documents by the agency. The proposed NCDs have a tenor of 10 years with semi-annual coupon payment frequency and bullet principal repayment.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an extended factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that

India Ratings & Research Private Limited – A Fitch Group Company

Workload Tower, Level 8, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN: U67100MH1995PTC140049 | www.indiaratings.com



by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in a India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings's ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

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

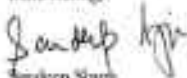
Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

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

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

Sincerely,

India Ratings


Sandeep Singh
Senior Director


Natarajan Nirmalan
Director



ANNEXURE IV: Cash Flow Illustration

Name of the issuer	Pune Municipal Corporation
Face Value	1,000,000
Deemed Date of Allotment	Tuesday, June 20, 2017
Redemption Date	Monday, June 21, 2027
Coupon Rate	7.59%
Frequency of Interest Payment	Semi Annual
Day Count Convention	Actual/Actual

Cash Flows:

Cash Flow	Due Date	Coupon Payment day	Amount (in Rupees)
1st Coupon	Wednesday, December 20, 2017	Wednesday, December 20, 2017	38,053.97
2nd Coupon	Wednesday, June 20, 2018	Wednesday, June 20, 2018	37,846.03
3rd Coupon	Thursday, December 20, 2018	Thursday, December 20, 2018	38,053.97
4th Coupon	Thursday, June 20, 2019	Thursday, June 20, 2019	37,846.03
5th Coupon	Friday, December 20, 2019	Friday, December 20, 2019	37,950.00
6th Coupon	Saturday, June 20, 2020	Monday, June 22, 2020	37,950.00
7th Coupon	Sunday, December 20, 2020	Monday, December 21, 2020	38,053.97
8th Coupon	Sunday, June 20, 2021	Monday, June 21, 2021	37,846.03
9th Coupon	Monday, December 20, 2021	Monday, December 20, 2021	38,053.97
10th Coupon	Monday, June 20, 2022	Monday, June 20, 2022	37,846.03
11th Coupon	Tuesday, December 20, 2022	Tuesday, December 20, 2022	38,053.97
12th Coupon	Tuesday, June 20, 2023	Tuesday, June 20, 2023	37,846.03
13th Coupon	Wednesday, December 20, 2023	Wednesday, December 20, 2023	37,950.00
14th Coupon	Thursday, June 20, 2024	Thursday, June 20, 2024	37,950.00
15th Coupon	Friday, December 20, 2024	Friday, December 20, 2024	38,053.97
16th Coupon	Friday, June 20, 2025	Friday, June 20, 2025	37,846.03
17th Coupon	Saturday, December 20, 2025	Monday, December 22, 2025	38,053.97
18th Coupon	Saturday, June 20, 2026	Monday, June 22, 2026	37,846.03
19th Coupon	Sunday, December 20, 2026	Monday, December 21, 2026	38,053.97
20th Coupon	Sunday, June 20, 2027	Friday, June 18, 2027	37,430.14
Principal Repayment	Sunday, June 20, 2027	Friday, June 18, 2027	1,000,000

Notes: The effect of public holidays have not been factored in while calculating the cash flows.



ANNEXURE V: Trustee Consent Letter

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



**SBICAP Trustee
Company Ltd**

Date : 19th June, 2017.

Pune Municipal Corporation
Revenue & Test Auditor, Room No. 35,
Accounts & Finance Department, Ground floor,
Pune 411005.

Dear Sir,

Kind Attn : Mr. Kunal Mandwale

Proposed Bond issue by Pune Municipal Corporation (the "Corporation") of private placement of Bonds (the "Debentures") for Financial Year 2017-18

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

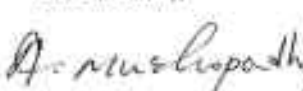
We hereby authorise you to deliver this letter of consent to any other regulatory authority as may be required by law.

The following details with respect to us may be disclosed:

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

We hold permanent registration certificate under SEBI Debenture Regulations, 1993 [copy enclosed].

Yours faithfully,


Authorised Signatory



डिबेंचर न्यासी

FORM 8

DEBENTURE TRUST

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
 (डिबेंचर न्यासी) विनियम, 1993
 (DEBENTURE TRUSTEE) REGULATIONS, 1993

000256

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र **PERMANENT REGISTRATION**
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए विनियमों और विनियमों के साथ पठित इस 3
 की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

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

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

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

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड

2) Registration Code for the debenture trustee is **IND000000636**

है।

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

से

तक विधिवत है।

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

to

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



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



ANNEXURE VI: In-Principle Approval for Listing
In-Principle Approval for listing on WDM segment of BSE



DSG/COMFIRM/PPDH/MCH/17-18
June 19, 2017

The Compliance Officer
Pune Municipal Corporation
PNC Building, Near Mangla Theatre,
Shivajinagar,
Pune 411 000

Dear Sir,

Re: Private Placement of Unsecured, Redeemable, Taxable, Non-Convertible Debentures of face value of Rs.10,00,000/- each for the total issue size of Rs.200 Crores.

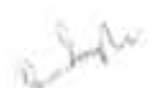
We acknowledge receipt of your application on June 19, 2017 seeking in-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing subject to fulfilling the following conditions:

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

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

Yours faithfully,


Rupat Khandekar
Manager


Pranav Singh
Associate Manager



BSE Limited (formerly Bombay Stock Exchange Ltd.)
Registered Office: Plot 25, P. 1, Towers, Outer Ring Road, Salarpur 400 005, Mumbai
T: +91 22 2354 8383 C: ds@bse.com/bse@bse.com www.bse.com
Company Identification Number: LST 2004-000001000000



ANNEXURE VII: Standing Committee Approval



नगरसाधिव कार्यालय

पुणे महानगरपालिका

स्थायी समितीचा ठराव

सभा क्रमांक :- २९

दिनांक - ३०

विषय क्रमांक :- १५९ स्वयं

ठराव क्रमांक :- १५६

खाते :- मा.महा

- संदर्भ:- १) मा.स्थायी समिती ठराव क्रमांक २१७ दिनांक १७/०५/२०१६
२) मा.मुख्य सभा ठराव क्रमांक ९९ दिनांक ०८/०६/२०१६
३) मा.मुख्य सभा ठराव क्रमांक ८०२ दिनांक २१/१२/२०१६
४) मा.महा.आयुक्त यांचे जा.क्र. मआ/मुले/६४ दि. ३०/५/२०१७ चे पत्र.

मा.महा.आयुक्त यांनी दिलेली कारणे व केलेली शिफारस विचारात घेवून -

पुणे महानगरपालिकेच्या २४ X ७ समान पाणीपुरवठा योजने करिता आवश्यक कर्ज कामासाठी तांत्रिक सल्लागार/संस्था यांची नेमणूक करणेसाठी खालील बाबीस मान्यता द्या शिफारस आहे.

१. २४X७ समान पाणीपुरवठा प्रकल्पासाठी र.रु.२२६४ कोटी पर्यंत कर्ज/का आहे. तथापि प्रत्यक्ष प्रकल्प उभारणीसाठी यापेक्षा कमी रकमेची आवश्यक अथवा अधिक रकमेची आवश्यकता असल्यास अतिरिक्त २०% पर्यंत मान्यता मिळणेस
२. २४X७ समान पाणीपुरवठा योजनेच्या अंमलबजावणीसाठी लागणा-या निध आर्थिक आराखड्यास (मा.महा.आयुक्त यांचे विषयपत्रासोबत जोडलेले परि
३. सदर प्रक्रियेमध्ये इतर अनेक मध्यस्थांकडून (Other Intermediaries to कामे करून घेणेसाठी त्यांची नेमणूक करणे व त्यांचा मुशाहिरा आदा करणेस
४. जेएनएनयुआरएम अंतर्गत स्विकारलेल्या सुधारणांप्रमाणे पुणे महानगरपालिके National Municipal Accounts Manual चा स्विकार करून द्वि लेखे/ताळेबंद व जमाखर्च पत्रक आर्थिक वर्ष पूर्ण झाल्यानंतर लवकरात ल



: २ :

७. सदर कर्जरोखे टप्पाटप्प्याने उभारतांना प्रत्येक टप्प्यात उभारलेले कर्ज हे समान/अनुक्रमाः परत फेडीच्या हक्काच्या अधिन राहून (each series ranking pari pass other) ने परतफेड केली जाईल.
८. प्रत्येक टप्प्यात उभारलेल्या कर्जरोख्यांची परतफेड मुदत ही कर्जरोखे उभारले जास्तीतजास्त १५ वर्षांपर्यंत असेल. परंतु सदर कर्जरोख्यांची परतफेड १५ वर्षांपूर्वी व हिताच्या दृष्टीचे आवश्यक असल्याने परतफेड करणेस.



नगरसचिव,

पुणे महानगरपालिका.

मुख्य लेख व किताब अधिकारी
यांच्याकडे पुढील तपविष्णुनाम
सविनय सादर...


अधिक्षक

महानगरपालिका आयुक्त कार्यालय
पुणे महानगरपालिका



31 MAY 2017

मुख्य लेख व किताब अधिकारी



ANNEXURE VIII: General Body Approval

नगरसचिव कार्यालय

पुणे महानगरपालिका
महानगरपालिका सभा ठराव

सभा क्रमांक :- २६

विषय क्रमांक :- ६५

ठराव क्रमांक :- १३

दिनांक :- ७/६/२०१६

खाते - महापालिका अग

- संदर्भ :- १) मा.स्वाधीन समिती ठराव क्रमांक २१७ दिनांक १७/०५/२०१६
२) मा.मुख्य सभा ठराव क्रमांक ९९ दिनांक ०८/०६/२०१६
३) मा.मुख्य सभा ठराव क्रमांक ८०२ दिनांक २५/१२/२०१६
४) मा.महा.आयुक्त यांचे जा.क्र. मआ/मुले/६४ दि. ३०/५/२०१७ चे पत्र.
५) मा.स्वाधीन समिती ठराव क्रमांक १५६, दिनांक ३०/०५/२०१७

मा.महा.आयुक्त यांनी दिलेली कारणे व केलेली शिफारस विचारात घेवून -

- पुणे महानगरपालिकेच्या २४ X ७ समान पाणीपुरवठा योजने करीता आवश्यक कर्ज/कर्जरोखे च या कामासाठी तांत्रिक सल्लागार/संस्था यांची नेमणूक करणेसाठी खालील बाबीस मान्यता देण्यात येत आहे.
- १) २४X७ समान पाणीपुरवठा प्रकल्पासाठी रु.२२६४ कोटी पर्यंत कर्ज/कर्जरोखे उभारणे आवश्यक आा प्रत्यक्ष प्रकल्प उभारणीसाठी यापेक्षा कमी रकमेची आवश्यकता असल्यास त्याप्रमाणे अथवा अधिक रकमेची अ असल्यास अतिरिक्त २०% पर्यंत कर्ज/कर्जरोखे उभारणेस मान्यता मिळणेत
 - २) २४X७ समान पाणीपुरवठा योजनेच्या अंमलबजावणीसाठी लागणा-या निधीचा आर्थिक अह (मा.महा.आयुक्त यांचे विषयप्रसंगीत जोडलेले परिशिष्ट २)
 - ३) सदर प्रक्रियेमध्ये इतर अनेक मध्यस्थांकडून (Other Intermediaries to the Issue) विविध कामे करून त्यांची नेमणूक करणे व त्यांचा भुशान्ति आदा करणेस.
 - ४) जेएनएनयुआरएम अंतर्गत स्विकारलेल्या सुधारणांप्रमाणे पुणे महानगरपालिकेने २००६-२००७ पासून Municipal Accounts Manual चा स्विकार करून दिलेला नोंद पद्धतीनुसार लेखे/ताळेबंद व जमाखर्च पत्रक अ पूर्ण झाल्यानंतर लवकरात लवकर तयार करून त्याचे लेखापरीक्षण करून पैसेस व त्यासाठी आर्थिक वर्ष झाल्या वर्षाच्या शिल्लक तरतूदी आर्थिक वर्ष आखेरीस त्वरीत जापगत करून ३१ मार्च नंतर किंवा आर्थिक वर्ष स लागेच पुढील तीन महिन्यामध्ये हिशोबाचे अंतिमीकरण करणे आवश्यक होईल.
 - ५) प्रत्येक टप्प्याटप्प्याने उभारलेल्या कर्ज रोख्यांची परत फेड करताना देव असलेल्या रकमेच्या



ANNEXURE IX: State Government Approval

पुणे महानगरपालिका २००७ पासून पुढील
सालावकाही कालावधीत अभावग्रस्त मान्य
दियावयात.

आचार्य साधन
नगर विद्यालय विभाग
आचार्य निर्णय क्रमांक : संसिनी-२०१७/ अ.क.२०४/पवि-३३
महाराष्ट्र, मुंबई ४०० ०६८
दिनांक : १८ मार्च, २०१७

word

जायबुल्ला, मुर्शिदाबाद जिल्लाको गोरखे पत्र क्रमांक १०८, मस/१४२, दिनांक ०९ जुन, २०१७

References

दुर्गि रामनाथ झाजी कुलुवा विरलेन जावयेंत कुलुवाच कल्याणावळी न समस्त लोकच झाजी भुरग्या (२००४) बरपा फाटलीन जखनेवाली दुर्गी कुलुवा ज्योत्स्नीभाजी अतिपायालीन जखमुनीकरन केरी, रामनाथ जावयेंत न विरलेन जावयेंत या कवणी अजयतन सविनय कुलुवाच फाटन २००७ कवयन झाजी भुरग्या कल्याणावळी लोकच दुर्गी महानगरपालिकेन ताला केली जाई. या लोकच झाजी कवणीची वसवणी समजता दीवयच प्रस्ताव अजुनूच. दुर्गी महानगरपालिकाच झाजी संपत्तीनच भुरग्याच कवयन केलो जाय. ताला प्रस्ताव दीवयचेंत याच भुरग्याचाला विरलेनयेंत लोकच

असह्य विद्रोह

[illegible]

- [illegible]



आसन निवेद क्रमांक: लोती-२०१७/ ४, अ. २७६/ लोती-३३

१. कार्यरोप्याची उभारणी व त्याची परतफेड याबाबतचा अहवाल महानगरपालिकेने वेळोवेळी आसनास सादर करावा.
२. सधर आसन निर्णय महाराष्ट्र आसनाच्या www.maharashtra.gov.in या संकेतस्थळावर उपलब्ध करणारा आला असून त्याचा संकेतांक २०१७०६१२१३५८२५६०२५ असत आहे. हा आदेश डिजिटल स्वाक्षरीने साक्षात्कृत करून काढण्यात येत आहे.
महाराष्ट्राचे राज्यपाल यांच्या आदेशानुसार व त्याने.

Pandurang
Jotiba Jadhav

Signature required for Pandurang Jotiba Jadhav
The Public Administration of Maharashtra
Department of Government
Pandurang Jotiba Jadhav
P. A. J. - Pandurang Jotiba Jadhav
Pandurang Jotiba Jadhav
Pandurang Jotiba Jadhav
Pandurang Jotiba Jadhav

(पा. जो. जाधव)

सह सचिव, महाराष्ट्र आसन

प्रति,

१. मा. मुख्यमंत्री यांचे प्रधान सचिव
२. मा. राज्यमंत्री, नगरविकास विभाग यांचे खाजरी सचिव
३. प्रधान सचिव, नगर विकास विभाग (नवि-३) मंत्रालय, मुंबई
४. आयुक्त, पुणे महानगरपालिका, पुणे
५. निवड भरती (नवि-३३).



ANNEXURE X: Application Form



PUNE MUNICIPAL CORPORATION

(Constituted under the Maharashtra Municipal Corporation Act, 1949)

Office: PMC Building, Near Mangla Theatre, Shivajinagar, Pune-411 005.

Contact Person: Mr. Kunal Mandawale, Dy. Chief Accountant & Revenue & Test Auditor;

Tel: +91-20-2550 1000; Fax: +91-20 2550 1104

E-mail: compliance@punecorporation.org; Website: www.pmc.gov.in

Application Form Sr. No.

Dear Sirs,

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

(PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE FILLING THIS FORM)

Form in which certificate is to be issued

Demat	NSDL	[]	CDSL	[]
DP NAME:				
DPID:		CLIENT ID:		

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

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

Remittance through RTGS

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

We are applying as (Tick (✓) whichever is applicable)

1	Company Body Corporate	2	Commercial Bank	3	Regional Rural Bank
4	Co-operative Banks	5	Financial Institution	6	Insurance Companies



7	Mutual Fund	8	Provident/Superannuation/ Gratuity Funds	9	Port Trusts
10	NBFC & Residuary NBFC	11	Association of Persons	12	Others (Please specify)

Application Details

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

Details of Bank Account of the First Applicant:

Name of the Bank _____ Branch _____

Account No: _____ Nature of Account: SB/CA

RTGS Code of Bank/ Branch _____

Tax Deduction Status: (Please tick one)

() Fully Exempt (Please furnish exemption certificate):

() Tax to be deducted at Source:

Specimen Signature

	Name of the Authorised Signatory	Designation	Signature
1.			
2.			

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

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

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

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



Acknowledgement Slip shall be given to the investors as shown below the instructions.

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

ACKNOWLEDGEMENT SLIP



PUNE MUNICIPAL CORPORATION

(Constituted under the Maharashtra Municipal Corporation Act, 1949)

Office: PMC Building, Near Mangla Theatre, Shivajinagar, Pune-411 005.

Contact Person: Mr. Kunal Mandawale, Dy. Chief Accountant & Revenue & Test Auditor;

Tel: +91-20-2550 1000; Fax: +91-20 2550 1104

E-mail: compliance@punecorporation.org; Website: www.pmc.gov.in

Received

Application Form Sr. No:

from

Address

application for _____ Bonds along with Rs. _____
(Rupees _____ only)

RTGS Remittance Particulars

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



INSTRUCTIONS

- 1) Application Forms must be completed in BLOCK LETTERS IN ENGLISH. A blank space must be between two or more parts of the name. For Example:

A	B	C	D	E		L	T	D			
---	---	---	---	---	--	---	---	---	--	--	--

- 2) Application forms duly completed in all respects must be lodged with the Bank at **Pune Municipal Corporation**, before the closure of the subscription. Investors may remit the application money through RTGS (if remitted from branches of other Banks), with instructions to credit the same to the above account (A/c No. 60284820657) maintained at our **Bank of Maharashtra, Bajirao Road, Pune Branch**.
- 3) The branches of other Banks transferring the Application Money through RTGS to the credit of the above account, shall send the money through RTGS (IFS Code No. MAHB0000001).
- 4) As an abundant precaution, the investors are advised to send by fax the particulars of the remittances made through RTGS [like i) Name of the Investor ii) Number of Bonds applied for iii) Amount of Application Money remitted iv) Date of the remittance v) Bank and Branch through which the remittance is made etc.] to any of the Advisors, on the fax number mentioned elsewhere in the Document/Application Form.
- 5) Cash, outstation cheques/drafts, money orders, postal orders and stock invest will NOT be accepted.
- 6) As a matter of precaution against possible fraudulent encashment of interest warrants due to loss/misplacement, applicants are requested to mention the full particulars of their bank account as specified in the Application Form. Interest warrants will then be made in favour of the bank for credit to the applicant's account. In case the full particulars are not given, cheques will be issued in the name of the applicant at his own risk.
- 7) Receipt of application will be acknowledged by the collecting Bank branch(es) in the "Acknowledgement Slip" appearing below the Application Form. No separate receipt will be issued.
- 8) All applicant(s) should mention their Permanent Account Number (PAN) or the GIR number allotted under the Income Tax Act, 1961 and the Income Tax Circle/Ward district. In case where neither the PAN nor GIR is allotted, the fact of non-allotment should be mentioned in the application form in the space provided for.
- 9) The Application would be accepted as per the terms and conditions of the Bonds outlined in the Information Memorandum of Private Placement.
- 10) Signatures should be made in English or in any other Indian language included in Schedule VIII of the Constitution of India. Thumb impression must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.
- 11) Those desirous of claiming tax exemptions on interest on Application Money are compulsorily required to submit a certificate issued by the Income Tax Officer / relevant declaration forms as per Income Tax Act, 1961 along with the Application Form. In case the above documents are not enclosed with the application forms, TDS will be deducted on interest on Application Money. For subsequent interest payments such certificates have to be submitted periodically.

Application Form(s) can be submitted to the offices of the Arrangers or to Pune Municipal Corporation as mentioned in the Information Memorandum

