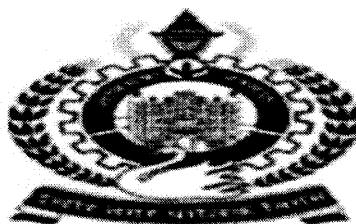


Private & Confidential - For Private Circulation Only

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

Dated: June 28, 2018



INDORE MUNICIPAL CORPORATION

(Constituted under the Madhya Pradesh Municipal Corporation Act, 1956)

Narayan Sing Saput Marg, Shivaji Market, Rajwada, Nagar Nigam, Indore, Madhya Pradesh - 452007

Compliance Officer: Shri Asheesh Singh, IAS, Ph: + 91 0731 2431610 Email: aoimc@imcindore.org

Contact person: Shri Beerbhadra Sharma, Add. Commissioner (Fin) Tel: +91 0731 4986339

E-mail: aoimc@imcindore.org Website: www.imcindore.org

PRIVATE PLACEMENT OF SECURED, TAXABLE NON-CONVERTIBLE, REDEMABLE BONDS IN THE NATURE OF DEBENTURES ("BONDS") OF FACE VALUE OF RS. 10 LAKHS EACH AT PAR AGGREGATING TO BASIC ISSUE SIZE OF RS. 100 CRORES ("ISSUE") AND GREEN SHOE OPTION OF RS 39.90 CRORES AGGREGATING TO RS. 139.90 CRORES BY INDORE MUNICIPAL CORPORATION PROPOSED TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

GENERAL RISK

For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and this Information Memorandum including the risks involved as mentioned in this Information Memorandum. The Bonds have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum.

CREDIT RATING

The Bonds proposed to be issued by the Indore Municipal Corporation have been assigned a rating of BWR AA (SO) (Outlook: Stable) by BRICKWORK vide its letter dated April 10, 2018 and revalidated by its letter dated June 15, 2018 and ACUTE AA(SO)/Stable by ACUTE Ratings and Research Limited, (erstwhile SMERA Ratings Limited) vide its letter dated April 17, 2018 and revalidated vide its letters dated June 15, 2018.

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

TRANSACTION ADVISOR	TRUSTEE FOR THE BONDS	REGISTRAR FOR THE ISSUE
SPA Capital Advisors Ltd. 25, C Block Community Centre, Janakpuri, New Delhi - 110058 Tel: +91 11 45675500 Facsimile: +91 11 2557 2763 Contact Person: Mr. Sanjay Gupta Email: sgupta@spacapital.com Website: www.spacapital.com SEBI Registration No.: INM000010825	Vistra ITCL (India) Limited IL&FS Financial Centre, Plot C - 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 26593150 Facsimile: +91 22 26533297 Contact Person: Mr. Jatin Chonani, Assistant Vice President Email: itclcomplianceofficer@vistra.com Website: www.vistraitcl.com SEBI Registration No: IND000000578	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli Financial District Nanakramguda, Hyderabad Tel: +91 40 6716 2222 Facsimile: +91 40 23001153 Contact Person: Sh. S. P. Venugopal, DGM (Corp. Reg.) Email: venu.sp@karvy.com Website: www.karvycomputershare.com SEBI Registration No.: INR000000221

Issue/Bid Opens on	Issue/Bid Closes on	Pay-in Date/ Date of Allotment
June 28, 2018	June 28, 2018	June 29, 2018
Listing: The Bonds are proposed to be listed on Debt segment of NSE..		

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

MAYOR
 Indore Municipal Corporation
 INDORE (M. P.)

Commissioner
 Indore Municipal Corporation

TABLE OF CONTENTS

DISCLAIMERS5

FORWARD LOOKING STATEMENTS9

DEFINITIONS AND ABBREVIATIONS10

GENERAL INFORMATION ABOUT THE ISSUER12

 Head office/ quarters of the Issuer12

 Compliance Officer of the Issuer12

 Chief Finance and Accounts Officer12

 Transaction advisor12

 Trustee of the Issue12

 Registrar to the Issue13

 Credit rating agency(ies) of the Issue13

 Auditors of the Issuer13

 Legal Counsel13

 Escrow bank14

 The relevant Act under which the Issuer is incorporated and governed14

RISK FACTORS15

ORGANISATION STRUCTURE18

 Details of the Corporation18

 Mayor of the Corporation and her powers19

 Details of the Commissioner and his powers19

 Details of Mayor/Commissioner/Deputy Commissioner/Additional Commissioner19

 Details of any reorganization or reconstruction in the last 1 year20

 Details of the members of the committee approving the project/ various standing committees relating to taxation / finance /accounts/ audit/ infrastructure20

A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND THE PROJECT FOR WHICH FUNDS ARE TO BE RAISED21

 Overview of the Issuer21

 History of IMC22

 Management structure29

 Department issuing bonds30

 Details of the Project for which finance is raised31

 Details of all the projects undertaken or proposed in terms of cost and means of financing35

FINANCIAL AND OPERATIONAL PARAMETERS37

 Abridged Balance Sheet37

 Income Expenditure Statement39


MAYOR
Indore Municipal Corporation


Commissioner
Indore Municipal Corporation

Cash Flow Statement	40
Link to the web page for accessing financials of the municipal.....	41
Key Financial and Operational Parameters	42
Operational Parameters.....	42
Details of top 5 revenue sources for last 3 years	42
Details of property tax collection	43
Status of reforms with respect to e-governance, cost recovery on water supply & solid waste management (SWM), property tax, double entry accounting and others	43
DETAILS OF ISSUER'S OUTSTANDING BORROWING	49
Details of borrowings of the Issuer, as on the latest quarter end.....	49
Details of Secured Loan Facilities:-	49
Details of Unsecured Loan Facilities:-	49
Details of bonds: -	50
List of top 10 debenture holders.....	50
Details of charge created along with name of the counterparty (like name of the project etc.).....	50
Details of commercial paper	50
Details of rest of borrowings	50
Estimated scenarios of asset liability mis-matches	50
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	50
An undertaking that the issuer has obtained lenders consent for creating charges on assets in case of issuance of Secured Bonds	50
Details of change in terms and conditions of debt securities issued in past 5 years	50
Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash.....	50
Any material event / development or change having implications on the financials / credit quality (e.g. any material regulatory proceedings against the Issuer, resulting in material liabilities, restructuring event etc.) at the time of the issue which may affect the issue or the investor's decision to invest/ continue to invest in the debt securities.	51
Rating and detailed Rating Rationale.....	51
Credit enhancement mechanisms, if any.....	51
Name of the Trustee and Consent thereof.....	51
Stock exchanges where the debt securities are proposed to be listed	52
Penal Interest payable by Municipal Corporation in case of delay in execution of Trust Deed and charge document	52
Additional interest to be paid, above the Coupon Rate, in case of default in payment of Interest and/or principal redemption on due dates.....	52



MAYOR


Commissioner
Indore Municipal Corporation

Penal interest payable by the Municipal Corporation in case of delay in listing of Bonds from Date of Allotment	52
Future Borrowing	53
Other Details	53
DRR/Sinking Fund	53
Issue/Instrument Specific Regulations.	53
Application Process.....	53
Procedure for deciding and adjusting payment dates.	64
List of documents which have been executed/ will be executed in relation to the issue	64
Investor Grievances Mechanism	65
Any other details for Investors.....	65
Summary term Sheet.....	66
Declaration	76

Schedule-I

Annexure-I	Structured payment Mechanism
Annexure-II	Cash Flow Illustration
Annexure-III	Rating Letters and rationale from BRICKWORK AND ACUTE
Annexure -IV	In principle approval for listing
Annexure-V	Consent of the trustee
Annexure-VI	Mayor in Council for borrowing
Annexure-VII	State Government approval for borrowing
Annexure- VIII	Application Form- To be attached separately


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)


Commissioner
 Indore Municipal Corporation

DISCLAIMERS

1. **Disclaimer of the Indore Municipal Corporation ("IMC" or "Issuer" or "Corporation"):**

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus and is prepared in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 issued vide notification No. SEBI/LAD-NRO/GN/2015-16/006 dated July 15, 2015, as amended from time to time. This Information Memorandum does not constitute an offer to the public in general to subscribe for or otherwise acquire the Bonds to be issued by Indore Municipal Corporation. This Information Memorandum is for the exclusive use of the addressees to whom it has been addressed and it should not be circulated or distributed to third party(ies). This Issue is being made strictly on a private placement basis. Apart from this Information Memorandum, no other offer document has been prepared in connection with the offering of this Issue or in relation to the Bonds.

This Information Memorandum is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Bonds issued by the Issuer. This Information Memorandum has been prepared to give general information regarding Indore Municipal Corporation to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. Indore Municipal Corporation believes that the information contained in this Information Memorandum is true and correct as of the date hereof.

Indore Municipal Corporation does not undertake to update this Information Memorandum to reflect any subsequent events and thus prospective subscribers must confirm the accuracy and relevance of any information contained herein with Indore Municipal Corporation. However, Indore Municipal Corporation reserves its right for providing the information at its absolute discretion. Indore Municipal Corporation accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility. Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscribers to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscribers to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Information Memorandum should be construed as advice or recommendation by the Issuer to subscribers to the Bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

The Issuer reserves the right to withdraw the private placement of the Bonds Issue prior to the Issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

The Corporation, its Officers and employees do not take any responsibility for the investments made by the investors in this bond issue

2. **Disclaimer of the Securities & Exchange Board of India**

This Information Memorandum has not been filed with SEBI. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this


MAYOR


Commissioner
Indore Municipal Corporation

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 with SEBI is not required. 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 Stock Exchanges

As required, a copy of the Information Memorandum shall be filed with the WDM segment of NSE in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, issued vide Notification No. SEBI/ LAD-NRO/GN/2015-16/006 (dated July 15, 2015) as amended from time to time.

It is to be distinctly understood that submission of the Information Memorandum to the Stock Exchange should not in any way be deemed or construed to mean that the Information Memorandum has been cleared or approved by NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

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

4. Disclaimer of the Rating Agencies:

A BRICKWORK rating reflects BRICKWORK's current opinion on the likelihood of timely payment of the obligation under rated instrument and does not contribute an audit of the rated entity by BRICKWORK. BRICKWORK ratings are based on the information provided by the Issuer or obtained by BRICKWORK from sources it considers reliable. BRICKWORK does not guarantee the completeness or accuracy of the information on which the rating is based. A BRICKWORK rating is not a recommendation to buy, sell or hold the rated instrument, it does not comment on the market price or suitability for a particular investor. All BRICKWORK ratings are under surveillance. Ratings are revised as and when circumstances so warrant. BRICKWORK is not responsible for any errors and especially, states that it has no financial liability whatsoever to the subscribers/users/transmitters/distributors of this product. BRICKWORK Ratings rating criteria are available without charge to the public on the BRICKWORK website www.brickworkindia.com.

An ACUITE rating reflects ACUITE's current opinion on the likelihood of timely payment of the obligation under rated instrument and does not contribute an audit of the rated entity by ACUITE. ACUITE ratings are based on the information provided by the Issuer or obtained by ACUITE from sources it considers reliable. ACUITE does not guarantee the completeness or accuracy of the information on which the rating is based. An ACUITE Rating is not a recommendation to buy, sell or hold the rated instrument, it does not comment on the market price or suitability for a particular investor. Ratings are revised as and when circumstances so warrant. ACUITE is not responsible for any errors and especially, states that it has no financial liability whatsoever to the subscribers/users/transmitters/distributors of this product. ACUITE's rating criteria are available without charge to the public on the ACUITE website www.acuite.in.

6 Disclaimer of the Transaction Advisor:

Role of the Transaction Advisor in present transaction is limited to advising the Issuer in relation to market scenarios, coordination with the external agencies, assisting in framing of the credit


MAYOR


Commissioner

Indira Municipal Corporation

rating enhancement, etc., in respect of the Bonds. The Transaction Advisor has not done any independent verification of the information provided and relied on the information provided by Issuer. Transaction Advisor cannot guarantee the accuracy of the Information provided in this document. It is the responsibility of the Issuer to obtain all necessary approvals for issuance of the Bonds.


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 Transaction Advisor.


No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Transaction Advisor or any of their employees, 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 Transaction Advisor 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 Transaction Advisor and its affiliates, nor its 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 Transaction Advisor, which forms an integral part of this Information Memorandum and agrees that the Transaction Advisor will not have any such liability.

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.

This Information Memorandum is confidential and is made available to potential investors in the Bonds on the understanding that it is confidential. Recipients are not entitled to use any of the information contained in this Information Memorandum for any purpose other than in assisting to decide whether or not to participate in the Bonds. This document and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from the Transaction Advisor and the Issuer. This Information Memorandum has not been approved and will or may not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This document may not be all inclusive and may not contain all of the information that the recipient may consider material.

The investors should take their own informed decision for investment in these bonds and in no way are the transaction advisors or any of its directors and employees are responsible for any investment decision by prospective investors, based on this document


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7. **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 Bonds and the Issuer. Prospective Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Bonds and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and Judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

8. **Disclaimer of the Legal Counsel:**

The role of the Legal Counsel in present transaction is limited to advising the Issuer in relation to applicable laws in respect of the Bonds. The Legal Counsel has not done any independent verification of the information provided and relied on the information provided by Issuer. Legal Counsel cannot guarantee the accuracy of the Information provided in this document. It is the responsibility of the Issuer to obtain all necessary approvals for issuance of the Bonds.

The Issuer has prepared this information on the basis of publicly available information and its own resources, use of which is not restricted by any law and is solely liable for contents of this document. No representation or warranty is made directly or indirectly, is or will be made by employees, representatives, associates or partners of the Legal Counsel, for accuracy, completeness of the information contained in this document and Legal Counsel disclaims any responsibility or liability to fullest extent for contents of this document. Neither the employees nor the representatives or partners of the Legal Counsel shall be liable for any damage direct or indirect if any suffered by any person, any loss of profit or any other loss, direct or indirect, that may arise by use of this document. By accepting this document investor accepts the disclaimer of the Legal Counsel, which forms an integral part of this document and agrees that Legal Counsel will not have any liability.


This Information Memorandum does not form any advice or suggestion and eligible investors shall not construe contents of this Information Memorandum as any sort of advice legal, regulatory or tax related and eligible investors shall consult their own advisors before investing in these Bonds.

Please note that:

The Legal Counsel may have been associated with Issuer or entities related to Issuer or may be associated with them in future. As a result of such relation Legal Counsel may come to know about information that may be relevant. However same may not be disclosed under client attorney relationship. Legal Counsel is not acting as trustee or in fiduciary duty for the investors.

Issuer declares that it has made necessary due diligence to ensure complete compliance regarding disclosure norms for the information as per applicable law and Legal Counsel is not responsible

- for any information supplied by the Issuer or any other person, written or oral, in relation to this document;
- for accuracy, completeness, adequacy, effectiveness of the information contained in this document; and
- for any determination as to any information provided in this document is public information or not, use of which may be prohibited by some law.


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Commissioner
Indore Municipal Corporation


FORWARD LOOKING STATEMENTS

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

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

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Information Memorandum have been obtained from publicly available information. Accuracy and completeness of such information is not guaranteed. The Issuer does not make any representation as to the accuracy of that information.


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

DEFINITIONS AND ABBREVIATIONS

General Terms


Term	Description
"IMC" or "Issuer" or "Corporation"	Indore Municipal Corporation established under Madhya Pradesh Municipal Corporation Act, 1956 having its Head Office at Narayan Sing Saput Marg, Shivaji Market, Rajwada, Nagar Nigam, Indore, Madhya Pradesh - 452007
"we", "us", "our"	Unless the context otherwise requires, the Corporation

Issuer related Terms

Term	Description
Act/MPMC Act	Madhya Pradesh Municipal Corporation Act, 1956, as amended from time to time
Commissioner	Commissioner, Indore Municipal Corporation
Council Member	Member of the Mayor-in-council of the Corporation
Committee	Committee as constituted under the provisions of Act as mentioned in this Information Memorandum
Head Office	Narayan Sing Saput Marg, Shivaji Market, Rajwada, Nagar Nigam, Indore, Madhya Pradesh - 452007
IA	Industrial Area


Issue Related Terms

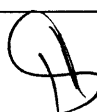
Terms	Description
AY	Assessment Year
ACUITE	Acuite Ratings and Research Limited (erstwhile SMERA Ratings Limited)
Allotment/Allot/Allotted	The issuance and allotment of the Bonds to the successful Applicants in the Issue
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicant/Investor	A person who makes an offer to subscribe to the Bonds pursuant to the terms of this Information Memorandum and the Application Form
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996)
Bond(s)	Secured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value Rs. 10 lakhs each, at par to be issued by IMC proposed to be listed on NSE through private placement route under the terms of this Information Memorandum
Brickwork/BRICKWORK	Brickwork Ratings India Private Limited
CDSL	Central Depository Services (India) Limited
Coupon/Interest Payment Date	As mentioned in the Summary Term Sheet


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

Terms	Description
Debt Securities	Non-convertible debt securities which create or acknowledge indebtedness and include debentures, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not, but excludes security bonds issued by the Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments.
Date of Allotment	The cut-off date declared by the Corporation with effect from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s).
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in present case, being NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act.
Information Memorandum	Information Memorandum dated June 28, 2018 for private placement of Unsecured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value Rs. 10 Lakhs each, at par aggregating to Rs.139.90 Crores by IMC
DP	Depository Participant
DRR	Bond/ Debenture Redemption Reserve
Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year
GIR	General Index Registration Number
GoI	Government of India/ Central Government
IT Act	The Income Tax Act, 1961, as amended from time to time
IT	Information Technology
MF	Mutual Fund
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Rs./INR	Indian National Rupee
RTGS	Real Time Gross Settlement
Record Date	As mentioned in the Summary Term Sheet
Registrar	Registrar to the Issue, in this case being, Karvy Computershare Private Limited
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Municipal Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, as amended from time to time
TDS	Tax Deducted at Source
The Issue/the Offer/Private Placement	Private Placement of Secured, Taxable, Non-Convertible, Redeemable Bonds in the nature of Debentures of face value of Rs. 10 lakhs each, at par aggregating to Rs.139.90 crore by IMC.
Trustee/Bond Trustee	Trustees for the Bondholders, in this case being, Vistra ITCL (India) Limited
EBP	Electronic Bidding Platform


MAYOR
 Indore Municipal Corporation
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Commissioner
 Indore Municipal Corporation

GENERAL INFORMATION ABOUT THE ISSUER

I. Name of the Issuer: **Indore Municipal Corporation**

II. Name and Address of the following:

i) Head Office of the Issuer:

Indore Municipal Corporation
Narayan Sing Saput Marg, Shivaji Market,
Rajwada, Nagar Nigam, Indore,
Madhya Pradesh - 452007
Ph: +91 0731 2541771, +91 0731 2535555
Email: aoimc@imcindore.org
Website: www.imcindore.org

ii) Compliance Officer of the Issuer:

Shri Asheesh Singh, IAS
Commissioner,
Indore Municipal Corporation,
Narayan Sing Saput Marg, Shivaji Market,
Rajwada, Nagar Nigam, Indore,
Madhya Pradesh - 452007
Ph: +91 0731 2431610
E-mail: aoimc@imcindore.org

(Compliance Officer shall be the official in charge of dealing with investor grievances related to the Bonds)

iii) Chief Finance and Accounts Officer


Shri Beerbhadra Sharma,
Additional Commissioner (Finance)
Indore Municipal Corporation
Narayan Sing Saput Marg, Shivaji Market,
Rajwada, Nagar Nigam, Indore,
Madhya Pradesh - 452007
Ph: +910731 4986339
E-mail: aoimc@imcindore.org

iv) Transaction Advisor:

SPA Capital Advisors Ltd.
25, C Block Community Centre, Janakpuri, New Delhi - 110058
Tel: +91 11 45675500
Facsimile: +91 11 2557 2763
Contact Person: Mr. Sanjay Gupta
Email: sgupta@spacapital.com
Website: www.spacapital.com
SEBI Registration No.: INM000010825

v) Trustee to the Issue:

Vistra ITCL (India) Ltd
Address: IL&FS Financial Centre, Plot C - 22, G Block,


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
Tel: +91 22 26593150
Facsimile: + 91 26533297
Contact Person: Mr. Jatin Chonani, Assistant Vice President
E-mail: itclcomplianceofficer@vistra.com
Website: www.vistraitcl.com

vi) **Registrar to the Issue:**

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,
Plot No. 31-32,
Gachibowli Financial District Nanakramguda, Hyderabad
Tel: +91 40 6716 2222
Facsimile: +91 40 23001153
Contact Person: Sh. S. P. Venugopal, DGM (Corp. Reg.)
Email: venu.sp@karvy.com
Website: www.karvycomputershare.com
SEBI Registration No.: INR000000221

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


1. **Brickwork Ratings India Pvt. Ltd.**
3rd Floor, Raj Alkaa Park,
Kalena Agrahara, Bannerghatta Road,
Bengaluru560706
Tel: +91 80 40409941
Facsimile: + 91 80 40409941
E-mail: info@brickworkratings.com
Website: www.BrickworkRatings.com
2. **ACUTE Ratings and Research Limited (erstwhile SMERA Ratings Ltd)**
102, Sumer Plaza, Marol Maroshi Road, Marol,
Andheri (East), Mumbai- 400 059
Tel: + 91 22 6714 1111
Facsimile: + 91 22 6714 1142
E-mail: info@acute.in
Website: www.acuite.in


viii) **Auditors of the Issuer:**

Residential Audit Department
(Set up by State Government)
Indore Municipal Corporation
Narayan Sing Saput Marg, Shivaji Market,
Rajwada, Nagar Nigam, Indore,
Madhya Pradesh - 452007

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

MVKini, Law Firm
Kini House
6/39, Jungpura B
New Delhi-110014
Ph: +91 11 2437 1038/39/40


MAYOR
Indore Municipal Corporation
INDORE (M. P.)



Commissioner
Indore Municipal Corporation

Facsimile: +91 11 24379484
E-mail: delhi@mvkini.com

- x) **Escrow Banker**
Kotak Mahindra Bank Limited
Address: 4th Floor, Vinay Bhavya Complex
159-A, CST Road, Kalina Santacruz East
Mumbai-400098
Tel: +91 22 66768489
Fax: +91 22 67132416
Email: rcadescrow@kotak.com
Website: www.kotak.com
Contact Person: Mr. Anurag Jaiswal
SEBI Registration Number: INBI00000927

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

Indore Municipal Corporation is incorporated under and governed by the Madhya Pradesh Municipal Corporation Act, 1956.


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

RISK FACTORS

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

1. Credit Risk

The credit rating assigned to us may be downgraded.

The Bonds have been given a rating of BWR AA (SO) (Outlook Stable) by BRICKWORK and ACUITE AA(SO)/Stable by ACUITE which is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk as well. However, if there is a deterioration in our financial performance or position, accumulation of debt or if there are any statutory or regulatory restrictions detrimentally affecting our ability to collect revenues or manage expenditures, credit rating assigned to the Bonds may be downgraded. Any downgrading in our credit rating or credit rating of instruments will result in an enhanced risk to the Bondholders. However, to safeguard the interest of the Bondholders, a structured payment mechanism has been formulated to prioritize the assets of the Corporation towards a timely payment of interest and repayment of the principal.

2. Project Risk

We may not be able to adhere to timelines.

The Indore Municipal Corporation is in process of implementing the water supply & sewerage projects for whole city of Indore and adjoining 29 villages which are added in Master Plan as well as storm water drainage, urban transport/mobility, green spaces and other projects for development of Indore under AMRUT Mission.

The Project is proposed to be financed through bonds, Grants from Govt. of India, Govt. Of Madhya Pradesh and own funds of IMC. A funding gap due to any cost overruns could pose a contingent budgetary risk for IMC or could lead to additional borrowing authority for the Project by IMC. There is also a possibility that the implementation of the Project might get delayed due to workforce issues or due to contractors related issues.

Any delay in obtaining the project approvals may delay the project timelines. Further, the Project is susceptible to policy risk by the State and cost overruns, however, these will not affect the payment of debt service for the bonds, which are backed by the structured payment mechanism for debt service of the Bonds.

3. Financial Risk

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

IMC's ability to pay interest accrued on the Bonds and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including inter-alia IMC's financial condition, profitability, revenue generation and the general economic


MAYOR

Indore Municipal Corporation
INDORE (M.P.)


Commissioner

conditions prevailing in India and in the global financial markets. IMC will create an appropriate escrow account in favour of the Bond Trustee for the Bondholders to ensure sufficient funds for repayment of principal and interest accrued thereon. The realizable value of the Bonds may be lower than the outstanding principal and/ or interest accrued thereon and consequently the potential investor may not be able to recover on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Bonds. In worst case scenario or due to changes in the legislations impacting the revenue generation i.e. owned revenues and assigned revenues, IMC cannot assure that IMC 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.

Inconsistent Revenue Collections

Generally, our revenue collection through property tax, user charges and other fees and other own revenue sources are not consistent throughout the year and may be higher in certain parts of the financial year.

Financial Statements

The audited financial statements through FY 2016-17 and derived ratios therefrom contained in the Information Memorandum have been prepared / computed as per the permissible practices. The unaudited accounts for half year ending 30.09.2017 are also provided in this Information Memorandum. While due care has been taken to reflect the true economic reality regarding the financials of the Corporation as far as possible, the investors may want to make their own adjustments to the same before arriving at an investment decision in this Bond issue.

4. General Risk

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

Like all other cities Indore may also be impacted by external factors like terrorism and floods may impact the business of IMC. In the past persons related to SIMI (Students Islamic Movement of India) have been arrested in Indore. Any terror activities in Indore may impact the working of IMC. In past, Indore had also been afflicted with communal tensions. Such incidents may affect the working of the IMC.

Also, though there has been no recent floods in Indore, however the city remains susceptible to floods.

4.2 IMC Policy Focus

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

5. Risk in relation to the Bonds

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

All securities where a fixed rate of interest is offered, such as the Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates,


MAYOR
Indore Municipal Corporation


Indore Municipal Corporation

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 Bonds.

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

6. **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 BWR AA (SO) (Outlook Stable) by BRICKWORK vide its dated April 10, 2018 and revalidated vide its letter dated June 15, 2018 and ACUITE AA(SO) Stable by ACUITE vide its letter dated April 17, 2018 and revalidated vide its letter dated June 15, 2018. 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.

7. **There is no guarantee that the Bonds issued pursuant to this Issue will be listed on the stock exchanges in a timely manner, or at all.**

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to this Issue will not be granted until after the Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Bonds to be submitted. There could be a failure or delay in listing the Bonds on the stock exchange. However, the Corporation shall do all necessary actions for listing of the bond in timely manner.

8. **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.


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

ORGANISATION STRUCTURE

1. Details of the Corporation

Indore Municipal Corporation is the governing body of the city of Indore in the Indian state of Madhya Pradesh. The municipal corporation consists of democratically elected members, is headed by a mayor and administers the city's infrastructure and public services. Members from the state's leading various political parties hold elected offices in the corporation.

As per Section 6 of the MPMC Act, following municipal authorities are charged with carrying out the provisions of the MPMC Act:

- (a) the Corporation;
- (b) the Mayor-in-Council;
- (c) the Mayor;
- (d) the Commissioner.

Constitution of the Corporation

Subject to provisions of Section 9 of the MPMC Act, the Corporation shall consist of a (i) Mayor, who shall be the chairperson and elected by direct election from the Municipal area; (ii) Councilors elected by direct election from the wards; (iii) not more than six persons having special knowledge or experience in the Municipal administration, nominated by the State Government; (iv) Members of the House of the People and the Members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly the Municipal area and (v) Members of the Council of States registered as electors within the municipal area.

Provided that a member of the House of the People and a member of the State Legislative Assembly as mentioned in clause (d) or a member of Council of States, as mentioned in clause (e) may nominate his representative, who possesses such qualifications as may be prescribed in this behalf to attend the meeting of the Corporation.

In accordance with Section 10 of MPMC Act, State Government may decide the number of wards in the municipal area. Certain wards shall be reserved for person belonging to schedule caste and schedule tribes. Presently, municipal area of Indore consists of 85 wards. Presently 85, councilors form the Corporation.

The Corporation shall meet at least once in every two months and every Committee shall meet at least once in every month for the transaction of its business and shall be presided by speaker. Quorum of meeting shall be 1/3 of the councilors.


Duties of Councilors

Subject to provisions of the MPMC Act, councilors shall be present and take part in the meetings of the Corporation and on requirement give vote in his discretion in favour or against, on the matters included in the agenda and shall draw the attention of the Commissioner or the head of the departments concerned, towards and loss to the Corporation property or any short comings in any scheme or service or any work being executed by the Corporation.

Constitution of Mayor-in-Council

The Mayor-in-Council shall consist of the Mayor and not less than 5 and not more than 10 members in every Corporation. All the members shall be nominated by the Mayor from amongst the elected Councilors of the Corporation and out of which at least one member


MAYOR
Indore Municipal Corporation


Commissioner
Indore Municipal Corporation

from Scheduled Castes or Scheduled Tribes, one member from Other Backward Classes and one member from women category shall be nominated.

The quorum for the meeting of the Mayor-in-Council or any other Committee appointed shall be one-half of total of its members.

Mayor of the Corporation and his powers

Mayor shall be elected by direct election from the Municipal area. The Mayor shall (a) have administrative control over the officers and servants of his office including the office of the Mayor-in-Council and Appeal Committee and exercise such powers and perform such functions as described in the Act or the Rules made thereunder.

Commissioner and his Powers

The Commissioner for the Corporation shall be appointed by the Government for a renewable period not exceeding five years. The Commissioner shall be the principal executive officer of the Corporation. He shall have the right to speak at, and otherwise take part in any meeting of the Corporation or any Committee thereof, but shall not be entitled to vote or to move any proposition.

Departments of the Municipal Corporation

IMC has 10 departments:-

1. General Administration
2. Planning Regulations
3. Public Works
4. Health
5. Sanitation and Solid waste Management
6. Civic Amenities and Public Convenience
7. Urban Forestry
8. Urban Poverty Alleviation & Social Welfare
9. Other Functions
10. Revenue


2. Details of Mayor

S. No.	Particulars	Designation	Date of appointment
1.	Smt. Malini Laxman Singh Gaud	Mayor	February 19, 2015

3. Details of Commissioner/Deputy Commissioners

S. No.	Particulars	Designation	Date of appointment
1.	Shri Asheesh Singh, IAS	Commissioner	April 30, 2018
2.	Shri Devendra Singh	Additional Commissioner	March 10, 2014.
3.	Shri Rohan Saxena	Additional Commissioner	July 22, 2015
4.	Shri Beerbhadra Sharma	Additional Commissioner	November 08, 2016
5.	Shri Santosh Tagore	Additional Commissioner	January 17, 2017


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

S. No.	Particulars	Designation	Date of appointment
6.	Shri Pratap Singh Solanki	Deputy Commissioner	May 27, 2015
7.	Shri Kailash Joshi	Deputy Commissioner	July 05, 2016
8.	Shri S.K. Sinha	Deputy Commissioner	March 19, 2014
9.	Shri Mahendra Singh Chouhan	Deputy Commissioner	April 27, 2012
10.	Shri Arun Sharma	Deputy Commissioner	July 05, 2014
11.	Shri Narendra Sharma	Deputy Commissioner	July 23, 2012
12.	Shri Lokendra Singh Solanki	Deputy Commissioner	February 05, 2015
13.	Shri Chandra Shekhar Nigam	Deputy Commissioner	November 30, 2015
14.	Smt. Lata Agrawal	Deputy Commissioner	June 06, 2015

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

Issuer has not undergone any reorganization or reconstruction in last one year.

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

Mayor-in -council


Name	Designation	Date of Appointment	Member of the Committee since (in case of resignation)	Remarks
Smt. Malini Laxmansingh Gaur	Mayor	February 19, 2015	-	
Shri Chandurav Shinde	Councilor	March 13, 2015	-	
Shri Balram Verma	Councilor	March 13, 2015	-	
Shri Shankar Yadav	Councilor	March 13, 2015	-	
Shri Suraj Karo	Councilor	March 13, 2015	-	
Shri Sonatosh Singh Gaur	Councilor	March 13, 2015	-	
Shri Ashwini Shukl	Councilor	March 13, 2015	-	
Shri Rajendra Rathore	Councilor	March 13, 2015	-	
Shri Dilip Sharma	Councilor	March 13, 2015	-	
Shri Sudhir Dedge	Councilor	March 13, 2015	-	
Smt. Shobha Garg	Councilor	March 13, 2015	-	


6. **Details of the Auditor**

Name	Address	Auditor Since
Residential Audit Department set up by the State Government at the office of Indore Municipal Corporation	Indore Municipal Corporation Narayan Sing Saput Marg, Shivaji Market, Rajwada, Nagar Nigam, Indore, Madhya Pradesh - 452007	Residential Audit Department has been set up by the State Government at the office of Indore Municipal Corporation

7. **Details of Trustee**

Name	Address	Contact person
Visra ITCL (India) Limited	IL&FS Financial Centre, Plot C - 22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 26593150 Facsimile: +91 22 26533297 Email: itclcomplianceofficer@visra.com Website: www.vistraitcl.com SEBI Registration No: IND000000578	Mr. JatinChonani, Assistant Vice President


MAYOR
Indore Municipal Corporation


Commissioner
Indore Municipal Corporation

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

I. Overview of the Issuer

About Indore

Indore is the most populous and the largest city in the Indian state of Madhya Pradesh. It serves as the headquarters of both Indore District and Indore Division. It is also considered as an education hub of the state and first city to have campuses of both the Indian Institute of Technology and the Indian Institute of Management. Located on the southern edge of Malwa Plateau, at an average altitude of 550 meters above sea level it has the highest elevation among major cities of Central India, the city is 190 km west of the state capital of Bhopal. With a census-estimated 2011 population of 1,994,397 (municipal corporation) and 2,170,295 (urban agglomeration), the Indore Metropolitan Area's population is the state's largest. The city is distributed over a land area of just 530 square kilometers making Indore the most densely populated major city in the central province. In 2010, the city had a population density of 25,170 people per square mile (9,718/km²), rendering it the most densely populated of all municipalities with over 100,000 population in the Madhya Pradesh. As per 2011 census, the city of Indore has an average literacy rate of 87.38%, higher than the national average of 74%. Male literacy was 91.84%, and Female literacy was 82.55%. In Indore, 12.72% of the population is under 6 years of age (as per census 2011). The average annual growth rate of population is around 2.85% as per the statistics of census 2001. Religion-wise, according to the 2011 census reports, Hindus constitute the majority, 80.02% of Indore's total population, while Muslims are 7.41%, Jains 7.02%, and others 2.03%. Indore comes under Tier 2 cities in India.


Indore is a commercial centre for goods and services. Indore had GDP of \$14 billion as of 2011. The city also hosts a Global Investors' Summit which attracts investors from several countries.

Major industrial areas surrounding the city include Pithampur (phase I, II, III - alone host 1500 Large, Medium and Small Industrial Set-up), Indore Special Economic Zone (around 3000 acre), Sanwer Industrial belt (1000 acre), Laxmi Bai Nagar IA, Rau IA, Bhagirathpura IA, Kali Billod IA, Ranmal Billod IA, Shivaji Nagar, Bhindikho IA, Hatod IA, IT Parks - Crystal IT Park (5.5 lakh square feet), IT Park Pardeshipura (1 lakh square feet), Electronic Complex, Individual SEZ such as TCS SEZ, Infosys SEZ, Impetus SEZ, etc., Diamond Park, Gems and Jewellery Park, Food Park, Apparel Park, Namkeen Cluster and Pharma Cluster.

Pithampur is also known as the Detroit of Madhya Pradesh.

Indore's financial district, based in central Indore, functions as the financial capital of Madhya Pradesh and was home to the Madhya Pradesh Stock Exchange, India's third oldest stock exchange. Madhya Pradesh Stock Exchange (MPSE) originally set up in 1919 was the only exchange in Central India and the third oldest stock exchange in India was located in Indore and now the National Stock Exchange (NSE) established an Investor Service Center in the city.

Infosys is setting up a new development centre at Indore at an investment of Rs 100 crore in phase one at Super Corridor. Infosys demanded an area of 130 Acres to open its new facility in Indore which will employ about 13,000 people. TCS has started construction of its campus at Indore, Collabera has also announced plans to open campuses in Indore. The government of MP has also done the land allotment. Besides these, there are several small and medium size software development firms in Indore. Webgility, a San Francisco-based e-commerce company that has had a presence in Indore since 2007, opened a 16,000-foot campus at NRK Business Park in 2017.


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

Indore has been selected as one of the 100 Indian cities to be developed as a smart city under the Smart Cities Mission. It also qualified the first round of Smart Cities Mission and was selected as one of the first twenty cities to be developed as Smart Cities. Indore has been elected as the cleanest city of India as per the Swachh Survekshan 2017 as well as Swachh Survekshan 2018.

History of IMC

Due to lacked planned development in regards to facilities like water supply, drainage, sanitation and waste disposal, the first municipality was constituted in Indore in 1870 and BakshiKhajan Singh was appointed as its chairman. In 1906, Indore municipality started its own powerhouse and established a new water supply system from the Bilaoli water body. Then in 1912, municipality became the first city in India to have an elected municipal government responsible for the growth and welfare of the city.

After independence, Indore city was included into Madhya Bharat and declared as the first category of municipality by the local government department of Madhya Bharat. In the year 1956, during the re-organisation of states, Indore was included in Madhya Pradesh and in the same year it was declared a Municipal Corporation.

The IMC area is bounded by the junction of MR-10 and Bypass Road towards east along the Eastern Ring Road, the Kanadia Road up to its junction with the Bypass Road; thence towards northeast along the AB Road and Eastern Ring Road up to the MR-11; thence towards south along the Khandwa Road; thence towards south along the railway line up to its junction with the Sukhniwas Road; up to its junction with AB Road, thence towards south along the AB Road; up to its junction with the last road leading to Rajendra Nagar; thence towards west along the Ahmedabad Road up to Sinhasa; thence towards west along the Airport Road up to Devi Ahilyabai Holkar Airport at its junction with MR-10 (Super Corridor); thence towards northwest along the Depalpur Road up to its junction with the MR-10; thence towards north along the MR-10 up to its junction with Ujjain Road (MDR-27).

At present, the municipal area is divided into 19 zones and 85 wards of various sizes and population. As per the provision of Madhya Pradesh Municipal Corporation Act, 1956, IMC has a chairman (Mayor), councilors elected by direct election from 69 wards, 2 members of Parliament, 5 members of State Legislative Assembly representing constituencies within municipal areas. In accordance with the 74th constitutional amendment 25 seats out of 69 are reserved for women.


Constitution of Corporation

Indore Municipal Corporation is incorporated under and governed by the Madhya Pradesh Municipal Corporation Act, 1956. Following municipal authorities are charged with carrying out the provision of MPMC Act, 1956:-

- (a) The Corporation
- (b) The Mayor-in-Council
- (c) The Mayor
- (d) The Commissioner

Functions of the Corporation

The Corporation has to provide functions as mentioned in MPMC Act, 1956 as enumerated below:

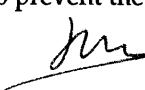

MAYOR
Indore Municipal Corporation
(1956 Act No. 10)



Commissioner
Indore Municipal Corporation

Matters to be provided for compulsorily by Corporation

The Corporation shall make adequate provision, by any means or measures which it may lawfully use or take, for each of the following matters, namely:-

- (a) lighting public streets, places and buildings.
- (b) cleaning public streets, places and sewers and all spaces not being private property, which are open to the enjoyment of the public, whether such spaces are vested in the corporation or not; removing noxious vegetation, and abating all public nuisances;
- (c) disposing of night soil and rubbish and, if so deemed desirable, preparation of compost manure from night soil and rubbish;
- (d) the maintenance of the fire brigade for extinguishing fire, and protection of life and property when fires occur;
- (e) regulating or abating dangerous or offensive trades or practices;
- (f) removing obstructions and projections in public streets and places, and in spaces not being private property, which are open to the enjoyment of the public whether such spaces are vested in the Corporation or the Government;
- (g) establishing and managing cattle ponds;
- (h) securing or removing dangerous buildings or places;
- (i) acquiring and maintaining, changing and regulating places for the disposal of the dead and disposing of unclaimed dead bodies of paupers,
- (j) constructing, altering and maintaining public streets, culverts and Corporation boundary markets, latrines, urinals, drains, sewers and providing public facilities for drinking water; watering public streets and places;
- (k) the management and maintenance of all municipal water works and construction and maintenance of new work and means for providing a sufficient supply of suitable water for public and private purposes;
- (l) the erection in proper and convenient situations on municipal land of water closets, closet accommodation, urinals, and other conveniences for the public and the maintenance and the cleansing of the same;
- (m) the construction and the maintenance of public market and slaughterhouses and the regulation of all markets and slaughter houses;
- (n) the maintenance of an ambulance service;
- (o) naming streets and numbering houses;
- (p) registering births, marriages and deaths;
- (q) public vaccination;
- (r) establishing and maintaining primary schools;
- (s) taking measures to prevent the out-break, spread or recurrence of infectious diseases;


MAYOR
Indore Municipal Corporation
(INDORE, M.P.)


Commissioner
Indore Municipal Corporation

- (t) the maintenance of municipal office and of all public monuments and other property vested the Corporation;
- (u) provision of traffic signs;
- (v) printing and publishing such annual reports and returns on the administration of the Corporation as the Government may by general or special order, require the Corporation to submit;
- (w) the maintenance of public park, gardens, recreation grounds, public places and open spaces in existence and vested in the Corporation.
- (x) fulfilling any obligation imposed by the act or any other law for the time being in force;
- (y) construction and maintenance of veterinary dispensaries

Matters which may be provided for by Corporation at its discretion

The Corporation may in its discretion provide from time to time either wholly or partly for all or any of the following matters, namely :-

- (a) reclaiming healthy localities , laying out, whether in areas previously built upon or not, new public streets, and acquiring land for that purpose, including plots or land for building to abut on such streets;
- (b) constructing , establishing or maintaining public parks or gardens, library, museums, halls, theatres, stadium , offices, sarais, rest houses and other public buildings;
- (c) constructing and maintaining residential quarters for municipal officers and servants;
- (d) construction, maintenance and cleansing of washing and bathing places;
- (e) furthering educational objects other than the establishment and maintenance of primary schools and making grants to educational institutions;
- (f) planting and maintaining road side and other trees;
- (g) taking a Census and granting rewards for information tending to secure the correct registration of vital statistics;
- (h) making surveys;
- (i) the destruction or the detention of ownerless dogs or stray pigs, or detention of animals causing nuisance;
- (j) securing or assisting to secure suitable places for the carrying on of offensive trades or practices;
- (k) supplying, constructing and maintaining pipe and other fittings for the supply of water to private premises from water works maintained by the Corporation;
- (l) Supplying, constructing and maintaining receptacles, fittings, pipes, and other appliances on or for the use of private premises for receiving and conducting the sewage thereof into sewers under the control of the Corporation;



MAYOR

Indore Municipal Corporation
INDORE (M. P.)



Commissioner
Indore Municipal Corporation

- (m) fairs and exhibitions, or athletics or games competitions or tournaments;
- (n) constructing and maintaining such roads and buildings and other Government works as the Government may transfer to the Corporation;
- (o) organization and management of chemical or bacteriological laboratories for the examination on analysis of water, food or drugs, for the detection of disease or for researches connected with public health; and
- (p) the construction and maintenance in the public streets of drinking fountains for human beings and water-troughs for animals;
- (q) the prevention of cruelty to animals;
- (r) the playing of music in squares; gardens or other places of public resort;
- (s) the construction, purchase, organization, maintenance or management of tramways or motor transport facilities for the conveyance of the public ;
- (t) preparation and presentation of address to persons of distinction;
- (u) prevention of vagrancy; establishing and maintaining poor houses;
- (v) establishing and maintaining a farm or factory for the disposal of sewage;
- (w) organization and maintenance of maternity homes and infant welfare centres;
- (x) the organization , maintenance or management of institutions, for the care and training of blind, deaf, dumb or otherwise disable persons;
- (y) swimming pools, public wash houses, bathing places, and other institution designed for the improvement of public health;
- (z) dairies of farms within or without the city for the supply, distribution and processing of milk or milk products, for the benefit of the residents of the city;
- (aa) establishment and control of guala colonies and cattle pens within or without the city;
- (bb) the purchase of any under taking for the supply of electric energy or gas or starting or subsidizing of any such undertaking;
- (cc) the acquisition and maintenance of grazing grounds within or without the city;
- (dd) granting rewards for information regarding the infringement of any provisions of the Act or of any other Acts, the enforcement of which is entrusted to the corporation by regulation or standing order there under;
- (ee) the construction and maintenance of sanitary stables for animals or vehicles , or garages;
- (ff) measures to meet any calamity affecting the public in the city;
- (gg) the regulation of lodging houses; and boarding houses in the city;


MAYOR
 Indore Municipal Corporation
 INDORE (M. P.)


Commissioner
 Indore Municipal Corporation


- (hh) the grant of loans for building purposes or for purchase of conveyance to municipal officers and servants , on such term and condition as may be prescribed by byelaws by the corporation;
- (ii) any other measures for welfare of municipal servants;
- (jj) contribution towards any public fund raised for the relief of human sufferings within the city or for the public welfare;
- (kk) establishing and maintaining pre-primary schools;
- (ll) establishing and maintaining public hospitals and dispensaries and carrying out other means necessary for public medical relief;
- (mm) any other matter likely to promote the public health, safety or convenience of the public;
- (nn) Urban planning including town planning;
- (oo) Regulation of land use and construction of buildings;
- (pp) planning for economic and social development;
- (qq) Urban forestry protection of the environment and promotion of ecological aspects;
- (rr) safeguarding the interests of weaker sections of society including the handicapped and mentally retarded ; and
- (ss) Urban poverty alleviation.

Strengths of IMC

IMC is known for and is characterized by several comprehensive strengths including but not limited to the following:

A. ECONOMY

- Nicknamed as Mini-Mumbai of Madhya Pradesh, Indore has largest economy among cities in Central India with GDP standing at \$14 billion as of 2011.
- It is commercial and trading capital of the state with its history spanning over five centuries and significant footprints in commerce, finance, media, art, fashion, research, technology, education and entertainment.
- It fuels the economic engine of the State together with the neighboring industrial towns of Dewas & Pithampur (also called the Detroit of India) for its Automobile Industries
- NASSCOM has assessed Indore to be, one of the top 10,tier-2 cities and promising business locations for the IT-BPM Industry in India.
- Home to the regional headquarters of numerous banks, multinational corp. including insurance, financial services and other service provider companies.
- Has a diversified economy bases on well-established and successful network of mixed businesses around cotton textiles, Iron and steel, chemicals, pharmaceuticals, readymade garments, solvent plants and machinery.
- It accounts for 1/3rd of the total namkeen production of India.


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 INDORE (M. P.)


Commissioner
 Indore Municipal Corporation

B. INDUSTRY


- Indore is home to large infrastructure projects including those promoted by GoMP such as Crystal IT Park, Super corridor - a high density corridor being developed on Transfer Oriented Development ("TOD") principles, Pithampur SEZ, Pithampur-Dhar-Mhow Investment Region of DMIC (Delhi Mumbai Industrial Corridor), National Automotive Testing and R&D Infrastructure Project ("NATRIIP") - a state of art automotive testing track and R&D facility etc.
- Excellent overall quality of life and moderate cost of living in Indore (which is about 15-20% lower as compared to metros) has ensured availability of senior professionals and skilled workforce at competitive rates.
- It is attracting large investment and generating employment.
- Globally reputed software solution providers - Infosys, TCS, Computer Sciences Corporation (CSC), Impetus, Cyber Infrastructure (CIS), Infobeans, Yes-Pay and Premier Biosoft (India) have their offices in Indore

C. CONNECTIVITY

- Having excellent connectivity by Air, Rail and Road to all major cities in state/country. Air connectivity to all over India. Shortly, international flights from Indore. Indore is also connected through rail to all major cities including Mumbai, Pune, Bangalore, Chennai, Gauhati, Puri, Patna, Delhi, Jammu, Amritsar, Nagpur, Hyderabad
- Has high degree of road connectivity with three National Highways NH-3, NH-59 and NH-598A and two State Highways SH-27 and SH 34 passing through the City.
- A large self-contained air cargo facility at Indore airport is being developed by Airports Authority of India
- Strategic location in central India and availability of senior professionals and skilled workforce at competitive rates have strengthened its competitive edge as a logistic node
- One of the few cities in country having operational Bus Rapid Transit (BRT) network.
- Innovation in city bus operations including BRT promulgated by Indore (widely known as "Indore Model of Bus Operations") honed the city administration's ability to institute an SPV i.e. Atal Indore City Transport Services Limited (AICTSL) and delegate functions of urban transport for project sustainability and success

D. HEALTH & EDUCATION

- Indore has state-of-the-art medical infrastructure catering to the needs of patients from all over Central India through reputed names like Apollo, Medanta, Bombay Hospital, Shalby Hospital etc.
- It is a magnet for education & has literacy rate of 87%, which is highest in the State.


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INDORE (M. P.)


Commissioner
Indore Municipal Corporation

- The only city in India to have both the premiere Institutes i.e. Indian Institute of Technology and Indian Institute of Management
- Home to several other reputed higher education institutes including Devi Ahilya Vishwavidyalaya/SGSITS, which has ensured availability of skilled manpower for new age industry and has a strong base for innovation through R&D.

E HERITAGE & CULTURE


- Indore is an important stronghold of malwa culture and history with its famous attractions such as the Rajwada, Chhatris, KanchMandir, Lalbagh Palace etc.
- It's hospitality industry is refined and thriving, the city serves as major layover destination for religious tourists of Omkareshwar and Mahakaleshwar (place of the two Jyotirlings of Lord Shiva located within a vicinity of 60 Kms from Indore)

F ENTERTAINMENT AND HOTELS

- Indore has 3 malls, five star hotels like Marriot, Radisson, Sayaji, GTB and other three star hotels

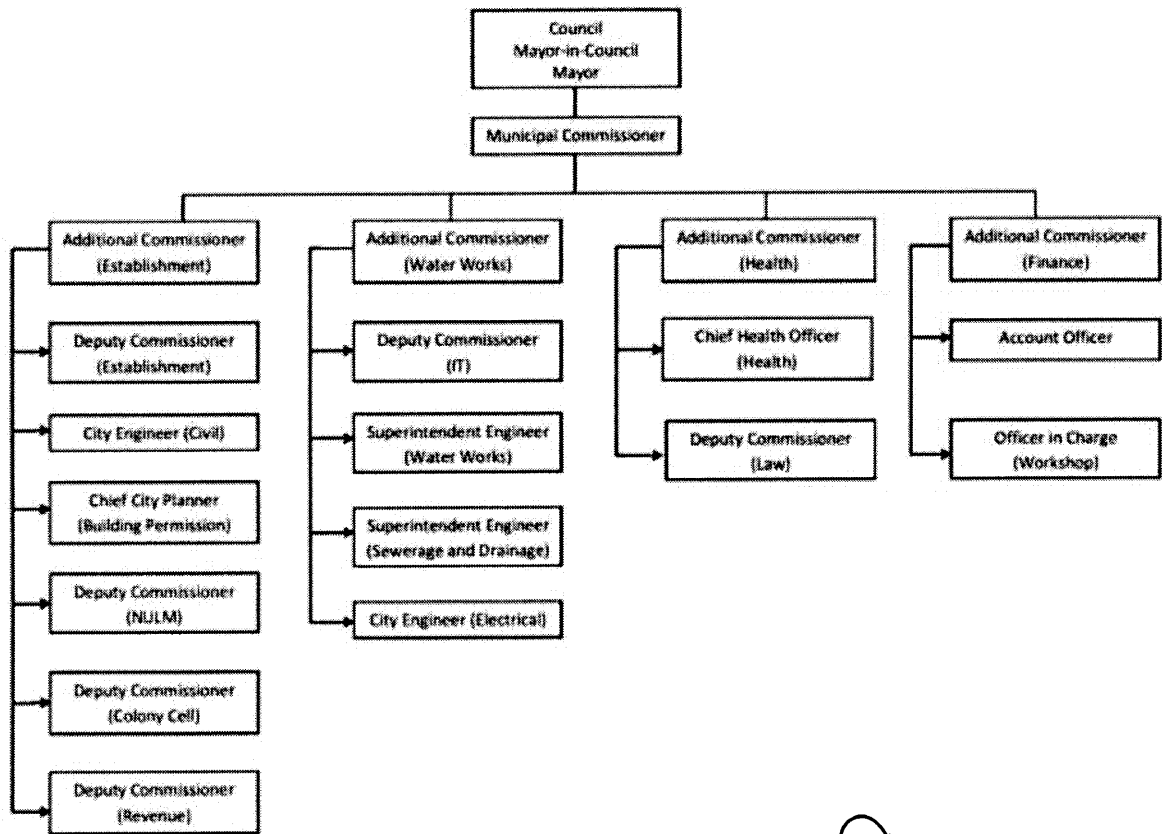
II. Awards


- Indore has topped as **cleanest city in Swachhata Sarvekshan 2017& 2018** and winner of Swachh Bharat Award.
- Indore has been awarded for **"Best City For Road Cleanness"**
- Indore Municipal Corporation (IMC) won international award for better implementation of Social Security and National Old-age Pension Schemes and for using information technology in distribution of pensions to the beneficiaries during a prize ceremony held in Geneva, Switzerland in 2013. The award was titled as **"Network for Information and Computer Technology"**.
- **"Atal Indore City Transport Services Ltd (AICTSL)"** subsidiary of Indore Municipal Corporation has been incorporated to operate and manage the public transport system in Indore. AICTSL won following awards in last 12 years of time:
 1. MoUD award 2007.
 2. Capam Award 2008.
 3. STA Sustainable Mobility Award 2014.
 4. MoUD Award 2014.
 5. MoUD award 2015.
 6. UITP Award 2015.
 7. Quality Mark Award 2015.
 8. MoUD Award 2016.
 9. Skoch Award 2016.
 10. Skoch Award 2016 for Simhashta Operations 2016.
 11. Volvo Sustainability Award 2016.
 12. Connect Karo WRI Award 2016.
 13. India Bus Award 2017.
 14. State Award for Simhashta operations 2017.
 15. MoUD Award 2017.


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 Indore Municipal Corporation

MANAGEMENT STRUCTURE OF INDORE MUNICIPAL CORPORATION

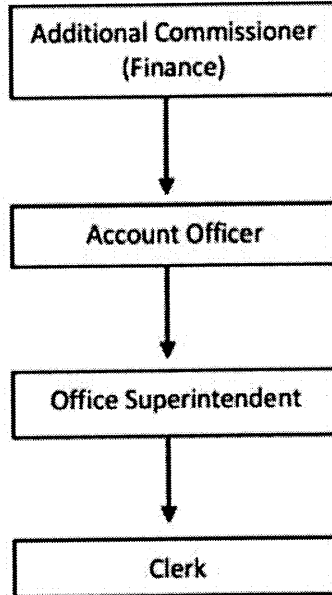



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DEPARTMENT ISSUING THE BONDS

ORGANISATION STRUCTURE OF DEPARTMENT ISSUING BOND



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INDORE (M.P.)


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Indore Municipal Corporation

DETAILS OF THE PROJECTS FOR WHICH FUNDS ARE BEING RAISED

The proceeds of the bonds will be utilised towards (i) Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and (ii) prepayment of high interest loan. Out of the proceeds of the bonds approximately Rs. 160 crores are to be utilised towards AMRUT project and appx. Rs. 10 crores are to be utilised towards prepayment of high interest loan (utilised towards capital expenditure made on earlier projects). Details of the objects of the issues are provided below:

1. The purpose of Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which is a program of Government of India, is to
 - (i) ensure that every household has access to a tap with assured supply of water and a sewerage connection;
 - (ii) increase the amenity value of cities by developing greenery and well maintained open spaces (e.g. parks); and
 - (iii) reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g. walking and cycling).

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

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

The Mission will focus on the following Thrust Areas:

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

COVERAGE

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

- i. All Cities and Towns with a population of over one lakh with notified Municipalities, including Cantonment Boards (Civilian areas),
- ii. All Capital Cities/Towns of States/ UTs, not covered in above,
- iii. All Cities/ Towns classified as Heritage Cities by MoUD under the HRIDAY Scheme,


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Commissioner
Indore Municipal Corporation

- iv. Thirteen Cities and Towns on the stem of the main rivers with a population above 75,000 and less than 1 lakh, and
- v. Ten Cities from hill states, islands and tourist destinations (not more than one from each State).

An investment plan for the project components including 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 fund for the proposed project are presented in the table below:

Project Cost -AMRUT Project	Rs. in crores
Water Supply	630.42
Sewerage	266.84
Storm Water Drainage	10.00
Urban Transport/ Mobility	40.00
Green spaces	25.00
Total Project Cost	972.26

Funding Scheme Capex AMRUT Project		
Particulars	AMRUT	Rs. In crores
Govt. of India	33.33%	324.05
Govt. of Madhya Pradesh	50%	486.13
ULB (IMC) Share	16.67%	
Own Resources		2.08
Bond		160.00
Total	100%	972.26

Schedule of implementation of the project


IMPLEMENTATION SCHEDULE											
		2015-16	2016-17	2017-18	2018-19				2019-20		
	PROJECT WORKS				Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Water Supply	0.10%	-	6.52%	18.78%	18.78%	18.78%	18.78%	6.09%	6.09%	6.08%
2	Sewerage and Septage Management	-	0.55%	8.58%	18.05%	18.05%	18.05%	18.05%	6.22%	6.22%	6.23%
3	Storm Water Drainage	-	-	-	17.50%	17.50%	17.50%	17.50%	10.00%	10.00%	10.00%
4	Urban Transport/ Mobility	-	-	-	20.00%	20.00%	20.00%	20.00%	6.67%	6.67%	6.66%
5	Others And Green Spaces	-	-	-	20.00%	20.00%	20.00%	20.00%	6.67%	6.67%	6.66%

Capital grant for the proposed project and amount received in this regard

Capital Grant Sanctioned for AMRUT Project

Funding Scheme Capex AMRUT Project	
Particulars	Amount (Rs. in Crs.)
Govt. of India	324.05
Govt. of Madhya Pradesh	486.13
Total	810.18

Grant Received Till 31.03.2018 - Rs. 96.17 Crores


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 Indore Municipal Corporation
 INDORE (M.P.)


Commissioner
 Indore Municipal Corporation

Details of state Finance commission Grant on annual basis

- A) Indore Municipal Corporation has received finance commission grant which are not specific to AMRUT projects are detailed as under;

Particulars	Amount (Rs. in crores)
FY 2017-18	81.47
FY 2016-17	95.40
FY 2015-16	50.93

- B) Where-as Rs 96.17 Crs has been received against the CAPEX towards AMRUT project.

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

The overall completion of all the works are two years and most of the agreements done in up to December 2017, hence completion shall be December 2019.

Details and status of the regulatory approval (if required)

APPROVAL FOR PROJECT

AMRUT Projects have approved by State Level Technical Committee (SLTC) and M.P Government on April 21, 2017 and September 5, 2017.

APPROVAL FOR BORROWING

- Madhya Pradesh Municipal Corporation Act & Rules 1956- Section 102 to Section 105 allows Municipal Corporation to borrow funds.
- Mayor-in-Council vide its resolution no. 91 dated 27/03/2018 accorded its approval for raising the bonds
- The Government of Madhya Pradesh vide its order dated May 4, 2018 accorded its approval for raising the bonds


Financial viability of the project showing the stage wise cost and revenue flows for the project if applicable


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

Revenue generation/resources and sufficiency for timely servicing and redemption

The bonds issued under this Information Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism own revenues collected by and due to IMC 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 IMC 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 half yearly interest payments. The Interest Payment Account shall be opened where IMC 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.


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INDORE (M.P.)


Commissioner
Indore Municipal Corporation

Details of the independent trustee of the escrow account:

These bonds are general obligation bonds and payment of interest shall be made from general revenues of the Corporation, however, Corporation has devised a structured payment mechanism for repayment of interest and principal amount which shall be monitored by the trustee to bondholders i.e. Vista ITCL (India) Ltd and the Escrow Bank i.e. Kotak Mahindra Bank shall act upon instruction of the Issuer/Trustee, as may be applicable in terms of Escrow Agreement executed between Issuer, Escrow Bank and Trustee.

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

Not applicable as these are general obligation bonds.

2. Repayment of High Interest loan

IMC has obtained a loan from State Bank of India (earlier State Bank of Indore) at the floating rate of interest @13.60% for a period of 11 years. The said loan is secured against fixed deposit of Rs. 5 crores. The repayment of said loan started in 2010 and due to be completed in 2021. Considering the extremely high rate of interest it has been decided to prepay the loan in its entirety through the proceeds of the bonds. Approximately Rs. 10 crores are expected to be utilised towards repayment of loan. Pre paying the said loan is expected to save approx. 4% to 5 % p.a. on the pending amount.

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

Not applicable.

Schedule of implementation of the project

Not Applicable

Capital grant for the proposed project and amount received in this regard

Not Applicable

Details of State Finance commission Grant on annual basis

No state finance commission has been received for pre payment of loan.


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

Not Applicable.

Details and status of the regulatory approval (if required)

Mayor in council has in its meeting held on March 27, 2018 has accorded its approval to raise funds through bond issuance for prepayment of loan. Government of Madhya Pradesh vide its order dated May 4, 2018 has accorded its approval to raise funds through bond issuance to repay the high interest loan.

APPROVAL FOR BORROWING


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

Mayor in council has in its meeting held on March 27, 2018 has accorded its approval to raise funds through bond issuance for prepayment of loan. Government of Madhya Pradesh vide its order dated May 4, 2018 has accorded its approval to raise funds through bond issuance to repay the high interest loan.

Financial viability of the project showing the stage wise cost and revenue flows for the project if applicable

The funds will be utilised towards repayment of high interest loan and will lead to savings for the Corporation.

Revenue generation/resources and sufficiency for timely servicing and redemption

Same as mentioned in Point 1 above

Details of the independent trustee of the escrow account:

These bonds are general obligation bonds and payment of interest shall be made from general revenues of the Corporation, however, Corporation has devised a structured payment mechanism for repayment of interest and principal amount which shall be monitored by the trustee to bondholders i.e. Vista ITCL (India) Ltd and the escrow agent i.e. Kotak Mahindra Bank shall act upon instruction of the Issuer/Trustee, as may be applicable in terms of escrow agreement executed between Issuer, Escrow Bank and Trustee.

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

Not applicable as these are general obligation bonds.

DETAILS OF ALL MAJOR THE PROJECTS UNDERTAKEN

SOLAR PLANT PROJECT (To be undertaken)

IMC is operating water supply projects at Maheswar Tehsil of Khargon District under Narmada Projects Phase-I, II & III to cater the water demand of Indore city and have a total power demand of about 47 MVA to run their water treatment plants and pumping stations. At present, state run Madhya Pradesh Paschim Shetra Vidyut Vitran Company Limited ("MPPKVCL") is providing energy supply through IMC owned power distribution system.

In lieu of the increasing cost of grid power, IMC is exploring alternate source of clean and economical power. IMC has conduct feasibility survey and explore the options to install Solar Power plants at vacant areas of their Water Supply projects of Maheswar Tehsil.


Field survey has been conducted at Narmada Projects areas spread across Jalud, Mandaleswar, Bakalai, Asukhedi and nearby villages of Maheswar Tehsil, certain open lands and rooftop areas have been also identified, which are suitable to install both Ground Mounted and Rooftop solar power plants for their captive use. It was estimated that a cumulative capacity of 49.91 MWp (Say approx.50 MWp) Solar power generations is possible.

The 50MWp Solar Photo Voltaic (SPV) Power Plant is estimated to generate annual energy feed of 8.25 Cr. units considering efficiency of the solar modules at 16.97%, Inverter/ Power Conditioning Unit (PCU) as 98.5% and losses as 3% in the DC and AC system. The Plants would operate at an annual capacity utilization factor of 16.5%. The total energy available from the Plant would vary from a minimum of 2722MWh during the month of August 2016 to a maximum of 8708MWh during the month of October 2016.


MAYOR
Indore Municipal Corporation


Commissioner
Municipal Corporation

The SPV Power Plant is estimated to cost **Rs. 187.50 Crores** based on the Central Electricity Regulatory Commission benchmark capital cost norm for solar PV technologies, for financial year 2016-17. Adopting normative cost estimate, capacity utilization factor, and Debt-Equity ratio the effective tariff worked out as **Rs.2.33 per unit**, which is lower than the present MPPKVVCL Tariff of Rs. 4.66 per unit and annual savings on energy charges estimated at Rs.19.22 Crores approx. after considering interest amount on loan of Rs. 16.41 Crores per annum.


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

FINANCIAL AND OPERATIONAL PARAMETERS

ABRIDGED BALANCE SHEET

(Rs. in crores)

Particulars	Financial year				
	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 Audited)	2017-18* (Sep-17) (Provisional)
LIABILITIES					
Reserve & Surplus					
Municipal (General) Fund	827.31	878.29	1114.72	1329.16	1501.71
Earmarked Funds	29.82	32.61	34.21	38.94	39.50
Reserves	977.23	1136.57	1286.16	1377.08	1389.62
Total Reserves & Surplus	1834.36	2047.47	2435.09	2745.18	2930.83
Grants, Contributions for specific purposes	150.93	253.91	373.53	424.03	430.48
Loans					
Secured Loans	18.13	8.90	12.62	-	-
Unsecured Loans	352.83	361.09	339.63	309.16	298.37
Total Loans	370.96	369.99	352.25	309.16	298.37
Current Liabilities and Provisions					
Deposits Received	58.34	70.52	76.46	89.06	95.94
Deposit works	18.77	21.24	23.67	46.54	38.90
Other Liabilities (Sundry Creditors)	229.55	295.77	161.82	170.82	266.12
Provisions	2.97	3.64	4.58	4.77	4.77
Total Current Liabilities and Provisions	309.63	391.17	266.53	311.19	405.73
TOTAL LIABILITIES	2665.88	3062.54	3427.40	3789.56	4065.41
ASSETS					
Fixed Assets					
Gross Block	2044.95	2411.72	2610.82	2897.83	3058.03
Less: Accumulated Depreciation	867.98	1018.70	1175.59	1346.13	1429.11
Net Block	1176.97	1393.02	1435.23	1551.70	1628.92
Capital Work-in-Progress	802.28	802.91	843.31	887.23	887.24
Total Fixed Assets	1979.25	2195.93	2278.54	2438.93	2516.16
Investments					
Investment - General Fund	58.83	12.73	71.13	71.13	71.13
Investments - Other Funds	16.06	22.23	22.23	32.55	32.55
Total Investments	74.89	34.96	93.36	103.68	103.68
Current Assets, Loans and Advances					
Stock in Hand (Inventories)	0.92	5.07	7.72	10.97	10.77
Sundry Debtors (Receivables)					
Gross amount outstanding	900.30	1002.66	1129.86	1246.87	1387.96
Less: Accumulated provision against bad & doubtful Receivables	560.29	620.51	686.02	764.31	764.31
Net amount outstanding	340.01	382.15	443.84	482.56	623.65
Prepaid Expenses	0.28	0.29	0.59	0.75	0.75
Cash and Bank Balances	64.96	156.63	225.89	297.50	356.37

MAYOR

Indore Municipal Corporation

Commissioner

Indore Municipal Corporation

Particulars	Financial year				
	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18* (Sep-17) (Provisional)
Loans, advances and deposits	204.46	286.34	376.06	453.76	452.62
Less: Accumulated provision against Loans	-	-	-	-	-
<i>Net Amount outstanding</i>	204.46	286.34	376.06	453.76	452.62
Total Current Assets, Loans & Advances	610.63	830.48	1054.10	1245.54	1444.16
Other Assets	1.11	1.17	1.40	1.41	1.41
Miscellaneous Expenditure (to the extent not written off)	-	-	-	-	-
TOTAL ASSETS	2665.88	3062.54	3427.40	3789.56	4065.41

*Provisional figures for 6 months' period ended 30th September 2017

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 INDORE (M. P.)



Commissioner
 Indore Municipal Corporation

INCOME & EXPENDITURE ACCOUNT

(Rs. in crores)

Major Head of Account Particulars	Financial year				
	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18* (Sep-17) (Provisional)
Income					
Tax Revenue	282.94	268.57	336.95	443.24	289.37
Assigned Revenues & Compensation	414.57	434.20	534.48	538.74	260.67
Rental Income from Municipal Properties	4.37	5.93	3.55	3.98	0.84
Fees & User Charges	41.26	58.34	66.50	86.22	76.85
Sale & Hire Charges	2.83	3.46	2.02	3.02	1.78
Revenue Grants, Contributions & Subsidies	53.28	55.23	85.16	146.55	52.21
Income from Investments	1.74	6.76	2.84	4.86	2.67
Interest Earned	0.75	1.58	3.57	5.33	2.93
Other Income	42.81	48.17	53.37	50.82	25.29
Total - Income	844.55	882.24	1088.44	1282.76	712.61
Expenditure					
Establishment Expenses	190.49	231.54	232.07	286.97	152.44
Administrative Expenses	19.77	22.21	26.54	42.68	25.56
Operations & Maintenance	239.34	258.32	216.96	305.69	221.60
Interest & Finance Charges	22.13	38.66	31.05	36.37	5.31
Programme Expenses	3.73	2.69	1.59	2.58	1.50
Revenue Grants, Contributions & subsidies	4.61	1.94	3.28	20.42	1.50
Provisions & Write off	68.96	60.22	90.01	112.79	14.19
Miscellaneous Expenses	2.35	1.84	17.28	1.99	0.90
Depreciation	124.26	150.72	156.89	170.53	82.98
Total - Expenditure	675.64	768.14	775.67	980.02	505.98
<i>Gross surplus/ (deficit) of income over expenditure before Prior Period Items</i>	168.91	114.10	312.77	302.74	206.63
Add: Prior period Items (Net)	-	-	-	-	-
<i>Gross surplus/ (deficit) of income over expenditure after Prior Period Items</i>	168.91	114.10	312.77	302.74	206.63
Less: Transfer to Reserve Funds	32.17	66.59	51.44	61.09	34.08
Net balance being surplus/ deficit carried over to Municipal Fund	136.74	47.51	261.33	241.65	172.55

* Provisional figures for 6 months' period ended 30th September 2017


MAYOR
 Indore Municipal Corporation
 INDORE (M. P.)


Commissioner
 Indore Municipal Corporation

CASH FLOW STATEMENT

(Rs. in crores)

Particulars	Financial Year				
	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18* (Sep-17) (Provisional)
A. Cash flows from Operating Activities:					
Gross surplus/(deficit) over expenditure	168.90	114.10	312.77	302.74	206.63
Add:					
Depreciation	124.26	150.72	156.89	170.53	82.98
Interest & finance expenses	22.13	38.66	31.05	36.37	5.31
Less:					
Investment income	-1.74	-6.76	-2.84	-4.86	-2.67
Interest income received	-0.75	-1.58	-3.57	-5.33	-2.93
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	312.80	295.14	494.30	499.45	289.32
Changes in current assets and current liabilities					
(Increase) / decrease in Sundry debtors	-34.72	-42.14	-61.69	-38.72	-141.09
(Increase) / decrease in Stock in Hand	-0.38	-4.15	-2.65	-3.25	0.20
(Increase) / decrease in Prepaid Expenses	-0.04	-0.01	-0.29	-0.16	-
(Increase) / decrease in other current assets	-	-0.06	-0.23	-0.01	-
(Decrease)/ increase in Deposits received	7.66	12.18	5.93	12.61	6.88
(Decrease)/ increase in Deposits Work	-1.57	2.48	2.43	22.87	-7.65
(Decrease)/ increase in other current liabilities	74.02	66.23	-133.96	9.00	95.30
(Decrease)/ increase in Provisions	0.80	0.66	0.94	0.19	-
Net cash generated from/ (used in) operating activities (A)	358.57	330.33	304.78	501.98	242.96
B. Cash flows from Investing Activities					
(Purchase) of fixed assets & CWIP	-345.27	-367.40	-239.50	-330.93	-160.20
Increase / (Decrease) in Municipal Fund	-56.93	3.46	-24.90	-27.21	-
Increase / (Decrease) in Special Funds/Grants	23.96	102.98	119.62	50.49	6.45
Increase / (Decrease) in Earmarked Funds	2.50	2.80	1.60	4.73	0.56
Sale/(Purchase) of Investments	53.41	39.94	-58.40	-10.32	-
Add:					


MAYOR
 Indore Municipal Corporation


Commissioner
 Indore Municipal Corporation

Particulars	Financial Year				
	2013-14 (Audited)	2014-15 (Audited)	2015-16 (Audited)	2016-17 (Audited)	2017-18* (Sep-17) (Provisional)
Investment income received	1.74	6.76	2.84	4.86	2.67
Interest income received	0.75	1.58	3.57	5.33	2.93
Net cash generated from/ (used in) investing activities (B)	-319.84	-209.88	-195.17	-303.05	-147.59
C. Cash flows from Financing Activities					
Add:					
Loans from Banks/Others Received (Unsecured & Secured)	76.15	68.35	17.70	2.50	-
Transfer to Reserve	61.78	92.74	98.16	29.84	-21.54
Loan Recovered from Employees	-	-	0.53	0.12	0.01
Less:					
Deposits Made	-0.52	0.66	-6.47	-13.87	-
Repayment of Loan (Unsecured & Secured)	-105.42	-69.33	-35.43	-45.60	-10.79
Loans & Advances to Employees	-0.14	-0.18	-	-	-
Loans & Advances to Others	-60.31	-82.36	-83.79	-63.94	1.13
Interest & Finance Expenses	-22.13	-38.66	-31.05	-36.37	-5.31
Net cash generated from/ (used in) financing activities (C)	-50.59	-28.78	-40.35	-127.32	-36.50
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	-11.86	91.67	69.26	71.61	58.87
Cash and cash equivalents at beginning of the period	76.82	64.96	156.63	225.89	297.50
Cash and cash equivalents at end of the period	64.96	156.63	225.89	297.50	356.37
Cash and cash equivalent at the end of the year comprises of the following account balances at the end of the year:					
Cash balances	1.95	4.90	2.20	2.05	
Bank balances	63.01	151.73	223.69	295.45	

* Provisional figures for 6 months' period ended 30th September 2017

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

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

<http://imcindore.org/webindore/index.php>


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

KEY FINANCIAL AND OPERATIONAL PARAMETERS

(Rs. in crores)

Key Financial Figures	FY 13-14 (Audited)	FY 14-15 (Audited)	FY 15-16 (Audited)	FY 16-17 (Audited)
Revenue Income	844.55	882.24	1088.44	1282.76
Revenue expenditure (Excl. Interest)*	653.51	729.48	744.62	943.65
Operating revenue Surplus	191.04	152.76	343.82	339.11
Interest expense	22.13	38.66	31.05	36.37
Principal repayment (outside sinking Fund)	24.03	31.11	39.16	32.97
Contribution to Sinking fund	-	-	-	-
Revenue Surplus**	168.91	114.10	312.77	302.74
Capital Income	89.48	283.19	262.93	128.32
Capital Expense	369.3	398.51	241.26	364.21
Capital Surplus	-279.82	-115.32	21.67	-235.89
Overall Surplus***	-110.91	-1.22	334.44	66.85
Deposits and Advances (net)****	204.46	286.34	376.06	453.76
Initial Cash/Bank balance	76.82	64.96	156.63	225.89
Change in Cash/Bank balance	-11.86	91.67	69.26	71.61
Final Cash / Bank Balance	64.96	156.63	225.89	297.50
Loan repayment from sinking fund	-	-	-	-
Initial Sinking fund Balance	-	-	-	-
Change in sinking fund	-	-	-	-
Final sinking fund balance	-	-	-	-
Total Debt	370.96	369.99	352.25	309.16
Total Expenditure	1044.94	1166.65	1016.94	1344.22
Total Revenue	934.03	1165.43	1351.37	1411.08
Ratio of Total Expenditure/Total Revenue	111.87%	100.10%	75.25%	95.26%
Cash Surplus / Total Revenue	4.23%	13.86%	39.46%	21.22%
Ratio of Debt Service / Total Revenue*****	4.94%	5.99%	5.20%	4.91%

*includes depreciation

**Gross surplus before making transfer to reserve funds

***before making transfer to reserve funds

****Loans, Advances and Deposits given by the Corporation

***** (Interest expense + Principal repayment) / Total revenue

Operational Parameters

Details of top 5 revenue sources for last years*


(Rs. in crores)

Revenue Receipts Type	Actual	Actual	Actual	Actual
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Assigned Revenues and Compensation	414.57	434.20	534.48	538.74
Tax Revenue	282.94	268.57	336.95	443.24
Revenue Grants, Contribution and subsidies	53.28	55.23	85.16	146.55
Fees & User Charges	41.26	58.34	66.51	86.21
Interest earned	0.75	1.58	3.57	5.33

*Other income not considered as it mainly includes depreciation on assets out of grant fund


MAYOR

Indore Municipal Corporation
INDORE (M. P.)


Commissioner

Indore Municipal Corporation

Details of property tax collection

The total property tax collections of Indore Municipal Corporation during FY 2016-17, 2015-16 and 2014-15 was Rs 233.96 Crores, Rs 174.73 Crores and Rs 133.61 Crores respectively i.e. an increase of 33.90% in FY 2016-17 as compared to FY 2015-16 and 30.78% in FY 2015-16 as compared to FY 2014-15.

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 reforms with respect to e-governance

All the major operations such as Revenue collection which includes property tax, water tax, license fee, building permission fee, rent of properties, advertisement charges and other miscellaneous taxes all are being collected online. Sanctioning of maps is also being done online. Similarly most of the tenders (above 1 lac) are being called through E-Tendering method and books of accounts are being maintained in computerized form.

Currently IMC is under implementation stage of E-Nagar Palika after which there will be 100% computerization of all activities. For administrative purposes IMC is divided into nineteen zones which cover 85 constitutional wards. The data center at its head office is connected to the LAN (Local Area Network) of all its zonal offices. There is separate IT Department at Head Office, which controls and immediately resolves all the issues related to computerization.

Solid Waste Management

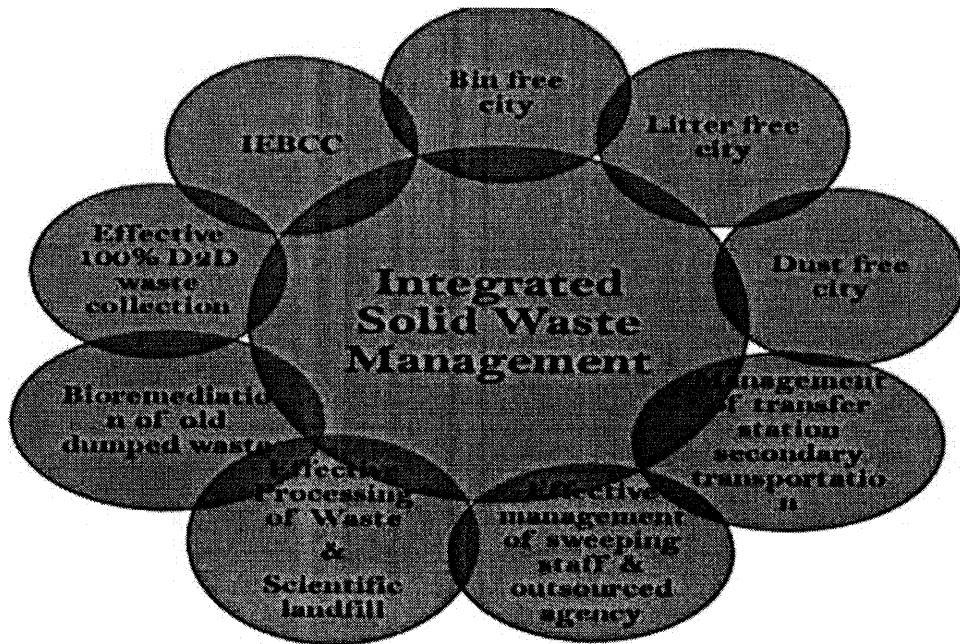
In Indore, the estimated waste generation on the basis of population and 410 gm waste generation per capita comes out to be approximately 1115 TPD (tons per day). Under Swacch Bharat Mission, IMC targeted to make Indore city (i) bin free (ii) litter free and (iii) dust free. Earlier, IMC was facing lot of challenges in solid waste management, garbage container were old and dilapidated, insufficient vehicles, old workshop, unscientific disposal site, poor infrastructure, open burning of waste, supervision of staff was inefficient etc. However, year 2015 saw new beginning for solid waste management in Indore city. An integrated plan for solid waste management was launched.

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Commissioner
Indore Municipal Corporation




These integrated solid waste management plan consisted of following:

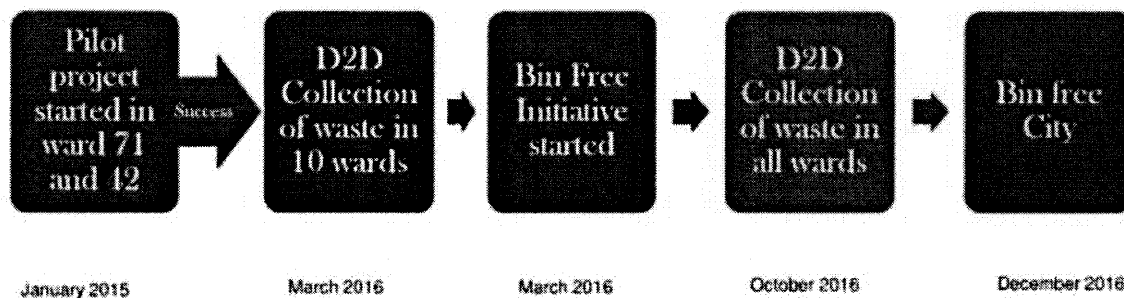
- Door to Door waste collection and segregation
- Evening cleaning and waste collection from commercial areas
- Biometric attendance and GPS monitoring of vehicles
- Mechanized road sweeping
- Waste collection from bulk generators by a separate system
- Litter picking along roads and open area/plots
- Collection of construction and demolition debris
- Establishment of Modern Transfer Station
- Scientific Waste Processing
- Engineered Landfill
- Establishment and operation of small composting units
- Establishment and operation of OWC composting system
- Plastic waste collection and processing unit
- Extensive IEBCC activities through NGOs and PR agencies
- Other allied activities related to swachhta such as nala cleaning, footpath, rotaries and left turns, green belts etc.

Initially, the pilot program for door to door collection was started only in two wards. As on date door to door collection have been started in all 85 wards, provisions have been made for segregation in all vehicles, 426 small tippers @ 4-5 tipper per ward have been provided and cycle rickshaws for have been provided.

Under Bin Free initiative, which was started in January 2015, city was made bin free in 2016.


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)


Commissioner
 Indore Municipal Corporation



COMMON BIO-MEDICAL WASTE TREATMENT FACILITY

Hoswin Incinerator Pvt. Ltd. in agreement with IMC established CBWTF on PPP mode at Sauer road industrial area. This was Madhya Pradesh's first and biggest Common Bio-Medical Waste Treatment facility at Indore. Presently this facility is providing services to 436 Health Care Institutes of Indore and nearby area. 5 MT of biomedical waste is collected and treated on daily basis on environmentally safe manner. This project has been awarded GOOD PRACTICE Award by UN HABITAT in year 2004. This project has also received award from "World Economic Development Award for Business Excellence 2009" Economic Development Forum and Indo-Thai Chamber of Commerce on October 31, 2009.

EFFECTIVE MANAGEMENT OF SAFAIMITRA

800 new safaimitra were appointed to expedite the SBM activities. Presently 6200 safaimitra are involved in sweeping and D2D collection. Adhaar linked Biometric attendance system was also established to increase efficiency of the employees. Staff and all staff members have been trained by E-Learning system.

IEBBC Activities

Various steps have been taken under IEBBC initiatives. Various programs street plays, talk show, radio jingles, talk shows, public awareness, meetings with RWA etc. It also included walkathon, fine on spitting, littering etc.



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 Indore Municipal Corporation

As a result of all above initiatives Indore was declared as cleanest city in India under Swach Bharat Abhiyaan.

For the purpose of calculation of income, the following sources have been considered by Indore Municipal Corporation for solid waste management:

- **Property Tax Collection:** Property tax collected for the financial year- 2016-2017 and from April 2017 to December 2017 is considered. Estimation is taken on the basis of previous experience of collection during last months of earlier years.

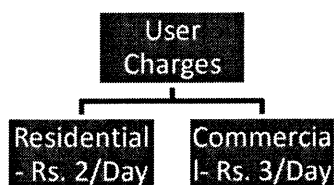
The below table shows the property tax slabs in the city of Indore:

Property Tax Slab on the basis of Annual Rent	Tax Rate	Number of Registered Properties		
		Residential	Commercial	Industrial
Annual Rent up to Rs. 6000	Tax free	130043	10800	95
Annual Rent from Rs.6000 to Rs.36000	6% of Annual Rent	271724	36871	2030
Annual Rent from Rs. 36001 to Rs. 60000	8% of Annual Rent	27275	6138	1619
Annual Rent from Rs. 36001 to Rs. 60000	10% of Annual Rent	13755	8409	3355
Total Number of Properties		442797	62218	7099

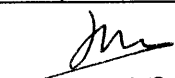
- **User Charges:** "User charges are payments for environmental services or resources, whose provision in turn is (partly or wholly) financed by the charges". Indore Municipal Corporation has started to levy user charges since October 2016. User charges have been categorized under three categories:

- Households
- Commercial, Industrial Waste Generation, Institutional
- Bulk Waste Generator such as Hotels, Marriage Gardens, Bio Medical Waste Generator etc.

The user charges have been kept at a very nominal rate in consideration of affordability and capacity of individual tax payer. By implementing user charges at a nominal rate, inclusion of citizens in the process of SWM and their willingness to pay these charges is being assured by Indore Municipal Corporation.



S. No	Quantity of Waste Generated (per day)	User Charge Slab (Rs./ Month)
1	1.5 to 2.5 tons	45000/-
2	750 kg to 1.5 tons	22500/-
3	400 to 750 kg	11250/-
4	300 to 400 kg	7500/-
5	100 to 300 kg	4500/-
6	75 to 100 kg	2250/-
7	30 to 75 kg	1500/-
8	10 to 30 kg	750/-
9	5 to 10 kg	450/-


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

Sale of City Compost: Revenue earned from the sale of compost has been considered as a source of Income for managing solid waste management system. The income from sale of compost is not included for year 2016-17 as IMC was not selling the compost for that financial year.

DOUBLE ACCOUNTING ENTRY SYSTEM

Earlier IMC were maintaining their books of accounts under Single Entry Cash Based System. This was an incomplete accounting system wherein ULBs were not aware of what they own and what they owe. There were no financial reports generated by the accounting system for fund management, resource mobilizations and budgetary control.

The Government of Madhya Pradesh introduced accrual based double entry accounting system (ABDEAS) in urban local bodies (ULBs). In 2007 Madhya Pradesh Municipal Accounting Manual (MPMAM) was developed and implemented. MPMAM standardized the formats and procedures for maintaining accounts on ABDEAS. IMC has engaged professional consultancy firm to assist in sustaining the ABDEAS including asset accounting and inventory management system. The aim of this assignment is to provide handholding and professional assistance to sustain the new system of accounting. The assignment was also included on-the-job training to the staff involved in maintaining the books of accounts and preparation of financial statements. Since April 1, 2007, IMC has been maintaining accounts Double Entry Accounting System.

PROPERTY TAX COLLECTION

Indore being the commercial capital of Madhya Pradesh is witnessing growth in each segment i.e. industrial, commercial and human being. Each year more than one lac of the migrants are coming here for business, education and other purposes. These are resulting in growth of number of properties and users as well.

With the growing population in Indore, IMC is working towards ensuring maximum collection of property tax and user charge. For achieving maximum collection, the following measures have been taken by IMC:

1) Organizing Lok Adalat

Lok Adalat is one of the alternative dispute redressal mechanisms, it is a forum where disputes/cases pending in the court of law or at pre-litigation stage are settled/compromised amicably. On instruction of court, Lok Adalat is organized as and when instructed. IMC has organized Lok Adalat for collection of user charges and property tax with discount in penalties and surcharge imposed.

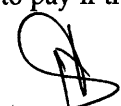
The following table shows the collection of property tax via Lok Adalat for financial year 2016-17 and 2017-18.

Property Tax Collected with the help of Lok Adalat				
S. No.	Date of Lok Adalat	FY 2016-17	Date of Lok Adalat	FY 2017-18
1	22/10/2016	7,48,32,850	08/04/2017	7,99,78,226
2	12/11/2016	15,55,68,671	08/07/2017	9,52,54,840
3	11/02/2017	12,35,33,846	09/09/2017	5,49,48,042
4	-	-	09/12/2017	12,98,09,603
Total		35,39,35,367		35,99,60,751

Rebate on Advance Payment of Property Tax

As per Madhya Pradesh Municipal Corporation act 1956, Section 137 - tax payer is entitled to a discount of 6.25% on the overall property tax that he is entitled to pay if the tax payer pays


MAYOR
 Indore Municipal Corporation


Commissioner
 Indore Municipal Corporation

in advance. IMC has set the date for early tax payment as 30th June for every year. IMC has announced discounted prices for advance tax payment to tax payer to motivate them for payment of tax in time.

The following table shows the collection of property tax via advance tax payment for financial year 2016-17 and 2017-18.

Collection of Property Tax from Advance Payment of Property Tax				
S. No	Month	Property Tax (Rs.)	Month	Property Tax
1	04-2016	3,14,87,788	04-2017	14,15,03,975
2	05-2016	14,71,49,471	05-2017	13,36,43,935
3	06-2016	58,78,17,747	06-2017	64,47,35,379
Total		76,64,55,006	Total	91,98,83,288

2) Technological Intervention

A geographic information system (GIS) is a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data. The two main objectives of GIS Survey are:

- Coverage of all the properties
- Rectification of existing data on properties


IMC is introducing GIS for verification of current assessed properties and correction thereof, if needed and to identify the unassessed properties in Indore.


Benefits of GIS Project:

- Efficient administration of raising proper demand of property tax and user charges.
- Provides a standard toolbox for Tax Officers, Assessors, and Bill Collectors - ensuring uniformity across jurisdiction.
- Access to property assessment and tax information in a timely, accurate, and cost effective manner.
- Expandable to accommodate future changes in valuation.
- Urban planning using digital data.
- Identifying and categorizing urban land use.
- Deriving property size and building density.
- Planning road maintenance based on width and condition.

Indore Municipal Corporation (IMC) previously had an area of 134 sq. km. In the year 2014, 29 villages adjoining villages merged with the city of Indore and the overall area for the city increased to 276 sq. km. In this limit of old municipal area as well as new municipal area, unrecorded properties are yet to be identified. To identify all the properties, IMC is conducting a survey through Geographical Information System (GIS) for 100% coverage and correction in existing data (i.e. area and classification of property). It will help IMC to levy accurate tax demands and their timely collection. The property survey is in the process. The survey of 60% of the targeted properties i.e. 3 lakhs out of 5 lakhs is already completed.

In the financial year 2017-18, IMC has collected property tax of Rs. 254.58 Cr. , more than 8% increase as compared to FY 2016-17..


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)


Commissioner
 Indore Municipal Corporation

DETAILS OF ISSUER'S OUTSTANDING BORROWING

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

Total outstanding borrowings of the Issuer as on March 31, 2018 were Rs. 272.16 crores.

II. Details of Secured Loan Facilities:-

Nil

III. Details of Unsecured Loan Facilities (as on 31st March 2018):-

Rs. in crores				
Lender's Name	Type of facilities	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/schedule
HUDCO	Unsecured	4.93	0.07	Principal repayment in 56 quarterly instalments starting from September 30, 2004 and ending on June 30, 2018
HUDCO	Unsecured	Amount sanctioned was Rs 25.00 Crores; however amount availed was Rs 16.68 Crores	5.85	Principal repayment in 44 quarterly instalments starting from August 31, 2013 and ending on May 31, 2024*
HUDCO	Unsecured	Amount sanctioned was Rs 20.65 Crores; however amount availed was Rs 17.40 Crores	13.40	Principal repayment in 52 quarterly instalments starting from November 30, 2015 and ending on August 31, 2028*
HUDCO	Unsecured	Amount sanctioned was Rs 4.98 Crores; however amount availed was Rs 4.25 Crores	2.31	Principal repayment in 36 quarterly instalments starting from November 30, 2014 and ending on August 31, 2023
HUDCO	Unsecured	Amount sanctioned was Rs 54.48 Crores; however amount availed was Rs 48.17 Crores	26.89	Principal repayment in 36 quarterly instalments starting from November 30, 2014 and ending on August 31, 2023
Asian Development Bank	Unsecured	352.59	213.93	Principal repayment in 22 yearly instalments starting from FY 2006-07 and ending on FY 2027-28
State Bank of India	Unsecured	35.00	9.70	Principal repayment in 44 quarterly instalments starting from June 30, 2010 and ending on March 31, 2021

Note: The above loan facilities from HUDCO and ADB are guaranteed by State Government.

*Please note that the loan amount actually availed by IMC was less than the amount sanctioned. However, HUDCO has not yet revised the repayment schedule for these loans and repayments are being made by IMC as per the original schedule only. Therefore, the repayments of these loans may be completed before the scheduled end date, in case principal installment amount for these loans are not revised by HUDCO in future.


MAYOR
 Indore Municipal Corporation
 (INDORE (M. P.))


Commissioner
 Indore Municipal Corporation

IV. Details of NCD/Bonds: -

Nil

V. List of Top 10 Debenture Holders

Not Applicable.

VI. The amount of charge created along with name of the counterparty (like name of the project etc.)

Nil

VII. Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:-

Nil

VIII. Details of Rest of Borrowings

Nil

IX. Estimated Scenarios of Asset Liability Mis-matches,

As there is sufficient tax collection there does not seem to be any scenario of asset liability mismatch.

With respect to the repayment of debt and revenue generation, the Bonds are to be paid from own revenues of the IMC. The current collections are sufficient to ensure the redemption of the Bonds. The Structured Payment Mechanism as mentioned in Annexure-I shall ensure that the funds deposited over period will be sufficient to service the Bonds.

X. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial instrument issued by the Issuer, in the past 3 years.

Nil

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


Not applicable as the issuer has not created any charge earlier whether first/second/paripassu in favour of any of the existing creditors on the security/charge proposed to be created in favour of the present bond borrowing.

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

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

XIII. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash, whether in whole or part, at a premium or discount, or in pursuance of an option;

Nil


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation 50

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

There does not seem to be any material event or development which will affect the investors' decisions to invest in these Bonds.

- XV. Rating and detailed Rating Rationale.**

For rating rational and credit rating letters of BRICKWORK and ACUITE, please refer to Annexure-III.

- XVI. Credit Enhancement Mechanisms, if any.**

Please refer to Annexure-I for structured payment mechanism.

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

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

- XVIII. Escrow mechanism for the repayment of the interest/principal**

The Bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal. Please refer to Annexure-I for details of structured payment mechanism through escrow account.

- XIX. Name of the Trustee and Consent thereof:**

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, IMC has appointed Vistra ITCL (India) Limited to act as Bond Trustee ("Bond Trustee") for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustee are as under:

VISTRA ITCL 

Vistra ITCL (India) Limited
IL&FS Financial Centre, Plot C - 22, G Block, Bandra Kurla
Complex, Bandra (East), Mumbai 400 051
Tel: +91 22 26593150
Facsimile: +91 22 26533297
Contact Person: Mr. JatinChonani, Assistant Vice President
Email: itclcomplianceofficer@vistra.com
Website: www.vistraitcl.com
SEBI Registration No: IND000000578



MAYOR

Indore Municipal Corporation
INDORE (M. P.)



Commissioner
Indore Municipal Corporation

A copy of letter from Vistra ITCL (India) Limited conveying their consent to act as Bond Trustee for the current issue of Bonds is attached as Annexure-V.

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

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by the Issuer to the Trustees on behalf of the Bondholder(s) shall discharge the Issuer pro-tanto to the Bondholder(s). No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become so bound to proceed, fail to do so.

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

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

The Bonds are proposed to be listed on the Debt segment of NSE Ltd. NSE shall be the designated stock exchange.

XXI. Penal interest payable by Municipal Corporation in case of delay in execution of Trust Deed and charge documents


Not applicable as the Bond trust Deed and Deed of hypothecation has been already executed.


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

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

XXIII. Penal interest payable by the Municipal Corporation in case of delay in listing of Bonds from Date of Allotment

In case of delay in listing of the debt securities beyond 20 days from the Date of Allotment, the Issuer will pay penal interest of atleast 1 % p.a. over the coupon rate from the expiry of 30 days from the Date of Allotment till the listing of such debt securities to the investor.


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner 52
Indore Municipal Corporation

XXIV. Future Borrowings

Subject to relevant provisions of MPMC Act and terms and conditions of this Bond issue IMC may borrow further funds to carry out any activities as per provisions of MPMC Act.

XXV. Other details

N.A.

XXVI. DRR/Sinking Fund

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

XXVII. Issue/instrument specific regulations - relevant details

The MPMC Act provides borrowing powers to Indore Municipal Corporation. The issue of Bonds is being made pursuant to Section 102 of the MPMC Act, 1956. The present issue of Bonds is being made pursuant to Mayor-in Council resolution dated March 27, 2018 and Government's order dated May 4, 2018. The Issuer can undertake the present issue of Bonds in light of above approvals and no further approval is required.

XXVIII. APPLICATION PROCESS

1. Who can bid / invest / apply?

All QIBs and any non-QIB Investors specifically mapped by the Issuer on the NSE BOND - EBP Platform, are eligible to bid / invest / apply for this Issue.

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.


2. Documents to be provided by Investors


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

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

3. How to Bid

All Eligible Investors will have to register themselves as a one-time exercise (if not already registered) under the NSE BOND - EBP Platform offered by BSE for participating in the electronic book mechanism. Eligible Investors will also have to complete the mandatory KYC verification process. Investors should refer to the Operational Guidelines.


MAYOR
Indore Municipal Corporation
(INDORE (M.P.))


Commissioner
Indore Municipal Corporation

The details of the Issue shall be entered on the NSE BOND - EBP Platform by the Issuer 3 (three) working days prior to the Issue / Bid Opening Date, in accordance with the operational guidelines.

The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the NSE BOND - EBP Platform 3 (three) working days before the start of the Issue / Bid Opening Date.

A bidder has to enter the bid amount and the coupon. The coupon will be decided as per the cut off rate decided based on the uniform price (single coupon) mechanism on NSE EBP bidding platform.

Some of the key guidelines in terms of the current Operational Guidelines on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

(a) Modification of Bid:

Investors may note that modification of bid is allowed during the bidding period / window. However, in the last 10 minutes of the bidding period / window, revision of bid is only allowed for upward revision of the bid amount placed by the Investor and/or reduction in coupon/rate of interest.

(b) Cancellation of Bid

Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 minutes of the bidding period / window, no cancellation of bids is permitted.

(c) Multiple Bids

Investors may note that multiple bid is not permitted. If multiple bids are entered by the same Investor, only the first bid will be considered as valid.

(d) Withdrawal of Issue

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

- i. non-receipt of bids upto the Issue Size;
- ii. bidder has defaulted on payment towards the allotment, within the stipulated timeframe, due to which the Issuer is unable to fulfil the Issue Size.

Provided that the Issuer shall accept or withdraw the Issue on the NSE BOND - EBP Platform within 1 (one) hour of the closing of the bidding window, and not later than 5 pm on the Issue/Bidding Closing Date.

However, Investors should refer to the Operational Guidelines as prevailing on the date of the bid.

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

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


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

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

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

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

XXX. TERMS OF PAYMENT

- Payment shall be made in accordance with provisions of circular no. NSCCL/DS/37606 dated April 24, 2018, issued by NSCCL, regarding 'Electronic Bidding Platform for Issuance of Debt Securities on Private Placement Basis'.
- Successful bidders must do the funds pay-in to the designated bank account of NSCCL up to "Pay-in Time" in accordance with operational guidelines of NSE. Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the NSE BOND - EBP Platform while placing the bids. In case of mismatch in the bank account details between NSE BOND - EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned back.
- Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the NSCCL's Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to the successful bidder.
- **Application by Successful Bidder(s)**


All Application Forms, duly completed, must be delivered by the Pay-in Time to the Issuer by the successful bidder(s).

Applications for the Debentures must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

XXXI. DATE OF ALLOTMENT

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including Date of Allotment, June 29, 2018 Issuer also reserves the right to change/modify the issue program or structure at its own discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Date of Allotment may also be changed (pre-pond/ postponed) by the Issuer at its sole and absolute discretion, subject to relevant regulations.

XXXII. CREDIT TO DEMAT ACCOUNT


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given as per the NSE-EBP operational guidelines.

XXXIII. ISSUE OF BOND CERTIFICATE(S)

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

XXXIV. DEPOSITORY ARRANGEMENTS

The Issuer has appointed Karvy Computershare Private Limited as the Registrar to the present Bond Issue. The Issuer shall enter into necessary depository arrangements with NSDL and CDSL for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made thereunder. In this context, the Issuer will sign two tripartite agreements as under:


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

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

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

XXXV. PROCEDURE FOR APPLYING FOR DEMAT FACILITY

- a. Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- b. The applicant(s) must specify their beneficiary account number and Depository Participant's ID in the relevant columns of the Application Form.
- c. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.
- d. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrar to the Issue but the confirmation of the credit of the Bonds to the applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.
- e. Interest or other benefits with respect to the Bonds would be paid to those Bondholders whose names appear on the list of Beneficial Owners given by the Depositories to the Issuer as on the Record Date. In case, the Beneficial Owner is not identified by the Depository on the Record Date due to any reason what so ever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the Beneficial Owner is identified by the Depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

beneficiaries identified, within a period of 15 days from the date of receiving such intimation.

- f. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

XXXVI. FICTITIOUS APPLICATIONS

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

XXXVII. 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.

XXXVIII. TRADING OF BONDS

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs.10 lakhs each. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs.10 lakhs and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

XXXIX. MODE OF TRANSFER OF BONDS

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his Depository Participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

XL. BASIS OF ALLOCATION / ALLOTMENT

Allocation shall be made in accordance with relevant regulations.

XLI. 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.


XLII. INTEREST ON APPLICATION MONEY

As the Pay-In Date and the Date of Allotment fall on the same date, interest on application money shall not be applicable. Further, no interest on application money will be payable in case the Issue is withdrawn by the Issuer in accordance with the Operational Guidelines.


MAYOR

Indore Municipal Corporation

INDORE, M.P.


Commissioner
Indore Municipal Corporation

No interest on Application Money will be paid in respect of applications which are rejected due to any reason.

XLIII. INTEREST ON THE BONDS

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

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

XLIV. COMPUTATION OF INTEREST

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

XLV. RECORD DATE

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

XLVI. 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.


Tax exemption certificate/declaration of non-deduction of tax at source, if applicable, on interest on Bonds or interest on application money should be submitted along with the Application Form. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s). In case of tax deducted at source, the Corporation will issue the TDS certificate to the investors.

XLVII. PUT & CALL OPTION

As mentioned in term sheet

XLVIII. REDEMPTION


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

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

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

XLIX. ADDITIONAL COVENANTS

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

L. SETTLEMENT/ PAYMENT ON REDEMPTION

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

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


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


LI. 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.

LII. SUCCESSION

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


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

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

- i) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- ii) Proof that the NRI is an Indian National or is of Indian origin.
- iii) Such holding by the NRI will be on a non-repatriation basis.

LIII. Eligible Investors

Only the persons who are specifically addressed through a communication by NSE on behalf of IMC for bidding on EBP platform are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds:

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 Bonds;
▪ Any other legal entities authorized to invest in Bonds, subject to compliance with the relevant regulations applicable to such entities.	

LIV. WHO ARE NOT ELIGIBLE TO APPLY FOR BONDS

This Issue is not being offered to the following categories of investors and any application from such investors will be deemed an invalid application and rejected:

Investors who are not eligible to apply	▪ Venture Capital Funds;
	▪ Foreign Nationals;
	▪ Minors without a guardian name;




Commissioner
Indore Municipal Corporation

	▪ 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

LV. HOW TO APPLY

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds issued by the Corporation. The document is for the exclusive use of the institution(s) to whom it is delivered and it should not be circulated/ distributed to third parties. This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table The original Applications Forms (along with all necessary documents as detailed in this Information Memorandum), and other necessary documents should be sent to the head office of the Issuer on the same day, as the case may be.

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

The monies payable on subscription to securities to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application.

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

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

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


LVI. FORCE MAJEURE

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

LVII. APPLICATIONS UNDER POWER OF ATTORNEY

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax


MAYOR
 Indore Municipal Corporation


Commissioner
 Indore Municipal Corporation.

exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrar or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

LVIII. APPLICATION BY MUTUAL FUNDS

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

LIX. ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money.

LX. RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Issuer reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

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

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

LXI. PAN


Every applicant should mention its Permanent Account Number ("PAN") allotted under the Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application Forms without PAN will be considered as incomplete and are liable to be rejected.

LXII. SIGNATURES

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

LXIII. NOMINATION FACILITY

As per extant provisions of law, only individuals holding the Bonds as Sole/Joint holder of Bond can nominate, in the prescribed manner, a person to whom his/ their Bonds shall


MAYOR
Indore Municipal Corporation


Commissioner
Indore Municipal Corporation

vest in the event of his/ their death. Non-individuals including holders of Power of Attorney cannot nominate.

LXIV. RIGHT OF BONDHOLDER(S)

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first. Besides, the Bonds shall be subject to the provisions of MPMC Act, the terms of this Information Memorandum and other terms and conditions as may be incorporated in the Bond/ Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

LXV. MODIFICATION OF RIGHTS

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

LXVI. FUTURE BORROWINGS

Subject to relevant provisions of MPMC Act and terms and conditions of this Bond issue IMC may borrow further funds to carry out any activities as per provisions of MPMC Act.

LXVII. NOTICES

All notices required to be given by the Issuer or by the Trustee to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottee of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.


All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

LXVIII. JOINT-HOLDERS

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

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

LXIX. DISPUTES & GOVERNING LAW


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation

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

LXX. PROCEDURE FOR DECIDING AND ADJUSTING PAYMENT DATES.

If the interest payment date falls on a holiday, the payment may be made on the following working day. However, the calculation of payment of interest will be only till the day prior to that holiday. Also, the dates of the future coupon payments would be as per the schedule stipulated in the Information Memorandum/ Term Sheet in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.

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


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


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

- a) Copy of letters/resolutions appointing intermediaries to the Issue.
- b) Copy of letter appointing Registrars
- c) Copy of letter appointing Trustees to the Bondholders.
- d) Resolution of Mayor-in-Council March 27, 2018
- e) Government order dated May 4, 2018, authorizing IMC to issue Bonds.
- f) Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.
- g) Letter from NSE conveying their in-principle approval for listing of Bonds.
- h) Letter from Brickwork conveying the credit rating for the Bonds.
- i) Letter from ACUITE conveying the credit rating for the Bonds.
- j) Tripartite Agreement between the Issuer, NSDL and Registrar for issue of Bonds in dematerialized form.
- k) Tripartite Agreement between the Issuer, CDSL and Registrar for issue of Bonds in dematerialized form.
- l) Copy of debenture trustee agreement dated May 28, 2018 executed between Issuer and Trustee
- m) Copy of debenture trustee deed dated June 22, 2018 executed between Issuer and Trustee
- n) Copy of escrow agreement dated June 22, 2018 executed between Issuer, Escrow Bank and Trustee.
- o) Deed of hypothecation dated June 22, 2018 executed between Issuer and Trustee.

LXXII. INVESTOR GRIEVANCE MECHANISM

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor's grievance within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including



MAYOR
Indore Municipal Corporation


Commissioner
Indore Municipal Corporation

prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at head office of the Issuer or emailed to following email ID aoimc@imcindore.org. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Information Memorandum. The Corporation has already got itself registered with the SCORES platform of SEBI for the convenience of the investors for filing of any complaint.

LXXIII. ANY OTHER DETAILS FOR THE INVESTORS

Nil


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Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

LXXIV. Issue Details

SUMMARY TERM SHEET


Security Name	9.25%Indore Municipal Corporation Series-I June 2028
Issuer	Indore Municipal Corporation (IMC)
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured, rated, listed, taxable, redeemable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement of Municipal Bonds under SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015, as amended from time to time
Eligible Investors	<p>Only the persons who are specifically addressed through a communication by NSE on behalf of IMC for bidding on EBP platform are eligible to apply for the Bonds. An application made by any other person will be deemed as an invalid application and rejected. The following categories of investors are eligible to apply for this Issue of Bonds:</p> <ul style="list-style-type: none"> • Mutual Funds registered with SEBI; • Public Financial Institutions as defined in Section 2(72) of the Companies Act, 2013; • Scheduled Commercial Banks; • State Industrial Development Corporations; • Multilateral and Bilateral Development Financial Institutions; • Insurance Companies registered with the Insurance Regulatory and Development Authority; • Provident Funds ; • Pension Funds ; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • Insurance Funds set up and managed by army, navy or air force of the Union of India • Companies within the meaning of sub-section 20 of Section 2 of the Companies Act, 2013; • Statutory Bodies/ Corporations; • Cooperative Banks; • Regional Rural Banks; • Limited Liability Partnerships; • Trusts including Public/Private/Charitable/Religious Trusts; • Societies registered under the applicable laws in India and authorized to invest in Bonds; • Any other legal entities authorized to invest in Bonds, subject to compliance with the relevant regulations applicable to such entities. <p>Note: The above list is only illustrative and not exhaustive. Investors should check about their eligibility before making any investment</p>
Listing	Proposed to be listed on the WDM Segment of National Stock Exchange. The final listing approval shall be taken from the respective stock


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Indore Municipal Corporation

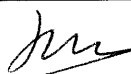

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Indore Municipal Corporation

	exchange within a maximum period of 20 (Twenty) days from Date of Allotment. In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Date of Allotment the Issuer shall make payment to the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of 1% p.a. over the Coupon Rate from the expiry of 30 (Thirty) days from the Date of Allotment till the listing of the Debentures.
Rating of Instrument	BWR AA (SO) (Outlook: Stable) by BRICKWORK and ACUITE AA(SO)/Stable by ACUITE (erstwhile SMERA Ratings Limited)
Issue Size	Basic issue size of Rs 100 Crores with green shoe of Rs 39.90 Crores aggregating up to Rs 139.90 Crores.
Option to retain oversubscription	Basic issue size of Rs 100 Crores with green shoe of Rs 39.90 Crores aggregating up to Rs 139.90 Crores
Objects of the Issue	General obligation bonds for incurring Capital Expenditure (Capex) share in various projects under AMRUT mission and prepayment of high cost loans utilized towards capital expenditure made on earlier projects.
Details of the utilization of the Proceeds	General obligation bonds for incurring Capital Expenditure (Capex) share in various projects under AMRUT mission and prepayment of high cost loans utilized towards capital expenditure made on earlier projects.
Coupon Rate	9.25% p.a.
Taxable/Taxfree	Taxable
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Half yearly from the Date of Allotment
Coupon payment dates	June 29 and December 29 of every year.
Coupon Type	Fixed
Coupon Reset Process	Reset clause will be applicable in case of rating downgrade, if any.
Day Count Basis	Actual/ Actual
Interest on Application Money	The pay-in date shall be the Date of Allotment, hence interest on application money shall be not applicable.
Default Interest Rate	2% per annum over and above the Coupon Rate from the date of the occurrence of the default, until the default is cured as per the cure period or the debentures are redeemed pursuant to such default, as may be applicable.
Tenor	10 years
Redemption Amount	Staggered redemption in four equal annual installments of 25% of the face value starting from the end of 7th year from the date of allotment.
Redemption Date	At par, in equal Staggered redemption respectively at the end of 7 th , 8 th , 9 th & 10 th year respectively from Date of allotment.
Rating downgrade Interest	On occurrence of a Rating Downgrade Event, an additional coupon on the Debentures will be paid to the extent of 0.25% p.a., for every notch below assigned rating over and above the Coupon payable on the Debentures.
Redemption premium	Nil


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)

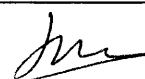

Commissioner
 Indore Municipal Corporation

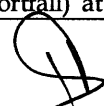
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per NCD
No. of NCD(s)	1399 (Including basic and green shoe option)
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	At the end of 7 th year from Date of Allotment
Put Option Price	At par
Call Option Date	At the end of 7 th year from Date of Allotment
Call Option Price	At par
Put Notification Time	Notice period of 30 days prior to the record date
Call Notification Time	Notice period of 30 days prior to the record date
Face Value	Rs.10,00,000/- (Rupees Ten Lakhs only) per NCD
Minimum Application size	Minimum application is of 5 Debentures of face value of Rs. 10 Lakhs each and in multiple of 1 Debenture thereafter.
Issue Timing	Issue/Bid Opening Date: June 28, 2018 Issue/Bid Closing Date: June 28, 2018 Pay-in Date to exchange: June 29, 2018 Pay-out Date to issuer: to be June 29, 2018 Date of Allotment: June 29, 2018
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement Mode of the Instrument	Through NSCCL only
Depositories	NSDL and CDSL
Holiday convention	If any Coupon Payment Date falls on a day that is not a Business Day (Saturday/ Sunday/ Holiday) in Indore and Mumbai, the payment shall be made by the Issuer on the immediately succeeding Business Day. If the Redemption Date including the put/call option date/ staggered redemption dates (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day (Saturday/ Sunday/ Holiday) in Indore and Mumbai, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.
Record Date	15 calendar days prior to interest payment, put/call dates and redemption/maturity date.
Security	The principal amount of the Debentures to be issued with all interest due on the Debentures, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of:


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)


Commissioner
 Indore Municipal Corporation

	<p>1. Legally enforceable and tenable exclusive first floating charge over present & future receivables of the Municipal Corporation with minimum cover of 1 time of the total amount borrowed along with interest thereon and other expenses.</p> <p>The creation of such security shall be sufficient compliance of the Corporation's obligation to create security.</p> <p>The Corporation shall be at liberty from time to time during the continuance of the security to issue at such future dates and in such denomination as it considers advisable, further convertible and/or non-convertible debentures and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks, and/or any other persons or entities.</p> <p>The Corporation shall, till any of the Debentures are outstanding, maintain a security cover equivalent to 1 time of the outstanding Debentures along with interest thereon and other expenses.</p>
Nature of credit enhancement (DSRA, Escrow etc)	As detailed in Structured payment Mechanism below in Schedule -I
Cash flow Waterfall (if there is escrow of receivables)	As detailed in Structured Payment Mechanism below in Schedule-I
Structured payment Mechanism	<ol style="list-style-type: none"> 1. IMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders: <ol style="list-style-type: none"> a. Escrow Account b. Debt Service Reserve Account, c. Interest Payment Account d. Sinking Fund Account 2. The Debt Service Reserve Account - It shall be funded on the pay-in date with an amount equal to two half yearly interest payments for bonds. 3. IMC shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the own revenues/cash flows of the Corporation are collected shall be transferred to a Escrow Account for debt servicing. Eligible Bondholders/Trustee on behalf of Bondholders shall have first charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected/pooled. 4. The funds lying in the Escrow Account shall be used in the following priority: <ol style="list-style-type: none"> a. The funds should be first utilised to meet Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any month shall be the amount to be transferred to Interest Payment Account, Sinking Fund Account and Debt Service Reserve Account (to replenish any shortfall) at end of the


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)


Commissioner
 Indore Municipal Corporation

	<p>month.</p> <p>b. The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account.</p> <p>c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to IMC General Fund Account.</p> <p>The above transfer shall be done on a daily basis except on the last business day of every month. On the last business day of every month, the Minimum Balance maintained as indicated above shall be transferred to the Interest Payment Account and Sinking Fund Account. IMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Interest Payment Account and Sinking Fund Account on any day prior to the last business day of the month.</p> <p>5. Escrow Account as mentioned above and shall cause the following funds to be transferred:</p> <p>a. At the end of each month, any shortfall in the Debt Service Reserve Account shall be replenished from Escrow Account.</p> <p>b. At the end of each month starting from the end of 1st month till the end of 5th month from the pay-in date or previous interest payment date, an amount equivalent to 20% of the half yearly interest payment and any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution shall be transferred to the Interest Payment Account.</p> <p>c. At the end of each month, an amount equivalent to 1/12th of 10% of the bond issue size and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account.</p> <p>d. Any shortfall in the above account(s) shall be made good by IMC by transfer from other account(s) of IMC.</p> <p>6. The funds lying in the above account(s) shall be utilized in the following manner:</p> <p>a. The funds lying in Debt Service Reserve Account can be used to meet any shortfall in Interest Payment Account and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the Debt Service Reserve Account cannot be utilized to meet any shortfall in contribution to Sinking Fund Account except at the time of final redemption of bonds.</p> <p>b. The funds lying in the Interest Payment Account can be used to make interest payment of the bondholder(s). Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in Debt Service Reserve Account and thereafter be used to make good any shortfall in contribution to Sinking Fund Account.</p> <p>c. The funds lying in the Sinking Fund Account can be used to redeem the bonds.</p> <p>d. Any funds lying in the above account(s) can be used for</p>
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MAYOR
 Indore Municipal Corporation


Commissioner
 Indore Municipal Corporation

making investment(s). However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mention in points (a) to (c) above.

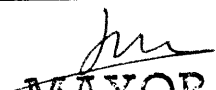
- e. Any surplus funds lying in the above account(s) after the bonds issued have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee.
7. The Debenture Trustee, on behalf of the Bondholder(s) shall have first charge over the Escrow Account, account(s) where the own revenues/cash flows of the Corporation are being collected/pooled. The Bondholder(s) shall have first and exclusive charge on the funds lying in Debt Service Reserve Account, Interest Payment Account and Sinking Fund Account and any investment(s) made from these account(s).
8. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the Debt Service Reserve Account, Interest Payment account, and Sinking Fund Account and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s). The amount deposited in Debt Service Reserve Account, Interest Payment Account and Sinking Fund Account shall be used solely for meeting the dues to these Bondholder(s). Any surplus in the account after meeting the dues to the Bondholder(s) can be transferred to the Escrow Account. No amount can be withdrawn from these account(s) without the approval of Debenture Trustees to the bondholder(s).
9. The Funds lying credited in the Interest Payment Account and Debt Service Reserve Account can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the Fixed Deposit. The lien shall be created in favor of debenture trustee on all the investments made above.
10. 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, state development loans and Treasury Bills. The lien shall be created in favor of debenture trustee on all the investments made above.
11. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).
12. Escrow Account, Debt Service Reserve Account, Interest Payment Account and Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ by two rating agencies throughout the tenor of the instrument. In case, at any point of time, the rating of senior debt of the Bank falls below AA+ by any rating agency IMC shall, with written consent of Debenture Trustees, move the funds to any other bank satisfying the rating criteria.
13. The Bank shall share statement(s) of these account(s) with Debenture

	<p>Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. IMC and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.</p> <p>Interest Payment Mechanism</p> <p>The Trustees shall check the amount lying to the credit of Interest Payment Account at 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate IMC of the shortfall and IMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account at 14 days prior to the Interest Payment date, the Trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from Debt Service Reserve Account to the Interest Payment Account by 10 days prior to the interest payment date. The Interest shall be paid by IMC on the due date. Any amount drawn from the Debt Service Reserve Account should be deposited back in the Debt Service Reserve Account as per the mechanism indicated above. The debenture trustee shall check the balance in the Sinking Fund Account at the end of the year and in case of any shortfall in the Sinking Fund Account, IMC shall replenish the Sinking Fund Account with the necessary amount to fill the shortfall. The Trustees 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 trustees shall intimate IMC of the shortfall and IMC shall make good the shortfall in the Sinking Fund Account by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in Interest Payment Account, Debt Service Reserve Account, Sinking Fund Account and any transfer from Debt Service Reserve Account to Interest Payment Account.</p> <p>Government Incentive</p> <p>IMC is expected to receive incentive from Government of India in terms of notification number K/16012/02/2018AMRUT-II B dated March 23, 2018. As and when the said incentive is received by IMC, same shall be kept in Escrow Account and shall be utilised towards interest servicing of the Bonds/debenture on proportionate basis, during the entire duration of bonds till the principal amount borrowed is paid off i.e. 10 years or put/call option whichever is earlier. The unutilised amounts of Government incentive so deposited shall be invested by IMC as per applicable provisions and charge/ lien shall be marked on such investment in favour of the Trustee.</p>
<p>Debenture Redemption Reserve</p>	<p>As per SEBI Guidelines, Not applicable in case of Municipal Corporation. However to ensure strong debt servicing mechanism IMC will create DRR/Sinking Fund as per the provisions mentioned here in above.</p>
<p>Financial covenants</p>	<p>The corporation hereby covenants with the debenture trustee that the corporation shall (accept as may otherwise be previously agreed in writing by the debenture trustee) comply with each of the financial conditions more particularly set out in detailed term sheet.</p>


MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)



Commissioner
 Indore Municipal Corporation

Delay in execution of the Debenture Trust Deed/Security Document	Not Applicable as Bond Trust Deed and security documents have been already executed.
Conditions Precedent to Disbursement	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI Guidelines in this regard: <ol style="list-style-type: none"> 1. Rating letters from two credit rating agencies not being more than one month old from the issue opening date; 2. Letter from the Trustees conveying their consent to act as Trustees for the NCD holder(s); 3. Letter from BSE/NSE conveying its in-principle approval for listing of NCDs.
Conditions Subsequent to Disbursement	Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document: <ol style="list-style-type: none"> 1. Credit of Demat account(s) of the allottee(s) by number of NCDs allotted as per the NSE-EBP operational guidelines. 2. Making application NSE and seek listing permission within 20 days from the Date of Allotment. In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Date of Allotment the Issuer shall make payment to the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of 1% p.a. over the Coupon Rate from the expiry of 30 (Thirty) days from the Date of Allotment till the listing of the Debentures. 3. And in compliance with other Regulatory Guidelines as applicable.
Events of Default	<ol style="list-style-type: none"> 1. Default in payment of interest and /or principal redemption 2. Delay in Listing 3. During the tenure of bonds, DSCR shall not fall below of 2 times
Consequences of Events of Default	<ol style="list-style-type: none"> 1. <u>Default in payment of interest and /or principal redemption</u> Default in Payment In case of default in payment of Interest and /or principal redemption on the due dates, additional interest of at least @2%p.a. over the coupon rate will be payable by the Corporation for the defaulting period. 2. <u>Delay in Listing</u> In case of delay in listing of the debt securities beyond 20 days from the Date of Allotment , the corporation will pay penal interest of at least 1% p.a. over the coupon rate from the expiry of 30 days from the Date of Allotment till the listing of such debt securities to the Investors 3. <u>During the tenure of bonds, DSCR shall not fall below of 2 times.</u> An additional coupon on the Debentures will be paid to the extent of 0.25% p.a., in case DSCR falls below 2 times.


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

	<p>DSCR (Debt Service Coverage Ratio) shall be calculated as below:-</p> $\text{DSCR} = (\text{Revenue surplus}^* + \text{Interest \& Finance Expenses} + \text{Net Depreciation}^{**} + \text{Other non cash expenses}) / (\text{Interest \& Finance Expenses during the year} + \text{Principal repayments made during the year} + \text{Amount transferred to sinking fund account during the year for debt repayments})$ <p>*Revenue surplus shall mean gross surplus of income over expenditure before prior period items and transfer to reserve funds as per the audited annual financial statements of the Corporation.</p> <p>**Net depreciation shall mean depreciation expense shown on expenditure side of income and expenditure statement in audited annual financial statements of the Corporation minus amount transferred from capital reserve for depreciation on assets out of grant fund as shown in schedule of other income on income side of income and expenditure statement in audited annual financial statements of the Corporation</p>
Provisions related to Cross Default Clause	NA
Transaction documents	<ul style="list-style-type: none"> a) Copy of letters/resolutions appointing intermediaries to the Issue. b) Copy of letter appointing Registrars c) Copy of letter appointing Trustees to the Bondholders. d) Resolution of Mayor-in-Council March 27, 2018 e) Government order dated May 4, 2018, authorizing IMC to issue Bonds. f) Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds. g) Letter from NSE conveying their in-principle approval for listing of Bonds. h) Letter from Brickwork conveying the credit rating for the Bonds. i) Letter from ACUITE conveying the credit rating for the Bonds. j) Tripartite Agreement between the Issuer, NSDL and Registrar for issue of Bonds in dematerialized form. k) Tripartite Agreement between the Issuer, CDSL and Registrar for issue of Bonds in dematerialized form. l) Copy of debenture trustee agreement dated May 28, 2018 executed between Issuer and Trustee m) Copy of debenture trustee deed dated June 22, 2018 executed between Issuer and Trustee n) Copy of escrow agreement dated June 22, 2018 executed between Issuer, Escrow Bank and Trustee. o) Deed of hypothecation dated June 22, 2018 executed


MAYOR
 Indore Municipal Corporation
 INDORE (M. P.)


Commissioner
 Indore Municipal Corporation

	between Issuer and Trustee.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and Size and roles and responsibilities as prescribed under the Companies Act 1956 or Companies Act 2013, whichever is applicable and rules made there under and relevant Guidelines / Regulations/ Rules of SEBI or any other regulatory agency as may be applicable. More particularly to be defined in debenture trustee deed.
Others	The Issuer reserves the right to reissue bonds on same ISIN, as issued to present bonds, to an extent of Rs. 30.10 crores aggregating to total issue size of Rs. 170 Crores including green shoe option.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Indore.

MAYOR
 Indore Municipal Corporation
 INDORE (M.P.)

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 has executed the necessary documents for the creation of the charge including the Trust Deed and shall upload the same on the website of the NSE.

The issuer has not created any charge earlier whether first/second/pari passu in favour of any of the existing creditors on the security/charge proposed to be created in favour of the present bond borrowing.

For Indore Municipal Corporation

Shri Asheesh Singh, IAS
Commissioner
Place: Indore, MP
Date: June 28, 2018


Commissioner
Indore Municipal Corporation

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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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 has executed the necessary documents for the creation of the charge including the Trust Deed and shall upload the same on the website of the NSE.

The issuer has not created any charge earlier whether first/second/paripassu in favour of any of the existing creditors on the security/charge proposed to be created in favour of the present bond borrowing.

For Indore Municipal Corporation

Smt. Malini Laxman Singh Gaur
Mayor
Place: Indore, MP
Date: June 28, 2018


MAYOR
Indore Municipal Corporation
INDORE (M.P.)

SCHEDULE-I


Name of the Issuer	Indore Municipal Corporation
Issue Amount (Amount in Rs.)	1399000000
Date of Allotment	Friday, June 29, 2018
Pay-in Date	Friday, June 29, 2018
Redemption Date	Friday, June 27, 2025
	Monday, June 29, 2026
	Tuesday, June 29, 2027
	Thursday, June 29, 2028
Tenor	10 Years
Interest Payment Frequency	Semi Annual
Interest Payment Date	29 th June & 29 th December every year till redemption
Coupon	9.25%

Upfront DSRA to be created (Amount in Rs.) - Rs. 129407500.00

Amount to be transferred to Interest Payment Account and Sinking Fund Account:-

Amt in Rs.

Date/Month	Interest Payment Account		Sinking Fund Account		
	Amount	Cumulative Amount	Amount	Redemption	Cumulative Amount
29-Jul-18	12,976,204	12,976,204	11,658,333		11,658,333
29-Aug-18	12,976,204	25,952,408	11,658,333		23,316,667
29-Sep-18	12,976,204	38,928,612	11,658,333		34,975,000
29-Oct-18	12,976,204	51,904,816	11,658,333		46,633,333
29-Nov-18	12,976,204	64,881,021	11,658,333		58,291,667
29-Dec-18	-64,881,021	-	11,658,333		69,950,000
29-Jan-19	12,905,296	12,905,296	11,658,333		81,608,333
28-Feb-19	12,905,296	25,810,592	11,658,333		93,266,667
29-Mar-19	12,905,296	38,715,888	11,658,333		104,925,000
29-Apr-19	12,905,296	51,621,184	11,658,333		116,583,333
29-May-19	12,905,296	64,526,479	11,658,333		128,241,667
29-Jun-19	-64,526,479	-	11,658,333		139,900,000
29-Jul-19	12,976,204	12,976,204	11,658,333		151,558,333
29-Aug-19	12,976,204	25,952,408	11,658,333		163,216,667
29-Sep-19	12,976,204	38,928,612	11,658,333		174,875,000


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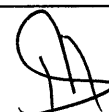

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 Indore Municipal Corporation

29-Oct-19	12,976,204	51,904,816	11,658,333		186,533,333
29-Nov-19	12,976,204	64,881,021	11,658,333		198,191,667
29-Dec-19	-	64,881,021	11,658,333		209,850,000
30-Dec-19	-64,881,021	-			209,850,000
29-Jan-20	12,940,750	12,940,750	11,658,333		221,508,333
29-Feb-20	12,940,750	25,881,500	11,658,333		233,166,667
29-Mar-20	12,940,750	38,822,250	11,658,333		244,825,000
29-Apr-20	12,940,750	51,763,000	11,658,333		256,483,333
29-May-20	12,940,750	64,703,750	11,658,333		268,141,667
29-Jun-20	-64,703,750	-	11,658,333		279,800,000
29-Jul-20	12,940,750	12,940,750	11,658,333		291,458,333
29-Aug-20	12,940,750	25,881,500	11,658,333		303,116,667
29-Sep-20	12,940,750	38,822,250	11,658,333		314,775,000
29-Oct-20	12,940,750	51,763,000	11,658,333		326,433,333
29-Nov-20	12,940,750	64,703,750	11,658,333		338,091,667
29-Dec-20	-64,703,750.00	-	11,658,333		349,750,000
29-Jan-21	12,905,296	12,905,296	11,658,333		361,408,333
28-Feb-21	12,905,296	25,810,592	11,658,333		373,066,667
29-Mar-21	12,905,296	38,715,888	11,658,333		384,725,000
29-Apr-21	12,905,296	51,621,184	11,658,333		396,383,333
29-May-21	12,905,296	64,526,479	11,658,333		408,041,667
29-Jun-21	-64,526,479	-	11,658,333		419,700,000
29-Jul-21	12,976,204	12,976,204	11,658,333		431,358,333
29-Aug-21	12,976,204	25,952,408	11,658,333		443,016,667
29-Sep-21	12,976,204	38,928,612	11,658,333		454,675,000
29-Oct-21	12,976,204	51,904,816	11,658,333		466,333,333
29-Nov-21	12,976,204	64,881,021	11,658,333		477,991,667
29-Dec-21	-64,881,021	-	11,658,333		489,650,000
29-Jan-22	12,905,296	12,905,296	11,658,333		501,308,333
28-Feb-22	12,905,296	25,810,592	11,658,333		512,966,667



MAYOR


Indore Municipal Corporation



Commissioner


Indore Municipal Corporation

29-Mar-22	12,905,296	38,715,888	11,658,333		524,625,000
29-Apr-22	12,905,296	51,621,184	11,658,333		536,283,333
29-May-22	12,905,296	64,526,479	11,658,333		547,941,667
29-Jun-22	-64,526,479	-	11,658,333		559,600,000
29-Jul-22	12,976,204	12,976,204	11,658,333		571,258,333
29-Aug-22	12,976,204	25,952,408	11,658,333		582,916,667
29-Sep-22	12,976,204	38,928,612	11,658,333		594,575,000
29-Oct-22	12,976,204	51,904,816	11,658,333		606,233,333
29-Nov-22	12,976,204	64,881,021	11,658,333		617,891,667
29-Dec-22	-64,881,021	-	11,658,333		629,550,000
29-Jan-23	12,905,296	12,905,296	11,658,333		641,208,333
28-Feb-23	12,905,296	25,810,592	11,658,333		652,866,667
29-Mar-23	12,905,296	38,715,888	11,658,333		664,525,000
29-Apr-23	12,905,296	51,621,184	11,658,333		676,183,333
29-May-23	12,905,296	64,526,479	11,658,333		687,841,667
29-Jun-23	-64,526,479	-	11,658,333		699,500,000
29-Jul-23	12,976,204	12,976,204	11,658,333		711,158,333
29-Aug-23	12,976,204	25,952,408	11,658,333		722,816,667
29-Sep-23	12,976,204	38,928,612	11,658,333		734,475,000
29-Oct-23	12,976,204	51,904,816	11,658,333		746,133,333
29-Nov-23	12,976,204	64,881,021	11,658,333		757,791,667
29-Dec-23	-64,881,021	-	11,658,333		769,450,000
29-Jan-24	12,940,750	12,940,750	11,658,333		781,108,333
29-Feb-24	12,940,750	25,881,500	11,658,333		792,766,667
29-Mar-24	12,940,750	38,822,250	11,658,333		804,425,000
29-Apr-24	12,940,750	51,763,000	11,658,333		816,083,333
29-May-24	12,940,750	64,703,750	11,658,333		827,741,667
29-Jun-24	-64,703,750	-	11,658,333		839,400,000
29-Jul-24	12,940,750	12,940,750	11,658,333		851,058,333
29-Aug-24	12,940,750	25,881,500	11,658,333		862,716,667


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29-Sep-24	12,940,750	38,822,250	11,658,333		874,375,000
29-Oct-24	12,940,750	51,763,000	11,658,333		886,033,333
29-Nov-24	12,940,750	64,703,750	11,658,333		897,691,667
29-Dec-24	-	64,703,750.00	11,658,333		909,350,000
30-Dec-24	-64,703,750	-			909,350,000
29-Jan-25	12,763,479	12,763,479	11,658,333		921,008,333
28-Feb-25	12,763,479	25,526,959	11,658,333		932,666,667
29-Mar-25	12,763,479	38,290,438	11,658,333		944,325,000
29-Apr-25	12,763,479	51,053,918	11,658,333		955,983,333
29-May-25	12,763,479	63,817,397	11,658,333		967,641,667
27-Jun-25	-63,817,397	-	-	349,750,000	617,891,667
29-Jun-25	-	-	11,658,333		629,550,000
29-Jul-25	9,838,515	9,838,515	11,658,333		641,208,333
29-Aug-25	9,838,515	19,677,031	11,658,333		652,866,667
29-Sep-25	9,838,515	29,515,546	11,658,333		664,525,000
29-Oct-25	9,838,515	39,354,062	11,658,333		676,183,333
29-Nov-25	9,838,515	49,192,577	11,658,333		687,841,667
29-Dec-25	-49,192,577	-	11,658,333		699,500,000
29-Jan-26	9,678,972	9,678,972	11,658,333		711,158,333
28-Feb-26	9,678,972	19,357,944	11,658,333		722,816,667
29-Mar-26	9,678,972	29,036,916	11,658,333		734,475,000
29-Apr-26	9,678,972	38,715,888	11,658,333		746,133,333
29-May-26	9,678,972	48,394,860	11,658,333		757,791,667
29-Jun-26	-48,394,860	-	11,658,333	349,750,000	419,700,000
29-Jul-26	6,488,102	6,488,102	11,658,333		431,358,333
29-Aug-26	6,488,102	12,976,204	11,658,333		443,016,667
29-Sep-26	6,488,102	19,464,306	11,658,333		454,675,000
29-Oct-26	6,488,102	25,952,408	11,658,333		466,333,333
29-Nov-26	6,488,102	32,440,510	11,658,333		477,991,667
29-Dec-26	-32,440,510	-	11,658,333		489,650,000


MAYOR
 Indore Municipal Corporation
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 Indore Municipal Corporation

29-Jan-27	6,452,648	6,452,648	11,658,333		501,308,333
28-Feb-27	6,452,648	12,905,296	11,658,333		512,966,667
29-Mar-27	6,452,648	19,357,944	11,658,333		524,625,000
29-Apr-27	6,452,648	25,810,592	11,658,333		536,283,333
29-May-27	6,452,648	32,263,240	11,658,333		547,941,667
29-Jun-27	-32,263,240	-	11,658,333	349,750,000	209,850,000
29-Jul-27	3,244,051	3,244,051	11,658,333		221,508,333
29-Aug-27	3,244,051	6,488,102	11,658,333		233,166,667
29-Sep-27	3,244,051	9,732,153	11,658,333		244,825,000
29-Oct-27	3,244,051	12,976,204	11,658,333		256,483,333
29-Nov-27	3,244,051	16,220,255	11,658,333		268,141,667
29-Dec-27	-16,220,255	-	11,658,333		279,800,000
29-Jan-28	3,235,188	3,235,188	11,658,333		291,458,333
29-Feb-28	3,235,188	6,470,375	11,658,333		303,116,667
29-Mar-28	3,235,188	9,705,563	11,658,333		314,775,000
29-Apr-28	3,235,188	12,940,750	11,658,333		326,433,333
29-May-28	3,235,188	16,175,938	23,316,667		349,750,000
29-Jun-28	-16,175,938	-		349,750,000	-

Notes: a) Any Shortfall in the cumulative amount needs to be met by Escrow Account in priority mentioned in the Summary Term Sheet and IMC should make good of any shortfall by transfer from other account(s) of IMC.

b) Shortfall = Cumulative Amount - Amount lying in relevant Account (including Fixed Deposits/Investment)

c) The effect of Holidays have not been factored in while creating the Schedule

J. P. S.
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[Signature]
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Annexure- I
Structure Payment Mechanism

1. IMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders:
 - a. Escrow Account
 - b. Debt Service Reserve Account,
 - c. Interest Payment Account
 - d. Sinking Fund Account
2. The Debt Service Reserve Account - It shall be funded on the pay-in date with an amount equal to two half yearly interest payments for bonds.
3. IMC shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the own revenues/cash flows of the Corporation are collected shall be transferred to a Escrow Account for debt servicing. Eligible Bondholders/Trustee on behalf of Bondholders shall have first charge over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected/pooled.
4. The funds lying in the Escrow Account shall be used in the following priority:
 - a. The funds should be first utilised to meet Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any month shall be the amount to be transferred to Interest Payment Account, Sinking Fund Account and Debt Service Reserve Account (to replenish any shortfall) at end of the month.
 - b. The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account.
 - c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to IMC General Fund Account.

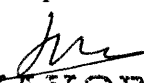
The above transfer shall be done on a daily basis except on the last business day of every month. On the last business day of every month, the Minimum Balance maintained as indicated above shall be transferred to the Interest Payment Account and Sinking Fund Account. IMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to Interest Payment Account and Sinking Fund Account on any day prior to the last business day of the month.

5. Escrow Account as mentioned above and shall cause the following funds to be transferred:
 - a. At the end of each month, any shortfall in the Debt Service Reserve Account shall be replenished from Escrow Account.
 - b. At the end of each month starting from the end of 1st month till the end of 5th month from the pay-in date or previous interest payment date, an amount equivalent to 20% of the half yearly interest payment and any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution shall be transferred to the Interest Payment Account.
 - c. At the end of each month, an amount equivalent to 1/12th of 10% of the bond issue size and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account.


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- d. Any shortfall in the above account(s) shall be made good by IMC by transfer from other account(s) of IMC.
6. The funds lying in the above account(s) shall be utilized in the following manner:
 - a. The funds lying in Debt Service Reserve Account can be used to meet any shortfall in Interest Payment Account and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the Debt Service Reserve Account cannot be utilized to meet any shortfall in contribution to Sinking Fund Account except at the time of final redemption of bonds.
 - b. The funds lying in the Interest Payment Account can be used to make interest payment of the bondholder(s). Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall in Debt Service Reserve Account and thereafter be used to make good any shortfall in contribution to Sinking Fund Account.
 - c. The funds lying in the Sinking Fund Account can be used to redeem the bonds.
 - d. Any funds lying in the above account(s) can be used for making investment(s). However, the funds (including investment(s) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mention in points (a) to (c) above.
 - e. Any surplus funds lying in the above account(s) after the bonds issued have been redeemed in full and all dues to the Bondholder(s) have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee.
7. The Debenture Trustee, on behalf of the Bondholder(s) shall have first charge over the Escrow Account, account(s) where the own revenues/cash flows of the Corporation are being collected/pooled. The Bondholder(s) shall have first and exclusive charge on the funds lying in Debt Service Reserve Account, Interest Payment Account and Sinking Fund Account and any investment(s) made from these account(s).
8. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the Debt Service Reserve Account, Interest Payment account, and Sinking Fund Account and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s). The amount deposited in Debt Service Reserve Account, Interest Payment Account and Sinking Fund Account shall be used solely for meeting the dues to these Bondholder(s). Any surplus in the account after meeting the dues to the Bondholder(s) can be transferred to the Escrow Account. No amount can be withdrawn from these account(s) without the approval of Debenture Trustees to the bondholder(s).
9. The Funds lying credited in the Interest Payment Account and Debt Service Reserve Account can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the Fixed Deposit. The lien shall be created in favor of debenture trustee on all the investments made above.
10. 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, state development loans and Treasury Bills. The lien shall be created in favor of debenture trustee on all the investments made above.
11. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).


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Commissioner
Indore Municipal Corporation


12. Escrow Account, Debt Service Reserve Account, Interest Payment Account and Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ by two rating agencies throughout the tenor of the instrument. In case, at any point of time, the rating of senior debt of the Bank falls below AA+ by any rating agency IMC shall, with written consent of Debenture Trustees, move the funds to any other bank satisfying the rating criteria.
13. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Rating Agencies for such period as may be specified by the Debenture Trustee and/or Rating Agencies but not greater than 12 months in any case till such time as the bonds are redeemed. IMC and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.


Interest Payment Mechanism

The Trustees shall check the amount lying to the credit of Interest Payment Account at 25 days prior to the interest payment date. In case of any shortfall in amount, the trustees shall intimate IMC of the shortfall and IMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date. In case of shortfall in any amount in Interest Payment Account at 14 days prior to the Interest Payment date, the Trustee shall trigger the payment mechanism and instruct bank to transfer the shortfall amount from Debt Service Reserve Account to the Interest Payment Account by 10 days prior to the interest payment date. The Interest shall be paid by IMC on the due date. Any amount drawn from the Debt Service Reserve Account should be deposited back in the Debt Service Reserve Account as per the mechanism indicated above. The debenture trustee shall check the balance in the Sinking Fund Account at the end of the year and in case of any shortfall in the Sinking Fund Account, IMC shall replenish the Sinking Fund Account with the necessary amount to fill the shortfall. The Trustees 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 trustees shall intimate IMC of the shortfall and IMC shall make good the shortfall in the Sinking Fund Account by 15 days prior to the redemption date. The Trustees shall keep the Rating Agencies informed of any shortfall in Interest Payment Account, Debt Service Reserve Account, Sinking Fund Account and any transfer from Debt Service Reserve Account to Interest Payment Account.

Government Incentive

IMC is expected to receive incentive from Government of India in terms of notification number K/16012/02/2018AMRUT-II B dated March 23, 2018. As and when the said incentive is received by IMC, same shall be kept in Escrow Account and shall be utilised towards interest servicing of the Bonds/debenture on proportionate basis, during the entire duration of bonds till the principal amount borrowed is paid off i.e. 10 years or put/call option whichever is earlier. The unutilised amounts of Government incentive so deposited shall be invested by IMC as per applicable provisions and charge/ lien shall be marked on such investment in favour of the Trustee.

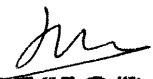

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**ANNEXURE 2
CASH FLOW ILLUSTRATION**

Name of the Issuer	Indore Municipal Corporation
Issue Amount (Amount in Rs.)	1399000000
Date of Allotment	June 29, 2018
Pay-in Date	June 29, 2018
Redemption Dates	At par, in equal staggered redemption respectively at the end of 7 th , 8 th , 9 th & 10 th year respectively from Date of Allotment i.e. June 27, 2025, June 29, 2026, June 29, 2027, June 29, 2028
Tenor	10 years from Date of Allotment
Interest Payment Frequency	Half yearly
Interest Payment Date	June 29 and December 29 of every year
Coupon	9.25%


Cash Flow	Original Due Date	Coupon Payment Date	Interest Amount (In Rupees)	Redemption amount (in Rupees)
1st Coupon	Saturday, December 29, 2018	Saturday, December 29, 2018	64881021	-
2nd Coupon	Saturday, June 29, 2019	Saturday, June 29, 2019	64526479	-
3rd Coupon	Sunday, December 29, 2019	Monday, December 30, 2019	64881021	-
4th Coupon	Monday, June 29, 2020	Monday, June 29, 2020	64703750	-
5th Coupon	Tuesday, December 29, 2020	Tuesday, December 29, 2020	64703750	-
6th Coupon	Tuesday, June 29, 2021	Tuesday, June 29, 2021	64526479	-
7th Coupon	Wednesday, December 29, 2021	Wednesday, December 29, 2021	64881021	-
8th Coupon	Wednesday, June 29, 2022	Wednesday, June 29, 2022	64526479	-
9th Coupon	Thursday, December 29, 2022	Thursday, December 29, 2022	64881021	-
10th Coupon	Thursday, June 29, 2023	Thursday, June 29, 2023	64526479	-
11th Coupon	Friday, December 29, 2023	Friday, December 29, 2023	64881021	-
12th Coupon	Saturday, June 29, 2024	Saturday, June 29, 2024	64703750	-
13th Coupon	Sunday, December 29, 2024	Monday, December 30, 2024	64703750	-
14th Coupon	Sunday, June 29, 2025	Friday, June 27, 2025	63817397	349750000
15th Coupon	Monday, December 29, 2025	Monday, December 29, 2025	49192577	-


MAYOR
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 INDORE (M.P.)


 Commissioner
 Indore Municipal Corporation

16th Coupon	Monday, June 29, 2026	Monday, June 29, 2026	48394860	349750000
17th Coupon	Tuesday, December 29, 2026	Tuesday, December 29, 2026	32440510	-
18th Coupon	Tuesday, June 29, 2027	Tuesday, June 29, 2027	32263240	349750000
19th Coupon	Wednesday, December 29, 2027	Wednesday, December 29, 2027	16220255	-
20th Coupon	Thursday, June 29, 2028	Thursday, June 29, 2028	16175938	349750000
Total			1099830797	1399000000

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


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 Comm. *[Signature]*
 Indore Municipal Corporation



SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/HO/ERC/VI/0018/2018-19
10 April 2018

Mr Manish Singh,
Commissioner,
Indore Municipal Corporation
Narayan Singh Saput Marg,
Shivaji Market,
Rajwada Nagar Nigam,
Indore - 452007
Madhya Pradesh

Dear Sir,

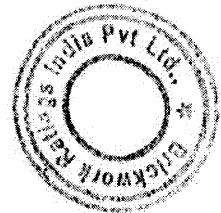
Sub: Rating of Indore Municipal Corporation's NCD issue of Rs. 170.00 Crs (₹ One Hundred Seventy Crores Only) with a tenor up to 10 years

Thank you for giving us an opportunity to undertake rating of NCD issue of Rs. 170.00 Crores of Indore Municipal Corporation. Based on the term sheet of the NCD shared with us, information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Indore Municipal Corporation's NCD issue of Rs. 170.00 Crs** has been assigned a rating of **BWR AA(SO) (Pronounced BWR Double A(Structured Obligation)) (Outlook:Stable)**. Instruments with this rating are considered to have **high Degree of Safety** regarding timely servicing of financial obligations. Such instruments carry **very low Credit Risk**. The structured obligation refers to the structured payment mechanism including escrow mechanism alongwith DSRA, interest service and sinking fund accounts.

The Rating is valid for one year from the date of this letter and subject to the terms and conditions that were agreed in your mandate dated 20 Mar 2018 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay. **You are also requested to submit No Default Statement on monthly basis.**

Best Regards,

Vipula Sharma
DGM-Ratings



Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site. Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara, Dannerghatta Road, Bengaluru - 560 076

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com

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CIN: U67190KA2007PTC043591

MAYOR
Indore Municipal Corporation
INDORE (M. P.)

Commissioner

Indore Municipal Corporation



SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/HO/SRC/VI/0142/2018-19

15 June 2018

Mr. Asheesh Singh,
Commissioner
Indore Municipal Corporation
Narayan Singh Saput Marg,
Shivaji Market, Rajwada Nagar Nigam
Indore - 452007, Madhya Pradesh

Dear Sir,

Sub: Revalidation of Rating – Indore Municipal Corporation – NCD issue of Rs. 170.00 Crs. rated by Brickwork Ratings.

Ref: BWR Rating Letter BWR/NCD/HO/ERC/VI/0018/2018-19 dated 10 April 2018
Our Rating Validation Letter BWR/NCD/HO/SRC/VI/0075/2018-19 dt. 15 May 2018

We wish to advise that your Company's aforementioned NCD issue of Rs. 170.00 Crs carries **BWR AA(SO) (Pronounced BWR Double A (Structured Obligation)) (Outlook: Stable)** rating as advised vide our letter BWR/NCD/HO/ERC/VI/0018/2018-19 dated 10th April 2018. The rating is valid up to 9th April 2019.

Instruments with BWR AA(SO) rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk**

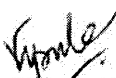
We note that the Company has not raised the said amount. Please note that all the terms and conditions of our earlier letter BWR/NCD/HO/ERC/VI/0018/2018-19 dated 10th April 2018 remain unchanged.

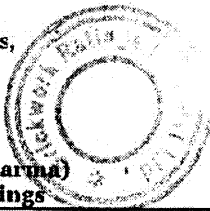
This letter is valid for **two months** for the issuance of NCDs. Validation of the fresh rating may be issued time to time up to a maximum of 12 months from the date of initial rating letter dated 10 April 2018 subject to review

Brickwork would conduct surveillance during the life of the instrument and would need to be informed of any significant information that may affect company's finances without any delay.

You are requested to ensure submission of the following documents to Brickwork Ratings:
Executed transaction documents with terms in line with the indicative terms provided by the company to Brickwork Ratings.

Best Regards,


(Vipula Sharma)
DGM - Ratings



Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.


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CIN: U67190KA2007PTC043591



Rating Rationale

Indore Municipal Corporation

May 23, 2018

Brickwork Ratings assigns rating for the proposed NCD issue amounting to Rs. 170.00 Crs. of Indore Municipal Corporation

Particulars:


Facility Rated	Amount (Rs. Crs.)	Tenure	Coupon Payment Frequency	Rating*
				Rating Assigned
Fund Based				
Proposed NCD	170.00	10 years	Half Yearly	BWR AA(SO) (Pronounced as BWR Double A (Structured obligation)) (Outlook: Stable)
Total	170.00	Rupees One Hundred Seventy Crores Only		

* Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rationale/Rating Sensitivities:

BWR has principally relied upon the audited financials up to FY17, projected financial statements up to FY21, receipts and payment statement, publicly available information and, information/clarifications provided by the Corporation.

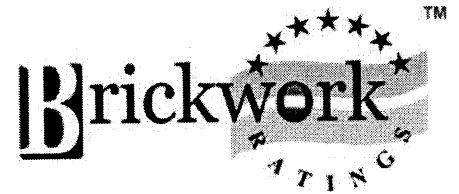
The rating has, inter alia, factored in the structured payment mechanism including DSRA, interest servicing account, sinking fund provisions, Y-O-Y increase in revenue income with adequate revenue surplus, strategic and economic importance of the city, strong industrial base, comfortable property tax collection efficiency and improvement in civic services parameters being voted the cleanest city in 2017. The rating is, however, constrained by high tax receivable


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 Indore Municipal Corporation
 INDORE (M. P.)

1

 Commissioner
 Indore Municipal Corporation

May 23, 2018



days which is largely due to arrears from previous years and implementation risk associated with the projects being implemented under various ongoing schemes.

Going forward, ability of the corporation to complete the various projects in timely manner, maintain adequate revenue surplus and overall surplus and further improve the service levels would be the key rating sensitivities.

Key Rating Drivers:

Structured Payment Mechanism: IMC has a structured payment mechanism in place for the timely servicing of both the interest and principal. The mechanism includes four separate accounts which include:-

- **Escrow account** where own tax and non tax revenues of the corporation will be deposited with utilisation being through a defined waterfall mechanism
- **DSRA** equivalent to two half yearly interest payments,
- **Interest payment account (IPA)** from which the interest will be serviced on the due date
- **Sinking fund account (SFA)**, which will be managed and monitored by the debenture trustees for the repayment of principal portion as per the repayment schedule


The mechanism will work as follows:

Own tax and non tax revenue due to IMC will be collected and deposited every day in a separate no-lien escrow account for debt servicing of bonds. Funds equivalent to 20% of the coupon payment due will be transferred on the last date of first five months during respective half year (between any two coupon dates) to ensure adequate funding of the IPA account T-25 days before the interest payment is due.

If not funded adequately T-25 days before, debenture trustee will intimate the IMC to bridge the gap by infusing funds in the account by T-15 days left for the payment.

In case the account continue to remain short of funds by T-14 days, then DT will intimate the bankers to fund the deficit from DSRA which is equivalent to two half yearly interest payments in this case.

From the pay in date, DSRA has to be maintained at a level such that it can service two half yearly payments. At the end of each month, the funds lying/ deposited in the escrow account


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INDORE (M. P.)

2


Commissioner
Indore Municipal Corporation

May 23, 2018



shall be transferred to DSRA to make good any shortfall in DSRA, if it was used during meeting previous obligations.

NCD enjoys legally enforceable and tenable exclusive first floating charge over present & future receivables of the municipal corporation with minimum cover of 1 time of the total amount borrowed along with interest thereon and other expenses. Any surplus funds available in the escrow account can be transferred to General Fund Account of IMC. The funds lying in IPA, SFA and DSRA can be kept in fixed deposits with any scheduled commercial bank having a dual rating of 'AA+' or above. Any actual interest income earned and received on the investments made can be utilised towards the future dues towards the NCDs

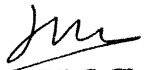
Sinking fund provision:

At the end of each month, an amount equivalent to 1/12th of 10% of the bond issue size and any shortfall in earlier contribution shall be transferred to the Sinking Fund Account. The SFA will also be monitored by Debenture Trustee on regular basis. Principal repayment will take place by way of staggered redemption in four equal installments, 25% of face value starting from the end of 7th year till the end of 10th year from the date of allotment.

Y-O-Y increase in revenue income with moderate revenue surplus: With the various measures taken to improve collection efficiency, the corporation has managed to show continuous growth in revenue income over the period of three years under consideration. Revenue income for the corporation increased from Rs. 882.25 Crs in FY15 to Rs. 1088.44 in FY16 and further increased to Rs.1284.76 Crs in FY17.

Strategic importance of the city at national level: Indore is among the 20 cities selected under the first phase for the implementation of the Smart City Project. Indore in Madhya Pradesh has been declared the cleanest city in India under the Swachh Survekshan 2017. The city is one of the largest trading hub for various commodities and other products. Indore was also home to third oldest stock exchange in the country namely Madhya Pradesh Stock Exchange which is now operational as a regional stock exchange in India to provide an independent trading platform for its members

Moderate coverage of civic services: The ratings continues to draw strength from network of civic services in the water and sanitation sector against the service level benchmarks for urban local bodies set by the Ministry of Urban Development. Though the coverage level of water supply at 50.27%(FY18)is on lower side(which is mainly due to addition of 29 villages/approx


MAYOR
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INDORE (M. P.)

3


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Indore Municipal Corporation

May 23, 2018



143 sq km in 2014-15), it has shown improvement of 3.62% over previous year. The service level metrics are expected to improve significantly in the coming years with further investments under AMRUT, SMART CITY and other schemes. Coverage of toilets stood at 99% and coverage of sewerage networks was at 63.73% during FY18.


About the Company:

IMC is the largest corporation in the state of Madhya Pradesh. Indore Municipal Corporation (IMC) was established in 1956 under the Madhya Pradesh Nagar Palika Nigam Adhiniyam. The IMC is responsible for public education, correctional institutions, libraries, public safety, recreational facilities, sanitation, water supply, local planning and welfare services. The mayor and councilors are elected for five-year terms. The Indore Municipal Corporation is divided into 15 zones and these zones have been further divided into 85 wards defined by geographic population boundaries.

Company's Financial Performance:

IMC reported revenue income of Rs. 1282.76 Crs. with a revenue surplus of Rs. 302.74. Crs. and cash surplus of Rs. 535.29 Crs in FY17 against revenue income of Rs. 1088.44 Crs. with a revenue surplus of Rs. 312.77 Crs and cash surplus of Rs. 511.65 Crs in FY16.

Key Financial Figures			
Particulars	Unit	FY16(Audited)	FY17(Audited)
Own Tax revenues	Rs. Crores	336.94	443.24
Total own revenues	Rs. Crores	409.03	536.45
Total Revenue receipts	Rs. Crores	1088.44	1282.76
Revenue Surplus	Rs. Crores	312.77	302.74
Cash surplus	Rs. Crores	511.65	535.29
Cash and Bank Balance	Rs. Crores	225.89	297.50
Total borrowings	Rs. Crores	352.26	309.16


MAYOR
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 INDORE (M. P.)


 Commissioner
 Indore Municipal Corporation

May 23, 2018



Rating History for the last three years:

Sl. No.	Facility	Current Rating (April 2018)			Rating History		
		Type	Amount (Rs Crs)	Rating	2017	2016	2015
1.	Proposed NCD	Long Term	170.00	BWR AA(SO)	NA	NA	NA
Total			170.00	Rupees One Hundred Seventy Crores Only			

Status of Non-Cooperation with previous CRA - NA


Hyperlink/Reference to Applicable Criteria:

- General Criteria
- Public Finance - Municipal & Urban Local Bodies
- Structured Obligation

Analytical Contacts	Media
<u>Vipula Sharma</u>	<u>media@brickworkratings.com</u>
<u>DGM - Ratings</u>	Relationship Contact
<u>analyst@brickworkratings.com</u>	<u>bd@brickworkratings.com</u>
Phone: 1-860-425-2742	

For print and digital media

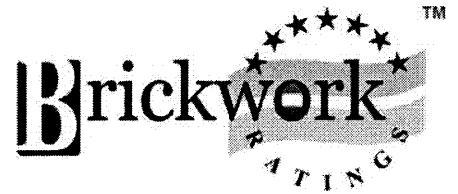
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5


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 Indore Municipal Corporation

May 23, 2018



sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.


About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

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Indore Municipal Corporation

Rating Letter - Intimation of Rating Action

Letter Issued on: April 17, 2018
Letter Valid till: March 20, 2019

Scan this QR Code to verify authenticity of this rating



Indore Municipal Corporation
Narayan Sing Saput Marg,
Shivaji Market, Nagar Nigam,
Indore,
Madhya Pradesh 452007

Kind Attn.: Mr. Beerbhadra Sharma, Additional Commissioner (Tel. No. 91 7440443331)

Dear Mr. Sharma,

Sub.: Rating Assigned - Rs. 170.00 Cr. Of Indore Municipal Corporation

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	170.00	NA
Quantum of Enhancement (Rs. Cr.)	NA	NA
Rating	SMERA AA (SO)	NA
Outlook	Stable	NA
Most recent Rating Action	Assigned	NA
Date of most recent Rating Action	April 17, 2018	NA
Rating Watch	NA	NA

SMERA reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which SMERA believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by SMERA as required under prevailing SEBI guidelines and SMERA's policies.

This letter will expire on March 20, 2019 or on the day when SMERA takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit <https://www.smera.in/> OR scan the QR code given above to confirm the current outstanding rating.

SMERA will re-issue this rating letter on March 21, 2019 subject to receipt of surveillance fee as applicable. If the rating is reviewed before March 20, 2019, SMERA will issue a new rating letter.

Vinayak Ramkrishna Nayak
Head - Corporate Ratings
Annexures: A. Details of the Rated Instrument
B. Details of the rating prior to the above rating action

Additional Commissioner
Indore Municipal Corporation

MAYOR
Indore Municipal Corporation
INDORE (M. P.)

Indore Municipal Corporation Tel: 91 22 6714 1111 | SMS: +91 996 9898 000 | E-mail: adminratings@smera.in | Website: www.smera.in

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SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposits etc.

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CIN: U74999MH2005PLC155683 | SEBI Permanent Registration No.: IN / CRA / 006 / 2011

Annexure A. Details of the Rated Instrument

Instrument	Scale	Amt. (Rs. Cr)	Rating Assigned
Bond (Proposed)	Long Term	170.00	SMERA AA (SO) / Stable
Total Facility		170.00	

Annexure B. Details of the rating prior to the above rating action

	Long Term Instruments	Short Term Instruments
Previous Rated Quantum	NA	NA
Rating	NA	NA
Outlook	NA	NA

[Signature]
TRAYOR
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[Signature]
Committee Member
 Indore Municipal Corporation

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Rating Revalidation Letter

Private and Confidential

2018/35379/IMC/Revalidation/VN
June 15, 2018

Indore Municipal Corporation
Narayan Sing Saput Marg,
Shivaji Market,
Nagar Nigam, Indore,
Madhya Pradesh 452007
Tel. No. 91 7440443331

Scan this QR Code to verify
authenticity of this rating



Kind Attn.: Mr. Beerbhadra Sharma, Additional Commissioner

Dear Mr. Sharma,

Sub.: Credit Rating for Proposed Bond by Indore Municipal Corporation Aggregating Rs. 170.00 Cr.

Acuite Ratings & Research Limited has an outstanding rating of '**ACUITE AA (SO)**' read as [**ACUITE double A (Structured Obligation)**] with a '**Stable**' outlook for the abovementioned debt instrument [see annexure 1]. As per Acuite's rating definition, instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Kindly inform us the details of the NCDs being issued by you, immediately, but not later than 7 days from the date of such issuances in the following format:

Type of Instrument	ISIN	Issue Size (Rs. cr.)	Date of issue	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Names of top 10 investors
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Acuite reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuite believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuite as required under prevailing SEBI guidelines and Acuite's policies. Hence lenders / investors are advised to visit <https://www.acuite.in/> to confirm the current outstanding rating. Acuite ratings are not recommendations to buy, sell or hold any security.

Yours truly,
For Acuite Ratings & Research Limited

Suman Chowdhury

Suman Chowdhury
President – Ratings

[Signature]
MAYOR

Indore Municipal Corporation
INDORE (M. P.)

[Signature]
Commissioner

Indore Municipal Corporation


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Rating Revalidation Letter

ANNEXURE - I

Instrument	Scale	Amount (Rs. Cr)	Rating Assigned
Proposed Bond	Long Term	170.00	ACUITE AA (SO)/ Stable
Total Debt		170.00	


MAYOR
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INDORE (M. P.)


Commissioner
Indore Municipal Corporation

Press Release

Indore Municipal Corporation (IMC)

17 May, 2018

Rating Reaffirmed



Total Bond Facilities Rated*	Rs.170.00 Cr.
Long Term Rating	SMERA AA (SO) / Outlook: Stable

* Refer Annexure for details

Rating Rationale

SMERA has reaffirmed the long term rating of 'SMERA AA (SO)' (read as SMERA double A (Structured Obligation)) on the Rs. 170.00 Cr. proposed bonds of Indore Municipal Corporation (IMC). The outlook is 'Stable'.

IMC is one of the oldest municipal corporations in India. It services an area of 274 square kilometres, inhabited by around 28 lakh people. The corporation provides key obligatory services such as roads and bridges, water supply and sanitation, drainage and sewerage, public health, solid waste management, and primary education. It also offers discretionary services such as public transportation.

Strengths

Strong Commercial & Economic Base of Indore

Indore has demonstrated an ability to attract investments from a wide range of industries which makes it the commercial capital of Madhya Pradesh. The region has a well-balanced mix of industries like Cotton Textiles, Iron and Steel, Chemicals, Pharmaceuticals, IT, Solvent Plants and Others. The region also provides significant opportunities for setting up of agro based trading units, soya product units and enterprises engaged in processing of food products. Indore has also established itself as an educational hub including the presence of both Indian Institute of Technology (IIT) and Indian Institute of Management (IIM). The significant employment opportunities generated as a result of the economic activities in and around Indore has led to higher per capita income which augurs well for IMC. The own tax revenues of IMC increased to Rs. 443.24 Cr. in FY2016-17 as against Rs. 336.95 Cr. in FY2015-16. The revenue surplus stood at Rs.302.74 crore for FY2016-17 (Rs.312.77 crore for FY2015-16).


SMERA believes that IMC will benefit from its status as the commercial capital of Madhya Pradesh and its ability to attract investment from diverse sectors.

Structured Payment Mechanism:

The payment mechanism entails maintenance of an Escrow Account, Debt Service Reserve Account (DSRA), Interest Payment Account (IPA), and Sinking Fund Account (SFA):

- I. The DSRA shall be created on the pay-in date with an amount equal to one year interest payments for the bond structure.
- II. The funds (Owned Revenue) received in the Escrow Account will be transferred to IPA and SFA on a monthly basis as per the terms of the bond.
- III. As regards the interest payments (expected to be half yearly), the IPA will be funded on a monthly basis.
- IV. SFA, which shall be funded monthly equivalent to the amount as per the terms of bond issuances.


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Indore Municipal Corporation

IPA:

An amount, as specified in the terms of bonds/loans agreements, will be transferred to IPA from Escrow Account on monthly basis. In case of any shortfall in the amount lying to the credit of interest payment account on transaction date (T)-25 days prior to debt service, the trustee shall inform IMC, and the latter shall cover the shortfall by T-15 days. If the corporation fails to cover the shortfall by T-14 days, then the trustee will instruct the bank to transfer the deficit from DSRA to IPA by T-10 days.

SFA:

The debenture trustee shall check the balance in SFA at the end of each year; in case of any shortfall, the trustee shall inform IMC to replenish the same. Further, the trustee shall check the balance in SFA in T-25 days from the principal redemption date. In case of any shortfall, the trustee shall ask IMC to make good the shortfall in T-15 days.

Management of Funds:

The management of funds in the various designated accounts will be overseen by the trustee. Any surplus funds available in the Escrow account, after meeting the aforesaid structured payment mechanism, can be transferred to IMC's general fund account. Escrow Account, DSRA, IPA and SFA shall be maintained with a scheduled commercial bank, rated at least 'AA+' by two rating agencies, throughout the tenure of the instruments. If the rating of senior debt of the concerned bank falls below 'AA+', IMC will move the fund to other bank, satisfying the aforesaid conditions. The status of the designated accounts will be shared with the debenture trustee and rating agencies on a periodic basis during the tenor of the bonds. The funds credited and lying in IPA, SFA and DSRA can be kept in fixed deposits with a scheduled commercial bank with a dual rating of 'AA+' or above. The interest income earned on the investments made from SFA, DSRA and IPA can be utilised towards obligations of the respective accounts.

Efficient Civic Service Coverages:

IMC's water supply connection (base considered population) coverage and sanitation coverage remained comfortable at 89% and 92%, respectively, in FY2016-17, against the service level benchmark of 100%. Further, in FY2017-18 the ratios remained at 89% and 95%, respectively. IMC has achieved 100% coverage in terms of solid waste collection in FY2016-17.

Weaknesses

Significant Build up in Receivables

The gross debtors position as on 31 March, 2017 stood at Rs.1246.87 Cr. as compared to Rs.1129.86 Cr. as on 31 March, 2016 i.e. 355 days revenues for FY17 (previous year 379 days). The debtors mainly pertain to accumulated overdues in property taxes and water charges (~97.20% of overall receivables). The IMC has been following a practice of provisioning for a part of these overdue receivables. The net receivables stood at Rs.477.56 Cr. (previous year Rs.443.84 Cr.).

SMERA believes that any significant build-up in receivables beyond existing levels will be a key rating sensitivity factor.

Analytical approach:


SMERA has considered the standalone business and financial risk profiles of IMC to arrive at the rating.

Outlook - Stable

SMERA believes IMC will maintain a stable outlook given its healthy revenue growth and diversified economic infrastructure. The outlook may be revised to 'Positive' in case there is a significant improvement in cost recovery and service coverage indicators. The outlook may be revised to 'Negative' in case there is an increased dependence on grants and further build up in the debtor levels.



MAYOR



**Commissioner
Indore Municipal Corporation**

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	1,282.76	1,088.44	882.25
EBITDA	Rs. Cr.	509.65	500.71	295.37
PAT	Rs. Cr.	302.74	312.77	114.10
EBITDA Margin	(%)	39.73	46.00	33.48
PAT Margin	(%)	23.60	28.74	12.93
ROCE	(%)	10.22	11.80	10.83
Total Debt/Tangible Net Worth	Times	0.10	0.13	0.16
PBDIT/Interest	Times	14.01	16.13	9.67
Total Debt/PBDIT	Times	0.61	0.70	1.25
Gross Current Assets (Days)	Days	354	353	344

Any other information:

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Urban Local Bodies - <https://www.smera.in/criteria-urban-local-bodies.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Status of non-cooperation with previous CRA (if applicable):


None


Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
17-Apr-2018	Proposed Bond	Long Term	170.00	SMERA AA (SO) / Stable (Reaffirmed)

***Annexure - Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Proposed Bond	Not Applicable	Not Applicable	Not Applicable	170.00	SMERA AA (SO) / Stable


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation


Contacts:

Analytical	Rating Desk
Suman Chowdhury President – SMERA Bond Rating Tel: +91-22-6714 1107 Email: suman.chowdhury@smera.in	Varsha Bist Sr. Executive Tel: 022-67141160 Email: varsha.bist@smera.in
Kashish Shah, Rating Analyst, Tel: +91-22-6714 1152 Email: kashish.shah@smera.in	


ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.


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 INDORE (M. P.)


Commissioner
 Indore Municipal Corporation


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation



NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



Stock of the nation

Ref. No: NSE/LIST/48231

May 24, 2018

The Chief Finance and Accounts Officer
Indore Municipal Corporation
Narayan Sing Saput Marg,
Shivaji Market, Rajwada,
Nagar Nigam, Indore,
Madhya Pradesh - 452007

Kind Attn.: Mr. Beerbhadra Sharma

Dear Sir,


Sub.: In-principle approval for listing of Non-convertible Bonds in the nature of Debentures to be issued by Indore Municipal Corporation on private placement basis

This is with reference to your application for in-principle approval for listing of Secured, Taxable, Non-convertible Redeemable Bonds in the nature of Debentures of face value of Rs. 10 lacks each at par aggregation to basic issue size of Rs. 100 crores ("Issue") and Green Shoe Option of Rs. 70 Crores aggregation to Rs. 170 Crores by Indore Municipal Corporation on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue.

Kindly note that these debt instruments may be listed on the Exchange after the allotment process has been completed provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
Chief Manager


MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

This Document is Digitally Signed





Consent letter from Debenture Trustee

21st April, 2018

To,

INDORE MUNICIPAL CORPORATION ("CORPORATION")
Narayan Sing Saput Marg, Shivaji Market,
Rajwada, Nagar Nigam, Indore,
Madhya Pradesh – 452007

Dear Sir/Madam,

Sub: Proposed issue of bonds/debentures by Indore Municipal Corporation (Issue),

We, the undersigned, do hereby consent to act as Debenture/Bond Trustee in accordance with of the Securities and Exchange Board Of India (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 as amended with respect to the Issue and to our name being included as Bond/Debenture Trustee of the Corporation in disclosure document and any other document intended to be filed by the Corporation with the stock exchanges or any other authority in respect of the Issue and the subsequent communications sent to the holders of debt securities pursuant to the Issue. The following details with respect to us may be disclosed:

Name: Vistra ITCL (India) Ltd.
Address: Plot C- 22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Tel: 022-26593150
Fax: 022-26533297
Email: itclcomplianceofficer@vistra.com
Website: www.vistraitcl.com
Contact Person: Mr. Jatin Chonani, Assistant Vice President
SEBI Registration Number: IND000000578


We enclose a copy of our registration certificate regarding our registration with Securities and Exchange Board of India.


Sincerely,

For Vistra ITCL (India) Limited


Authorized Signatory
Name: Sandesh Vaidya
Designation: Manager




MAYOR
Indore Municipal Corporation
INDORE (M. P.)


Commissioner
Indore Municipal Corporation

Registered office:
The IL&FS Financial Centre,
Plot C- 22, G Block, 7th Floor
Bandra Kurla Complex, Bandra (East),

Tel: +91 22 2659 3533
Fax: +912226533297
Email: mumbai@vistra.com

Vistra ITCL (India) Limited
(Formerly know as IL & FS Trust Company Limited)



फोन : 0731-2431710
0731-2541771 (उप-फोन)
फैक्स : 0731-2434489
ई-मेल : nagarnigamindore@yahoo.com
वेब साइट : www.imcindore.org

नगर पालिक निगम, इन्दौर (म.प्र.)

पत्र क्र. :

दिनांक :

Registration No.: 90

Resolution passed in the meeting of Mayor in council, Indore Municipal Corporation, Indore

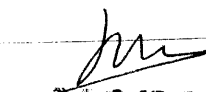
Resolution No. 93, Date: 27.03.2018


The opinion dated 21.03.2018 of The Head of the Department (Finance and Accounts) on the letter No. 1760 dated 20.03.2018 of The Commissioner, Indore Municipal Corporation (IMC) for raising funds of Rs 170.00 Crores through Municipal Bonds for implementation of various projects under AMRUT Mission and re-payment of high cost debt raised by IMC is taken into consideration.

According to summary enclosed with the letter of The Commissioner, funds of Rs 170.00 Crores are to be raised through Municipal Bonds for implementation of various projects under AMRUT Mission and prepayment of high cost debt raised by IMC. Mayor in Council Members hereby unanimously accord their permission, in presumption of approval by Municipal Council, for **Authorization for Issuing Bonds, Signing all the related documents, structuring the repayment of bonds, appointing the various agencies & intermediaries for execution of the work, completing formalities related to issuing and listing of municipal bonds of 170 crores etc.**

The funds raised will be utilized towards contribution of IMC of Rs. 160 crores, for various projects (as detailed below) to be implemented under the AMRUT Mission and prepayment of high cost debt of Rs 10 Crores.

Sr. No.	Project Component	(INR Crores)
1	Water supply	629.20
2	Sewerage and septage management	268.06
3	Storm water drainage	10.00
4	Urban transport/Mobility	40.00
5	Others and Green Spaces	25.00
TOTAL ESTIMATED PROJECT COST (INR Crores)		972.26


MAYOR
Indore Municipal Corporation
INDORE (M.P.)


Commissioner
Indore Municipal Corporation


Commissioner
Municipal Corporation, Indore


Sr.No.	Means of Finance	(INR Crores)
1	Govt. of India Share	324.05
2	State Govt. Share	486.13
3	Contribution from IMC/Borrowings through Municipal Bonds	162.08
Total (INR Crores)		972.26


The council members unanimously accorded approval for creation of security i.e. first charge over present & future receivables of the municipal corporation with minimum cover of one time of the total amount borrowed through bonds including interest payment and other cost or as agreed between trustee and IMC and to sign trust deed or security documents or to make any necessary amendments. The Council also accorded approval to Structure Payment Mechanism/Escrow/Sinking Fund/Interest payment/DSRA etc as per the annexure attached for servicing and issuance of Municipal Bonds by Indore Municipal Corporation to the tune of Rs. 170.00 Crores to finance the gap funding for various projects to be implemented under the AMRUT Mission (Rs 160 Crores) and prepayment of high cost debt (Rs 10 Crores).

The council members unanimously accorded approval for authorizing Commissioner, IMC on behalf of the Indore Municipal Corporation to act as signatory of all the documents including but not limited to information memorandum, trustee agreement etc, corporate action form or to do any necessary amendment as may be applicable required as per the process for issuance of Municipal Bond by IMC to complete credit rating, pre and post issue compliances, listing, issuance, allotment of bonds, dematerialization, etc.

Commissioner, IMC is authorized on behalf of the Indore Municipal Corporation to do all such acts, deeds and things time to time, as may be deemed necessary in respect of issue of Bonds including but not limited to the number of issue/tranche, face value, issue price, issue size, tenor, timing, coupon/interest rate(s) yield, allotment, dematerialization, listing, credit rating and other terms and conditions of issue and servicing of Bonds/bond obligation, to open necessary accounts for bonds money, DSRA, escrow, interest payment and sinking fund, as well as to enter into additional agreements and contracts with intermediaries for the bond issue. These currently include, but may not be limited to the following:

- 1) Escrow agent agreement
- 2) Independent legal counsel
- 3) Independent auditor for the Municipal Corporations Finances and for escrow held funds
- 4) Independent engineer for the project, if required.


MAYOR
 Indore Municipal Corporation
 INDORE (M. P.)


2

 Commissioner
 Indore Municipal Corporation


 Commissioner
 Municipal Corporation, Indore

- 5) Listing requirements for the NSE/BSE
- 6) Depository requirements for dematerialized bonds
- 7) Trustee for the issue
- 8) Registrar to the issue
- 9) Merchant Banker to the issue
- 10) Two Credit rating agencies
- 11) Any other act/deed/matter/facility relating to the proposed issue of bonds

To be presented before Municipal Council, Indore Municipal Corporation for confirmation.

For execution of aforesaid matters commissioner is hereby authorized to deal with all as & when required.



Smt. Malini Laxmansingh Gaur
Mayor/Chairperson
Mayor in council
Indore Municipal Corporation, Indore
Date


Serial No.


Copy to :-

1. Commissioner, Indore Municipal Corporation
2. Residential Audit Department
for information and necessary action.


Secretary
Indore Municipal Corporation, Indore


Commissioner
Indore Municipal Corporation


Commissioner
Indore Municipal Corporation, Indore


MAYOR
Indore Municipal Corporation
INDORE (M. P.)

मध्यप्रदेश शासन
नगरीय विकास एवं आवास विभाग
मंत्रालय, भोपाल

क्रमांक
प्रति, 1979 / 1830 / 2018 / 18-2

भोपाल, दिनांक 11/15/2018

आयुक्त
नगर पालिक निगम
इंदौर/भोपाल/जबलपुर
मध्यप्रदेश।

विषय: नगर पालिक निगम इंदौर, भोपाल एवं जबलपुर द्वारा दीर्घकालीन म्यूनिसिपल बॉण्ड जारी करने हेतु शासन से स्वीकृति के संबंध में।

संदर्भ: संचालनालय का प्रस्ताव क्रमांक 82/सीयूएडी/18 दिनांक 04.04.2018.

—000—

उपरोक्त विषयक संदर्भित प्रस्ताव आयुक्त के माध्यम से नगर पालिका अधिनियम 1956 की धारा 102(2) में प्रदत्त शक्तियों में निगम को ऋण लिये जाने अथवा ऋण पत्र जारी करने के पूर्व शासन की अनुमति लिये जाने का प्रावधान है। नगर पालिक निगम इंदौर, भोपाल एवं जबलपुर द्वारा अमृत योजना एवं प्रधानमंत्री आवास योजना में निगम अंश की पूर्ति हेतु तथा उच्च दर पर लिये गये ऋण की वापसी हेतु दीर्घकालीन म्यूनिसिपल बॉण्ड जारी करने के संबंध में शासन अनुमति प्राप्त करने का प्रस्ताव भेजा है। उक्त तीनों नगरीय निकायों के प्रस्ताव का संचालनालय नगरीय प्रशासन एवं विकास में परीक्षण किया गया है। परीक्षण के उपरांत प्रस्ताव अनुशासा सहित शासन के अनुमोदन हेतु भेजा है। नगर पालिका निगमवार दीर्घकालीन बॉण्ड की राशि का विवरण निम्नानुसार है:-

1. नगर पालिक निगम इंदौर राशि रूपये 170 करोड़
2. नगर पालिक निगम भोपाल राशि रूपये 175 करोड़
3. नगर पालिक निगम जबलपुर राशि रूपये 125 करोड़

2/ नगर पालिका निगमों द्वारा आयुक्त के माध्यम से प्रस्ताव प्राप्त हुए हैं। उक्त नगर पालिका निगमों में निगम स्तर पर समिति गठित कर प्रस्ताव का परीक्षण कराया है और मेयर इन काउंसिल से अनुमोदन कराकर प्रस्ताव भेजा है। साथ ही संबंधित निकाय नगर निगम परिषद से भी प्रस्ताव अनुमोदित करा लें।

उक्तानुसार राज्य शासन द्वारा नगर पालिक अधिनियम 1956 की धारा 102(2) में प्रदत्त शक्तियों के तहत उक्त नगर पालिक निगमों को उल्लेखित राशि अनुसार दीर्घकालीन म्यूनिसिपल बॉण्ड जारी करने की स्वीकृति प्रदान की जाती है।

अपर आयुक्त (PMAY)/(Finance)

मध्यप्रदेश के राज्यपाल के नाम से
तथा आदेशानुसार

04/05/18
(भरत/यादव)

उप सचिव

मध्यप्रदेश शासन

नगरीय विकास एवं आवास विभाग
भोपाल, दिनांक 11/15/2018

① को दृष्टिगत रखते हुए तत्काल
निगम स्तर की आरंभ आवश्यक
कार्यवाही करावे।

पू. क्रमांक 1980 / 1830 / 2018 / 18-2
प्रतिलिपि:

आयुक्त

अपर मुख्य सचिव, म.प्र. शासन, वित्त विभाग, मंत्रालय, भोपाल।

अपर नगरीय प्रशासन एवं विकास, संचालनालय, भोपाल, म.प्र.।

3. कलेक्टर जिला-इंदौर, म.प्र.।

4. कलेक्टर जिला-भोपाल, म.प्र.।

5. कलेक्टर जिला-जबलपुर, म.प्र.।

6. संयुक्त संचालक, नगरीय प्रशासन एवं विकास, इंदौर संभाग इंदौर, म.प्र.।

7. संयुक्त संचालक, नगरीय प्रशासन एवं विकास, भोपाल संभाग भोपाल, म.प्र.।

8. संयुक्त संचालक, नगरीय प्रशासन एवं विकास, जबलपुर संभाग जबलपुर, म.प्र.।

cc to Add. Com. (Smart City)

उप सचिव

मध्यप्रदेश शासन

नगरीय विकास एवं आवास विभाग