



A.K. Stockmart Pvt. Ltd.



Public Issue of Secured Rated Listed Redeemable Non-
Convertible Green Municipal Bonds
of
INDORE MUNICIPAL CORPORATION
February 10, 2023 - February 14 ,2023





INDORE MUNICIPAL CORPORATION

INVESTMENT RATIONALE

- PUBLIC ISSUE BY THE INDORE MUNICIPAL CORPORATION (THE "CORPORATION" OR THE "IMC" OR THE "ISSUER") OF RATED, LISTED, TAXABLE, SECURED, REDEEMABLE, NON-CONVERTIBLE GREEN MUNICIPAL BONDS OF FACE VALUE OF ₹ 1,000/- EACH ("GREEN BONDS"/NCDs/DEBENTURES), (COMPRISING OF 4 (FOUR) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPP") NAMELY 1 STRPP A OF FACE VALUE OF ₹ 250, 1 STRPP B OF FACE VALUE OF ₹ 250, 1 STRPP C OF FACE VALUE OF ₹ 250 AND 1 STRPP D OF FACE VALUE OF ₹ 250), FOR AN AMOUNT OF UPTO ₹ 122 CRORES ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UPTO ₹ 122 CRORES ("GREEN SHOE OPTION") AGGREGATING UP TO ₹ 244 CRORES (RUPEES TWO HUNDRED AND FORTY FOUR CRORES ONLY) ("ISSUE").**
- THE ISSUE IS BEING MADE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, THE SEBI OPERATIONAL CIRCULAR, SEBI GREEN DEBT SECURITIES CIRCULAR AND OTHER RELEVANT CIRCULARS AND GUIDELINES.**
- Credit Rating of 'IND AA+/Stable' by India Ratings & Research Private Limited, 'CARE AA/Stable', by CARE Ratings Limited.**
- The Green Bonds are proposed to be listed on National Stock Exchange of India Limited ("NSE"). For the purposes of the Issue, NSE shall be the Designated Stock Exchange.**

COMPANY PROFILE

- Indore Municipal Corporation (IMC), established in the year 1956, is the chief municipal body of Indore city. IMC has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and is currently functioning under the Madhya Pradesh Municipal Corporation Act, 1956.
- Presently, Shri Pushyamitra Bhargav is the Mayor and Smt. Pratibha Pal, IAS, is the Commissioner (Nagar Aayukt) of the Issuer. IMC is covered under AMRUT Scheme of Government of India.
- The Corporation is mainly responsible for providing civic services to the Indore city and undertakes several works as per provided under Section 66 of the MPMC Act such as lighting public streets, places and buildings, cleaning public streets, places, sewers, registering births, marriages and deaths, maintenance of public parks, gardens, management and maintenance of all municipal water works, construction and maintenance of new work and means for providing a sufficient supply of suitable water for public and private purposes, construction and maintenance of public market, etc.

ACHIEVEMENTS

- IMC has taken various green initiatives such as 100% segregated door to door collection, processing of other categories of waste, bio-remediation of legacy waste, sweeping of roads and improvement in air quality index, 3-R waste reduction measures, city aesthetics and beautification, Swachh Nadiyan, Sookhe Naale, etc.
- Further, some of the awards/appreciations received by IMC are as follows:-

Sr. No.	Name of Award / Appreciation	Purpose/Achievement	Year	Name of Institution
1	Swachh City Award	1st position as Swachh City of India	2022	Ministry of Urban Development, Government of India
2	Garbage Free City, Swachh Bharat Mission (Urban)	7-star rating	2022	Ministry of Housing and Urban Affairs, Government of India
3	Swachh City Award	1st position as Swachh City of India	2021	Ministry of Urban Development, Government of India

Sr. No.	Name of Award / Appreciation	Purpose/Achievement	Year	Name of Institution
4	Excellence in District level initiative in e-Governance	National Award for e-Governance (Gold)	2020-2021	District Administration, Indore, Government of Madhya Pradesh
5	Garbage Free City, Swachh Bharat Mission (Urban)	5 star rating	2020	Ministry of Housing and Urban Affairs, Government of India
6	Swachh City Award	1st position as Swachh City of India	2020	Ministry of Urban Development, Government of India
7	Swachh City Award	1st position as Swachh City of India	2019	Ministry of Urban Development, Government of India
8	Swachh City Award	1st rank as the Cleanest City in Swachh Survekshan 2018	2018	Ministry of Urban Development, Government of India
9	Swachh City Award	1st rank as the Cleanest City in Swachh Survekshan 2017	2017	Ministry of Urban Development, Government of India
10	Best City in Safaimitra Surakhsha	Rank No.1	-	Ministry of Housing and Urban Affairs, Government of India

STRENGTHS

- Adequacy of Escrowed Revenue Stream***

There is sufficient revenue generation/collection from own revenue streams (i.e., tax revenues, fees and user charges, rental income, sale and hire charges excluding betterment tax and building permission fee) for timely servicing and redemption. The total cash flows from own revenue streams (i.e., tax revenues, fees and user charges, rental income, sale and hire charges excluding betterment tax and building permission fee) in FY 2019-20 is Rs. 502.71 Crores, in FY 2020-21 is Rs. 447 Crore, in FY 2021-22 is Rs.648 Crore (based on actual collection).

- Structured Debt Servicing Mechanism***

As per the structure, the Interest Payment Account would be funded with an amount equal to two half-yearly interest payments (required DSRA amount) one day prior to the date of allotment and the said DSRA amount will be maintained at all the times. Further, IMC will create a first pari passu charge and escrow mechanism in favour of the bond holders on own revenues of IMC along with the existing holders of 9.25% Indore Municipal Corporation Series-I June 2028 bonds. The debenture trustee on behalf of bond holders shall have first pari passu charge (along with the existing bond holders) over the escrow account into which the tax and non-tax receivables shall be transferred for debt servicing.

Further, IMC expects to receive a financial incentive from the government of India for the bond issue. The said incentive (as and when received) shall be utilised to create fixed deposits and the amounts from such fixed deposits shall be utilised proportionately for coupon payments over the entire tenor of NCDs. A lien shall be created in favour of the debenture trustee over such fixed deposits throughout the tenor of the NCDs.

- Trustee Monitoring***

The IPA and SFA will be monitored by the debenture trustee. The amounts deposited in IPA and SFA shall be used solely for meeting the dues to the bondholders.

- Consistent Revenue Surplus***

IMC registered consistent revenue surplus during the past financial years.

ISSUE STRUCTURE

Particulars	Details
Security Name	8.25 % IMC STRPP A 2026 8.25 % IMC STRPP B 2028 8.25 % IMC STRPP C 2030 8.25 % IMC STRPP D 2032
Issuer	Indore Municipal Corporation
Lead Managers	A. K. Capital Services Limited and others.
Debenture Trustee	Vistra ITCL (India) Limited.
Registrar to the Issue	KFin Technologies Limited (formerly known as KFin Technologies Private Limited).
Type and nature of instrument	Rated, listed, taxable, secured, redeemable, non-convertible green municipal bonds in the nature of debentures.
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements).
Base Issue Size	Rs.122 Crores
Option to retain Oversubscription /Green shoe option (Amount)	Rs.122 Crores
Total Issue Size	Up to ₹ 244 crore.
Market Lot (for bidding)	1 (one) NCD.
Credit Ratings	NCDs proposed to be issued are rated 'IND AA+/Stable' by India Ratings and Research Private Limited and 'CARE AA/Stable' by CARE Ratings Limited.
Record Date	The record date for payment of coupon/interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond Issue Committee thereof from time to time in accordance with the applicable law. In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issue Committee of the Corporation to the Stock Exchange, will be deemed as the record date. In case of Maturity Date of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.
Financial Covenants	Total amounts collected in the Escrow Account in any financial year shall be at least 2 (Two) times of the Annual Payments Amount. Other financial covenants as defined in the Transaction Documents
Objects of the Issue/ Purpose for which there is requirement of funds	100% of the Net Proceeds of the Issue will be used for funding the capital expenditure to be incurred towards installation of 60 MW Ground Mounted Captive Solar PV Power Plant at village Samraj & Ashukhedi, District Khargone in Madhya Pradesh
Step up/ Step down interest rates	Not applicable.
Coupon payment frequency	On a half yearly basis.
Tenor	STRPP A of an NCD – 3 years STRPP B of an NCD – 5 years STRPP C of an NCD – 7 years STRPP D of an NCD – 9 years
Redemption Date/Maturity Date	The redemption dates/ maturity dates ("Redemption Date(s)" / "Maturity Date(s)") for each of the STRPPs are as follows: ➤ STRPP A - at the end of the 3rd anniversary of the Deemed Date of Allotment for STRPP A; ➤ STRPP B – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B; ➤ STRPP C – at the end of the 7th anniversary of the Deemed Date of Allotment for STRPP C; and ➤ STRPP D – at the end of 9th anniversary of the Deemed Date of Allotment for STRPP D.
Redemption Amount	Principal repayments to be made in 4 (Four) equal instalments of 25% each of the Total Issue Size, for STRPP A, STRPP B, STRPP C and STRPP D, respectively. Each STRPP will be redeemed at face value on the respective Redemption Dates
Redemption Premium / Discount	Not applicable
Face Value (in ₹ per NCD)	Each NCD has a face value aggregating to ₹ 1,000 (Rupees One Thousand only). Each NCD would comprise of 4 (Four) STRPPs having different ISINs (i.e. 1 STRPP A, 1 STRPP B, 1 STRPP C and 1 STRPP D), with each STRPP having a face value of Rs. 250/- (Rupees Two Hundred and Fifty only)
Issue Price (in ₹ per NCD)	Face Value of Rs. 1,000/- per NCD consisting of 4 (Four) STRPPs (i.e. 1 STRPP A, 1 STRPP B, 1 STRPP C and 1 STRPP D) with face value of each STRPP being Rs. 250/- (Rupees Two Hundred and Fifty only)
Issue Opening Date	February 10, 2023
Issue Closing Date*	February 14, 2023
Pay-in Date	Application Date. The entire Application Amount is payable on Application.
Deemed Date of Allotment	The date on which the Bond Issue Committee approves the Allotment of the NCDs for this Issue or such date as may be determined by the Bond Issue Committee and notified to the Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment.
Put Option Date	Not applicable
Put Option Price	Not applicable
Call Option Date	Not applicable
Call Option Price	Not applicable
Security	(a) First pari passu charge over present and future receivables pertaining to own revenues (i.e., tax revenues, fees and user charges, rental income, sale and hire charges excluding betterment tax and building permission fee) of the Issuer with minimum cover of 1.25 times of the total amount borrowed along with interest thereon and other expenses; (b) First pari passu charge over the Escrow Account maintained with Kotak Mahindra Bank wherein the own revenues/cash flows of the Issuer are getting transferred into from the collection accounts and all the collection account(s) where the own revenues/cash flows of the Issuer are collected/pooled, in each case to the extent of the such own revenues/cash flows collected and/ or pooled belongs to the Issuer; (c) Exclusive charge over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account being opened for the Issue, the funds lying in each such account and any investment(s) made from these account(s); (d) Exclusive charge over the investments made in terms of 'Structured Payment Mechanism' and the investments made by utilizing the AMRUT Incentive ("Permitted Investment(s)")

Source: Offer Document dated 01 February 2023

Disclaimer: Invest only after referring to the Offer Document

Particulars	Details
Structured Payment Mechanism	<p>For the present Issue, IMC is creating a first paripassu charge and escrow mechanism in favour of the NCD Holders on own revenues/cash flows of IMC along with the existing bond holders of Rs 139.90 Crore issued in June 2018 for a period of 10 years (“9.25% Indore Municipal Corporation Series-I June 2028”) and the Debenture Holders/Debenture Trustee on behalf of Debenture Holders shall have first paripassu charge (along with the existing bond holders) over the Escrow Account and the account(s) where the own revenues/cash flows of the Corporation are collected and/or pooled by the Issuer. The escrowed own revenue streams being transferred to the escrow account would be available proportionately towards the debt service requirements for the present Issue along with the earlier issue (9.25% Indore Municipal Corporation Series-I June 2028). IMC is maintaining the escrow account with Kotak Mahindra Bank.</p> <p>‘Own revenues/cash flows’ here shall mean the revenues/cash flows being directly levied and collected/recovered by the IMC and not being the revenues/cash flows received from the Government in the form of Grants or otherwise. The revenues/cash flows being directly levied and collected/recovered by the IMC include tax revenues (property tax, water tax, advertisement tax, etc.), rental income, fees and user charges, sale and hire charges. However, own revenues/cash flows for the purpose of the escrow shall exclude the betterment tax and building permission fee being levied by the IMC.</p> <p><u>Accounts to be opened:-</u></p> <p>a. Interest Payment Account (IPA) - For servicing of interest payments and maintenance of required DSRA amount equivalent to 2 succeeding half yearly coupon payments</p> <p>b. Sinking Fund Account (SFA) – For principle redemptions</p> <p>C. Escrow Account – Already in place as defined above</p> <p><u>Amounts required to be transferred to the Interest Payment Account and the Sinking Fund Account from the Escrow Account every year on first priority basis along with existing bond holders:</u></p> <p>(a) Interest payment Account (IPA) – Half-yearly interest amount will be divided into five equal parts and each part will be transferred to IPA every month for 5 months. Accordingly, 20% of half yearly coupon payment (along with any further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution) will be transferred each month as follows:-</p> <p>(i) 1st half year - from 1st to 5th Month</p> <p>(ii) 2nd half year - from 6th to 10th Month</p> <p>(b) Sinking Fund Account (SFA) – The following transfers shall be made to the sinking fund account each year in relation to each of the STRPPs as mentioned below :</p> <p>(i) 1st, 2nd and 3rd year – Total size of the STRPP A to be redeemed in 3rd year (Rs.61 Crore) shall be divided into 3 parts and each part (Rs.20.33 Crore) shall be transferred to SFA in each of the 1st, 2nd and 3rd year. Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs.2.03 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 33.33% of STRPP size shall be transferred each year out of which 3.33% each month for 10 months.</p> <p>(ii) 4th and 5th year – Total size of the STRPP B to be redeemed in 5th year (Rs.61 Crore) shall be divided into 2 parts and each part (Rs.30.5 Crore) shall be transferred to SFA in each of the 4th and 5th year. Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs.3.05 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 50% of STRPP size shall be transferred each year out of which 5% each month for 10 months.</p> <p>(iii) 6th and 7th year – Total size of the STRPP C to be redeemed in 7th year (61 Cr) shall be divided into 2 parts and each part (Rs.30.5 Crore) shall be transferred to SFA in each of the 6th and 7th year. Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs.3.05 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 50% of STRPP size shall be transferred each year out of which 5% each month for 10 months.</p> <p>(iv) 8th and 9th year – Total size of the STRPP D to be redeemed in 9th year (Rs.61 Crore) shall be divided into 2 parts and each part (Rs.30.5 Crore) shall be transferred to SFA in each of the 8th and 9th year. Further, this one part shall be sub-divided into 10 sub-parts and each sub-part (Rs.3.05 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for 10 months. Accordingly, 50% of STRPP size shall be transferred each year out of which 5% each month for 10 months</p> <p><u>Interest Payment Mechanism</u> (‘T’- Interest Payment Date)</p> <ul style="list-style-type: none"> T-25 Days: Debenture Trustee (DT) to check the amount lying in the Interest Payment Account. In case of any shortfall, DT to ask the IMC to fund the shortfall by T-10. Further, the amounts from escrow account will also flow into the IPA T-10 Days: Shortfall to be funded by IMC T-8 Days: Utilization of DSRA in case of shortfall on T-9 T-7 Days: In case the utilization of DSRA, DT would issue a final notice to IMC to replenish DSRA within 15 days. Further, the amounts from escrow account will keep flowing into the IPA for DSRA replenishment T+8: Final date to replenish DSRA by IMC <p><u>Principal Repayment (Sinking Fund) Mechanism</u> (‘T’- end of each year)</p> <ul style="list-style-type: none"> T-45 Days: Debenture Trustee (DT) to check the amount lying in Sinking Fund Account and in case of shortfall, DT to ask IMC to fund the shortfall by T-15. Further, the amounts from escrow account will also flow into the SFA T-15 Days: Shortfall to be funded by IMC T-14 Days: In case of shortfall, DT to issue a final notice to IMC to fund the shortfall by ‘T’ T : Final date to fund the shortfall by IMC
Government incentive	IMC is expected to receive AMRUT Incentive from GoI which is to be invested in fixed deposits and to be utilized proportionately for coupon payments over the entire tenor of bonds.

**The Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, in accordance with the SEBI ILMDS Regulations or extended date as may be decided by the Bonds Issue Committee, subject to relevant approvals and in accordance with applicable laws. In the event of an extension of the Issue, our Corporation shall ensure that notice of the same is provided to the prospective investors through an advertisement in a national daily newspaper with wide circulation in accordance with SEBI ILMDS Regulations. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the stock exchanges (i.e., NSE and BSE).

Indicative Specific Terms for NCDS

Series	I			
Type of Instrument	Secured NCDs			
Face Value / Issue Price of NCDs (₹ / NCDs)	₹1,000 per NCD comprising of 1 STRPP A of Face value of ₹ 250, 1 STRPP B of Face value of ₹ 250; 1 STRPP C of Face value of ₹ 250 and 1 STRPP D of Face Value of ₹ 250			
Minimum Application	₹10,000 (10 NCDs comprising of 10 STRPP A, 10 STRPP B, 10 STRPP C, 10 STRPP D)			
In Multiples of thereafter (₹)	₹1,000 (1 NCD comprising of 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRIPP D)			
STRPP with different ISIN	STRPP A	STRPP B	STRPP C	STRPP D
Tenor	3 Years	5 Years	7 Years	9 Years
Face value per STRPP (₹)	Rs. 250	Rs. 250	Rs. 250	Rs. 250
	Aggregating to ₹ 1,000 (i.e.,1 NCD)			
Coupon (% per annum) for NCD Holders in Category I, Category II, Category III & Category IV	8.25% p.a. payable half yearly	8.25% p.a. payable half yearly	8.25% p.a. payable half yearly	8.25% p.a. payable half yearly
Effective Yield (% per annum) for NCD Holders in Category I, Category II, Category III & Category IV	8.41% p.a.	8.41% p.a.	8.41% p.a.	8.42% p.a.
Frequency of Interest Payment	Half yearly	Half yearly	Half yearly	Half yearly
Mode of Interest Payment	Through Various Modes available i.e., Direct Credit, NACH, RTGS, NEFT and Registered Post/Speed Post. For further details, please refer to Section titled Terms of the Issue at page 63 of the Offer Document			
Maturity/Redemption (from the Deemed Date of Allotment)	3 years	5 years	7 years	9 years
Put and Call Option	N.A.	N.A.	N.A.	N.A.

ALLOCATION RATIO:

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
25%	25%	25%	25%

Source: Offer Document dated 01 February 2023

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INVESTOR CATEGORIES AND ALLOTMENT

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individuals ("HNIs")	Retail Individual Investors
<ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds each with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Resident Venture Capital Funds registered with SEBI; Insurance companies registered with the IRDAI; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India; Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements; National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Mutual funds registered with SEBI. 	<ul style="list-style-type: none"> Companies within the meaning of Section 2(20) of the Companies Act, 2013; Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; and Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or unincorporated body of persons. 	<ul style="list-style-type: none"> High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all NCDs in this Issue. 	<ul style="list-style-type: none"> Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹5,00,000 in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.

Investors are advised to check the laws and regulations applicable to them to determine eligibility to invest in Green Bonds.

APPLICATIONS CANNOT BE MADE BY

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- Foreign nationals NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- Persons resident outside India and other foreign entities;
- Foreign Institutional Investors;
- Foreign Portfolio Investors;
- Non Resident Indians;
- Qualified Foreign Investors;
- Overseas Corporate Bodies**;
- Foreign Venture Capital Funds; and
- Persons ineligible to contract under applicable statutory/ regulatory requirements.

*Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872

**The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

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Key Operational and Financial Parameters:

Key operating and financial metrics (on a standalone basis) are as follows:

Particulars	(₹ in crores unless otherwise stated) As at and for the year ended March 31,		
	Fiscal 2020	Fiscal 2021	Fiscal 2022
Balance Sheet			
Total Fixed Assets	3,487.96	3,655.38	3,724.69
Total Investments	232.36	261.52	315.26
Total Current Assets	2,226.52	2,865.92	3,268.91
Other Assets	2.13	1.39	1.1
Municipal (General) Fund	1,923.35	2,176.25	2,468.95
Grants, Contributions for specific purposes	613.51	727.27	799.23
Secured Loans	353.2	647.47	578.45
Unsecured Loans	0.98	0.98	0.98
Deposits Received	172.21	215.33	246.72
Deposit works	15.38	20.06	12.42
Other Liabilities (Sundry Creditors)	634.21	549.06	665.32
Provisions	7.37	7.89	11.99
Income & Expenditure			
Tax Revenue	567.15	487.95	511.03
Assigned Revenues & Compensation	581.63	553.66	646.53
Fees & User Charges	193.27	168.74	285.41
Revenue Grants, Contributions & Subsidies	247.31	269.75	262.63
Establishment Expenses	413.42	417.29	430.34
Operations & Maintenance**	376.76	390.11	514.27
Revenue Grants, Contributions & subsidies	62.80	48.60	70.42
Provisions & Write off-Property Tax*	144.77	12.72	-
Depreciation	244.62	250.12	274.96
Cash Flow			
Net cash generated from/(used in) operating activities (A)	266.04	176.27	308.79
Net cash generated from/ (used in) investing activities (B)	-544.18	-332.10	-319.30
Net cash generated from/(used in) financing activities (C)	164.82	394.96	-90.35

*Write-off of Property Tax during FY 2019-20 and FY 2020-21 was primarily on account of waiver of surcharge and revision in calculation of Property Tax. Such write-offs were for an amount of Rs. 40.85 crores and Rs.12.72 crores, for FY 2019-20 and FY 20-21 respectively.

** The Operations & Maintenance Expenses have increased from Rs. 390.11 crores during FY 2020-21 to Rs. 514.27 Crores in FY 2021-22 mainly due to adjustment of Rs. 83 crores against Octroi compensation by Madhya Pradesh Government on account of payment of electricity expenses related to Indore Municipal Corporation.

Details of top 5 revenue sources for the previous three years:

The details of the top 5 revenue sources for Financial Year 2019-2020 Financial Year 2020-2021 and Financial Year 2021-2022 based on the Audited Financial Statements.

Revenue Receipt Type	Actual Fiscal 2020 (₹ in crores)	Actual Fiscal 2021(₹ in crores)	Actual Fiscal 2022(₹ in crores)
Assigned Revenues & Compensation	581.63	553.66	646.53
Tax Revenue	567.15	487.95	511.03
Fees & User Charges	193.27	168.74	285.41
Interest Income	22.00	16.04	16.95
Rental Income from Municipal Properties	4.92	8.43	14.11

Source: Offer Document dated 01 February 2023

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DISCLAIMER:**‘The investors shall invest only on the basis of information contained in the Offer Document’**

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