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DRAFT OFFER DOCUMENT

Dated: November 13, 2026

VADODARA MUNICIPAL CORPORATION

A municipal corporation constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Gujarat Provincial Municipal Corporations Act, 1949 ("**GPMC**" erstwhile the Bombay Provincial Municipal Corporations Act, 1949 ("**BPMC**" Act)) vide notification dated March 28, 1966, bearing reference no. KP/605(A)/BMC/1065/7902 P. with effect from April 01, 1966

Head Office: 1st Floor, Khanderao Market, Raj Mahal Road, Vadodara -390209

Contact Person cum Compliance Officer: Shri. Santosh Hiralal Tiwari, Chief Accountant & Deputy Municipal Commissioner (Project)

Tel: (0265) 2432003, 2433116/118 Extn. 281; **E-mail:** chiefaccountant@vmc.gov.in; **Website:** vmc.gov.in

PUBLIC ISSUE BY VADODARA MUNICIPAL CORPORATION ("ISSUER"/ "CORPORATION"/ "VMC") OF UP TO 20,00,000 (TWENTY LAKHS) UNSECURED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES ("BLUE BONDS"/ "BONDS"/ "NCDS"/ "DEBENTURES"), OF FACE VALUE OF ₹ 1,000/- (RUPEES ONE THOUSAND ONLY), FOR THE BASE ISSUE SIZE OF ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION UP TO ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("GREEN SHOE OPTION") FOR AN AMOUNT AGGREGATING UP TO ₹ 200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) ("ISSUE SIZE") ("TOTAL ISSUE SIZE"). THE ISSUE IS BEING MADE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME, SEBI MASTER CIRCULAR AND OTHER RELEVANT CIRCULARS AND GUIDELINES. FOR FURTHER DETAILS, PLEASE SEE THE SECTION TITLED "ISSUE SPECIFIC INFORMATION" ON PAGE 72 OF THIS DRAFT OFFER DOCUMENT. THE ISSUE IS NOT UNDERWRITTEN.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Offer Document contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in this Draft Offer Document is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this Draft Offer Document as a whole or any of such information or the expression of any such opinions or intentions misleading.

GENERAL RISK

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risks attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer, the Offer Document to be issued and the issue including the risks involved in it. Specific attention of investors is invited to the statement of risk factors contained in the section titled "*Risk Factors*" on page 18 of this Draft Offer Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Blue Bonds or investor's decision to purchase such Blue Bonds. The Issue of Blue Bonds has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Draft Offer Document.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the Blue Bonds, please see the section titled "*Summary Term Sheet*" on page 170 of this Draft Offer Document.

CREDIT RATING

The Blue Bonds proposed to be issued by Vadodara Municipal Corporation have been rated by India Ratings and Research Private Limited ("**India Ratings**") and CRISIL Ratings Limited ("**CRISIL**") (collectively, the "**Rating Agencies**"). India Ratings has vide its letter dated August 06, 2026 assigned a rating of 'Provisional IND AA+/Stable'; revalidated vide letter dated November 05, 2026 and has issued a rating rationale dated August 06, 2026. CRISIL has vide its letter dated July 20, 2026 assigned a rating of 'Provisional CRISIL AA+/Stable'; revalidated vide letter dated November 05, 2026 and has issued a rating rationale dated July 17, 2026. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk. Ratings given by India Ratings and CRISIL are valid as on the date of this Draft Offer Document and shall remain valid unless withdrawn. The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the proposed Blue Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For credit ratings of Blue Bonds and detailed rationale of the ratings, please refer to Annexure-II. There are no unaccepted ratings and any other ratings other than as specified in this Draft Offer Document.

LISTING

The Blue Bonds offered through this Draft Offer Document are proposed to be listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", collectively with NSE the "**Stock Exchanges**"). The Issuer has received in-principle approvals for listing of the Blue Bonds to be allotted pursuant to the Issue from NSE and BSE through their letters dated [●] bearing no. [●] and dated [●] bearing no. [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is National Stock Exchange of India Limited.

PUBLIC COMMENTS

This Draft Offer Document dated November 13, 2026 is being filed with the Stock Exchanges, pursuant to the provisions of the SEBI ILMDS Regulations and will be open for public comments for a period of 15 (fifteen) days from the date of filing of this Draft Offer Document with the Stock Exchanges i.e., upto November 28, 2026 (until 5 p.m.). All comments on this Draft Offer Document are to be forwarded to the attention of Shri. Santosh Hiralal Tiwari, Chief Accountant and Deputy Municipal Commissioner (Project) and Compliance Officer of the Issuer at the following address: 1st Floor, Khanderao Market, Raj Mahal Road, Vadodara-390209; Email: chiefaccountant@vmc.gov.in. All comments must be received by the Issuer and Lead Managers within 15 (fifteen) days of filing of this Draft Offer Document with the Stock Exchanges. Comments by post and mail shall be accepted, however please note that all comments by post must be received by the Issuer by 5.00 P.M on November 28, 2026. All comments received on this Draft Offer Document will be suitably addressed prior to filing of the Offer Document with the SEBI and Stock Exchanges.

LEAD MANAGERS		DEBENTURE TRUSTEE *	REGISTRAR
A. K. Capital Services Limited **Address:** 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra **Tel:** +91 22 6754 6500 **Fax:** +91 22 6610 0594 **Email:** vmcblue@akgroup.co.in ; vaibhav.jain@akgroup.co.in **Investor Grievance Email:** investor.grievance@akgroup.co.in **Website:** www.akgroup.co.in **Contact Person:** Vaibhav Jain **Compliance Officer:** Chaitali Desai **Tel. (Compliance Officer):** 022-6754 4776 **Email (Compliance Officer):** chaitali.desai@akgroup.co.in / compliance@akgroup.co.in **SEBI Registration no.:** INM000010411 **CIN:** L74899MH1993PLC274881	**Tipsons Consultancy Services Private Limited** **Address:** 1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad- 380015 **Tel:** +91 79 66828064 **Email:** vmcbonds@tipsons.com **Investor Grievance Email:** igr@tipsons.com **Website:** www.tipsons.com **Contact Person:** Ms. Divyani Koshta **Compliance Officer:** Ms. Divyani Koshta **Tel. (Compliance Officer):** +91 79 66828064 **Email (Compliance Officer):** divyani.koshta@tipsons.com **SEBI Registration no.:** INM000011849 **CIN:** U74140GJ2010PTC062799	**SBICAP Trustee Company Limited** **Address:** 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai 400 020 **Telephone:** 022 - 43025566 **Fax:** NA **Email:** corporate@sbicaptrustee.com / dt@sbicaptrustee.com **Investor Grievance Email:** investor.cell@sbicaptrustee.com **Website:** www.sbicaptrustee.com **Contact Person:** Mr. Ardhendu Mukhopadhyay **Compliance Officer:** Mr. Sandeep Poddar **Tel. (Compliance Officer):** 022 4302 5517 **Email (Compliance Officer):** Sandeep.Poddar@SBICAPTRUSTEE.COM **SEBI Registration No.:** IND000000536 **CIN:** U65991MH2005PLC158386	**KFin Technologies Limited** **Address**: Selenium, Tower B, Plot No-31 & 32, Financial District, Nanakramguda Serilingampally Hyderabad, Rangareddy - 500 032, Telangana, India. **Tel:** +91 40 6716 2222 / 18003094001 **Fax No.:** +91 40 6716 1563 **Email:** vadodara.ncdipo@kfintech.com **Investor Grievance Email Id:** einward.ris@kfintech.com **Contact Person:** Williams R **Website:** www.kfintech.com **Compliance Officer:** Anish Kumar **Email Compliance Officer:** anish.kumar@kfintech.com **SEBI Registration No.:** INR000000221 **CIN:** L72400MH2017PLC444072

ISSUE SCHEDULE

ISSUE OPENS ON**	ISSUE CLOSES ON**
As specified in the Offer Document	As specified in the Offer Document

**SBICAP Trustee Company Limited as per SEBI ILMDS Regulations has by its letter dated October 29, 2026 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Offer Document and Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to the Issue.*

*** 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 in the Offer Document, except that the Issue may close on such earlier date, subject to a minimum of three Working Days from the date of opening of the Issue, in accordance with SEBI ILMDS Regulations or extended date as may be decided by the Bond Issue Committee, subject to relevant approvals and in accordance with applicable laws. In the event of an early closure or extension of the Issue, the Corporation shall ensure that notice of the same is provided to the prospective investors through electronic modes such as online newspapers or website of the issuer or the stock exchanges, or in a national daily newspaper with wide circulation in which the pre-issue advertisement for opening of the Issue is given, on or before such earlier or extended date of closure, in accordance with SEBI ILMDS Regulations. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded or modified (in case of submitted bids) until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on the Issue Closing Date. For further details please refer to the section titled "Issue Specific Information" on page 72 of this Draft Offer Document.*

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SECTION-I: FORWARD LOOKING STATEMENTS

Certain statements in this Draft Offer Document that are not statements of historical facts constitute "forward looking statements". Investors can generally identify forward-looking statements by terminology like "aim", "anticipate", "intend", "believe", "continue", "could", "can", "estimate", "expect", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would" or other words or phrases of similar import. Similarly, statements regarding the Issuer's strategies, objectives, expected financial condition and results of operations, proposed projects, plans and prospects are forward looking statements and accordingly, should be read together with such assumptions and notes thereto. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Issuer's cash flows, operations and prospects are forward-looking statements. These forward-looking statements include statements as to the Issuer's operations, planned projects, investment revenue and other matters disclosed in this Draft Offer Document that are not historical facts.

These forward-looking statements and any other projections contained in this Draft Offer Document (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 Draft Offer Document are based on the beliefs of the Issuer and the Bond Issue Committee of the Issuer, as well as the assumptions made by and information available to the Bond Issue Committee of the Issuer as on the date of this Draft Offer Document. There can be no assurance that the expectations will prove to be correct.

Factors that could cause actual results, performance or achievements of the Issuer to differ materially include, but are not limited to, those discussed in the Sections titled "*Risk Factors*" and "*Legal and Other Information*", on pages 18 and 136, respectively.

Forward-looking statements reflect current views as of the date of this Draft Offer Document and are not a guarantee of future performance or returns to Investors. In any event, these statements speak only as of the date of this Draft Offer Document or the respective dates indicated in this Draft Offer Document and none of the Issuer or the Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Issuer could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Issuer nor the Lead Managers have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward-looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward-looking statements. All subsequent, written and oral, forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II: CERTAIN COVENTIONS, USE OF FINANCIAL DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Offer Document, unless otherwise specified or the context otherwise indicates or implies the terms, all references to "we", "us", "our", "Vadodara Municipal Corporation", "VMC", "Municipal Corporation of the City of Baroda", "Baroda Municipal Corporation", "Issuer" and "the Corporation" or "Municipal Corporation" are to Vadodara Municipal Corporation. References to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue. Unless stated otherwise, all references to page numbers in this Draft Offer Document are to the page numbers of this Draft Offer Document.

All references in this Draft Offer Document to "India" are to the Republic of India and its territories and possessions. All references to the "Government" or "State Government" are to Government of India, the Government of the relevant State, as applicable.

Unless stated otherwise all references to time in this Draft Offer Document are to Indian standard time.

Presentation of Financial Information

The Corporation's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Offer Document are to a calendar year and references to a Fiscal/Fiscal Year/Financial Year/FY are to the year ended on March 31 of that calendar year.

The degree to which the financial information included in this Draft Offer Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the applicable accounting policies and practices. Any reliance by persons not familiar with the accounting policies and practices on the financial disclosures presented in this Draft Offer Document should accordingly be limited.

The Corporation has disclosed the financial information (abridged balance sheet, income and expenditure statement and cash flow statements) for the Financial Years ended March 31, 2024 March 31, 2025 and March 31, 2026 in this Draft Offer Document.

Notes to Accounts

The financial information of Vadodara Municipal Corporation has been sourced from the financial statements for the Financial Years ended March 31, 2024, March 31, 2025 and March 31, 2026, which has been prepared by the Issuer in accordance with the National Municipal Accounts Manual ("NMAM"). The audit of the municipal accounts for the financial year ended 31 March 2024, 31 March 2025 and 31 March 2026 has been conducted by the Municipal Chief Auditor of the Corporation as per the section 105 and 106 of The Gujarat Provincial Municipal Corporations Act, 1949. Further the review of the financial statements for the financial year ended 31 March 2024, 31 March 2025 and 31 March 2026 has been conducted by M/s Shah & Tolia, Chartered Accountants in accordance with SRE 2400 (Revised), for which Review Reports were issued on dated May 28, 2024, May 30, 2025 and May 29, 2026, respectively.

Unless stated otherwise or unless the context requires otherwise, the financial data as at and for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024 used in this Draft Offer Document is derived from our Financial Statements.

Currency and Unit of Presentation

In this Draft Offer Document, all references to 'Rupees'/'₹'/'INR'/'Rs.' are to Indian Rupees, the official currency of the Republic of India. Except where stated otherwise in this Draft Offer Document, all figures have been expressed in 'crores'.

Certain figures contained in this Draft Offer Document, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Except otherwise specified, the Corporation has presented numerical information in this Draft Offer Document in "crores". One crore represents 10,000,000, one lakh represents 100,000, one million represents 1,000,000 and one billion represents 1,000,000,000.

SECTION-III: DEFINITIONS AND ABBREVIATIONS

This Draft Offer Document uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Draft Offer Document, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

Unless the context otherwise indicates, all references in this Draft Offer Document to "we" or "us" or "our" are to the Corporation i.e., Vadodara Municipal Corporation.

The words and expressions used in this Draft Offer Document but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, Gujarat Provincial Municipal Corporations Act, 1949, the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996, and the rules and regulations notified thereunder.

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Draft Offer Document.

General Terms

TERM	DESCRIPTION
"VMC" or "Vadodara Municipal Corporation" or "Municipal Corporation of the City of Baroda" or "Baroda Municipal Corporation" or "Issuer" or "Corporation" or "Municipal Corporation"	Vadodara Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Bombay Provincial Municipal Corporations Act, 1949 then applicable act in Gujarat vide notification dated March 28, 1966 bearing reference KP/605(A)/BMC/1065/7902 P. *The name of the municipal corporation is mentioned as "Vadodara Municipal Corporation" or "Municipal Corporation of the City of Baroda" or "Baroda Municipal Corporation" in various correspondences with the State Government and statutory documents/ approvals. As confirmed /certified by the Municipal Commissioner, the names Vadodara Municipal Corporation or Municipal Corporation of the City of Baroda or Baroda Municipal Corporation are being used interchangeably and the same should not be interpreted otherwise.*
"we", "us", "our"	Unless the context otherwise requires, the Corporation or VMC.

Issuer Related Terms

TERM	DESCRIPTION
Act/GPMC Act	Gujarat Provincial Municipal Corporations Act, 1949, as amended from time to time which replaced the Bombay Provincial Municipal Corporation Act, 1949 vide Section 3 read with Schedule (Serial No. 36) of The Gujarat Short Titles (Amendment) Act, 2011 to be renamed as The Gujarat Provincial Municipal Corporations Act, 1949.
Applicable Law	It shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any governmental authority and any modifications or re-enactments thereof.
AMRUT	Atal Mission for Rejuvenation and Urban Transformation.
AMRUT 2.0	Atal Mission for Rejuvenation and Urban Transformation 2.0 launched by the Hon'ble Prime Minister of India on October 1, 2021 with the aim of making cities 'Aatma Nirbhar' and 'Water Secure".
Auditor	Municipal Chief Auditor appointed as permissible under GPMC Act, 1949.
Auditor for the Issue/ Independent Chartered Accountant for the Issue	M/s Shah & Tolia, Chartered Accountants, appointed for the Issue.
Financial Statements	Financial Statements comprising of balance sheet, Income & expenditure statement and cash flow statements for the financial year ended March 31, 2024, March 31, 2025 and March 31, 2026 prepared in accordance with the National Municipal Accounts Manual.

TERM	DESCRIPTION
BPMC Act	Bombay Provincial Municipal Corporations Act, 1949.
Bond Issue Committee or Committee	Bond Issue Committee formed by approval of the Municipal Commissioner vide its Order having reference no. 43 dated May 30, 2026 and the current members of the Bond Issue Committee being confirmed by Municipal Commissioner vide its letter dated November 13, 2026.
Municipal Chief Auditor / Chief Auditor	Municipal Chief Auditor / Chief Auditor appointed by the Issuer, in this case being Shri. Harikrishna Maheshchandra Rao, as per the Gujarat Provincial Municipal Corporations Act, 1949.
Commissioner/ Municipal Commissioner	Municipal Commissioner, Vadodara Municipal Corporation, appointed in terms of the Act.
Committee Member	Member of the Bond Issue Committee or any other duly constituted committee of the Corporation as mentioned in this Draft Offer Document.
CRISIL	CRISIL Ratings Limited
Deputy Commissioner(s)/ Deputy Municipal Commissioner	Deputy Municipal Commissioner, Vadodara Municipal Corporation, appointed in terms of the Act.
General Board	General Board of the Vadodara Municipal Corporation, constituted in terms of the Act.
GoG	Government of Gujarat/State Government
GoI	Government of India/ Central Government.
Head Office	Head office of VMC located at 1st Floor, Khanderao Market Building, Raj Mahel Road, Vadodara, Gujarat - 390209.
India Ratings	India Ratings and Research Private Limited
Review Report	Review report issued by M/s Shah & Tolia, Chartered Accountants on the Financial Statements of the Issuer.
MoHUA	Ministry of Housing and Urban Affairs.
MoUD	Ministry of Urban Development
NMAM	National Municipal Accounts Manual, 2004, applicable to all urban local bodies, providing a framework for accounting, recording transactions, preparing financials statements, and ensuring proper budgetary control.

Issue Related Terms

TERM	DESCRIPTION
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allotment/Allot/Allotted	The issuance and allotment of the Blue Bonds to the successful Applicants in the Issue.
Allotment Cum Unblocking Intimation	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the Blue Bonds are allotted pursuant to the Issue, either in full or in part.
Applicant / Investor	The person who applies for issuance and Allotment of Blue Bonds through ASBA process or through UPI Mechanism pursuant to the terms of this Draft Offer Document, the Offer Document and the Application Form along with the Term Sheet.
Application Supported by Blocked Amount/ASBA	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the relevant ASBA Account and will include the applications made by UPI investors using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI investors for an Application Amount of up to ₹500,000 which will be considered as the application for Allotment in terms of the Offer Document.
Application Amount	The aggregate value of the Blue Bonds applied for, as indicated in the Application Form for the Issue.
Application Form / ASBA Form	An application form, whether physical or electronic, used by ASBA investors, in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Offer Document.
ASBA Account	A bank account maintained with an SCSB by an ASBA investor, as specified in the ASBA Form submitted by ASBA investor for blocking the Bid Amount mentioned in the relevant

TERM	DESCRIPTION
	ASBA Form and includes the account of a UPI investor which is blocked upon acceptance of a UPI Mandate Request made by the UPI investor using the UPI Mechanism.
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
AY	Assessment Year
Base Issue Size/Base Issue	₹ 100 crores (Rupees One Hundred Crore Only)
Banker to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank, in this case being Axis Bank Limited.
Basis of Allotment	The basis on which NCDs will be allotted to successful applicants as described in *Issue Procedure*" on page 116 of this Draft Offer Document and more particularly set out in the Offer Document.
Blue Bond Account (BBA)/General Account/ Separate Designated Account	A separate/designated bank account maintained with scheduled bank, other than the Public Issue Account, in which the Issue Proceeds will be transferred to Issuer's bank account after receipt of listing and trading approvals.
Beneficial Owner(s)	Bondholder(s) holding Blue Bond(s) in dematerialized form (Beneficial Owner of the Blue Bond(s)) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996).
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Blue Bond Framework/ Blue Resilience Finance Framework/The Framework/The Blue Bond Framework	Blue Resilience Finance Framework for the proposed blue bond has been approved by the Bond Issue Committee vide its resolution dated July 31, 2026 and verified by the Independent Third- Party reviewer vide its Verification Report dated October 01, 2026.
Blue Resilience Bond Certificate	A certificate issued by Climate Bond Initiative dated October 02, 2026.
Bonds/ Blue Bonds /NCDs/ Debentures	Unsecured, rated, listed, taxable, redeemable, non-convertible municipal bonds in the nature of debentures, of face value of ₹ 1,000/- (Rupees One Thousand Only), for an amount aggregating upto ₹ 200 Crores (Rupees Two Hundred Crores Only).
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the website of the Stock Exchanges at www.nseindia.com and www.bseindia.com.
BSE	BSE Limited
Calendar Year	Each successive period of twelve (12) months commencing on January 1 and ending on December 31.
Cash Collateral (Upfront Fixed Deposit)	An amount equivalent to 10% (Ten percent) of the total bond issue size.
Category I (Institutional Investors)	• 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; • Systematically Important NBFCs registered with RBI and having a net worth of more than ₹500 crores as per the latest audited financial statements; • 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; • 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;

TERM	DESCRIPTION
	and • Mutual funds registered with SEBI.
Category II (Non-Institutional Investors)	• 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.
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹2,00,000 across all NCDs in this Issue.
Category IV (Retail Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹2,00,000 across all NCDs in this Issue.
CDSL	Central Depository Services (India) Limited.
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Collection Accounts	The account(s) maintained by the Issuer wherein the entire Tax Income are collected by the Issuer, the details whereof are/ will be set out in the Second Supplementary Escrow Agreement and Debenture Trust Deed.
Consortium Agreement	Consortium Agreement to be entered amongst the Corporation, Lead Managers and the Consortium Member(s) to the Issue.
Consortium Members/ Syndicate Members	As specified in the Offer Document.
Consortium / Members of the Consortium/ Members of Syndicate (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Member(s).
Coupon Rate /Interest Rate	As mentioned in the Offer Document.
Credit Rating Agencies/ Rating Agencies	Collectively, India Ratings and Research Private Limited and CRISIL Ratings Limited.
Debenture Holder(s) /NCD Holder(s)/Bond Holder(s)/ Blue Bond holders	The holders of the proposed Blue Bonds/ NCDs whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by the RTA on behalf of the Corporation.
Debenture Trust Deed	Deed to be entered into between the Debenture Trustee and the Issuer in respect of the Blue Bonds within the time limit prescribed by applicable statutory and/or regulatory requirements for the NCD Holders.
Debenture Trustee/ Bond Trustee/ DT/ Trustee	Trustee for the Bondholders, in this case being SBICAP Trustee Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate Mumbai – 400 020.
Debenture Trustee Agreement	Agreement dated November 05, 2026, executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as the debenture trustee in connection with the issuance of the Blue Bonds.
Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Municipal Debt Securities / Debt Securities	Non-convertible debt securities which create or acknowledge indebtedness and include debentures, bonds and such other securities of the Issuer.
Deemed Date of Allotment	The date on which the Bond Issue Committee approves the Allotment of the Blue Bonds/ NCDs or such date as may be determined by the Bonds Issue Committee and

TERM	DESCRIPTION
	notified to the Designated Stock Exchange, with effect from which all benefits under the Blue Bonds including interest on the Blue Bonds shall be available to the Bondholders. The actual allotment of Blue Bonds (i.e., approval from the General Board or a Bond Issue Committee thereof) may take place on a date other than the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in present case, being NSDL & CDSL.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=44 or and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45 or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Offer Document, following which the NCDs will be Allotted in the Issue.
Designated Intermediaries	Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applicants submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface as provided in the SEBI Master Circular.
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the respective Stock Exchanges at www.nseindia.com and www.bseindia.com and updated from time to time.
Designated Stock Exchange	The designated stock exchange for the Issue, being the National Stock Exchange of India Limited.
Detailed Project Report /DPR	The detailed project report for Projects i.e. Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara ("Project I") and Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara ("Project II").
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
DPR Consultant	Multi Media Consultants Private Limited
Draft Offer Document	This Draft Offer Document dated November 13, 2026 filed with SEBI and the Stock Exchanges for receiving public comments, in accordance with the provisions of the SEBI ILMDS Regulations as amended.
DSRA Amount	The amounts lying in, or credited into, the Interest Payment Account-III from time to time towards maintenance of the Required DSRA Amount.
DSRA Amount Shortfall	The amounts utilised from the Interest Payment Account-III lying as reserve in the Interest Payment Account-III (being the whole or a portion of the Required DSRA

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	Amount) to fund the shortfall in the Interest Payment Account-III for the discharge of the Coupon payable on any Coupon Payment Date(s).
Due Date	Any date or dates on which the Debenture Holder(s) are entitled to any payments in relation to the Blue Bonds, which shall include, without limitation, the Coupon Payment Date(s) and the Redemption Date.
Eligible Investors	Please see the section titled "*Issue Procedure – Application Process*" on page 96.
Escrow Account	A no-lien escrow account opened by the Issuer titled as "VMC Escrow Account" with Bank of Baroda with Account No. 01900200000873 for the deposit of, inter alia, Tax Income deposited in the Collection Accounts for onward transfer to the interest payment account (opened for the previous bond issuances) & Interest Payment Account-III (including towards maintenance of the Required DSRA Amount) and/or the sinking fund accounts (opened for the previous bond issuance) & Sinking Fund Account- III and for servicing of the Bonds, as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by the listed entities under SEBI (Issue and listing of the Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended/modified and supplemented from time to time, which account is operated in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Escrow Agreement	Escrow Agreement dated March 10, 2022 entered into by and between Vadodara Municipal Corporation, SBICAP Trustee Company Limited and Bank of Baroda (in its capacity as the Escrow Bank) with respect to the Escrow Account, the Interest Payment Account and the Sinking Fund Account and as supplemented by the First Supplemental Escrow Agreement dated February 14, 2024 with respect to the Escrow Account, the Interest Payment Account-II and the Sinking Fund Account-II.
Second Supplemental Escrow Agreement	The agreement to be entered into by and between Vadodara Municipal Corporation, SBICAP Trustee Company Limited and Bank of Baroda (in its capacity as the Escrow Bank) with respect to the Escrow Account, the Interest Payment Account-III and the Sinking Fund Account-III.
Escrow Bank	Bank of Baroda, being the bank where the Escrow Account has been opened and the Interest Payment Account-III and the Sinking Fund Account-III will be opened.
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.
Final Redemption Date	The date on which the Corporation is liable to redeem the Blue Bonds/ NCDs in full as specified in the Offer Document.
Green Debt Security	Green Debt Security means a debt security issued for raising funds subject to the conditions as may be specified by the Board from time to time, to be utilised for project(s) and/ or asset(s) falling under the categories as mentioned under regulation 2 (1)(q) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time. In accordance with regulation 2 (1)(q) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, shall mean that a debt security issued for raising funds subject to the conditions as may be specified by the Board from time to time, to be utilised for project(s) and/ or asset(s) falling under any of the following categories: (i) renewable and sustainable energy including wind, bioenergy, other sources of energy which use clean technology, (ii) clean transportation including mass/public transportation, (iii) climate change adaptation including efforts to make infrastructure more resilient to impacts of climate change and information support systems such as climate observation and early warning systems, (iv) energy efficiency including efficient and green buildings, (iv) sustainable waste management including recycling, waste to energy, efficient disposal of wastage, (v) sustainable land use including sustainable forestry and agriculture, afforestation, (vi) biodiversity conservation, (vii) pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy efficient or emission efficient waste to energy) and sectors mentioned under the India Cooling Action Plan launched by the Ministry

TERM	DESCRIPTION
	of Environment, Forest and Climate Change, (viii) circular economy adapted products, production technologies and processes (such as the design and introduction of reusable, recyclable and refurbished materials, components and products, circular tools and services) and/or eco efficient products, (ix) blue bonds which comprise of funds raised for sustainable water management including clean water and water recycling, and sustainable maritime sector including sustainable shipping, sustainable fishing, fully traceable sustainable seafood, ocean energy and ocean mapping, (x) yellow bonds which comprise of funds raised for solar energy generation and the upstream industries and downstream industries associated with it, (xi) transition bonds which comprise of funds raised for transitioning to a more sustainable form of operations, in line with India's Intended Nationally Determined Contributions, and Explanation: Intended Nationally Determined Contributions (INDCs) refer to the climate targets determined by India under the Paris Agreement at the Conference of Parties 21 in 2015, and at the Conference of Parties 26 in 2021, as revised from time to time. (xii) any other category, as may be specified by the Board from time to time.
Independent Certifier	Climate Bond Initiative
Independent Third-Party Reviewer / BVIL	Bureau Veritas (India) Private Limited.
ISIN	International Securities Identification Number.
Issue/ Offer/ Public issue	Public issue by the Issuer of up to 20,00,000 (Twenty Lakhs) unsecured, rated, listed, taxable, redeemable non-convertible municipal bonds (in the nature of debentures) of face value of ₹ 1,000/- each, for an amount aggregating up to Rs 200 Crores (Rupees Two Hundred Crores Only).
Interest Payment Date / Coupon Payment Date	As will be specified in the Offer Document.
Interest Payment Account-III	The bank account to be opened by the Issuer with the Escrow Bank which shall be (i) the account from which the interest payments on the Blue Bonds will be serviced and (ii) the account in which the Required DSRA Amount will also be maintained, as per the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended/modified and supplemented from time to time, and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Second Supplementary Escrow Agreement.
Issue Agreement	An agreement dated November 05, 2026 entered between the Issuer and the Lead Managers to the Issue in relation to the Issue.
Issue Closing Date	As will be specified in the Offer Document.
Issue Documents	This Draft Offer Document and the Offer Document, the Term Sheet, the Application Form including all amendments, corrections, corrigenda, supplements or notices to be issued to the prospective Applicants in connection with the Issue, if any.
Issue Opening Date	As will be specified in the Offer Document.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms, as specified in the Offer Document.
Issue Proceeds	Issue proceeds comprising of entire proceeds of the Issue without any adjustment for Issue related expense.
Issue Size/Total Issue Size	Up to ₹ 200.00 crores
IT	Information Technology
I.T. Act	The Income-tax Act, 2025, as amended from time to time.
Lead Managers/ Merchant Bankers	A. K. Capital Services Limited and Tipsons Consultancy Services Private Limited
Market Lot/ Trading Lot	1 (One) NCD of ₹ 1000/- (Rupees One Thousand only)
Minimum Balance	In a monthly period expiring on the Transfer Date, it shall mean the amount required to be transferred to the Interest Payment Account-III and Sinking Fund Account-III at the end of such month on the terms as particularly set out in the Debenture Trust Deed and Second Supplementary Escrow Agreement.
Mobile App(s) / Mobile	Shall mean the list of mobile applications for using UPI in Public Issues as defined by

TERM	DESCRIPTION
Application (s)	SEBI from time to time.
NSDL	National Securities Depository Limited
Objects of the Issue/ Purpose of the Issue	The objects for which the Issue proceeds of the Issue shall be used by the Issuer, i.e., incurring capital expenditure in respect of the Projects more particularly described in the Section titled *"Objects of the Issue"* on page 50 of this Draft Offer Document.
Obligations	Obligations refers to all obligations at any time outstanding due, owing or incurred by the Issuer to the Debenture Trustee and the Blue Bond Holders in respect of the Blue Bonds and shall include, without limitation, the obligation to redeem the Bonds in terms thereof including payment of the Coupon on the Coupon Payment Dates, the Redemption Amounts on the relevant due dates together with any Default Interest (if any), any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee and other monies payable by the Issuer in respect of the Bonds/ NCDs under the Transaction Documents.
Offer Document	The offer document to be filed with SEBI and the Stock Exchanges, through which the proposed Issue will be made.
Permitted Investments	Shall mean: (a) The Funds lying credited in the IPA - III (including the DSRA Amount) can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable; and (b) The funds lying to the credit of SFA - III shall be invested as per Gujarat Provincial Municipal Corporation Act, 1949 and applicable SEBI regulations/circulars. The lien shall be created in favor of debenture trustee on all the investments made above.
Projects/ Eligible Green Projects for Blue Bonds / Eligible Blue Bonds	• Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara ("**Project I**"). • Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara **("Project II")**
Project Management Consultants	• With respect to Project I - Ray Infrastructures Private limited and M/s Manavseva Consultant • With respect to Project II - Ray Infrastructures Private limited
Public Issue Account	Account(s) to be opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	Agreement to be entered into amongst the Corporation, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Managers for the appointment of the Sponsor Bank and for collection of the Application Amounts from ASBA Accounts of the Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	Bank which is a clearing member and registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with whom the Public Issue Account will be opened and as specified in the Offer Document, in this case being Axis Bank Limited.
Record Date	The record date for payment of coupon/interest and repayment of principal in connection with the NCDs shall be 15 (fifteen) Calendar Days. In case of Payment of coupon/interest, record date shall be 15 calendar days prior to the date on which coupon/interest payment is due. In case of redemption/ repayment, record date shall be 15 calendar days prior to the Redemption Date/ Maturity Date for NCDs or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law.

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	In case the record date falls on a day when the Stock Exchanges are having a trading holiday, the immediate preceding trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchanges, will be deemed as the record date. In case of Redemption Date/ Maturity Date of NCDs, the trading in the respective NCDs shall remain suspended between the record date and the Maturity Date/Redemption Date.
Recovery Expense Fund	An amount which will be deposited by the Corporation with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum deposit of ₹25,00,000 at the time of making the application for listing of NCDs in the manner as specified by SEBI in Chapter IV of the SEBI Master Circular for Debenture Trustee bearing no. HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 dated September 28, 2026, as amended from time to time.
Redemption Amount / Maturity Amount	As will be specified in the Offer Document.
Redemption Date/ Maturity Date	The redemption date/ maturity date ("Redemption Date"/ "Maturity Date") for the Bonds shall be 5 years from Deemed Date of Allotment as specified in the Section titled "Summary Term Sheet" on page 170.
Refund Account	Account to be opened with the Refund Bank from which refunds, of the Application Amount shall be made and as specified in the Offer Document.
Refund Bank	The Banker to the Issue with whom the Refund Account will be opened and as specified in the Offer Document, in this case being Axis Bank Limited.
Registrar to the Issue/ Registrar	Registrar to the Issue, in this case being, KFin Technologies Limited, a company incorporated under the Companies Act, 2013 having registered office at Selenium, Tower B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy 500032, Telangana, India.
Registrar Agreement	The agreement dated November 05, 2026 entered into between the Corporation and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants.
Required DSRA Amount	An amount equal to 2 (two) succeeding coupon payments required to be paid by the Issuer in respect of the Blue Bonds to be maintained throughout the tenure of the Blue Bonds in the Interest Payment Account-III which also complies with the requirements of the SEBI circular in relation to 'Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134 /2019, as amended from time to time.
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=44 for direct ASBA and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45 for Syndicate ASBA , updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
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 Master Circular for Debenture Trustees	SEBI Master Circular for Debenture Trustees HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 dated September 28, 2026, as may be amended, clarified or updated from time to time.
SEBI Master Circular	SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 bearing reference number SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 as may be amended, clarified or updated from time to time.
SEBI RTA Master Circular	SEBI master circular bearing number HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, as amended from time to time.

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SEBI Continuous Disclosure Circulars	Continuous disclosures and compliances by listed entities in accordance with Chapter VI of the SEBI Municipal Debt Regulations, SEBI circular dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular dated November 13, 2019 bearing reference No. SEBI/HO/DDHS/CIR/P/134/2019 issued by SEBI and as amended from time to time.
SEBI Municipal Debt Regulations / SEBI ILMDS Regulations	Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India.
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India.
Sinking Fund Account-III	The bank account to be opened by the Issuer with the Escrow Bank and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Second Supplementary Escrow Agreement.
Sponsor Bank	Axis Bank Limited, Banker to the Issue as registered with SEBI, appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the individual investors into the UPI for individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value up to ₹ 500,000 and carry out any other responsibilities in terms of the SEBI Master Circular.
Specified Locations / Specified Cities	Bidding Centres where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Tax Income	Shall means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax and professional tax.
Tenor	Tenor shall be 5 years from the Deemed Date of Allotment.
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges.
Tripartite Agreements	Tripartite agreement amongst the Corporation, Registrar to the Issue, and CDSL dated January 17, 2022 and Tripartite agreement between the Corporation, Registrar to the Issue, and NSDL dated, February 9, 2022.
Transaction Documents	The documents executed and being executed in relation or which are relevant to the Issue including this Draft Offer Document, the Offer Document (read along with all the notices, corrigenda, addenda thereto), the Issue Agreement, the Registrar Agreement, the Debenture Trustee Agreement, the Escrow Agreement, the Second Supplemental Escrow Agreement, Public Issue Account and Sponsor Bank Agreement, Debenture Trust Deed and the Tripartite Agreements, Consortium Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Transfer Date	The date immediately preceding each monthly anniversary of the Deemed Date of Allotment.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹5,00,000 as applicable and prescribed by SEBI from time to time
UPI Investors	Collectively, individual investors applying as (i) Retail Individual Investors in Category IV (Retail Individual Investors); and (ii) individuals applying as Non-Institutional Investors under Category III (High Net Worth Individual Investors) with

TERM	DESCRIPTION
	a Bid Amount of up to ₹500,000 or such other amount as may be prescribed under applicable law in the Non-Institutional Portion, and Bidding under the UPI Mechanism. All individual investors applying in public issues may use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognised stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Mandate Request	A request (intimating the UPI investor by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI investors initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI or UPI Mechanism / Unified Payments Interface mechanism	The bidding mechanism that shall be used by an UPI investors to make an ASBA Bid in the Issue in accordance with the UPI Circulars.
Verification Report	Independent Third- Party Verification Report dated October 01, 2026 developed and issued by Bureau Veritas (India) Private Limited.
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.
Working Day / Business Day	Business day/Working day shall mean all days on which commercial banks in the Vadodara are open for business. Explanation: For the purpose of this definition, in respect of – (i) Announcement of bid /issue period: working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Vadodara open for business;(ii) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges' working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI (ii) In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchanges and with respect to the record date, working day shall mean all trading days of the Stock Exchanges for Bonds, excluding Saturdays, Sundays and bank holidays in Gujarat, as specified. If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated October 15, 2025 bearing reference SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137, as amended from time to time. If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Offer Document. If the redemption/maturity date of the Blue Bonds falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such Blue Bonds shall also be paid on the previous working day as per the cash flows provided in the Offer Document.

TERM	DESCRIPTION
	If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly. Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 2025 (if applicable) or any statutory modification or re-enactment thereof for the time being in force. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure -V "Illustration of Bond Cash Flow" of the Offer Document.

Conventional and General Terms or Abbreviations:

TERM/ ABBREVIATION	DESCRIPTION/ FULL FORM
Rs., INR, ₹, Rupees or Indian Rupees	The lawful currency of the Republic of India
AMF	Automatic Mains Failure
APFC	Automatic Power Factor Control
ASBA	Application Supported by Blocked Amounts
AY	Assessment Year
CCTV	Closed-Circuit Television
CRA	Credit Rating Agency
DG	Diesel Generator
Dia	Diameter
DMIC	Delhi–Mumbai Industrial Corridor
DIN	Director Identification Number
DP	Depository Participant
DPR	Detailed Project Report
DRR	Debenture Redemption Reserve
DSRA	Debt Service Reserve Account
DWPE	Dewatering Polyelectrolyte
E.O.T	Electric Overhead Traveling Crane
FY or Financial Year or Fiscal	Period of 12 months ended March 31 of that particular year
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
FIR	First Information Report
GAIL	Gas Authority of India Limited
GIR	General Index Registration Number.
GoG/State Government	Government of Gujarat
GoI/ Government	Government of India/ Central Government.
GST	Goods and Services Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFSC	Indian Financial System Code
ICMA	The International Capital Market Association
I.T. Act	The Income Tax Act, 2025, as amended from time to time.
IT	Information Technology
ITR	Income Tax Returns
IAS	Indian Administrative Service
Kv	Kilovolt
KYC	Know Your Customer
LCS	Local Control Station

TERM/ ABBREVIATION	DESCRIPTION/ FULL FORM
LDB	Lighting Distribution Board
LLP	Limited Liability Partnership
LOH	Loss of Head
MCC	Motor Control Centre
MCFT	Million Cubic Feet
MCM	Million Cubic Meter
MLD	Million Liters Per Day
MoHUA	The Ministry of Housing and Urban Affairs, Government of India
MoUD	The Ministry of Urban Development, Government of India
Mts.	Metres
Mutual Fund/ MF	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NE	National Expressway
NEFT	National Electronic Fund Transfer
NH	National Highway
NHAI	National Highway Authority of India
NOC	Non-Objection Certificate
NRI Non-resident Indian	NRI Non-resident Indian
O&M	Operation & Maintenance
p.a.	Per Annum
PAC	Poly Aluminium Chloride
PDB	Power Distribution Box
PIU	Project Implementation Unit
PLC	Programmable Logic Controller
PMAY	Pradhan Mantri Awas Yojana
PMCC	Power cum Motor Control Centre
PPP	Public Private Partnership
QR Code	Quick Response Code
RCC	Reinforced Concrete Cement
ROF	Rate of Flow
RWPS	Raw Water Pumping Station
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended
SCADA	Supervisory Control and Data Acquisition
SDG Principles	The principles of the sustainable development goals
SCORES	SEBI Complaints Redress System.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SSNNL	Sardar Sarovar Narmada Nigam Limited
TDS	Tax Deducted at Source.
ULB	Urban Local Body
UN	United Nations
WDM	Wholesale Debt Market

SECTION-IV: RISK FACTORS

An investment in Blue Bonds involves a certain degree of risk. You should carefully consider all the information contained in this Draft Offer Document, including the sections titled "Financial Information" and "Objects of the Issue" on pages 122 and 50, respectively, of this Draft Offer Document before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with Issuer's operations or Projects or any decision to purchase, own or dispose of the Blue Bonds. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Draft Offer Document before making any investment decision relating to the Blue Bonds. Any additional risks and uncertainties, currently unknown or deemed immaterial, if materialize, may in the future have a material adverse effect on the Issuer's operations and cash flows. The market price of the Blue Bonds could decline due to such risks, and you may lose all or part of your investment.

If any one of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occurs, the Issuer's operations, financial condition, cash flows and implementation of the Projects could suffer and, therefore, the trading price of the Issuer's Blue Bonds could decline and/or the Issuer's ability to meet its obligations in respect of the Blue Bonds could be affected and you may lose all or part of your interest and/or redemption amounts. More than one risk factor may have simultaneous effect with regard to the Blue Bonds such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No prediction can be made as to the effect that any combination of risk factors may have on the value of the Blue Bonds and/or the Issuer's ability to meet its obligations in respect of the Blue Bonds.

The financial and other related implications of the risks described in this section, have been disclosed to the extent quantifiable as on the date of this Draft Offer Document. Unless otherwise indicated, the financial information included herein is based on the Issuer's Financial Statements as included in paragraph A (abridged balance sheet, income and expenditure and cash flow statement for the last three years with major heads) of Section titled "Financial Information" as included in this Draft Offer Document on page 122.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

This Draft Offer Document also contains forward-looking statements that involve risks and uncertainties. The results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Offer Document. The prospective Investors should consult their own tax, financial and legal advisors about the risks associated with investment and suitability of investment in such Blue Bonds. Investment in these Blue Bonds includes 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 the Blue Bonds. For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and this Draft Offer Document including the risks mentioned below. The Blue Bonds have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of this Draft Offer Document.

This Draft Offer Document contains statements that involve risk and uncertainties. The Issuer's actual results could differ materially from those anticipated as a result of several factors, including the considerations described below and elsewhere in this Draft Offer Document.

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

In this section any reference to "we" or "us" or "our" refers to Vadodara Municipal Corporation.

INTERNAL RISK FACTORS

Project Risk and Internal Risk

1. **Vadodara Municipal Corporation intends to utilize Issue Proceeds for funding the capital expenditure requirements for setting up the Projects. The proposed Projects are subject to the risk of unanticipated delays in implementation and cost overruns. Any such unanticipated delays in implementation and cost overruns of the Projects may have an adverse impact on Issuer's operations, reputation and cash flows.**

Vadodara Municipal Corporation intends to utilize the Issue Proceeds for the proposed Projects i.e., Construction of

150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara ("**Project I**") and Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara ("**Project II**") (Project I and Project II are hereinafter together referred to as "**Projects**"); for further details of the Projects, see section titled "Objects of the Issue" on page 50 of this Draft Offer Document.

The Projects are proposed to be financed through Issue Proceeds and internal resources and GoI/GoG Grants received/to be received by the Corporation subject to conditions mentioned in the respective schemes. Work orders have been issued for the Projects, and the works are under process. There can be no assurance, despite the best efforts, that the Issuer will be able to complete the Projects within the estimated time and without any cost overruns. The cost of the Projects may escalate or vary based on external factors which may not be in Issuer's control, and which could pose funding gaps and contingent budgetary risk for VMC. However, it may be noted that, in case of any shortfall of funds, the Issuer shall arrange for alternative sources such as internal accruals, other grants, loans from banks/financial institutions/market borrowings, etc.

Presently, except for the pending approvals (i.e., approvals from NHAI, Western Railways, Sardar Sarovar Narmada Nigam Division No. 10, and the Vadodara Irrigation Division) in relation to the Project I, which shall be required at later stages of the implementation of the Project I and for which the requisite applications have been made, , there are no other pending approvals which are required to be obtained by the Corporation for the implementation of the Projects. All the approvals with respect to the Project II have been obtained. Further, the Issuer on best effort basis, have undertaken to obtain the pending approvals of Project I within 6 (six) months of Issue closure. However, despite best efforts of the Issuer, in the event of any delay in receipt of any approvals required at different stages, in relation to the Project I, or the occurrence of any force majeure events, etc., the indicative schedule of implementation and deployment of the Issue proceeds may be extended or may vary accordingly. There can be no assurance, despite the best efforts of the Issuer, that the proposed Projects will be completed as planned or on schedule, and if the projects are not completed in a timely manner, the budgeted costs for the Projects may be insufficient to meet proposed capital expenditure requirements towards the Projects. Further, VMC may not have sufficient revenue to fund the Projects.

The schedule of implementation of the Projects along with the timelines stated therein and the Physical Target and Financial Target for activities areas are indicative as per the work orders for implementation of the Projects. The completion of the various activities under the Projects may be subject to delays due to a variety of factors, including, but not limited to, workforce shortages, delays in receipt of necessary approvals or no-objection certificates, and dependencies on third-party contractors. Although the Issuer is taking all reasonable steps to ensure timely execution, there can be no assurance that despite best efforts, Projects will be completed as scheduled. Any delay, particularly those arising from unforeseen events or factors beyond the Issuer's control, may adversely impact its operations, reputation, and cash flows.

However, the Issuer has established a structured payment mechanism with clearly defined waterfall structure that ensures timely and prioritized payment of coupon and principal. As per the Structured Payment Mechanism, payments of principal and interest on bond issuances are not conditional on the performance of the Projects. For further details please refer to Structured Payment Mechanism, as detailed on page 175 of this Draft Offer Document.

2. **VMC's funding requirements and proposed deployment of the Issue Proceeds are based on internal estimates and estimates provided by the Project Management Consultants derived from quotations and bids received during the tendering process, pursuant to which work orders have been issued. These estimates have not been independently appraised by any third-party expert, bank, or financial institution.**

The funding requirement, proposed deployment of funds and the intended use of the Issue Proceeds set out in Objects of the Issue section is based on (a) the policies, current initiatives and development plans of the Corporation; (b) internal estimates of the Corporation; (c) certificates of the Project Management Consultants, (d) prevailing regulatory framework and market conditions; (e) other technical and commercial considerations; and (f) estimates from the Detailed Project Reports, including those based on quotations procured by them and the bids received during the tendering process on the basis of which work orders have been issued. Bureau Veritas (India) Private Limited ("**BVIL**") as Independent Third-Party Reviewer has issued a Verification Report dated October 01, 2026 on the "Blue Bond Framework" and Climate Bond Initiative has issued a certificate dated October 02, 2026 certifying the Bonds as "*VMC Blue Resilience Bonds as per SEBI NCS Regulations*".

The budgeted costs and implementation timelines for the Projects are based on internal estimates, approvals by the General Board, Standing Committee, Bond Issue Committee of the Corporation and certificates from Project Management Consultants. These may be subject to change due to a variety of factors, including unforeseen technical challenges, changes in scope, or other contingencies. There can be no assurance that the budgeted costs or timelines will be met. Any cost overruns or delays in implementation may lead to funding gaps or affect the timely execution of the Projects.

Issuer may have to revise its funding requirement on account of various factors, such as market conditions, change in government policies and changes in the regulatory framework, which may not be within the control of the Corporation. This may also entail rescheduling of the proposed deployment of the Issue Proceeds at the discretion of the Corporation including rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of the Corporation, subject to compliance with applicable laws.

3. **The Corporation is involved in large number of litigations & adverse decisions in the same may impact its working and operational efficiency.**

The Issuer is a party to various legal proceedings and has received notices from certain statutory authorities. However, these proceedings, do not pertain to the Projects for which the proceeds of the proposed Blue Municipal Bonds are being raised and do not have financial impact on the payment of coupon and principal repayment for the proposed Issue.

These legal proceedings are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities, and if determined against the Issuer, could have impact on the operations, implementation of Projects, income and the financial condition of the Issuer. The Issuer has established a structured payment mechanism with clearly defined waterfall structure that ensures timely and prioritized payment of coupon and principal. For further details please refer to Structured Payment Mechanism, as detailed on page 175 of this Draft Offer Document.

A summary of pending proceedings involving Issuer is as follows:

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

S. No.	Nature	Number of Cases	Amount Involved (₹ in Crores)
Direct Tax			
1	#E-proceedings	13	-
2	##TDS	17	11.27
3	###Property Tax Cases	57	-
Indirect Tax			
1	**GST	1	0.50

#Source: https://eportal.incometax.gov.in/iec/foservices/#/login. Status as on November 13, 2026
Source: https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded , status as on November 13, 2026.
###To the extent quantifiable excluding interest and penalty thereon.
*** Source: https://services.gst.gov.in/services/login , status as on November 13, 2026*

- **Criminal Litigations involving the Issuer and the members of the Bond Issue Committee**
The details of the criminal litigations involving the Issuer and members of the Bond Issue Committee have been disclosed in *the "Section-XI- Legal and Other Information"* on Page No. 136 of the Draft Offer Document.

- **Actions by Regulatory and Statutory Authorities against Issuer**
The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the *"Section-XI- Legal and Other Information"* on Page No. 136 of the Draft Offer Document.

- **Other Civil Litigation**
The details of all the individual civil litigations above the materiality threshold have been disclosed in the *"Section-XI- Legal and Other Information"* on Page No. 136 of the Draft Offer Document.

There are certain matters disclosed under the Section *"Section-XI-Legal and Other Information"* beginning on page no. 140 of this Draft Offer Document in relation to which no claim amount is quantifiable.

No assurances can be given as to whether these legal proceedings will be decided in the Issuer's favour or have no adverse outcome, nor can any assurance be given that no further liability/ loss will arise out of such legal proceedings. The details of outstanding material litigations involving the Issuer and Members of Bond Issue Committee which are based on the Materiality Policy of the Issuer are set out under the head *"Other Matters based on the Materiality Policy of the Issuer" of "Section XI Legal and Other Information"* on page no. 136 of this Draft Offer Document.

Except for the disclosures in Section titled "Legal and Other Information", the Issuer, in the ordinary course of its operations, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Issuer does not expect that the outcome in any of these legal proceedings will have a material adverse effect on the Issuer's financial position or results of operations, yet litigation is inherently unpredictable. Therefore, the

Issuer could incur judgments or enter into settlements of claims that could adversely affect the Issuer's operating results or cash flows in a particular period. However, the Issuer shall implement the Structured Payment Mechanism, as detailed on page 175 *(Summary of term sheet)* of the Draft Offer Document. This mechanism incorporates a clearly defined waterfall structure that ensures timely and prioritized payments of coupon and principal repayments.

4. **Any inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required for implementation and operations of the Projects may have a material adverse effect on the Issuer's ability to complete the Projects on a timely basis or at all. Any failure to successfully complete the Projects on a timely basis may have an adverse impact on the Issuer's reputation, operations and cash flows.**

   Work orders have been issued for the Projects and the work is under process. As per the certificates received from the Project Management Consultants dated November 13, 2026, Project I have achieved 50% of physical completion while Project II have achieved 97% of physical completion. Further, except for the pending approvals for Project I for which applications have been made as mentioned in "Details and status of the regulatory approval" in the section titled *"Object of the Issue"* at page 56, there are no statutory and regulatory approvals pending for the implementation of the Project I. In case in future, there is a requirement of any additional approvals/NOCs/permits, which cannot be identified at this point, for the Projects, the Issuer shall take all reasonable steps to obtain the said approvals/ permits/no- objection certificates ("**NOCs**") to ensure successful and timely implementation of the Projects or renew existing approval in relation to the Projects. While the Corporation intends to take all reasonable steps to obtain or renew such approvals/NOCs/permits, there can be no assurance that the same will be received or renewed in a timely manner, or at all, particularly in the event of unforeseen circumstances or factors beyond the Corporation's control. Further, any failure to comply with the terms and conditions attached to existing regulatory or statutory approvals may result in such approvals being suspended, revoked, or not renewed, which may, in turn, delay the progress or completion of the Projects.

   Additionally, the Projects is also susceptible to the policies of the state, administrative decisions, and cost overruns, which are risks inherent in the execution of large-scale infrastructure projects. While such delays or cost overruns are not expected to affect the Issuer's debt servicing obligations under the Blue Bonds, which are proposed to be serviced through a structured payment mechanism under which the Issuer's Tax Income or any other specified revenue / cash flow will be transferred to an Escrow Account for servicing the debt. There can be no assurance that implementation of the Projects will be completed within the estimated timelines and budgeted cost.

   For further details pertaining to the list and status of approvals/permits/NOCs in relation to the Projects, see the section titled "*Objects of the Issue*" beginning on page 50 of this Draft Offer Document.

5. **Leakage of tax collections may affect volume of collections and accumulation of funds for future development, and on the Issuer's future execution capabilities and revenue collections.**

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

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

6. **The Issuer is dependent on grants and support in the form of budgetary allocation from Central and State Government for its operations. Any failure to obtain grants or any reduction in funding in the form of grants or budgetary allocation from the government may adversely impact its operations, financial condition and future performance.**

   The Projects undertaken by the Issuer are capital intensive and supported by grants in the form of budgetary allocation from Central and State Government. Any reduction in budgetary allocation of capital, funding or non- receipt of grants by the GoI and GoG may materially affect the Projects undertaken by the Issuer and impact the Issuer's operations and asset generation capacity. As grants are one of the main sources of revenue for the Issuer, any irregularity in release of grants may affect the projects implementation schedules and affect the financial condition of the Issuer. Any delay in receipt of the grant may have an impact on the Issuer's liquidity position.

The grants received are not specifically earmarked for each individual project and may be utilised interchangeably across various ongoing and approved projects, based on timing and funding requirements. Accordingly, the application of such funds may vary from time to time, and any delay or reduction in grants may impact the overall execution and prioritization of the Projects.

Further, the documentation or formal agreements governing such grants may, in some cases, be limited or subject to varying conditions imposed by the relevant government authorities. This may lead to uncertainty regarding the timing of disbursement, conditions for utilisation, or consequences of non-compliance, and could result in delays or disputes in the availability or application of grant funds. Any such lack of clarity in the terms and conditions or enforceability of grant-related documentation may adversely impact the Issuer's ability to plan or execute its Projects in a timely manner. For details of grants received from the Central and State Government, please refer to the Section titled "About the Issuer and Capital Structure of the Issuer" on page 49 of this Draft Offer Document. Further, the growth plans of the Issuer are mainly determined by the amount of grants and support in the form of budgetary allocations and any adverse developments in the policy of the government in the manner in which it seeks to address the development of the infrastructure needs of India will have a material and adverse effect on the Issuer's operations. Moreover, if the funding from grants decreases or if there is any adverse change in the pattern of allocation of the tax collected by GoI or if there is a downturn in the macro-economic environment in India or in the sectors which are directly dependent on the infrastructure Projects that the Issuer undertakes/ proposes to undertake, the Issuer's operations and future performance could be materially and adversely affected.

The proposed Projects are also being financed through grants to be provided GoI/GoG under AMRUT 2.0. In case of any delay in receipt of the grants, it may have an impact the timeline for implementation of the Projects. However, it may be noted that, in case of any shortfall of funds, the Issuer shall arrange for alternative sources such as internal accruals, other grants, loans from banks, financial institutions/market borrowings, etc.

7. **The Blue Bonds are unsecured and the Issuer's ability to pay Coupon and redeem principal in accordance with the terms of the Issue is subject to various factors affecting the Issuer's financial condition. Any adverse change in these factors may have an adverse impact on Issuer's ability to pay interest accrued on the Blue Bonds and/ or the principal amount in timely manner as outstanding from time to time.**

The Issuer's ability to pay Coupon accrued on the Blue Bonds and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including inter alia the Issuer's financial condition, profitability, revenue generation and general economic conditions prevailing in India and in the global financial markets. Any adverse change in these factors may have an adverse impact on the Issuer's reputation and financial condition and its ability to pay interest accrued on the Blue Bonds and/or the principal amount in timely manner. The Issuer shall create a structured payment mechanism through which the funds lying in account(s) in which the Tax Income or any other specified revenue / cash flow gets collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis.

The Issuer's ability to timely pay interest accrued on the Blue Bonds and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including inter-alia collecting the Tax Income or any other specified revenue / cash flow and the general economic conditions prevailing in India and in the global financial markets.

In the event of any default, the Bond Holders may not be able to recover, on a timely basis, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Blue Bonds. The Blue Bonds are not "secured debt securities" for the purposes of the SEBI (ILMDS) Regulations, 2015 and corresponding provisions of Applicable Law. As the Blue Bonds are unsecured in nature, 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 Blue Bonds.

In the event of any default, Debentures Trustee shall take all steps to ensure redemption of Debentures or any other legal recourse available to the Bond Holders as per the terms of the Transaction Documents and in accordance with the Applicable Law.

8. **The Issuer has existing outstanding municipal bond issuances, and the proposed Issue will also be serviced through the same escrow account. Any shortfall in the revenues deposited into the common escrow account may adversely affect the timely payment of Coupon and/or redemption of principal amounts under the existing as well as the proposed Issue.**

The Issuer has previously issued two series of municipal bonds, and the proposed bond issue will constitute an additional

borrowing obligation of the Issuer. The existing bond issuances and the proposed issue are unsecured, and the same escrow account is stated to be used for servicing the obligations arising from these issuances.

The availability of sufficient funds in the escrow account will depend on the timely collection and deposit of the identified revenues and other eligible sources of funds. In the event of a shortfall in collections, delays in the transfer of funds, or competing payment obligations arising from the existing and proposed bond issuances, the funds available may be insufficient to meet all debt-servicing obligations as and when they fall due.

Since the bonds are unsecured, the investors do not have the benefit of a specific charge over identified assets of the Issuer for repayment, unless otherwise provided under the applicable transaction documents. Consequently, in the event of a default or financial distress of the Issuer, investors may face a risk of delay in receiving interest and/or redemption amounts and may not recover the entire outstanding amount invested.

The risk of delayed or incomplete repayment will depend on the adequacy of the Issuer's revenues, the terms governing the respective bond issuances, the priority of payment obligations, and the effectiveness of the structured payment mechanism.

Financial Risk including Liquidity Risk

9. The Property Tax Collections of Issuer including arrears may vary in the future that may impact the financial condition of the Issuer.

The total collection of Property Tax which is one of the main sources of revenue has increased from Rs. 491.71 Crore in FY 2023-2024 to Rs. 520.04 crores in FY 2024-2025 and to Rs. 539.12 crores in FY 2025-2026. Although the demand and collection of property tax have been rising year on year, the significant portion of the demand and collections is coming from the arrears of the property tax. The ratio of arrears of property tax in the total property tax demand was 39.59% (Rs 363.99 crore out of Rs 919.37 crore) in FY 2025-26 whereas the ratio of collections of property tax arrears in the total property tax collections was 15.55% (Rs 83.85 crore out of Rs 539.12 crore) in FY 2025-26, which shows that the Corporation has significant dependence on the arrear collections. Further, there can be no guarantee for timely collection of such arrears in the future due to multiple reasons such as tax disputes, collection inefficiencies, etc. The portion of property tax due but not collected is shown as receivables in our financial statements. While the Issuer takes certain measures, from time to time, to collect such arrears, there can be no guarantee for timely collection of such arrears.

Any shortage in collections in any period may result in a mismatch in revenue and expenditure of the Issuer and the funds may be inadequate for transfer to the Escrow Account. For further details please refer to the "Details of Property Tax collection" of Section X: Financial Information on page no. 128 of this Draft Offer Document.

Operations Risk

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

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

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

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

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

The Issuer has entered into outsourcing arrangements/ contracts with civil contractors for undertaking various civil contracts and with third party vendors for providing various services. Any failure by the contractors or service providers to provide a specified service, develop the Projects and maintain it or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements may result in financial loss, loss of reputation, delay in the Projects and have an adverse impact on the financial condition. While we make best efforts to ensure that sufficient measures are undertaken and clauses are built in the agreements with the contractors / service providers/ third parties to prevent such risks, these measures may not be sufficient to deter such activities in all cases, which may adversely affect its operations and asset generation capacity.

12. Labour Related Risks

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of such stringent labour regulations, it is difficult for the Issuer to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect Issuer's business, financial condition and results of operations. Additionally, some of the Issuer's employees are part of certain industry labour unions and such unions could result in labour unrest. Strikes or work stoppages or any mishaps/ accidents impacting the labour in future could have an adverse impact on the Issuer's operations. The Government of India has given its assent to enact (i) Code on Wages, 2019 (ii) Industrial Relations Code, 2020 (iii) Code on Occupational Safety, Health & Working Conditions Code, 2020 (iv) Code on Social Security, 2020 which has replaced some of the existing labour laws with the objective to simplify and modernize labour regulations. Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force via gazette notifications published by the Ministry of Labour and Employment. The remaining provisions of these codes and rules under the abovementioned codes shall become effective as and when notified by the Ministry of Labor and Employment, Government of India.

VMC, from time to time, for certain activities, appoints independent contractors who in turn may engage on-site contract labour for performance of certain activities. This has had a negative impact on the activities of execution agencies such as civil contractors and other vendors that have been engaged by the Corporation. Further, the Issuer may be held responsible for any payment of wages/ compensation for any accidents or losses relating to such contracted labourers in certain cases even though such labourers are not directly engaged by the Issuer. Such an event may have an adverse impact on Issuer's financial position and operations.

13. The Issuer has certain contingent liabilities which, in case if materialize, might have impact on its financial position in future.

The Issuer regularly enters into capital work contracts in the ordinary course of its operations. Given the nature, scope, and complexity of such contracts, the precise commitment under them cannot be fully ascertained. However, an exercise has been undertaken to identify the various Contingent Liabilities of the Corporation which includes legal matters pending before various courts, as are disclosed in the section titled "Legal and Other Information" under the heading "Contingent liabilities of the Issuer" on page 136 of this Draft Offer Document. Consequently, if the liabilities materializes against the Issuer there may be impact on VMC's financial condition, cash flows, or results of operations. Any such impact may not be adequately reflected in its financial statements, which could affect investors' ability to make an informed investment decision.

However, the Issuer shall implement the Structured Payment Mechanism, as detailed on page 175 *(Summary of term sheet)* of the Draft Offer Document. This mechanism incorporates a clearly defined waterfall structure that ensures timely and prioritized payments of coupon and principal repayments.

14. The Issuer does not currently classify its creditors as small-scale undertakings/micro, small and medium enterprises ("SSU/MSME"), which may expose the Issuer to potential statutory penalties and legal claims.

The Issuer does not categorize its creditors as Small Scale Undertakings/Micro Small and Medium Enterprises ("SSU" / "MSME"), which may expose the Corporation to potential statutory penalties and legal claims considering the statutory mandate for timely payments under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Further, such classification and related disclosures are mandated under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended from time to time (the "MSMED Act").

Accordingly, the Issuer is currently not compliant with the applicable statutory requirements under Section 22 of the MSMED Act. Further, in the absence of a formal mechanism for identifying and classifying creditors as SSU/MSME, the Issuer does not have a system in place to monitor and ensure compliance with the prescribed timelines for payments to such creditors under the MSMED Act.

As a result of the foregoing, the Issuer may be exposed to statutory penalties, legal proceedings and claims under the MSMED Act, which could have an adverse financial impact on the Issuer.

However, notwithstanding the above, the Issuer has established a structured payment mechanism with clearly defined waterfall structure that ensures timely and prioritized payment of coupon and principle. For further details please refer to Structured Payment Mechanism, as detailed on page 175 of this Draft Offer Document.

15. **The Issuer is exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees or third parties, which could harm its results of operations and financial position.**

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

The Issuer may do cash collections to recover its dues. Such cash transactions may expose it to the risk of theft, burglary and misappropriation or unauthorized transactions by its employees and fraud by employees or third parties. However, insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect its operations and asset generation capacity. Further, the Issuer may be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by its representatives and employees, which could adversely affect Issuer's goodwill.

16. **If the Issuer is unable to protect its trademarks, others may be able to use Issuer's trademarks and tradenames to compete more effectively. Also, VMC may breach third-party intellectual property rights.**

VMC's logo  is not registered with the Trademarks Registry. VMC will not be able to avail legal protections under the trademark or prevent unauthorised use of such trademarks by third parties. VMC's efforts to protect its intellectual property or proprietary information and the measures it takes to identify potential infringement of its intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. Any such misappropriation or duplication of its name, corporate logos or other intellectual property or proprietary information may disrupt Issuer's operations, distract its officials and employees, reduce revenues and increase expenses. In addition, it may also become subject to infringement claims. Even if claims against the Issuer are not meritorious, any legal, arbitral or administrative proceedings that the Issuer may be required to initiate or defend in this regard may be time-consuming, costly and harmful to its reputation, and there is no assurance that such proceedings will ultimately be determined in VMC's favor. Furthermore, the application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of its brand in Indian markets. Issuer's failure to adequately protect its brand, trademarks and other related intellectual property rights may adversely affect VMC's business, financial condition and results of operations.

VMC may be subject to claims by third-parties, both inside and outside India, if it breach their intellectual property rights by using names, trademarks or other such rights that are of a similar nature to the intellectual property these third-parties may have registered or are using. Issuer might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by its employees where we may also be subjected to claims by such third-parties. To the best of Issuer's knowledge, there are currently no such claims and its use of the trademark has not infringed upon any existing intellectual property rights and such usage is not in conflict with, or in violation of any applicable law or any binding contractual or fiduciary obligation.

However, any legal proceedings that result in a finding that Issuer have breached third-parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third-parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) any of which may have a material adverse effect on its reputation, results of operations and financial condition.

17. **VMC's existing non-convertible debentures issued on private placement basis are listed on BSE Limited and VMC is subject to continuous post listing compliances with applicable rules and regulations. Instances of delays and non-compliances may attract penal actions by stock exchange or SEBI.**

Vadodara Municipal Corporation's existing non-convertible debentures are listed on the BSE Limited. VMC is required

to comply with various applicable rules and regulations, including the SEBI ILMDS Regulations and SEBI circulars issued on continuous disclosures and compliances by listed entities in terms of its listed non-convertible debentures. There have not been any instances of delays and non-compliances in relation to continuous disclosures and filings in terms of the listed non-convertible debentures including delay in filing of financial results, delay in intimation to the Stock Exchanges. While there have been no penalties imposed/penal actions initiated by the Stock Exchange against the Issuer, it cannot assure that there will be no penalties imposed/penal actions initiated by the stock exchange in future.

EXTERNAL RISK FACTORS

General Risks

18. Political Scenario prevailing in India might risk VMC's operations.

Periodic elections and/ or rotation of the officers might pose a risk to the operations of the Issuer since a change in the government might shift the policy focus for the municipal corporation which will impact the ongoing activities of the Issuer. Such changes in policy focus might affect the relative priority of capital expenditures for the Projects and other projects undertaken by the Issuer.

19. Any future changes in Government Policies may affect the collection of revenue of the Issuer and may also affect the management of the expenditure.

VMC's operations are dependent on the policies of the government, central as well as state initiatives. Any future changes in government policies detrimental to the Issuer may affect the collection of Issuer's revenue and may also affect its management of the expenditure. Any lack of support in terms of regulatory initiatives will adversely affect its operations, as will any delayed response in policy alteration or other regulatory impediments, which will adversely affect its operations. Further, inconsistencies in VMC's revenue collection and any lack of support in terms of regulatory initiatives any delayed response in policy alteration or other regulatory impediments, which will adversely affect its operations and various planned initiatives and Projects being undertaken. Additionally, policies of central and state government which mandate urban local bodies to focus on development in certain specific sectors or areas will affect VMC's Projects and operations.

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

Vadodara Municipal Corporation is subject to changes in Indian laws, as well as to changes in government regulations and policies and accounting principles. As a municipal corporation constituted under applicable laws in India, VMC is subject to numerous statutes, rules, regulations, and guidelines issued by central, state, and local authorities, including but not limited to those relating to municipal governance, financial management, public works, taxation, environmental norms, procurement, public health, and urban development.

Any material change in the existing regulatory environment, or the introduction of new laws or policies, whether at the central, state, or local level, may have an adverse impact on VMC's operations, financial position, or prospects. Such changes may include, inter alia, amendments to the municipal legislation under which it is constituted, changes in accounting standards applicable to government entities, modifications in guidelines relating to the issuance and servicing of municipal bonds, or revised norms governing the use of grants and public funds.

These changes could increase the cost of compliance, necessitate restructuring of existing financial arrangements, delay the execution of infrastructure or service delivery projects, or result in restrictions on the Issuer's ability to raise funds or allocate resources. Further, adverse regulatory developments may also impact its revenue generation mechanisms, including its ability to levy taxes, collect user charges, or receive grants from higher levels of government.

Any of the foregoing could impair its ability to meet its payment obligations under the instruments offered in this Draft Offer Document and may also adversely affect the financial performance.

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

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

22. Decentralization with respect to Municipal Corporations

Decentralization is an ongoing process, and further adjustments in service responsibility, taxation authority and accountability are likely in the coming years. VMC has legislative and administrative control over its operating revenues, expenditures and capital plans, as permitted under the Act. Nevertheless, changes in State and Central Government revenue sources and regulatory frameworks could have an effect on the credit profile of VMC (positive and negative), should those changes result in devolution of power, of revenues or of spending mandates.

Additionally, VMC is subjected to regulations by Indian Governmental Authorities. These laws and regulations impose numerous requirements and restrictions for us to grow its area of operations and revenue generation, including asset classification and prescribed levels of capital adequacy, cash reserves and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Issuer.

Risk in relation to the Blue Bonds

23. Any change in interest rate may affect the price of Blue Bonds. An increase in interest rates is likely to have a negative effect on the price of Issuer's Blue Bonds.

All securities where a fixed rate of interest is offered, such as Blue Bonds, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e., when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. Any increase in the rate of interest is likely to have a negative effect on the price of the Issuer's Blue Bonds. 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 its Blue Bonds.

The secondary market pricing of the Blue Bonds is subject to factors affecting the general economic condition in India and in the domestic and global financial markets. As a result, the investor may face volatility in the price of the Blue Bonds due to above mentioned factors

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

CRISIL Ratings Limited has vide its letter dated July 20, 2026, assigned a rating of 'Provisional CRISIL AA+/Stable' revalidated vide its letter dated November 05, 2026. India Ratings and Research Private Limited has vide its letter dated August 06, 2026, assigned a rating of Provisional IND AA+/Stable, revalidated vide its letter dated November 05, 2026.

The abovementioned credit ratings may not reflect the potential impact of any future uncertainties related to structure, market, and/or other factors that may affect the value of the Bonds. If there is deterioration in its financial performance or position, accumulation of debt or if there are any statutory or regulatory restrictions detrimentally affecting its ability to collect revenues or manage expenditures, the credit rating and credit rating assigned to the Blue Bonds may be downgraded. Any downgrading in the credit rating or credit rating of these instruments will result in an enhanced risk to the Bondholders.

Further, in terms of the rating rationale issued by CRISIL on July 17, 2026 and India Ratings on August 06, 2026 the outlook has been kept as 'Stable', considering the adequacy of escrowed revenue stream, healthy debt service coverage, adequate own revenue sources, consistent revenue surplus, etc. The ratings, also factor in the structured debt servicing mechanism, which will be monitored and controlled by the Debenture Trustee.

The Issuer cannot guarantee that the credit ratings of the Issuer or the Bonds will not be downgraded by the Rating Agencies in future. Thus, the credit ratings are not a recommendation to buy, sell or hold the Bonds and investors should take their own decisions. The ratings provided by the Rating Agencies may be suspended, withdrawn or revised at any time including without limitation the financial deterioration of the Issuer. Any revision or downgrade of the above credit rating may lower the value of the Blue Bonds and may also affect the Issuer's ability to raise further debt. In such cases where the value of the Blue Bonds decreases, potential investors may incur losses on sale of their investment in the secondary market.

25. There may be less information available about the municipal corporations listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the

activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about a municipal corporation listed on an Indian stock exchange compared with information that would be available if that the said municipal corporation was listed on a securities market in certain other countries. As a result, investors may have access to less information about the operations, results of operations, cashflows and financial conditions than you may find in the case of municipal corporations listed on a securities market of other more developed countries.

26. There may be a delay in making refund/ unblocking of funds to Applicants.

The Issuer cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) the Issuer's failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of the Issue, (iv) failure to obtain the approval from the Stock Exchanges for listing of the Blue Bonds or (v) non allotment due to technical rejections or over subscriptions will be refunded to you / unblocked in a timely manner. VMC, however, shall make best efforts to refund such monies, within the timelines prescribed under applicable laws. In case of any delays in making such refunds/unblocking instruction, the Corporation shall be liable to pay interest as prescribed under the SEBI ILMDS regulations and the SEBI Master Circular. For further details please refer to page 72 under section "*Issue Specific Information*".

27. The Issuer shall do all necessary actions for listing of the Blue bonds in timely manner, however there is no assurance that the Blue 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 Blue Bonds issued pursuant to the Issue will not be granted until after the Blue Bonds have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the Blue Bonds on the Stock Exchanges for reasons unforeseen.

While the Issuer shall ensure compliance with the provisions related to the timelines for listing of securities, however, if the Issuer fails to obtain listing or trading permission from any of the recognized stock exchanges where the Blue Bonds are proposed to be listed, Issuer shall refund the entire monies received within seven days of receipt of intimation from stock exchange or in case of multiple stock exchange(s) within seven days from the earliest intimation rejecting the application for listing of the Blue Bonds, and if any such money is not repaid after the Issuer shall become liable to repay it and the Issuer shall be liable to repay that money with interest at the rate of fifteen percent per annum till such refund is made.

28. The Blue Bonds shall be subject to continuous post listing compliances with applicable rules and regulations with respect to such listed non-convertible debentures.

The Blue Bonds are proposed to be listed on the Stock Exchanges (i.e., National Stock Exchange of India Limited and BSE Limited). Subsequently, Issuer will be required to comply with various applicable rules and regulations, including the SEBI circulars issued on continuous disclosures and compliances for its Blue Bonds.

Despite best efforts of the Issuer to comply with all applicable law post listing of the Debentures on the Stock Exchanges, there may be instances of delays or non-compliances in relation to continuous disclosures and filings in terms of the listed non-convertible debentures. If the Issuer fails to rectify such non-compliances or comply with such rules and regulations including any further compliance notified by the Stock Exchanges or relevant regulatory authorities, it may be subject to certain penal actions, imposition which may have an adverse effect on the Issuer's operations, reputation and financial condition.

29. There may be no active market for the Bonds on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the Bonds may fail to develop and may, accordingly, be adversely affected.

There can be no assurance that an active market for the Blue Bonds will develop. If an active market for the Blue Bonds fails to develop or be sustained, the liquidity and market prices of the Blue Bonds may be adversely affected. The market price of the Blue Bonds would depend on various factors, inter alia, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country (ii) the market for listed debt securities, (iii) general economic conditions, and (iv) its reputation, financial performance and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which you purchase the Bonds and/or be relatively illiquid.

Even if there is a secondary market for the Blue Bonds, it is not likely to provide significant liquidity. Potential investors may have to hold the Blue Bond until redemption to realise value.

30. The Investors may be subject to tax on interest income and gains arising from the transfer or redemption of the Blue Bonds.

Interest income received by holders of the Blue Bonds and any gains arising from the transfer or redemption of the Blue Bonds may be subject to tax in accordance with the applicable provisions of the Income-tax Act, 2025, the rules made thereunder and other applicable laws, as amended from time to time. The tax treatment may vary depending on the nature of the income, the residential status and tax status of the investor, the period of holding and other applicable factors. Prospective investors are advised to consult their own tax advisers regarding the tax implications of investing in, holding, transferring or redeeming the Blue Bonds. For further details, please refer to the section titled "Tax Benefits" on page 66 of this Draft Offer Document.

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

In case the Issue is not fully subscribed to by potential investors, the Issuer may be unable to meet the funding requirements of the Projects from the proceeds of the Issue to the full extent. The Issuer may be required to raise additional funds to meet the shortfall in funding the Projects through other sources which may lead to a delay in the completion of the Projects. The funding gap may develop due to such shortfall in full subscription to the Issue, in which the Issuer may utilize its internal accruals or obtain funding through other means for completion of the Projects. Please refer to paragraph J (Capital structure relating to Projects for which funds are proposed to be mobilised) of '*Section VI: About the Issuer and Capital Structure of the Issuer*' on page 49 of this Draft Offer Document.

32. Trading of the Blue Bonds may be limited by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes.

The Stock Exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Stock Exchanges have, from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and Stock Exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

33. Bonds are subject to the risk of change in law.

The terms and conditions of the Blue Bonds are based on Indian law in effect as of the date of issue of the Blue Bonds. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the Blue Bonds and any such change could materially and adversely impact the value of any Blue Bonds affected by it.

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

i) Name of the Issuer: Vadodara Municipal Corporation

ii) Head Office of the Issuer: 1st Floor, Khanderao Market Building,
Raj Mahel Road, Vadodara,
Gujarat, India - 390209.
Phone: (0265) 2432003 (Accounts Department)
Email id: chiefaccountant@vmc.gov.in
Website: www.vmc.gov.in

iii) Other Offices of the Issuer:

Zonal Offices*:

a) **East Zone Office**
Vadodara Municipal Corporation,
East Zone VMCC, Nr. Sawad Quarters HA RD,
Village – Vadodara (M CORP + OG)
Taluka – Vadodara, District -Vadodara

b) **West Zone Office**
Vadodara Municipal Corporation,
Plot no. 24, Navin, Paschim Zone,
Zonal Office, B/H Ward No. 6,
Village – Vadodara (M CORP + OG),
Taluka – Vadodara, District -Vadodara

c) **North Zone Office**
Vadodara Municipal Corporation,
F.P 492, North Zone Office VMSS,
Nr Sewage Pump Station,
Village – Vadodara (M CORP + OG),
Taluka – Vadodara, District - Vadodara

d) **South Zone Office**
Vadodara Municipal Corporation,
Ward No.4, Village – Vadodara
(M CORP + OG), Taluka –
Vadodara, District -Vadodara

**The addresses for the zonal offices of the Issuer have been certified by the Municipal Commissioner.*

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

Not applicable, as the Issuer is a Municipal Corporation.

C. Details of Mayor/ Deputy Mayor

Sr. No.	Particulars	Designation	Date of appointment
1.	Smt. Geetaben Umeshbhai Makwana	Mayor	May 28, 2026
2.	Shri Aditya Anantbhai Patel	Deputy Mayor	May 28, 2026

D. Details of Commissioner/Deputy Commissioners

Sr. No.	Name of the Officer	Designation	Date of Appointment for the Designation*
1.	Shri Arun Mahesh Babu M. S., IAS	Municipal Commissioner	April 15, 2025
2.	Shri Vinodbhai Maganbhai Rajput	Deputy Municipal Commissioner (North and South Zone)	December 02, 2024

Sr. No.	Name of the Officer	Designation	Date of Appointment for the Designation*
3.	Shri Akshaya Budania	Deputy Municipal Commissioner (West Zone)	May 18, 2026
4.	Shri Santosh Hiralal Tiwari	Deputy Municipal Commissioner (Project)	May 22, 2026
5.	Shri Sureshbhai S Tuver	Deputy Municipal Commissioner (East Zone)	April 01, 2024
6.	Shri R. S. Desai	Deputy Municipal Commissioner (Admin)	June 10, 2026

**Date of taking charge at this designation.*

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

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

Details of the Standing Committee are given below:

Standing Committee:

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

Presently the constitution of the Standing Committee is as follows:

Name and Designation	Date of Appointment/ Resignation	Member of the Committee since (in case of resignation)	Remarks
Chairperson			
Smt. Varshaben Jayeshkumar Vyas	May 28, 2026	-	-
Members			
Shri. Manojbhai Bhikhalal Shah	May 28, 2026	-	-
Shri. Bhupendrabhai Narayanbhai Machhi	May 28, 2026	-	-
Shri. Pareshkumar Harshadbhai Brahmbhatt	May 28, 2026	-	-
Shri. Bhanjibhai Ishwarbhai Patel	May 28, 2026	-	-
Shri. Bhursingbhai Valiyabhai Rathwa	May 28, 2026	-	-
Smt. Ritaben Parasar Acharya	May 28, 2026	-	-
Shri. Narvirsinh Viramdevsinh Chudasama	May 28, 2026	-	-
Shri. Nitinkumar Jayantilal Donga	May 28, 2026	-	-
Smt. Ritaben Raviprakash Singh	May 28, 2026	-	-
Smt. Nimishaben Maheshkumar Panchal	May 28, 2026	-	-
Smt. Dipikaben Dharmendrabhai Patni	May 28, 2026	-	-

Bond Issue Committee

The Issuer has formed the Bond Issue Committee vide its order having reference no. Order No. 43 dated May 30, 2026.

As per the letter of the Municipal Commissioner dated November 13, 2026, the Bond Issue Committee currently consists of the following members:

Name and Designation	Date of Appointment/ Resignation*	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Shri Arun Mahesh Babu, IAS **Municipal Commissioner**	May 30, 2026	-	-
Members			
Santosh Hiralal Tiwari **Deputy Municipal Commissioner (Project) and Chief Accountant****	May 30, 2026	-	-
Harikrishna Maheshchandra Rao **Chief Auditor**	May 30, 2026	-	-
Darshin Mehta **Executive Engineer (Water Supply Project)**	May 30, 2026	-	-
Rathva Hareshkumar Rajendrabhai **Executive Engineer (Drainage Project)**	May 30, 2026	-	-

** Date of Appointment is the date wherein the BIC members became part of the said committee*
***Holding additional charge of Deputy Municipal Commissioner (Project).*

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

Not Applicable, as the Issuer is a Municipal Corporation.

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

SHRI. SANTOSH HIRALAL TIWARI,
Designation: Chief Accountant & Deputy Municipal Commissioner (Project)
Address: 1st Floor, Khanderao Market Building,
Raj Mahel Road, Vadodara,
Gujarat, India - 390209
Tel: (0265) 2432003, PBX: (0265) 2433116/118 Extn. 281
Mobile: +91-9925028515
E-mail: chiefaccountant@vmc.gov.in
E-mail (Investor Grievance): chiefaccountant@vmc.gov.in

Shri. Santosh Hiralal Tiwari is the highest ranking officer heading the finance department of the Issuer and is equivalent to Chief Account and Finance Officer.

The responsibility of Shri. Santosh Hiralal Tiwari as the Compliance Officer and Official In-charge of investor grievances shall be till he has his designation as Chief Accountant in Vadodara Municipal Corporation and in case of his transfer/retirement/recuse, VMC shall immediately handover the responsibility of Compliance Officer and Officer in-charge of dealing with investor grievances to any other official of the same cadre holding his post.

H. Arranger

Not applicable

I. Debenture Trustee of the Issue

SBICAP Trustee Company Limited

Logo: SBI Trustee
Name: SBICAP Trustee Company Limited

Address: 4th Floor, Mistry Bhavan, 122,
Dinshaw Vachha Road, Churchgate, Mumbai 400 020
Tel.: 022 - 43025566
Fax: NA
E-mail: corporate@sbicaptrustee.com / dt@sbicaptrustee.com
Investor Grievance E-mail: investor.cell@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person: Mr. Ardhendu Mukhopadhyay
Compliance Officer: Mr. Sandeep Poddar
Tel. (Compliance Officer): 022 4302 5517
Email (Compliance Officer): Sandeep.Poddar@SBICAPTRUSTEE.COM
SEBI Registration Number: IND000000536
CIN: U65991MH2005PLC158386

J. Registrar to the Issue:

KFin Technologies Limited

Logo:

Address: Selenium, Tower B, Plot No-31 & 32,
Financial District, Nanakramguda
Serilingampally Hyderabad
Rangareddy - 500 032, Telangana, India.
Tel: +91 40 67162222 / 18003094001
Fax No.: +91 40 6716 1563
Email: vadodara.ncdipo@kfintech.com
Investor Grievance Email Id: einward.ris@kfintech.com
Contact Person: Williams R
Website: www.kfintech.com
Compliance Officer: Anish Kumar
Email Compliance Officer: anish.kumar@kfintech.com
SEBI Registration No.: INR000000221
CIN: L72400MH2017PLC444072

K. Credit Rating Agencies for the Issue:

CRISIL Ratings Limited
Logo:

Address: Lightbridge IT Park, Saki Vihar Road,
Andheri East, Mumbai - 400 072, Maharashtra,
Tel: 91-22-6137 3000 (B)
Email: crisilratingdesk@crisil.com
Website: https://www.crisilratings.com/
Contact Person: Aditya Jhaver
SEBI Registration Number: IN/CRA/001/1999
CIN: U67100MH2019PLC326247

India Ratings & Research Private Limited

Logo:

Address: Wockhardt Towers, 4th Floor, West Wing,
Bandra Kurla Complex, Bandra (E), Mumbai-400 051
Tel: 022 40001700
Fax: 022 40001701
E-mail: investor.grievances@indiaratings.co.in.
Website: www.indiaratings.co.in
Contact Person: Karishma Badhwar
Compliance Officer: Arunima Basu
Tel. (Compliance Officer): 022 4035 6190
Email (Compliance Officer): compliance.india@indiaratings.co.in

SEBI Registration Number: IN/CRA/002/1999
CIN: U67100MH1995FTC140049

L. Auditor for the Issue/ Independent Chartered Accountant for the Issue:

M/s Shah & Tolia, Chartered Accountants
Address: D-2, Aum Square,
Paris Nagar Society, Lions Hall Road,
Old Padra Road, Vadodara - 390007
Tel: +91 989855331
E-mail: shahharshit8@gmail.com
Website: N.A.
Firm Registration No.: 135095W
Contact Person: CA Harshit N. Shah
Membership Number: 150855
Peer Review Certificate No: 018264

M. **Auditors of the Issuer**

In accordance with Section 45 of the GPMC Act, 1949, the Corporation shall appoint Municipal Chief Auditor for auditing the municipal accounts. All the accounts of the Issuer have been audited by the Municipal Chief Auditor under applicable provisions of the GPMC Act. Further, the audit has been conducted in accordance with the Audit Procedure and Power Regulations of the Corporation (Baroda Municipal Corporation), framed under section 465(2)(c) of the GPMC Act.

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

Intermediary	Particulars
Lead Managers	**A. K. Capital Services Limited** **Address:** 603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra **Tel:** +91 22 6754 6500 **Fax**: +91 22 6610 0594 **Email:** vmcblue@akgroup.co.in; vaibhav.jain@akgroup.co.in **Investor Grievance Email**: investor.grievance@akgroup.co.in **Website:** www.akgroup.co.in **Contact Person:** Vaibhav Jain **Compliance Officer:** Chaitali Desai **Tel. (Compliance Officer):** 022-6754 4776 **Email (Compliance Officer):** chaitali.desai@akgroup.co.in / compliance@akgroup.co.in **SEBI Registration no.:** INM000010411 **CIN:** L74899MH1993PLC274881
	Tipsons Consultancy Services Private Limited **Address:** 1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad- 380015 **Tel:** +91 79 66828064 **Email:** vmcbonds@tipsons.com **Investor Grievance Email:** igr@tipsons.com **Website:** www.tipsons.com **Contact Person:** Ms. Divyani Koshta **Compliance Officer:** Ms. Divyani Koshta **Tel. (Compliance Officer):** +91 79 66828064 **Email (Compliance Officer):** divyani.koshta@tipsons.com **SEBI Registration no.:** INM000011849 **CIN:** U74140GJ2010PTC062799

Intermediary	Particulars
Registrar to the Issue	**KFin Technologies Limited** **Address:** Selenium, Tower B, Plot No-31 & 32, Financial District, Nanakramguda Serilingampally Hyderabad Rangareddy - 500 032, Telangana, India. **Tel:** +91 40 6716 2222 / 18003094001 **Fax No.:** +91 40 6716 1563 **Email:** vadodara.ncdipo@kfintech.com **Investor Grievance Email Id:** einward.ris@kfintech.com **Contact Person:** Williams R **Website:** www.kfintech.com **Compliance Officer:** Anish Kumar **Email Compliance Officer:** anish.kumar@kfintech.com **SEBI Registration No.:** INR000000221 **CIN:** L72400MH2017PLC444072
Public Issue Account Bank, Refund Bank and Sponsor Bank/ Banker to the Issue	**Axis Bank Limited** **Address**: Vardhman Complex, Opp. GEB Race Course Circle, North Vadodara, Gujarat 390007 **Registered Office:** Trishul 3rd floor Opp Samartheswar Temple New Law Garden, Ellisbridge, Ahmedabad 380006 **Tel**: 9925012955 **Email**: Vadodara.branchhead@axisbank.com **Investor grievance email-id:** Vadodara.branchhead@axisbank.com **Website**: www.axisbank.com **Contact Person**: Himanshu Jain **Email:** Jain.himanshu@axisbank.com **SEBI Registration Number**: INBI00000017 **CIN**: L65110GJ1993PLC020769
Escrow Bank	**Bank of Baroda** **Address**: Retail Liabilities Department, Bank of Baroda, Baroda Sun Tower, 1st Floor, C-34, G Block Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Tel**: 022 69453423, **Branch Contact No:** 0265 2433432 **Email**: depresources.bcc@bankofbaroda.co.in **Branch Email:** khande@bankofbaroda.co.in **Investor grievance email-id:** investorservices@bankofbaroda.com **Website**: www.bankofbaroda.bank.in **Contact Person**: Praveen Kumar Singh, Chief Manager **(**BH – Khanderao Market Branch**)** **Contact No:** 9909758618 **Branch Head Contact No.:** 9687689119 **SEBI Registration Number**: INBI00000030 **CIN**: U99999MH1911PLC007676
Consortium Member(s)/ Syndicate Member(s)	As will be specified in the Offer Document
Independent Certifier	**Climate Bonds Initiative** **Address:** C/O Sedulo, Office 605, Albert House, 256-260 Old Street, London EC1V 9DD United Kingdom **Tel:** N/A **Email:** certification@climatebonds.net **Firm Registration Number:** 1154413 **Website:** www.climatebonds.net **Contact Person:** Andrew Rolland **Email ID of contact Person:** andrew.rolland@climatebonds.net
Independent Third Party Reviewer	**Bureau Veritas (India) Private Limited** **Address**: 72, Business Park, Ground Floor, Marol Industrial Area, MIDC, Cross Road 'C', Andheri (East), Mumbai – 400 093, India **Telephone:** +91 22 62742000 **Fax:** +91 22 62742008 **E-mail:** rupam.baruah@bureauveritas.com **Website:** www.bureauveritas.co.in **Contact Person:** Rupam Baruah

Intermediary	Particulars
	CIN: U74210MH2001PTC134262
URL of SEBI Website listing out details of Recognised Intermediaries	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

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

Intermediaries	Particulars
Company Secretary to the Issuer	Not Applicable
Legal Advisor to the Issuer	**MV Kini, Law Firm** Kini House, 6/39, Jangpura B New Delhi-110014 **Tel:** +91 11 2437 1039/40 **Facsimile**: +91 11 24379484 **Email:** corporatedelhi@mvkini.com
Underwriter to the Issuer	The Issue will not be underwritten.
Bankers to the Issuer*	Not Applicable

The Issuer has not availed loans facilities from any bank. However, the Issuer has availed secured loan from HUDCO. The details of the same are given in Section titled **"Financial Information" on page no.122.*

P. Inter-se Allocation of Responsibilities among the Lead Managers

S. No.	Activities	Responsibility	Coordinator
1.	• Due diligence of Issuer's operations/ management/ business plans/ legal etc. and drafting the Draft Offer Document and Offer Document (together "Offer Documents"). (The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange and SEBI including finalization of Offer Documents). • Filing of Offer Documents with SEBI & Stock Exchange and Coordination with the Stock Exchange for in-principle approval.	AK Capital/ Tipsons	AK Capital
2.	Structuring of various issuance options with relative components and formalities etc.	AK Capital/ Tipsons	AK Capital
3.	Co-ordination with Issuer for management certificates, DPRs, Advocate's Certificate, auditors for auditor deliverables and co-ordination with lawyers for legal opinion	AK Capital/ Tipsons	Tipsons
4.	Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency, escrow bank and Public Issue Bank, Refund Bank and Sponsor Bank.	AK Capital/ Tipsons	AK Capital
5.	Coordination with the printer for designing and finalization of Offer Documents, Application Form containing salient features of the Offer Documents.	AK Capital/ Tipsons	Tipsons
6.	Vetting and approval of statutory advertisement and all publicity material including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	AK Capital/ Tipsons	Tipsons
7.	Vetting and approval of all publicity material (excluding statutory advertisement as mentioned in 6 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	AK Capital/ Tipsons	AK Capital
8.	Preparation of road show presentation, FAQs.	AK Capital/ Tipsons	AK Capital and Tipsons

S. No.	Activities	Responsibility	Coordinator
9.	Marketing strategy which will cover, inter alia: • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc. • Finalise collection centres • Coordinate with Registrar for collection of Application Forms by ASBA banks;	AK Capital/ Tipsons	AK Capital and Tipsons
10.	Domestic institutions/banks/mutual funds marketing strategy: • Finalize the list and division of investors for one on one meetings, institutional allocation	AK Capital/ Tipsons	AK Capital and Tipsons
11.	Non-institutional marketing strategy which will cover, inter alia: • Finalize media, marketing and public relation strategy and publicity budget • Finalize centers for holding conferences for brokers, etc.	AK Capital/ Tipsons	AK Capital and Tipsons
12.	Coordination with the stock exchanges for use of the bidding software	AK Capital/ Tipsons	AK Capital and Tipsons
13.	Coordination for execution of Debenture Trust Deed and other transaction documents, as applicable. Coordination with escrow bank for the execution of the escrow agreement for the purpose of debt servicing of the municipal debt securities being issued.	AK Capital/ Tipsons	Tipsons
14.	• Coordination with Registrar and ASBA Banks for final certificate; • Finalization of Basis of Allotment with Designated Stock Exchange; • Coordination with Registrar for transfer of funds from ASBA Banks to Public Issue Account; • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account; and • Allotment resolution	AK Capital/ Tipsons	AK Capital
15.	• Drafting and finalization of post issue stationery items like refund order, allotment & refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and • Redressal of investor grievances in relation to post issue activities.	AK Capital/ Tipsons	AK Capital

Q. Debenture Trustee to the Issue

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, VMC has appointed SBICAP Trustee Company Limited to act as Debenture Trustee ("**Debenture Trustee**") for and on behalf of the holder(s) of the Blue Bonds.

A copy of letter from SBICAP Trustee Company Limited conveying their consent to act as Debenture Trustee for the current issue of Blue Bonds is attached as **Annexure IV**.

VMC hereby undertakes that the rights of the bondholders will be protected as per the governing SEBI rules and regulations, agreement/deed executed/to be executed between VMC and the Debenture Trustee. The Debenture Trustee Agreement/Deed shall contain such clauses as may be prescribed under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time and various SEBI circulars. Further the Debenture Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Debenture Trustee or VMC in relation

to any rights or interests of the holder(s) of the Blue Bonds; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI ILMDS Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Debenture Trustee or VMC for loss or damage caused by their act of negligence or commission or omission.

The Blue Bond Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Blue Bonds as the Debenture Trustee may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bue Bonds. Any payment made by the Issuer to the Debenture Trustee on behalf of the Bond Holder(s) shall discharge the Issuer pro-tanto to the Bond Holder(s).

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

The Debenture Trustee shall be vested with the requisite powers for protecting the interest of the Bond Holders(s). The Debenture Trustee shall monitor the separate escrow account maintained by the Corporation into which the earmarked Tax Income collected by the Corporation shall be deposited. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis.

R. Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavours to resolve the investor's grievance within 21 days of its receipt in such manner as may be specified by the SEBI. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to chiefaccountant@vmc.gov.in. 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 Blue Bonds in the demat account, Allotment Cum Unblocking Intimation, non-receipt of refund order(s), non-receipt of interest warrant(s) etc. Contact details of the Compliance Officer are given at point G of this Section at page 32 in this Draft Offer Document. The Corporation has already obtained registration with the SCORES platform of SEBI (SCORES ID: comv00437) for the convenience of the investors for filing of any complaint.

S. Minimum subscription

In terms of the SEBI ILMDS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e. ₹ 75 Crores). If the Corporation does not receive the minimum subscription of 75% of Base Issue Size (i.e. Rs. 75 Crores), the entire Application Amount shall be unblocked/refunded in the relevant ASBA Account(s) of the Applicants within twelve days from the date of the closure of the issue or such time as may be specified by SEBI provided wherein in case of any delay by the Issuer in making the aforesaid unblock/refund, the Corporation will become liable to unblock/refund the Application Amount along with interest at the rate of 10 (ten) percent per annum for the delayed period.

To the extent possible, where the required information for making such unblock/refund is available with the Corporation, unblock/refund will be made to the account prescribed. However, where the Corporation does not have the necessary information for making such unblock/refund, the Corporation will follow the guidelines prescribed by SEBI in the SEBI Master Circular.

T. Recovery Expense Fund

VMC shall create a recovery expense fund in the manner as specified by the SEBI Master Circular for Debenture Trustees and will inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by VMC under the terms of the Debenture Trust Deed and the applicable laws, for taking appropriate legal action.

Kindly note, any default committed by the Corporation in terms of the NCDs proposed to be issued shall be reckoned at each respective ISIN assigned to the bonds issued.

U. Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=44 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Applications submitted to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and, or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Consortium at Specified Locations, see the website of the SEBI (www.sebi.gov.in) or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

R*egistered Brokers / Designated RTAs Locations / Designated CDPs Locations*

In accordance with the SEBI Master Circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated October 15, 2025 and the RTA Master Circular, Applicants can submit ASBA Forms through the Self-Certified Syndicate Banks (SCSBs) and other Designated Intermediaries authorised to accept ASBA Forms for the Issue, including the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time. The list of SCSBs and their designated branches eligible to accept ASBA Forms is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

The list of the Registered Brokers eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at https://beta.bseindia.com/members/MembershipDirectory.aspx and on the websites of the NSE at https://enit.nseindia.com/MemDirWeb/searchMembers_Beta?step=searchTradeMembersList for Registered Brokers. The list of RTAs and CDPs, are provided on the websites of the BSE at https://www.bseindia.com/static/publicissues/rtadp and on the websites of the NSE at https://www.nseindia.com/static/products-services/initial-public-offerings-asba-procedures, as updated from time to time. For further details, see "*Issue Procedure*" on page 92.

V. Utilisation of Issue Proceeds

For details on utilisation of Issue Proceeds, see "*Objects of the Issue*" on page 50.

W. Issue Programme

Issue Opens on	As will be specified in the Offer Document
Issue Closes on	As will be specified in the Offer Document
Pay in Date	Application Date. The entire Application Amount is payable / blocked 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 Exchanges. 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 forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment.

** 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 in the Offer Document, except that the Issue may close on such earlier date, subject to a minimum of three Working Days from the date of opening of the Issue, in accordance with the SEBI ILMDS Regulations or extended date as may be decided by the Bond Issue Committee, subject to relevant approvals and in accordance with applicable laws. In the event of an early closure or extension of the Issue, the Corporation shall ensure that notice of the same is provided to the prospective investors through electronic modes such as online newspapers or website of the issuer or the stock exchanges, or in a national daily newspaper with wide circulation in which the pre-issue advertisement for opening of the Issue is given, on or before such early or extended date of closure, in accordance with SEBI ILMDS Regulations. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded or modified (in case of submitted bids) until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on the Issue Closing Date. For further details please refer to the section titled "Issue Specific Information" on page 72 of this Draft Offer Document.*

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries as the case maybe, at the centres mentioned in Application Form through the ASBA mode (b) directly by the Designated Branches of the SCSBs or (c) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither The Corporation, nor the Lead Managers, nor any Trading Member of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

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

A. About the Issuer

The Vadodara Municipal Corporation (VMC) is the municipal body of Vadodara city. Presently, Smt. Geetaben Umeshbhai Makwana is the Mayor and Shri Arun Mahesh Babu, M. S. IAS, is the Municipal Commissioner of the Issuer.

VMC has set a goal of smart utilization of city's potential for enhancing quality of life for the citizen by providing equal access to the best quality physical infrastructure, social infrastructure and mobility through leveraging state of the art technology and thus making Vadodara a futuristic global city with focus on enhancing economy, protecting the ecology and preserving the identity and culture of the city.

a. About Vadodara

Vadodara, also known as Baroda is located on the banks of the Vishwamitri river, southeast of Ahmedabad, 139 km from state capital, Gandhinagar. The name Vadodara is derived from abundance of the Banyan (Vad) tree in the city. It is the third largest city in Gujarat after Ahmedabad & Surat, in terms of geographical area. Vadodara is the third-largest city in Gujarat, after Ahmedabad and Surat, and serves as the administrative headquarters of Vadodara District, with an estimated population of approximately 22.40 lakh.

Vadodara enjoys well-developed rail, road and air connectivity. It is an important gateway to the Delhi–Mumbai Golden Corridor, with major rail and road arteries connecting Delhi, Mumbai and Ahmedabad passing through the city. It also forms an integral part of the Delhi–Mumbai Industrial Corridor (DMIC), the Mumbai–Ahmedabad High-Speed Rail Corridor and the Dedicated Freight Corridor. Both the railway line and national highway connecting Delhi and Mumbai pass through Vadodara.

Vadodara, known as the Cultural Capital of Gujarat, has a rich history and heritage, with landmarks such as the Laxmi Vilas Palace. It is also an important route for visitors travelling to the Statue of Unity at Ekta Nagar (Kevadia). The city is home to prominent institutions such as The Maharaja Sayajirao University of Baroda, Bank of Baroda and Vadodara Stock Exchange, and has a strong industrial presence in sectors such as petrochemicals, engineering, chemicals, pharmaceuticals and plastics.

b. Constitution of the Issuer

The Vadodara Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Gujarat Provincial Municipal Corporations Act, 1949 ("GPMC" Act), erstwhile the Bombay Provincial Municipal Corporations Act, 1949 ("BPMC" Act)) vide notification dated March 28, 1966 bearing reference KP/605(A)/BMC/1065/7902 P.

The Issuer, being a corporation established under the Act, which is a state act, is a public sector company for the purposes of the Income Tax Act, 2025, which defines the term 'public sector company' under Section 2(88) to mean any corporation established by or under any central, state or provincial act or a government company as defined in the Section 2(45) of the Companies Act, 2013.

c. Composition of the Issuer

In accordance with Section 4 of the GPMC Act, the municipal authorities charged with carrying out the provisions of the Act for each city are:

a) a Corporation;
b) a Standing Committee and
c) a Municipal Commissioner

In accordance with the Act, the Corporation consists of councilors chosen general election and shall continue for a term of five years. The corporation shall at its first meeting elect a Mayor and a Deputy Mayor from amongst the councilors. The term of both the Mayor and Deputy Mayor shall be of two and half years. various special committees are constituted to oversee and manage specific municipal functions and affairs. The Municipal Commissioner serves as the chief executive authority of the Corporation and is responsible for the administration and implementation of the decisions of the Corporation and its committees.

d. Elected representatives in VMC

VMC area is divided into four zones (East, West, North and South zones) for administrative purposes. The political wing is an elected body of Municipal Councilors headed by a Mayor. Vadodara has 19 administrative as well as election wards. Each election ward is represented by four councilors with 50% reservations for woman. Thus, the total number of Municipal councilors is 76. The election is held once in five years and the Mayor is elected for a term of two and half years.

Under the GPMC Act, 1949 (erstwhile BPMC Act) the powers are vested with three distinct statutory authorities of the elected wing, viz. the General Board, the Standing Committee and other committees. The corporation has statutory and non-statutory functional committees for setting the obligatory and discretionary functions. The Standing committee has 12 Councilors and is headed by a chairman elected from amongst its members. The General Board under the VMC also enjoys sanctioning powers.

e. Administrative Cadre in VMC

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

f. Roles and Responsibilities of the Issuer

Brief Summary of the Business/ Activities of the Issuer

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

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

- Erection of substantial boundary marks of such description and in such position as shall be approved by the State Government defining the limits or any alteration in the limits of the City;
- Watering, scavenging and cleansing of all public streets and places in the city and the removal of all sweeping therefrom;
- Collection, removal, treatment and disposal of sewage, offensive matter and rubbish and, if so required by the State Government, the preparation of compost manure from such sewage, offensive matter and rubbish and solid waste management;
- Construction, maintenance and cleansing of drains and drainage works, and of public latrines, water-closets, urinals and similar conveniences;
- Entertainment of a fire-brigade equipped with suitable appliances for the extinction of fires and the protection of life and property against fire;
- Construction or acquisition and maintenance of public hospitals and dispensaries including hospitals for the isolation and treatment of persons suffering or suspected to be infected with a contagious or infectious disease and carrying out other measures necessary for public medical relief;
- Lighting of public streets, municipal markets and public buildings vested in the Corporation;
- The maintenance of a municipal office and of all public monuments and open spaces and other property vesting in the Corporation;
- Naming or numbering of streets and of public places vesting in the Corporation and the numbering of premises;
- Regulation and abatement of offensive and dangerous trades or practices;
- Maintenance, change and regulation of places for the disposal of the dead and the provision of new places for the said purpose and disposing of unclaimed dead bodies;
- Construction or acquisition, maintenance and regulation of public markets and slaughterhouses and tunneries and the regulation of all markets and slaughterhouses and tunneries;
- the construction or acquisition and maintenance of cattle-pounds and prevention of cruelty to animal;

- public vaccination in accordance with the provisions of the Bombay District Vaccination Act, 1892;
- Maintaining, aiding and suitably accommodating schools for primary education;
- the reclamation of unhealthy localities, the removal of noxious vegetation and generally the abatement of all nuisances;
- the registration of births and deaths;
- the construction, maintenance, alteration and improvement of public streets, bridges, sub-ways, culverts, cause-ways and the like;
- the removal of obstructions and projections in or upon streets, bridges and other public places;
- the management and maintenance of all municipal water works and the construction or acquisition of new works necessary for a sufficient supply of water for public and private purposes;
- preventing and checking the spread of dangerous diseases;
- the securing or removal of dangerous buildings and places;
- the construction and maintenance of residential quarters for the municipal conservancy staff;
- The preparation of plans for economic development and social justice;
- The performance of functions and the implementation of schemes that may be entrusted by the State Government.
- subject to adequate provision being made for the matters specified above, the provision of relief to destitute persons in the City in times of famine and scarcity and the establishment and maintenance of relief works in such times.
- It shall also be incumbent on the Corporation to make, in its budget for every official year, provision for making expenditure to the extent of such amount, not exceeding ten per cent. of its income for such year other than the income from the proceeds of the Transport Undertaking and any other specified items of income as the State Government may, from time to time, determine and notify in the Official Gazette, for the purpose of providing basic facilities, like water supply, drainage, sanitation, street lights, medical aid, slum clearance and such other matters in areas predominantly populated by members of Scheduled Castes, Scheduled Tribes and other socially and economically backward class of people, and if the expenditure so provided for is not fully incurred in the official year for which it is provided, the balance shall be carried forward in the budget of the next succeeding year.

g. Achievements

VMC has been the recipient of various awards/appreciations some of which are enlisted below:

S. No.	Name of the Award / Appreciation	Purpose/ Achievement	Year	Name of Institution
1.	Guiness World Record	Guiness World Record for the Largest Garba Dance (Viksit Bharat Sankalp Garba)	2026 - 27	Guiness World Records
2.	Swachh Survekshan	Gujarat's State First Swachh City	2025-26	Ministry of Housing and Urban Affairs (MOHUA)
3.	Swachh Bharat Mission – Urban 2.0 (2025-2026)	Three Star Rating Certificate for Garbage Free City	2025-26	Ministry of Housing and Urban Affairs (MOHUA)
4.	Special Editorial Choice Gold "Green Sarathi"	Corporate excellence in sustainability, ESG (Environmental, Social, and Governance), and climate action across India	-	The Financial Express
5.	Swachh Bharat Mission (Urban)	Three Star Rating Certificate for Garbage Free City	-	Ministry of Housing and Urban Affairs (MOHUA)
6.	Indian Smart Cities Awards Contest (ISAC) 2022	Hospital Management Information System (HMIS)	2023-24	Indian Smart Cities Awards
7.	Swachh Survekshan 2022	Under Swachh Bharat Mission 2022, Vadodara Municipal Corporation ranked 14th cleanest city.	2022-23	Ministry of Housing and Urban Affairs (MOHUA)

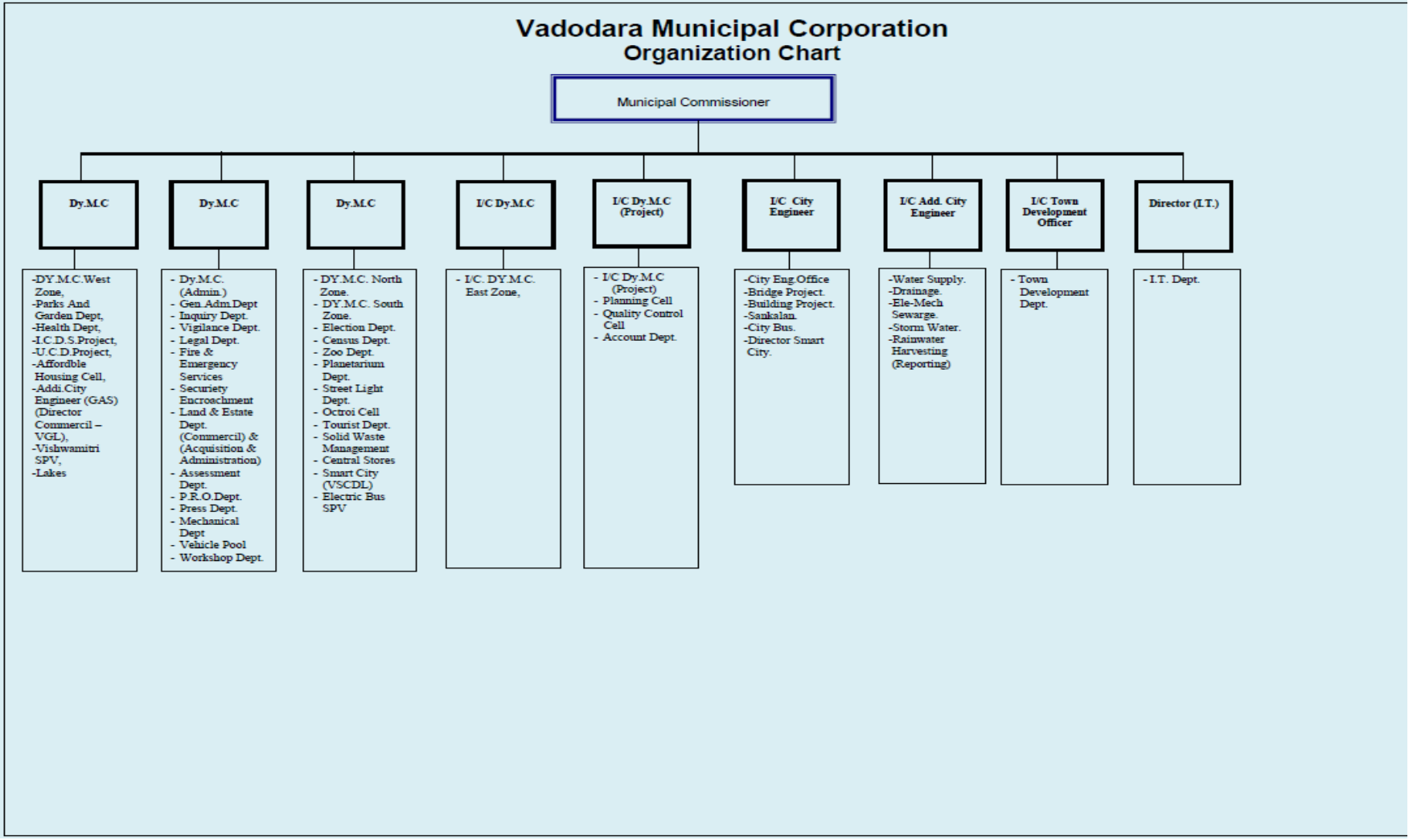
S. No.	Name of the Award / Appreciation	Purpose/ Achievement	Year	Name of Institution
8.	GESIA Annual Awards 2022 (12th Edition)	Best Digital Transformation in Public Sector	2022-23	Gujarat Electronics & Software Industries Association (GESIA)
9.	Indian Smart Cities Awards Contest (ISAC) 2020	Governance GIS Project	2022-23	Indian Smart Cities Awards
10.	FICCI Water Award 2020- 21	Special Jury's Award for 'Smart Water Management Project'	2020-21	Federation of Indian chambers of commerce &Industry (FICCI)

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

The Issuer is a Municipal Corporation and as per GPMC Act, there is no share capital in any municipal corporation.

C. Details of the management structure of the Issuer.

The management structure of the Issuer is presented in the organizational chart below:


Vadodara Municipal Corporation
Organization Chart
Municipal Commissioner
Dy.M.C
-DY.M.C.West Zone,
-Parks And Garden Dept,
-Health Dept,
-I.C.D.S.Project,
-U.C.D.Project,
-Affordble Housing Cell,
-Addi.City Engineer (GAS) (Director Commercil – VGL),
-Vishwamitri SPV,
-Lakes
Dy.M.C
- Dy.M.C. (Admin.)
- Gen.Adm.Dept
- Inquiry Dept.
- Vigilance Dept.
- Legal Dept.
- Fire & Emergency Services
- Securiety Encroachment
- Land & Estate Dept. (Commercil) & (Acquisition & Administration)
- Assessment Dept.
- P.R.O.Dept.
- Press Dept.
- Mechanical Dept
- Vehicle Pool
- Workshop Dept.
Dy.M.C
- DY.M.C. North Zone.
- DY.M.C. South Zone.
- Election Dept.
- Census Dept.
- Zoo Dept.
- Planetarium Dept.
- Street Light Dept.
- Octroi Cell
- Tourist Dept.
- Solid Waste Management
- Central Stores
- Smart City (VSCDL)
- Electric Bus SPV
I/C Dy.M.C
- I/C. DY.M.C. East Zone,
I/C Dy.M.C (Project)
- I/C Dy.M.C (Project)
- Planning Cell
- Quality Control Cell
- Account Dept.
I/C City Engineer
-City Eng.Office
-Bridge Project.
-Building Project.
-Sankalan.
-City Bus.
-Director Smart City.
I/C Add. City Engineer
-Water Supply.
-Drainage.
-Ele-Mech Sewarge.
-Storm Water.
-Rainwater Harvesting (Reporting)
I/C Town Development Officer
- Town Development Dept.
Director (I.T.)
- I.T. Dept.

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

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

E. Resolution authorizing the borrowing and list of authorized signatories

Sr. No.	Approvals for the Issue
1.	Standing Committee Resolution No. 546 dated February 07, 2026 in relation to approving the recommendations of Municipal Commissioner for raising funds up to ₹500 Crore by issuing any category of municipal or thematic bonds (private or public) or by obtaining loans.
2.	General Board Resolution No. 147 dated February 18, 2026 in relation to raising of funds up to ₹500 Crore through Municipal or thematic bonds and authorising the Municipal Commissioner to perform all necessary/ancillary procedures including agreements appointing required Agencies etc.
3.	The Urban Development and Urban Housing Department, Government of Gujarat, vide its resolution no. UDUHD/SPP/e-file/18/2026/0656/P Section dated August 25, 2026 approved the proposed bond issuance upto a maximum amount of ₹500 Crores and authorized the Municipal Commissioner for various decisions, activities and signing documents/ appointments/ agreements related to the bond issuance process.
4.	Order of General Administration Department issued by Municipal Commissioner bearing reference No. 43 dated May 30, 2026 in relation to constitution of Bond Issue Committee.
5.	Resolution of the Bond Issue Committee dated July 31, 2026 approving the Blue Bond Framework.
6.	Resolution of the Bond Issue Committee dated November 13, 2026 approving the Objects of the Issue and Term Sheet.
7.	Resolution of the Bond Issue Committee dated November 13, 2026 approving Issuance of Blue Bonds.
8.	Resolution of the Bond Issue Committee dated November 13, 2026 approving the Draft Offer Document.

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

The Corporation has received the in-principle approval for listing the Blue Bonds from NSE pursuant to the letter bearing no. [●] dated [●] and from BSE pursuant to the letter bearing no. [●] dated [●].

Bonds Issue Committee shall pass the necessary resolution for allotment of Blue Bonds on successful completion of the Issue prior to listing.

G. Memorandum and Articles of Association in case the issuer is a body corporate incorporated under Companies Act, 2013

The Issuer is a Municipal Corporation constituted under the GPMC Act and hence does not have any Memorandum and Articles of Association.

H. Details of any Reorganization or reconstruction of management in the last 1 year of the Issuer.

Save and except the routine transfer of officials of the Issuer, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (One) year.

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

The Issuer is presently engaged in undertaking various projects. Following are the key projects undertaken by the Issuer:

a. Construction of 130 MLD capacity new Sewage Treatment plant and new Main Pumping Station at Gajrawadi, Vadodara

The project involves the construction of a **130 MLD new Sewage Treatment Plant (STP)** and a **90 MLD new Main Pumping Station (MPS)** at Gajrawadi, Vadodara. The project is necessitated by the ageing of the existing **66 MLD Gajrawadi STP**, which has been operational for approximately 18–20 years. The project is intended to meet the future sewage-treatment requirements arising from the increasing sewage generation associated with population growth and expanding industrial and commercial activities in

Vadodara city. It will help address the existing and projected sewage-treatment capacity gap, improve sanitation and wastewater management, and reduce the direct discharge of untreated sewage into the river.

b. Construction of 1841 dwelling units (Dus) at Sanjaynagar Warasiyan PPP Basic under PMAY

The project is being undertaken under the **PMAY (Housing for All–Urban) scheme through public-private participation**, in line with the State Government's objective of rehabilitating slums in urban areas across the State. The project proposes the construction of **1,841 pucca dwelling units**, each having a carpet area of **30 sq. m.**, along with essential physical and social infrastructure, including water supply, sewerage, roads, drainage, electrification, parking, solid waste management, solar power, rainwater harvesting and Anganwadi facilities. Under the PMAY scheme, eligible slum dwellers are provided **rental accommodation until completion of the project**, thereby facilitating their rehabilitation during the project implementation period.

c. Construction of 1900 Affordable Housing Project at SR NO. 585/paiki in VMC EWS-2 Ataladra Vadodara

Under this project VMC is planning to design and construct 1900 DUs Types high/low rise buildings cum 81 nos of commercial units including on-site development with infrastructure services for economically weaker section scheme under Pradhan Mantri Awas Yojana. The main proposal of this scheme is to construct homes for those people belonging to Low-Income Families, Middle Income Groups and Economically Weaker Sections.

d. Constructing 50 MLD capacity Sewage Treatment Plant and 26 MLD capacity Main Pumping station at Tarsali (Vadadla)

The project comprises the construction of Sewage Treatment Plant, Main Pumping station and disposal line to collect, convey and treat the sewage generated in the Tarsali–Vadadla area. The Tarsali and Vadadla areas currently do not have an adequate sewage treatment facility. Further, with the inclusion of new villages within the VMC limits, the population of the project area is increasing, resulting in a corresponding increase in sewage generation. Accordingly, the proposed sewerage infrastructure is required to facilitate the effective collection, conveyance, treatment and disposal of sewage generated in the area and to cater to the projected future requirements.

e. Rehabilitation of Existing 1800mm dia Drainage line from Shrenik Park Circle to Akota-Dandiya Bazar Bridge Junction at Atladara STP in West Zone, Vadodara

The project intends to undertake work of Rehabilitation of existing 1800mm dia Drainage Gravity Line from Shrenik Park Circle to Akota Dandiya Bazar Bridge Junction to Atladara STP in West Zone of Vadodara Municipal Corporation as this stretch showed significant sinkholes in recent past. Considering the vulnerable nature of soil during excavations, high depths extending to 8 to 10m below ground and pedestrian and vehicular movement along this stretch, trenchless sewer rehabilitation is considered the best option.

The purpose of structural rehabilitation is to increase the structural strength while retaining or even enhancing the flow carrying capacity of the Sewer by improving the hydraulic performance and corrosion resistance to in general, enhance the useful life of the sewer by at least another 50-60 years.

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

(₹ in Crores)

S. No.	Project Name	Project Cost		Project Cost share				
		Approved cost	Awarded Cost	GoI	State	ULB (VMC)	Others (Beneficiary)	Total
1	Construction of 130 MLD capacity new Sewage Treatment plant and new Main Pumping Station at Gajrawadi, Vadodara	252.42	290.03	0.00	252.42	37.61	0.00	290.03
2	Construction of 1841 dwelling units (Dus) at Sanjaynagar Warasiyan PPP Basic under PMAY	109.13	197.84	18.41	18.41	0.00	161.02	197.84
3	Construction of 1900 Affordable Housing Project at SR NO. 585/paiki in VMC EWS-2 Ataladra Vadodara	171.57	166.75	28.50	28.50	5.25	104.50	166.75
4	Constructing 50 MLD capacity Sewage Treatment Plant and 26 MLD capacity Main Pumping station at Tarsali (Vadadla)	101.25	136.64	22.50	36.00	78.14	0.00	136.64
5	Rehabilitation of Existing 1800mm dia Drainage line from Shrenik Park Circle to Akota-Dandiya Bazar Bridje Junction at Atladara STP in West Zone, Vadodara	91.83	93.58	0.00	91.83	1.75	0.00	93.58

J. CAPITAL STRUCTURE RELATING TO THE PROJECTS FOR WHICH FUNDS ARE PROPOSED TO BE MOBILIZED:

The details of Projects for which funds are proposed to mobilized and the summary of capital cost and sources of funds for such Projects are as given below:

(₹ in crores)

Name of the Project	Project cost	Means of the finance of the capital cost		
		Government of India / GoG	VMC Contribution	
			(Internal accruals)	External Borrowing (Proposed Bonds Issue)
Project I: Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara.	305.89	159.25	46.64	100.00
Project II: Engineering, Procuring, Constructing, Testing, & Commissioning (EPC) of 75 MLD Water Treatment Plant at Nimeta, and laying of 11.23 km transmission line from Nimeta to Sardar Estate Junction along with Operation and Maintenance for Five (5) years.	184.45	70.20	14.25	100.00
Total	**490.34**	**229.45**	**60.89**	**200.00**

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

(₹ in crores)

Project	Name of Project	Capital Grant Approved	Capital Grant Received / Utilized*
Project I	Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara.	159.25	31.85
Project II	Engineering, Procuring, Constructing, Testing, & Commissioning (EPC) of 75 MLD Water Treatment Plant at Nimeta, and laying of 11.23 km transmission line from Nimeta to Sardar Estate Junction along with Operation and Maintenance for Five (5) years.	70.20	14.04

**Due to delay in release of grant amount from GoG & GoI, the Issuer has utilized its internal resources to meet the project expenditures for timely completion of the Project I. The capital grant amount as and when received shall be adjusted against the additional expenditure incurred by the Issuer.*

M. DETAILS OF STATE FINANCE COMMISSION GRANT ON AN ANNUAL BASIS:

The Issuer has not received any State finance commission grants during the last three financial years.

However, the Issuer has received revenue grants and the details of revenue grants received and spent during the last three (3) Financial Years by the Issuer are set out below:

(₹ in Crore)

Revenue Grants Received	Financial Year		
	2023-2024	2024-2025	2025-2026
Education Cess Grant	48.41	57.99	53.08
Government Aid (Primary Education)	141.74	166.78	174.28
Grant Against Octroi Income	363.43	348.96	380.96
Total	**553.58**	**573.73**	**608.32**

(₹ in Crore)

Revenue Grants Spent	Financial Year		
	2023-2024	2024-2025	2025-2026
Establishment Expenses	363.43	348.96	380.96
Primary Education Expenses	190.15	224.77	227.36
Total	**553.58**	**573.73**	**608.32**

The Issuer has not received any refundable grants.

SECTION-VII: OBJECTS OF THE ISSUE

Issue Proceeds

Our Corporation has filed this Offer Document for a public issue of unsecured, rated, listed, taxable, redeemable, non-convertible blue municipal bonds for an amount of ₹100.00 crores ("Base Issue Size") with an option to retain oversubscription of up to ₹100.00 crores ("Green Shoe Option") aggregating to an amount up to ₹ 200.00 crores ("Issue"). The Issue is being made pursuant to the provisions of the SEBI ILMDS Regulations, the SEBI Master Circular, and other applicable circulars issued by SEBI from time to time. The Corporation has obtained approvals for the Issue of bonds from the Bond Issue Committee vide its resolution dated November 13, 2026, approval from the Standing Committee vide resolution no. 546 dated February 07, 2026, approval of General Board vide its resolutions no. 147 dated February 18, 2026 and approval of the Urban Development and Urban Housing Department, Government of Gujarat vide its resolution no. UDUHD/SPP/e-file/18/2026/0656/P Section dated August 25, 2026 for issuing municipal bonds.

The Corporation confirms that it is permitted to undertake the Projects for which the funds are being raised through the Issue under its constitutional documents

The details of the proceeds of the Issue are summarised below:

(₹ in crore)

Particulars	Estimated amount
Issue Proceeds	200.00
Total Issue Proceeds*	200.00

** The proceeds from the Issue shall be utilized for funding the balance expenditure for implementation of the Projects and for recoupment of the capital expenditure which has temporarily been incurred/funded by the Issuer from its own funds for the Projects. Further the Issuer shall not utilize the issue proceeds towards O&M cost of the projects.*

***The following table details the objects of the Issue and the amount proposed to be financed from Issue Proceeds*:**

The Corporation proposes to utilize the Issue Proceeds raised through the Issue, towards funding capital expenditure of the Projects as provided below:

(₹ in Crore)

Name of the Project	Project cost	Means of the finance of the capital cost		
		Government of India / GoG	VMC Contribution	
			(Internal accruals)	External Borrowing (Proposed Bonds Issue)
Project I: Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara.	305.89	159.25	46.64	100.00
Project II: Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara	184.45	70.20	14.25	100.00
Total	**490.34**	**229.45**	**60.89**	**200.00**

Projects' Description

Vadodara Municipal Corporation has undertaken a comprehensive programme to strengthen the city's water infrastructure under the AMRUT 2.0 Mission through investments in water supply augmentation, transmission networks, storage reservoirs, distribution systems, and digital monitoring infrastructure. VMC has 20 water supply projects with a total approved investment of approximately ₹561.13 crore, of which at present 10 projects have been completed and 10 projects are under implementation. These projects include the construction of new water treatment plants, elevated service reservoirs (ESRs), underground sumps (UGSs), feeder and transmission mains, pump houses, SCADA-enabled monitoring systems, and associated electro-mechanical infrastructure to improve the efficiency, reliability, and resilience of the city's water supply network. Among these, the Project I & Project II as detailed below, have been identified as the initial portfolio under the proposed Blue Bonds issuance by the Issuer owing to their significant contribution towards enhancing water security and climate-resilient urban infrastructure.

PROJECT I: Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara.

The details of the Project I based on the Detailed Project Report (Aug 2023) ("DPR for Project I") prepared by Multi Media Consultants Private Limited, **("the DPR consultant for the Project I")**, work order awarded, and certificates dated November 13, 2026 from the ***Project Management Consultants for Project I** are listed below:

The Issuer has appointed Ray Infrastructures Private Limited as Project Management Consultant for components of Intake Well and Water Treatment Plant facility as detailed below (Part A) & and appointed M/s Manavseva Consultant as Project Management Consultant for components of Transmission Pipeline as detailed below (Part B). The Ray Infrastructures Private Limited & M/s Manavseva Consultant are collectively hereinafter referred to as the "Project Management Consultants for Project I**".*

A. The proceeds of the proposed issue shall be clearly earmarked for a defined project or a set of projects along with the location of the project and plant and machinery, technology, process, etc.:

Vadodara Municipal Corporation is undertaking project for augmentation of water supply system at Rayka water supply source & Poicha water supply source which supplies water to various locations in VMC. The project consists of the following components;

a. Intake Well - 150 MLD Capacity, Pump House, approach Bridge & Pipeline at Rayka Village;
b. Water Treatment Plant (WTP) - 75 MLD capacity, Clear Water Reservoir cum Pump House and Rising mains from intake well to pump house at Rayka Village.
c. Transmission Pipeline from proposed WTP at Rayka to Poicha French well and from Poicha French Well to airport circle.

Need of the Project

The existing Rayka French well is very near to the bank of River Mahisagar. During the monsoon period the earth from the nearby Agricultural farm deposited on radial pipes. During the monsoon more discharge from the upstream of Rayka French well, dirty water also deposits the silt on radial pipe. Due to this the perforated Radial pipes are chocked up and yield of Rayka French well is reduced upto 40 to 50 MLD. Rayka French well is very old and in the future only 25 MLD water will be available from this well. To overcome the shortage of water and problem of dirty water during monsoon period, a new intake well of 150 MLD capacity on river Mahisagar and 75 MLD capacity of WTP near Raika Intake well is required to cater the future water supply requirements from the Rayka source. Further, at present Water Supply from Poicha French Well to different Water Distribution System through 900 mm dia. pipeline which is not adequate. So, a new pipeline of 1354 mm dia of approximately 20 Km length is proposed from Poicha French well to Airport Circle.

The main source of water of the Vadodara is the river Mahi, tube wells and Ajwa reservoir. There is existing 45 MLD WTP which is constructed in 1956. Because of old structure there are so many leakages from Valves, gates etc. and life of WTP is also over. So, VMC is proposing 75 MLD water treatment plant at Rayka. As the sources of water is mainly mahi river for 75 MLD Water treatment plant, WTP is designed for the removal of suspended solids and colloidal matters and to reduce turbidity from the raw water and finally to destruct the pathogens by disinfecting the water by chlorination. Thus, the treatment approach envisages a scheme of purification of water to produce the water that is safe for human consumption.

Details of location, plant and machinery, technology, process etc. for the Project I are as stated below:

Location	Rayka Village, Vadodara
Plant & Machinery/ Components	List of machinery required in the construction of Project I: **A. Mechanical Work** i. . Raw Water Pumps ii. Sluice Gate at Intake Well iii. Manual Screen at Intake Well iv. Single girder circular type E.O.T. crane v. Submersible NC type De-silting / Dredging (Mud) Pump set vi. Flash Mixer vii. Clariflocculator viii. Alum dosing System ix. Pre chlorination system x. Air Blowers xi. Backwash Tank Filing Pumps xii. Post Chlorination System xiii. Clear Water Pump xiv. Backwash Recycling Pumps xv. Thickener Feed Pump xvi. Sludge Thickener xvii. Centrifuge Feed Pump

	xviii. Centrifuge xix. DWPE dosing system xx. Single Girder type E.O.T. crane xxi. Ele. Operated Chain Hoist & Ele. operated Trolley xxii. Sluice Gate & Open channel Gate xxiii. All process associated valves, bellows, pipes & special/fittings. **B. Instrumentation and control panel** i. Full bore electromagnetic flow meter ii. Pressure transmitter iii. Pressure Gauges iv. Hydrostatic Type Level Transmitter v. Analyzer (pH, Turbidity, Chlorine) vi. Remote type ultrasonic level transmitter vii. LOH/ROF viii. Thermal mass Flowmeter ix. Float type level switch x. Float & board type level indicator xi. Vibration Monitoring System xii. PLC / SCADA system for RWPS & WTP xiii. Filter Console Panel xiv. Instrument cable & accessories xv. Power, Control and signal cable xvi. Chemical Earthing system xvii. Copper strip xviii. Cable trays and structure steel xix. Junction box & cable glands xx. CCTV Surveillance System **C. Electrical work for Intake well & WTP** i. 11KV DP structure ii. 11KV HT Panel / Ring main unit iii. HT & LT cables and Cabling system iv. DC Distribution system v. Distribution transformer vi. LT bus duct vii. Low voltage (LT) panel board (PMCC / MCC / APFC/LDB/PDB etc.) viii. Junction Boxes & Local control stations (LCS) ix. Indoor & Outdoor Lighting System x. Earthing system xi. DG set with AMF / AMF cum synch. panel xii. Solar System xiii Safety accessories & Misc. works The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of construction the Project I.
Process and Technology	**A. INTAKE WELL & WTP** The source of water is mainly mahi river for 75 MLD Water treatment plant. The raw water shall be supplied from Intake well by pumping to treatment plant. The WTP shall be based on Conventional treatment which includes cascade aerator, flash mixer, Clariflocculator and Rapid Gravity Sand Filtration followed by post chlorination mainly with the purpose of removal of turbidity and to achieve disinfection with desired residual chlorine at final unit of WTP. Initially, raw water 75 MLD along with allowance for losses is taken to the Cascade Aerator by MS rising main. From Cascade Aerator it shall be taken to the Inlet chamber through Channel. Pre-chlorination is conducted in this chamber. Chlorine treatment is facilitated by Pressure Feed chlorinators located in the chlorine room on the ground floor of the chemical house. Additionally, Chlorine Booster Pumps are installed to supply power water to the proposed chlorinator, supported by necessary piping arrangements. The water from inlet chamber shall go to flash mixer where alum dosing occurs. The Clarified water from clariflocculator will be taken to the rapid gravity sand filters through Pipe/RCC open channel. The proposed water treatment plant includes rapid gravity twin filter beds, consisting of Filter Beds, a Clarified Water Feed Channel, a

	Treated Water Channel, and a Dirty Wash Water Channel. Air backwashing is facilitated by Air Blowers and water backwash is conducted by gravity flow from backwash water tank. Backwash pumps are in a pump house to fill backwash tank. The back-wash reservoir tank of adequate capacity shall be constructed on the filter gallery for filter washing by gravity. All filter bed valves are electrically operated with a manual override option for fully automatic or manual backwash of each bed. Post-chlorination occurs at the chlorination chamber at the filter outlet. The chlorinated water from the treatment plant is then conveyed to a clear water reservoir and pump house via an adequately sized pipeline. Dirty backwash water from the filter beds is collected in a slump, recycled or pumped back to the water treatment plant's inlet unit. The settled sludge from this process is directed to a thickener or Zero Liquid Discharge (ZLD) facility. Clarifier sludge is led directly to a common sludge collection sump for recycling at the ZLD facility, where it undergoes treatment and dewatering. **B. CLEAR WATER PIPELINE OF 1354 MM DIA FROM POICHA (EX. 900 MM DIA PIPE) FRENCH WELL FEEDER LINE TO AIRPORT JUNCTION (approximately 20 KM)** Water will be supplied to command area of Poicha source through existing 900 mm dia. MS pipe line (3.0 km approx.) & proposed 1354 mm dia MS pipeline (~20.00 Km). The water distribution stations command area of Poicha source are Warasiya BST, Darjipura, Khodiyarnagar BST, Ajwa OHT, Nalanda OHT, Gajarawadi OHT & Airport BST. **C. PROPOSED CLEAR WATER PIPELINE OF 914 MM DIA FROM PROPOSED CWPH TO EXISTING PIPELINE (1354 MM DIA)** Water will be supplied to command area of Rayka source through proposed 914 mm dia. MS pipeline from proposed CWPH & existing 1354 mm dia MS pipeline. The command area of Rayka source are Poonam nagar, Sama, North harni, Kareli baug, Sayaji baug Jail & Lalbaug WDS command area. The work includes providing, supplying lowering, laying, jointing of MS pipeline with valves, valves chamber, necessary Road, river, canal crossings through either pushing of pipeline or constructing pipe carrying bridges, The work also includes necessary permission of laying pipeline through NH, river, canal etc.

B. Where the issuer proposes to undertake more than one activity project, such as diversification, modernization, or expansion, etc., total project cost activity-wise

The details of activity-wise project cost for the Project I is as given below:

Sr. No.	Item Description	Total Cost (Amount in ₹)
Part A	**Designing, Constructing, Testing & Commissioning of Intake Well cum Pump House, 75 MLD Water Treatment plant, Clear water reservoir cum Pump house, Providing, Lowering, Laying Testing and Commissioning of Rising Mains from Intake well to WTP, Civil, Electromechanical Works and Instrumentation Works including all allied works complete on Turnkey Basis at Rayka Village, Vadodara along with Operation and Maintenance for Five (05) years.**	
1	Engineering, Procurement, Construction (EPC), Testing, Commissioning of 150MLD Capacity Intake well with pump house with approach bridge at Rayaka, Vadodara along with all related Mechanical and Electrical equipment's and accessories, Instrumentation including Miscellaneous works etc. complete.	47,25,00,000.00
2	Works of 75 MLD WTP including Cascade aerator, Stilling Chamber, Flash mixer & Dist. Chamber, Clariflocculator, Filter House with overhead Backwash Tank, Chlorination Tank, Clear Water Reservoir, Dirty Water Sump and Clarifier Sludge Sump and Pump House , etc.	44,75,00,000.00
3	Works of 75 MLD WTP including Sludge Thickener, Centrifuge Feed Sump and Pump House, Centrifuge Building including DWPE Dosing System, Chemical Cum Admin Building + Chlorination Room + Blower Room, HT Sub Station and Other Civil Works.	10,97,00,000.00
4	Work of Clear Water Pump house with Rising Main	12,70,00,000.00

Sr. No.	Item Description	Total Cost (Amount in ₹)
5	Campus Development including Compound Wall with RCC retaining wall on pile including earth cutting / filling and Gates, internal RCC roads 3.00 mts and 3.50 mts wide, pathways, storm water drains, shifting of utilities and Green Belt development & plantation.	20,15,35,000.00
	Total Cost (A)	**1,35,82,35,000.00**
	Less Rebate 1% (B)	1,35,82,350.00
	Project Capital Cost (C=A-B)	**1,34,46,52,650.00**
	GST (18%) (D= C X 0.18)	24,20,37,477.00
	Total Project Capital Cost (E=C+D)	**1,58,66,90,127.00**
	DPR Preparation Charges (F)	1,45,05,893.84
	PMC Charges (G)	85,68,126.69
	TPI Charges (H)	1,09,48,161.88
	Operation & Maintenance Cost (I)	15,00,50,000.00
	Overall Project Cost including O&M Part A(J=E+F+G+H+I)	**1,77,07,62,309.40**
Part B	**Providing & Laying Water Supply M.S. Transmission Line From Proposed WTP At Rayka To Existing 1354 Mm Dia. Pipe & From Poicha French Well Feederline To Airport Circle.**	
1	Pipeline from proposed WTP at Rayka to Existing 1354 mm dia. pipeline	1,02,18,31,168.80
2	Pipeline from Poicha French Well Feeder line to Airport Circle	5,11,65,154.50
	Project Capital Cost(K)	**1,07,29,96,323.30**
	GST (18%) (L= K X 0.18)	19,31,39,338.19
	Total Project Capital Cost (M=K+L)	**1,26,61,35,661.49**
	PMC Charges (N)	1,32,94,424.45
	TPI Charges (O)	87,36,336.06
	Overall Project Cost for Part B (P=M+N+O)	**1,28,81,66,422.00**
	Total Project Cost (Part A + Part B)	**3,05,89,28,731.41**
	Total Project Cost (₹ in Cr)	**305.89**

Notes: *(1) The activity-wise cost for the Project I is as per the DPR for Project I, Work order awarded & resolution passed by the Bond Issue Committee dated November 13, 2026.*
(2) Any additional cost against acquiring the Rights of Use shall be incurred by VMC in accordance with the Government Gazette notification.

C. Issuer is implementing the projects in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented.

Not Applicable, as the Project I will be executed in a single phase only.

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

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

(₹ in Crore)

Name of the Project	Project cost*	Means of the finance of the capital cost		
		Government of India / GoG**	VMC Contribution	
			(Internal accruals)	External Borrowing (Proposed Bonds Issue)
Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara.	305.89	159.25	46.64	100.00
Total	**305.89**	**159.25**	**46.64**	**100.00**

**The cost of the Project I is as approved by Bond Issue Committee vide Resolution dated November 13, 2026. Cost of Project I is inclusive of applicable GST & may vary during implementation. Any incremental cost shall be borne by Vadodara Municipal Corporation.*
***Grant from GOI/GOG is as per G.U.D.M./AMRUT2.0/4th SHPSC/596 dated March 06, 2023.*
The Issuer confirms that its contribution for the Issue shall not be less than 20% (Twenty percent) of the cost of the Project I, which shall be contributed from its internal resources and/or grants.

E. Schedule of implementation of the Project

The following is the proposed schedule of implementation for the Project I:

S. No.	Name of the Project	Period	Physical Target (%)	Financial Target (%)
PART A	Designing, Constructing, Testing & Commissioning of Intake Well cum Pump House, 75 MLD Water Treatment plant, Clear water reservoir cum Pump house, Providing, Lowering, Laying Testing and Commissioning of Rising Mains from Intake well to WTP, Civil, Electromechanical Works and Instrumentation Works including all allied works complete on Turnkey Basis at Rayka Village, Vadodara	2024-25	15%	15%
		2025-26	46%	41%
		2026-27 (Q1)	47%	47%
		2026-27 (Q2)	78%	65%
		2026-27 (Q3)	89%	82%
		2026-27 (Q4)	100%	100%
	Operation & Maintenance for 5 Years	2027 onwards	-	
PART B	Providing & Laying Water Supply M.S. Transmission Line From Proposed WTP At Rayka To Existing 1354 Mm Dia. Pipe & From Poicha French Well Feederline To Airport Circle	2025-26	5%	5%
		2026-27	60%	55%
		2027-28	100%	100%

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

The indicative milestone dates for the completion of activities of proposed Project I are as below:

S. No.	Activity	Date of Start	Date of Completion
PART A :Designing, Constructing, Testing & Commissioning of Intake Well cum Pump House, 75 MLD Water Treatment plant, Clear water reservoir cum Pump house, Providing, Lowering, Laying Testing and Commissioning of Rising Mains from Intake well to WTP, Civil, Electromechanical Works and Instrumentation Works including all allied works complete on Turnkey Basis at Rayka Village, Vadodara along with Operation and Maintenance for Five (05) years.			
1	Intake Well cum Pump house along with Approach Bridge	January 01, 2025	November 14, 2026
2	75 MLD WTP - Cascade aerator, Stilling Chamber, Flash mixer & Dist. Chamber, Clariflocculator, Filter House with overhead Backwash Tank, Chlorination Tank, Clear Water Reservoir, Dirty Water Sump and Clarifier Sludge Sump and Pump House , etc.	February 15, 2025	November 14, 2026
3	75 MLD WTP - Sludge Thickener, Centrifuge Feed Sump and Pump House, Centrifuge Building including DWPE Dosing System, Chemical Cum Admin Building + Chlorination Room + Blower Room, HT Sub Station and Other Civil Works.		
4	Clear Water Pump house with Rising Main	March 10, 2025	November 14, 2026
5	Campus Development	September 05, 2024	November 30, 2026
6	Operation and Maintenance for 5 years	November 15, 2026	November 14, 2031
PART B Providing & Laying Water Supply M.S. Transmission Line From Proposed WTP At Rayka To Existing 1354 Mm Dia. Pipe & From Poicha French Well Feederline To Airport Circle			
1	Procurement of pipes & Valves	January 23, 2026	November 23, 2028
2	Laying and jointing of Pipeline work	January 23, 2026	November 23, 2028
3	Hydro Testing		
4	Fixing of Valves & other items	January 23, 2026	November 23, 2028
5	Finishing works	January 23, 2026	November 23, 2028

Current Status of the Project I:

The work order for Project I has been awarded through bidding process. The work of Project I in under progress.

Current Status	Physical Target (%)	Financial Target (%)
	50%	30%

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

Based on the certificates from Project Management Consultants for Project I dated November 13, 2026, the details of regulatory approvals/ permissions/ licenses/NOCs as required for implementing the Project I and their status is as given below:

Sr. No.	Description of Approval	Authority	Status of Approval*
1	Permission for laying pipeline along Ahmedabad Vadodara Expressway NE-1.	National Highways Authority of India, PIU, Gujarat	Permission Received.
2	NHAI - Delhi Vadodara Mumbai Expressway NE-4 (Vadodara-Mumbai Section) along from (LHS) Km. 375.815 to 376.740 Km.) RHS) Km. 376.740 to 378.500 MCW ends & through ramp-2 Km.0.8 (length 3485 m.) & across at Km.376.740 (Length 120 m.) (Total length 3485.0 + 120 = 3605 m.)	Application Dt. 30/09/2023	Pending (under observation)*
3	Permission for laying 1354 mm dia. water pipeline along with 1700 mm dia MS Casting pipe across National Highway No. 48, at Km. 107.679 on Ahmedabad-Vadodara section of NH – 48.	National Highways Authority of India, PIU, Gujarat	Permission Received.
4	Permission for laying 1354 mm dia. water pipeline along with 1700 mm dia MS Casting pipe across railway line Vadodara Godhra Section.	Divisional Railway Manager, Western Railways, Vadodara	Application filed dated April 09, 2026*
5	Permission for laying 1354 mm dia. water pipeline along with 1700 mm dia MS Casting pipe across Vadodara Branch canal near village Harni, Vadodara.	Executive Engineer, Sardar Sarovar Narmada Nigam Division No. 10, Channi Vadodara	Application filed dated April 09, 2026*
6	Permission for laying 1354 mm dia. water pipeline along with 1700 mm dia MS Casting pipe across mini river on Ahmedabad – Vadodara Expressway NE – 1, near village sankarda.	Executive Engineer, Vadodara Irrigation Division	Application filed dated April 09, 2026*
7	Permission for laying 1354 mm dia. water pipeline along with 1700 mm dia MS Casting pipe across Vishwamitri river on Ahmedabad – Mumbai National Highway No. 48 near village Harni, Vadodara.	Executive Engineer, Vadodara Irrigation Division	Application filed dated April 09, 2026*

**Issuer has undertaken to obtain the pending approvals within six months of the Issue Closing Date on best effort basis and to take all necessary steps for timely completion of the Project I.*

Other than the approvals mentioned above, no other statutory or regulatory approvals/ permissions/ licenses/NOCs are required to be obtained by VMC for implementation of Project I.

H. If the project is re-financing, the details shall be provided in respect of the lenders and existing project related loan(s) or debt that are being refinanced.

Not Applicable

PROJECT II: Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara

The details of the Project II based on the Detailed Project Report (April 2023) ("**DPR for Project II**") prepared by Multi Media Consultants Private Limited, ("**the DPR consultant for the Project II**"), work order awarded, and certificate dated November 13, 2026 from Ray Infrastructures Private Limited ("**Project Management Consultant for Project II**") are listed below:

A. The proceeds of the proposed issue shall be clearly earmarked for a defined project or a set of projects along with the location of the project and plant and machinery, technology, process, etc.:

Background and Need of Project II

The main source of water of the Vadodara is the river Mahi, tube wells and Ajwa reservoir. There is existing 45 MLD WTP which is constructed in 1956. Because of old structure there are so many leakages from Valves, gates etc. and life of WTP is also over. So, VMC is proposing 75 MLD water treatment plant at Nimeta near the old water treatment plant of 45 MLD within the VMC land. The site of water treatment plant is located at distance of about 18 km east of Vadodara railway station.

As the sources of water is mainly Ajwa reservoir for 75 MLD Water treatment plant, WTP is designed for the removal of suspended solids and colloidal matters and to reduce turbidity from the raw water and finally to destruct the pathogens by disinfecting the water by chlorination. Thus, the treatment approach envisages a scheme of purification of water to produce the water that is safe for human consumption. The WTP shall be based on Conventional treatment which includes flash mixer, Clarifoculator and Rapid Gravity Sand Filtration followed by post chlorination mainly with the purpose of removal of turbidity and to achieve disinfection with desired residual chlorine at final unit of WTP. The WTP is being designed considering maximum permissible losses of 4 % for clarifier sludge and filter backwash. Treated water from the WTP will be distributed to Sardar Estate. The sludge to be wasted shall be treated by Sludge thickener followed by centrifuge before its final disposal.

Treated water from the proposed 75 MLD WTP shall be transferred to the Sardar Estate through proposed gravity main. Carrying capacity of existing 750 mm gravity line is reduced due to age of pipe. So, VMC is also proposing 1500 mm dia. gravity main to transfer the treated water. At present there are three pipes dia. of 750 mm, 900 mm and 1500 mm are serving the water from Ajwa reservoir to existing Nimeta WTP. The carrying capacity of 750 mm dia pipe is reduced due to age of pipe and C value (Hazen Williams Coefficient) is less than 75 due to the same. When the level of Ajwa reservoir is low, the available discharge reduces and becomes difficult to meet the demand. So, to avoid this problem, in the first phase, existing pipe dia. of 750 mm CI pipe is under replacement with new MS 1524 mm dia. Pipe from Ajwa reservoir to Nimeta WTP. Proposed 1524 mm dia. MS pipe will also work as a back-up pipe when existing 1500 mm dia. pipe will be under maintenance/repairing work.

Details of location, plant and machinery, technology, process etc. for the Project II are as stated below:

Location	Ajwa-Nimeta Road, near Nimeta garden, Waghodia Taluka, Vadodara
Plant & Machinery/ Components	List of machinery required in the construction of Project II: A. The 75 MLD Water Treatment Plant comprises several key civil and electro-mechanical components to ensure efficient water purification. The raw water first enters the inlet/stilling chamber, which is equipped with mesh screens and a chemical dosing system for pre-chlorination and color removal. B. From there, the water flows into two flash mixers for the rapid mixing of coagulants, followed by two circular RCC clariflocculators that facilitate coagulation, flocculation, and the settling of suspended solids. C. The clarified water is then purified further in a filter house containing 8 twin-section rapid gravity sand filters (7 working, 1 standby), which utilize air blowers and backwash pumps for automated cleaning. D. Final disinfection takes place in a Chlorine Contact Tank (CCT) using vacuum-type chlorinators before the water is safely stored in a partitioned Clear Water Reservoir (CWR). E. Additionally, the plant features a comprehensive sludge handling facility, including a gravity sludge thickener and a mechanical dewatering system (centrifuge), all monitored and controlled from a central PLC/SCADA control room housed in the Chemical cum Administration Building. F. Supply and laying of an 11.235 km long, 1524 mm outer diameter mild steel treated water transmission main running from the Nimeta WTP to the Sardar Estate Junction. The use of these plants and machinery in a coordinated manner is crucial for the successful and timely completion of construction the Project II.
Process and Technology	A. The 75 MLD Water Treatment Plant utilizes a highly automated purification process to treat raw water from the Ajwa reservoir.

	B. The treatment begins at the inlet chamber with mechanical screening, pre-chlorination, and chemical dosing to remove algae and yellowish colour. C. The water then undergoes rapid mixing with coagulants (such as PAC or Alum) in flash mixers, followed by coagulation, flocculation, and settling in circular clariflocculators. D. Next, the clarified water passes through eight twin-section rapid gravity sand filters, which feature an automated air-scour and water backwash system. E. Final disinfection occurs through post-chlorination in a Chlorine Contact Tank. The waste sludge generated during the process is concentrated in a gravity thickener and mechanically dewatered using a solid bowl centrifuge. F. Technologically, the entire facility is driven by a sophisticated Programmable Logic Controller (PLC) and SCADA system, which allows for real-time remote monitoring, dynamic control of all plant equipment, and fully automatic operations from a central control room.

B. Where the issuer proposes to undertake more than one activity project, such as diversification, modernization, or expansion, etc., total project cost activity-wise

The details of activity-wise project cost for the Project II is as given below:

Sr. No.	Item Description	Total Cost (Amount in ₹)
1	Work for Clarifoculator, Inlet Chamber, Filter House, Dirty water Sump and clear water reservoir and their Allied electro-Mechanical work for WTP	47,67,50,000.00
2	Work for Sludge Thickener, Centrifuge Sump, Centrifuge Building, Chemical cum Admin Building and their Allied electro-Mechanical works for WTP	9,11,00,000.00
3	Campus Development of WTP	3,93,40,000.00
4	Pressure main pipelines from WTP at Nimeta to Sardar Estate junction	83,54,67,000.00
	Total Cost (A)	**1,44,26,57,000.00**
	Less Rebate 1.1% (B)	1,58,69,227.00
	Project Capital Cost (C=A-B)	**1,42,67,87,773.00**
	GST (D= C X 0.18)	**25,68,21,799.14**
	Total Project Capital Cost (E=C+D)	**1,68,36,09,572.14**
	Operation & Maintenance Cost (F)	12,66,25,000.00
	DPR Preparation Charges (G)	75,41,921.14
	Project Management Consultant Charges (H)	1,51,52,486.15
	Third Party Inspection Charges (I)	1,16,16,906.05
	Overall Project Cost including O&M (J=E+F+G+H+I)	**184,45,45,885.48**
	Overall Project Cost (Rs in Crores)	**184.45**

Notes: (1) The activity-wise cost for the Project II is as per the DPR for Project II, Work order awarded & resolution passed by the Bond Issue Committee dated November 13, 2026.
(2) Any additional cost against acquiring the Rights of Use shall be incurred by VMC in accordance with the Government Gazette notification.

C. Issuer is implementing the projects in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented.

Not Applicable, as the Project II will be executed in a single phase only.

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

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

(₹ in Crore)

Name of the Project	Project cost*	Means of the finance of the capital cost		
		Grant from Government of India / GoG**	VMC Contribution	
			(Internal accruals)	External Borrowing (Proposed Bonds Issue)
Engineering, Procuring, Constructing, Testing, & Commissioning (EPC) of 75 MLD Water Treatment Plant at Nimeta, and laying of 11.23 km transmission line from Nimeta to Sardar Estate Junction	184.45	70.20	14.25	100.00

Name of the Project	Project cost*	Means of the finance of the capital cost		
		Grant from Government of India / GoG**	VMC Contribution	
			(Internal accruals)	External Borrowing (Proposed Bonds Issue)
along with Operation and Maintenance for Five (5) years.				
Total	**184.45**	**70.20**	**14.25**	**100.00**

**The cost of the Project II is as approved by Bond Issue Committee vide Resolution dated November 13, 2026. Cost of Project II is inclusive of applicable GST & may vary during implementation. Any incremental cost shall be borne by Vadodara Municipal Corporation.*

***Grant from GOI/GOG is as per G.U.D.M./AMRUT2.0/SWAP/Tranche-2/Administrative Approval/2022-23/2869(1) dated November 02, 2022.*

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

E. Schedule of implementation of the Project

The following is the proposed schedule of implementation for the Project II:

Period	Physical Target in (%)	Financial Target (%)
2023 - 24	5.00%	5.00%
2024 - 25	55.00%	47.00%
2025 - 26	81.00%	79.00%
2026 – 27 Q1	91.00%	89.00%
2026 – 27 Q2	95.00%	94.00%
2026 – 27 Q3	100.00%	100.00%

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

The indicative milestone dates for the completion of activities of proposed Project II are as below:

Activity	Date of Start	Date of Completion
Work for Clarifoculator, Inlet Chamber, Filter House, Dirty water Sump and clear water reservoir and their Allied electro-Mechanical works for WTP	January 19,2024	August 31, 2026
Work for Sludge Thickener, Centrifuge Sump, Centrifuge Building, Chemical cum Admin Building and their Allied electro-Mechanical works for WTP	November 20, 2024	August 31,2026
Campus Development of WTP	June 01, 2026	August 31,2026
Transmission Main	January 01, 2024	November 31, 2026
Allied work for laying of Transmission Main	August 01, 2026	December 31, 2026
Transmission Main & Restoration Work	July 01, 2026	December 31, 2026
Operation & Maintenance for 5 years	January 01, 2027	December 31, 2031

Current Status of the Project II : The work order for Project II has been awarded through bidding process. The work of Project II in under progress.

	Physical Target (%)	Financial Target (%)
Current Status	**97.00%**	**94.70%**

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

Based on the certificate from Project Management Consultant dated November 13, 2026, the details of regulatory approvals/ permissions/ licenses/NOCs as required for implementing the Project II and their status is as given below:

Sr. No.	Description of Approval	Authority	Status of Approval
1	NOC for crossing of new M.S. 1500 mm dia. Pipeline by cut-push method from Nimeta filtration plant to Sardar Estate Cross Road	Sardar Sarovar Narmada SSNNL Limited	Received.
2	Permission to cross GAIL's lines	GAIL India Limited	Received.
3	Crossing permission of Gujarat State Petronet Ltd. pipeline	Gujarat State Petronet Ltd.	Received.
4	Permission for maintenance/replacement of water line work from Ajwa Road to Nimeta	Executive Engineer Office District (M.M) Department	Received.
5	Permission for shifting utilities – Replacement of existing 750 mm dia CI water supply pipeline for Nimeta Filtration plant to Sardar Estate Cross Road on NH 48 with 1500mm dia MS Pipeline	National Highway Authority of India (NHAI)	Received.

Other than the approvals mentioned above, no other statutory or regulatory approvals/ permissions/ licenses/NOCs are required to be obtained by VMC for implementation of Project II.

I. If the project is re-financing, the details shall be provided in respect of the lenders and existing project related loan(s) or debt that are being refinanced.

Not Applicable

J. <u>Disclosures pertaining to green debt securities in accordance with the SEBI Master Circular</u>

Vadodara Municipal Corporation (VMC) has established a Blue Resilience Finance Framework dated July 31, 2026 **("Framework")** and approved by the Bond Issue Committee vide resolution dated July 31, 2026. This Framework outlines the governance, processes and oversight for the issuance, and management of proceeds on an on-going basis. The Framework is aligned with the Climate Bonds Standard (CBS) v4.3, Water Infrastructure Criteria v3.4, Climate Bonds Initiative (CBI) Use of Proceeds (UoP) requirements, and the IFC Blue Finance Guidelines Version 2.0, ensuring that eligible blue projects meet recognised blue and climate-finance standards while enabling VMC to mobilise capital through instruments such as Blue Bonds and other sustainable financing mechanisms.

The Issuer has engaged Bureau Veritas (India) Private Ltd. (BVIL) **("Independent Third Party Reviewer")** which has provided a verification report dated October 01, 2026 ("**Verification Report**") for the Framework. The verification report discloses the results of the verification assessment, including BVIL's verification statement confirming that the Framework is aligned with the Climate Bonds Standard (CBS) v4.3, Water Infrastructure Criteria v3.4, and the IFC Blue Finance Guidelines Version 2.0 and it complies with the applicable requirements of Climate Bonds Initiative (CBI).

The Issuer has also appointed Climate Bond Initiative as Independent Certifier for its proposed Blue Bonds Issue. The Climate Bonds Standard Board approved the Pre-Issuance Certification of the above debt instrument, as per the application documents and verification report provided by the BVIL. The Pre-issuance certification comes into force once the debt instrument is issued.

Regulation 4F of the SEBI ILMDS Regulations requires to comply with the applicable provisions of the SEBI NCS Regulations and circulars issued thereunder. Accordingly, in compliance with the definition of "green debt security" under Regulation 2(1)(q) of the SEBI NCS Regulations and the relevant provisions of the SEBI Master Circular as amended, and with reference to the Blue Resilience Finance Framework ("**The Framework" / "The Blue Bond Framework"**) and the Verification Report issued thereunder, the following disclosures are made:

1. A statement on environmental sustainability objectives of the issue of green debt securities:

In accordance with the Framework and Verification Report, the Issue proceeds of the blue bonds are intended to be used to finance the eligible blue projects. These Projects shall contribute to sustainable water management, water supply infrastructure, environmental protection and climate resilience. Eligible blue projects must demonstrate clear

environmental benefits and support the objectives of sustainable water resource management, pollution reduction, and climate resilience. Following are the eligible blue project categories:

Category	Environmental Objectives	Eligible Activities
Sustainable Water Supply Infrastructure	Improve water security and resilience	Construction, expansion, rehabilitation and modernization of water treatment plants (WTPs), intake structures, pumping stations, clear water reservoirs, elevated service reservoirs (ESRs), underground sumps (UGSs), and associated electromechanical systems
Water Transmission and Distribution Infrastructure	Improve efficiency, reliability and equitable access to safe drinking water	Transmission mains, feeder pipelines, distribution networks, replacement of ageing pipelines, pressure management systems, leakage reduction measures, district metering areas (DMAs), and other infrastructure to improve water distribution efficiency
Wastewater Management and Water Reuse	Reduce pollution and promote circular water use	Sewage treatment plants (STPs), treated wastewater reuse infrastructure, recycling facilities, tertiary treatment systems, sludge management and associated conveyance infrastructure
Water Resource Management and Digital Water Systems	Promote sustainable water resource management and operational efficiency	SCADA systems, smart metering, digital monitoring systems, water quality monitoring, asset management systems, groundwater recharge initiatives, source sustainability measures, and integrated

The Verification Report enumerates the sustainability objectives for the Projects components as follows:

- Nimeta Water Treatment Plant Project – increased resilience of drinking water infrastructure.
- Rayka Water Supply Augmentation Project – diversification of raw water source and improved drought resilience.

The Projects directly support water security, strengthen water infrastructure, and enhance the resilience of Vadodara's urban water supply system.

The eligible expenditures may include capital expenditures and other directly attributable project costs associated with planning, feasibility studies, engineering design, environmental and social assessments, construction, rehabilitation, equipment procurement, commissioning, project management, digital monitoring systems, and operation and maintenance expenditures directly related to eligible blue projects, where permitted under applicable laws and regulations. For the purpose of the Issue, the Issue proceeds shall not be utilised towards operation and maintenance expenditures of the Projects.

These Projects are expected to contribute to:

- Improved water supply reliability
- Enhanced water quality
- Protection of freshwater ecosystems
- Increased resilience of urban water systems

2. Brief details of decision-making process followed/proposed for determining the eligibility of project(s) and/or asset(s), for which the proceeds are being raised through issuance of green debt securities, such as:

- **Process followed/ to be followed for determining how the project(s) and/or asset(s) fit within the eligible green projects categories as defined under Regulation 2 (1) (q) of NCS Regulations:**

  Bond Issue Committee vide its resolution dated November 13, 2026 has approved the allocation of bond proceeds including the division within the Projects as disclosed above on page no. 50 in this Section.

  In order to ensure effective implementation of the Issue Proceeds and governance of the Blue Resilience Finance Framework, VMC has constituted a Blue Finance Working Group consisting of the following members:

Designation	Responsibility
Municipal Commissioner	Chairman
Deputy Municipal Commissioner	Monitoring
Additional City Engineer	Project Oversight

Chief Accountant and Accounts Department	Allocation and Tracking Blue Bond proceeds
Executive Engineer (Water Supply)	Technical evaluation and execution of the project
Independent Reviewer	Project and Environmental Impact Report
Compliance Officer	Compliances and Reporting

The Committee shall be responsible for the following:

a) Review project eligibility;
b) Approve allocation of proceeds within the Projects;
c) Review environmental performance;
d) Monitor implementation;
e) Approve annual Blue Bond reports;
f) Review impact reporting; and
g) Ensure compliance with the Framework.

In accordance with the Verification Report, the Issue proceeds of the Issue shall be utilised for a) Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara ("**Project I**") and b) Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara ("**Project II**") **(Project I & Project II collectively referred as "Eligible Blue Projects"/ "Projects")**. The Projects selected under the Framework have been evaluated based on their alignment with sustainable water management objectives and their compliance with internationally recognized blue finance guidelines. Further, the Verification report confirms that these Projects meet the eligibility criteria defined under internationally recognized sustainable finance frameworks and contribute to the environmental objectives outlined in the Blue Resilience Finance Framework.

Alignment of selected Projects with the Blue Finance Eligible Activities

According to global blue finance guidelines, Eligible Blue Projects shall contribute to sustainable water management and protection of freshwater ecosystems.

As per the Framework, the selected Projects align with the following eligible activity categories:

Eligible Category	Relevance to Selected Projects
Sustainable water supply Development of new water treatment plants and Infrastructure	Development of new water treatment plants and intake systems
Water treatment and purification systems	Construction of treatment facilities ensuring safe drinking water
Water transmission infrastructure	Installation of large-diameter pipelines for efficient distribution
Water resource management	Strengthening reliability of urban water supply systems

The Projects contribute directly to improving the efficiency and reliability of the water supply system in Vadodara.

The Framework sets out a comprehensive methodology for identifying, evaluating, and selecting Eligible Blue Projects and assets. It further demonstrates clear procedures to ensure that proceeds raised through the Blue Bond are allocated solely to Eligible Assets, thereby supporting transparency, accountability, and alignment with the stated environmental objectives of the Framework.

The third party reviewer vide its verification report dated October 01, 2026 has confirmed that the said Projects qualify under following categories of Regulation 2(1)(q) of SEBI NCS Regulations:

S. No.	Project	Category under Regulation 2(1)(q) of SEBI NCS Regulations
1.	Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara **("Project I")**	2(1)(q) (x) blue bonds comprising of funds raised for sustainable water management including clean water and water recycling sector.
2.	Construction of 75 mld Water Treatment Plant at Nimeta, Vadodara including Transmission main of 1500 mm dia. **("Project II")**	2(1)(q) (x) blue bonds comprising of funds raised for sustainable water management including clean water and water recycling sector.

Accordingly, as per third party verification report dated October 01, 2026, the Projects qualify as per the categories of Regulation clause 2(1)(q) of SEBI NCS Regulations.

The Bond Issue Committee while making note that the Projects for which the proceeds are being raised through issuance of Blue Bonds are fit to be qualified as eligible blue projects as per categories suggested in relevant circular for issue of green debt securities, vide its resolution dated November 13, 2026 and has approved the Issue of Blue Bonds.

- **The criteria making the project(s) and/ or asset(s) eligible for using the green debt securities proceeds:**

  In accordance with the Verification Report, the Eligible Blue Projects categories under the Issuer's Framework comprises of Sustainable Water Supply Infrastructure, Water Transmission and Distribution Infrastructure, Wastewater Management and water reuse and Water Resource Management and Digital Water Systems. Project I and Project II have been identified as eligible blue projects under these categories based on their expected contribution to improving access to clean water, enhancing water security, strengthening water treatment and distribution infrastructure, and increasing the resilience of Vadodara's water supply system.

  BVIL's Verification Report confirms that the eligible blue project categories are aligned with the Climate Bonds Standard (CBS) v4.3 Water Infrastructure Criteria v3.4, the ICMA Green Bond Principles (2021), and the IFC Blue Finance Guidelines v2.0. BVIL has further confirmed that the Blue Resilience Finance Framework and the allocation of proceeds is consistent with the applicable eligibility and disclosure requirements of the Climate Bonds Standard and the IFC Blue Finance Guidelines

- **Details of taxonomies, green standards or certifications both Indian and global, if any referenced and the alignment of projects with said taxonomies, related eligibility criteria, and exclusion criteria, if applicable:**

  Blue Resilience Financing Framework (July 31, 2026) developed by VMC outlines the governing framework for execution and managing blue bonds on an ongoing basis based on following;

  - ICMA Green Bond Principles (2021)
  - Climate Bond Standards Version
  - 3.4 Water Infrastructure criteria (June 2026)
  - IFC Blue Finance Guidelines (latest applicable version)
  - UN Sustainable Development Goals
  - Government of lndia Sovereign Green Bond Framework (where relevant)
  - SEBI's Framework for Environment, Social and Governance (ESG) and Green Debt Securities
  - AMRUT 2.0 Guidelines
  - The IFC Blue Finance Guidelines serve as the primary reference for determining Blue Project eligibility under this Framework

  The Issuer appointed BVIL to review the Blue Resilience Financing Framework and provide a third-party verification report on the Framework. Accordingly, BVIL in its Verification Report concluded that the Framework is in alignment with the requirements of the Climate Bonds Standard (CBS) v4.3, including the applicable Water Infrastructure Criteria v3.4 and relevant eligibility requirements as aligned with the IFC Blue Finance Guidelines Version 2.0 for Projects.

- **Details of the alignment of the objective of the issue with the India's Intended Nationally Determined Contributions in case of the proceeds raised though issuance of transition bonds:**

  Not Applicable. The proceeds are not being raised through issuance of transition bonds.

3. Details of the system/procedures to be employed for tracking the deployment of the proceeds of the issue:

VMC has proposed to mobilize upto ₹200 crore (Rupees Two Hundred Crores only) from the proposed Issue. The Issue Proceeds will initially be transferred to the Public Issue Account in accordance with SEBI's regulations and circulars. Thereafter, Issue Proceeds from the issuance will be deposited into a dedicated Blue Bond Account (BBA) managed by the VMC and allocated to eligible blue projects in accordance with the Framework. Thereafter, the funds from the BBA will be made available only for Eligible Blue Projects.

Further, overall utilization of funds will be monitored and the utilization details shall be reported as per the applicable regulatory requirements. Unutilized issue proceeds, if any, will be carried forward to successive years

for investment in Eligible Blue Projects. Any unallocated proceeds will be held in bank deposits, or other approved liquid instruments in accordance with applicable laws.

4. Details of the project(s) and/or asset(s) or areas where the issuer, proposes to utilise the proceeds of the issue of green debt securities, including towards refinancing of existing green project(s) and/or asset(s), if any:

The following projects are being considered for financing under eligible Blue Projects:

a) Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara ("**Project I**") and;
b) Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara ("**Project II**").

5. Details of an indicative estimate of distribution of proceeds raised though issuance of green debt security between financing and refinancing of project(s) and/ or asset(s); if applicable:

For details of distribution of projects please refer to point E above on page no. 55 and 59 for Project I and Project II respectively in this section titled "Objects of the Issue".

6. Details of the intended types of temporary placement of the unallocated and unutilised Issue proceeds from the issue of green debt securities:

The Issue proceeds shall be utilized for the abovementioned eligible blue projects in the normal course of business. However, the unallocated proceeds shall be temporarily invested in bank deposits or approved liquid instruments until allocation in accordance with applicable law.

7. Details related to the perceived social and environmental risks and proposed mitigation plan associated with the project(s) proposed to be financed/ refinanced through the proceeds from the issue of green debt securities:

As per third party verification report dated October 01, 2026, all the Projects are aimed at providing social and environmental benefits and that there are no perceived social and environmental risks associated with the Projects.

Further, the selected projects contribute to sustainable water resource management and generate measurable environmental benefits, including enhanced water treatment efficiency and improved drinking water quality

8. The issuer shall appoint an independent third-party reviewer/ certifier, for reviewing/certifying the processes including project evaluation and selection criteria, project categories eligible for financing by green debt securities, etc.:

The Issuer engaged Bureau Veritas (India) Private Limited (BVIL) as "Third Party Reviewer" to provide a third party verification report on the Framework in relation to alignment with the Climate Bonds Standard (CBS) and applicable SEBI regulations and circulars.

The Issuer has also appointed Climate Bond Initiative as Independent Certifier for its proposed Issue. Thereafter, based on the application documents and BVIL's Verification Report, the Climate Bonds Standard Board has approved the pre-issuance certification dated October 02, 2026 of the proposed debt instruments, which will become effective upon issuance of the Blue Bonds.

The Blue Resilience Finance Framework, approved by the Bond Issue Committee vide resolution dated July 31, 2026, was subsequently verified by Bureau Veritas (India) Private Limited through its Verification Report dated October 01, 2026, and certified by the Climate Bonds Initiative vide certificate dated October 02, 2026.

9. Undertaking by the Issuer:

The Issuer hereby undertakes the following:

a. It shall comply with the monitoring and continuous disclosure requirements suggested for the issue of green debt securities by SEBI from time to time.
b. Maintain a decision-making process which it uses to determine the continuing eligibility of the project(s) and/or asset(s). This includes, without limitation statement on the environmental objectives of the Blue Bonds and a process to determine whether the project(s) and/or asset(s) meet the eligibility requirements.
c. Ensure that all project(s) and/or asset(s) funded by the Issue proceeds, meet the documented objectives of the Blue Bonds;

d. Utilise the Issue proceeds only for the stated purpose, as disclosed in the draft offer document / offer document; and

e. Ensure compliance with "Dos and don'ts relating to green debt securities to avoid occurrences of greenwashing" stated in Chapter IX-A of SEBI Master Circular.

i. To address the concerns of market participants, regarding greenwashing, an issuer of green debt securities shall ensure the following to avoid its occurrence:

ii. While raising funds for transition towards a greener pathway, it shall continuously monitor to check whether the path undertaken towards more sustainable form of operations is resulting in reduction of the adverse environmental impact and contributing towards sustainable economy, as envisaged in the offer document.

iii. It shall not utilize funds raised through green bonds for purposes that would not fall under the definition of 'green debt security' under the NCS Regulations.

iv. In case any such instances mentioned in (ii) above come to light regarding the green debt securities already issued, it shall disclose the same to the investors and, if required, by majority of debenture holders, undertake early redemption of such debt securities.

v. It shall not use misleading labels, hide trade-offs or cherry pick data from research to highlight green practices while obscuring others that are unfavorable in this behalf.

vi. It shall maintain highest standards associated with issue of green debt security while adhering to the rating assigned to it.

vii. It shall quantify the negative externalities associated with utilization of the funds raised through green debt security.

viii. It shall not make untrue claims giving false impression of certification by a third-party entity.

Expenses of the Issue:

The expenses for this Issue include, inter alia, lead management fees to the Lead Manager and selling commission to the consortium members and intermediaries as provided in the SEBI Master Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue.

Expenses Head	Amount (in ₹.) *	As Percentage of total Expense of issue (in %)	As percentage of Issue proceeds (in %)
Fees to Lead Managers(s) (including underwriting commissions, if any)	[●]	[●]	[●]
Brokerage, selling commission and upload fees (including charges for Sponsor Banks)	[●]	[●]	[●]
Fees to the Registrar to the Issue	[●]	[●]	[●]
Fees to the Legal Advisor to the Issue	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fee payable to Regulators including stock exchange	[●]	[●]	[●]
Expenses incurred on Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (fees of Rating Agencies, Debenture Trustee, Depositories, etc., under whatever nomenclature)	[●]	[●]	[●]
Grand Total (Excluding Taxes)	**[●]**	**[●]**	**[●]**

**Assuming the Issue is fully subscribed. The estimated Issue expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.*

The Corporation shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Consortium Members/ Members of the Syndicate/ Sub- Members of the Syndicate /Brokers / Sub-Brokers/ Trading Members, RTAs and CDPs and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ [●] per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, the Corporation shall pay the Sponsor Bank ₹ [●] for every valid Application that is blocked. The payments wherever applicable will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Corporation with the Designated Intermediaries.

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

SECTION-VIII: TAX BENEFITS

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

To,

VADODARA MUNICIPAL CORPORATION
1st Floor, Khanderao Market,
Raj Mahal Road,
Vadodara- 390209

Dear Sir/ Madam,

Re: STATEMENT OF SPECIAL TAX BENEFITS (UNDER DIRECT AND INDIRECT TAX LAWS) AVAILABLE TO VADODARA MUNICIPAL CORPORATION (THE "CORPORATION"/ "ISSUER"/ "VMC") AND ITS INVESTORS IN CONNECTION WITH THE PROPOSED PUBLIC ISSUE OF RATED, LISTED, TAXABLE, UNSECURED, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES, OF FACE VALUE OF ₹ 1000/- (RUPEESONE THOUSAND ONLY) EACH ("BLUE BONDS"/ "NCDs"/ "DEBENTURES" / "BONDS) ("ISSUE"), PREPARED IN ACCORDANCE WITH THE REQUIREMENTS UNDER SCHEDULE I (6) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015 AS AMENDED FROM TIME TO TIME (SEBI ILMDS REGULATIONS) FOR THE PROPOSED ISSUEOF UPTO ₹ 200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) ("ISSUE SIZE"), BY VADODARA MUNICIPAL CORPORATION (THE "ISSUER" OR "CORPORATION" OR "VMC")

1. We, M/s Shah & Tolia, Chartered Accountants, refer to the proposed Issue by **VADODARA MUNICIPAL CORPORATION** (the "**Issuer**") and enclose the statement of special tax benefits available to the Issuer and Investors under the Income Tax Act, 2025 (the "**Statement**") showing the special tax benefits on issue of Bonds applicable to the Issuer and Investors as per the provisions of the Income Tax Act, 2025 (the "**IT Act**") and Income Tax Rules, 2026 including amendments made by Finance Act, 2026 as applicable for the financial year 2026-2027, for inclusion in the draft offer document and offer document which are proposed to be filed by the Issuer with the Stock Exchange(s), the Securities and Exchange Board of India and any other regulatory authority in connection with the Issue. Several of these benefits are dependent on the Investors fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the Investors to derive these tax benefits is dependent upon their fulfilling such conditions.

2. The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Statement are based on the information and explanations obtained from the Issuer. This statement is only intended to provide general information to the Investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the Investors to invest money based on this statement. We do not express any opinion or provide any assurance as to whether:

   • the Issuer or the Investors will continue to obtain these benefits in similar manner in future;
   • the conditions prescribed for availing the benefits have been / would be met with; and
   • the revenue authorities/courts will concur with the views expressed herein.

3. We hereby give our consent to include the Statement in the draft offer document and offer document in connection with the Issue to be filed by the Issuer with the Stock Exchange(s), the Securities and Exchange Board of India and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.

4. **Limitations**:

   Our views expressed in the Statement enclosed are based on the facts, and assumptions, information and explanations obtained from the Issuer, as indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions

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

5. This Statement is addressed to you solely for the use in relation to the Issue and, except with our prior written consent, is not to be transmitted or disclosed to, or used or relied upon by any other person or used or relied upon by you for any other purpose., save that you may disclose this Statement to **A.K. Capital Services Limited and Tipsons Consultancy Services Private Limited** (the "**Lead Managers" or** "**Permitted Recipient**"). We further consent to the above details being included for the records to be maintained by the Lead Managers in connection with the Issue and in accordance with the provisions of the applicable laws.

   This Statement may be relied upon by the Lead Managers and Legal Advisor to the Issue in respect of the Issue.

   Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Draft Offer Document or the Offer Document.

   Sincerely,

For, M/s Shah & Tolia,
Chartered Accountants,
Firm Registration No.135095W
Date: November 13, 2026
Place: Vadodara
CA Harshit N Shah
Partner
Membership No. 150855
UDIN: 26150855FDVXTZ6231

STATEMENT OF SPECIAL TAX BENEFITS

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

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

We have also perused the relevant provisions of Income Tax Act,2025, Central Goods and Service Tax Act (CGST), State Goods and Service Tax Act (SGST) and Integrated Goods and Service Tax Act (IGST) along with the notifications issued by the revenue authorities from time to time.

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

DIRECT TAXES

IMPLICATIONS UNDER THE INCOME-TAX ACT, 2025 ("*IT Act*")

We have perused various provisions of tax exemption / tax rebates specified under Chapter III and Chapter IX of the IT Act. From the perusal of the said Chapters, our opinion is as under:

In accordance with the amendments under the Finance Act, 2026, applicable Surcharge and Health & Education Cess shall be added to rate of tax deduction, wherever applicable.

Benefits to the Issuer

The Income of the Issuer from specified sources are exempted under Section 11 of the IT Act read with Sl. No. 22 of Schedule III of the IT Act.

The provisions under Section 11 of the IT Act are as under:

1) In computing the total income of any person for a tax year under IT Act, any income enumerated in Schedules II, III, IV, V and VI shall not be included, subject to fulfilment of conditions specified therein.

2) Wherever the conditions referred to in the Schedules referred in sub-section (1) are not satisfied in any tax year in respect of any income enumerated in the said Schedules, such income shall be charged to tax under IT Act on the total income for that tax year.

3) The persons enumerated in Schedule VII shall, subject to fulfilment of the conditions specified therein, not be chargeable to tax under IT Act on the total income for a tax year.

4) Wherever the condition referred to in Schedule VII are not satisfied in respect of the persons enumerated in the said Schedule in any tax year, the income of such person shall be charged to tax under the provisions of IT Act for that tax year.

5) The Central Government may make rules or issue notifications for the purposes of this section as specified in Schedules II, III, IV, V, VI and VII.

Relevant Table of Schedule III have been re-produced below:

Sl. No	Income not be included in total income	Eligible Persons	Conditions
22.	The income which is chargeable under the head "Income from house property", "Capital gains" or "Income from other sources" or from a trade or business.	Any local authority	Income from trade or business is eligible for exclusion from total income if such income accrues or arises from the supply of— (a) a commodity or service (not being water or electricity) within its own jurisdictional area; or (b) water or electricity within or outside its own jurisdictional area.

As per the provisions of Section 11 of the IT Act read with the other relevant provisions of the IT Act and the Income Tax Rules, 2026 and as per the information and explanations given to us, any income arising to the Issuer on the issuance of the Debentures shall be assessed as "Income From Other Sources" which is exempted under Section 11 of the IT Act.

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

Benefits to the Debenture holder(s)

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

Also, the capital gains arising on transfer or sale of municipal bond are not exempt under the provisions of IT Act.

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

Deduction of Tax at Source on interest on NCDs

1. Income Tax is deductible at source at the rate of 10% (no surcharge or health education cess) on interest on NCDs held by resident Indians in accordance with Section 393 of the IT Act. In cases where any interest earned on NCDs exceeds the aggregate threshold limit of Rs.10,000, the income shall then be deducted on entire amount of income or sum. In cases where interest is to be paid to an Individual or Hindu Undivided Family ("HUF") (being the NCD Holder) is less than Rs. 10,000 and interest is to be paid by way of account payee cheque then the relevant NCD Holder may seek non deduction of tax at source on the interest on NCDs by submitting the prescribed declaration/certificates with the Issuer and the RTA at the specified address on or prior to the relevant Record Date.

2. In case of NCD Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 393 of the IT Act, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. Form No.121 which can be given by all Debenture Holders (other than companies, firms and non-residents), or (b) a certificate, from the Assessing Officer which can be obtained by all Debenture Holders (including companies and firms) by making an application in the prescribed form i.e. Form No. 128.

3. Debenture Holders may seek/ may be granted, as the case may be, non-deduction or lower deduction of tax at source in following instances under the IT Act:

    a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 395(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with the Issuer before the Record Date for payment of interest;

    b) When the resident Debenture Holder with Permanent Account Number ("PAN") (not being a company or a firm) submits a declaration as per the provisions of section 393(6) of the IT Act in the prescribed Form No. 121 verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 393(6) of the IT Act, Form No. 121 cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 393, interest on securities, interest, withdrawal from National Savings Scheme ("**NSS**") and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;

    c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form No. 121 for non-deduction of tax at source in accordance with the provisions of section 393 of the IT Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL;

    d) All mutual funds registered under Securities and Exchange Board of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 11 read with Schedule VII of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 393 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section11 of the IT Act, where such sum is payable to it by way of interest or dividend

in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it;

e) The interest income earned by FIIs should be chargeable to tax at the rate of 20% under section 393(2)_ of the IT Act. Tax shall be deducted u/s.393(2) of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein;

f) Interest payable to Life Insurance Corporation, General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 393(4) of the IT Act;

g) Interest payable to entities falling under the list of entities exempted from under Section 11 Schedule VII of IT Act and who are also statutorily not required to file return of income as per Section 263 of the IT Act;

h) Any other specific exemption available to any other category of investors under the IT Act.

4. In case(s) where the NCD Holder(s) do not submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the specified address on or prior to the relevant Record Date for payment of interest on the NCDs, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the NCD Holders would be required to directly take up with the tax authorities for refund, if any.

5. Documents required in cases of lower/ non-deduction of TDS due to exemption available

Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 395 of the IT Act; and that a valid certificate is filed with the Issuer and RTA at the specified address on or prior to the relevant Record Date for payment of debenture interest;
b. When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 393(6) of the IT Act in the prescribed Form No.121 verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 393 of the IT Act, Form No. 121 cannot be submitted from tax deduction at source if the dividend income referred to in section 393, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form No. 121 for non-deduction of tax at source in accordance with the provisions of section 393(6) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Please find below the class of resident investors and respective documents that would be required for granting TDS exemption, unless specified otherwise hereinabove:

S. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
1.	Resident Individual or resident HUF	Claiming non-deduction or lower deduction of tax at source under section 393 of the IT Act,	Form No.121 with PAN / Certificate issued u/s 395 has to be filed with the Issuer. However, in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either a declaration (in duplicate) in the prescribed form i.e. Form No. 121 which can be given by individuals who are of the age of 60 years or more.

			Form No. 121 can also be given by all applicants (other than companies, and firms), or a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.128.
2.	Non-residents- (Other than FIIs)	For Non-deduction or lower deduction of tax at source u/s 393(2) of the IT Act	A certificate under section 395 of the IT Act from the Indian Assessing Officer for nil / lower deduction of tax at source by making an application in the prescribed form i.e. Form No.128.
3.	Life insurance Corporation of India	Section 393	Copy of Registration certificate
4.	General Insurance Corporation of India, companies formed under section 16(1) of General Insurance Business Act, 1972 and any company in which GIC has full beneficial interest (100% shareholding)	Clause vii of Proviso to Section 393	Copy of Registration certificate Copy of shareholding pattern
5.	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Section 393	Copy of Registration certificate issued by IRDA
6.	Mutual Funds	Section 393(5) read with Section 11 and Schedule VII	Copy of Registration certificate issued by SEBI and notification issued by Central Government
7.	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 393(5) read with Section 11 and Schedule VII	In case of Corporation, Declaration that their income is exempt from tax with applicable provisions
8.	Recognized Provident Funds, Recognized Gratuity Funds, Approved Superannuation Funds, Employees' State Insurance Fund etc.	Section 11 read with Schedule VII	Copy of Registration and Recognition certificate issued by relevant statutory authorities and income-tax authorities and Declaration from the funds that their income is exempt u/s 11 read with Schedule VII
9.	New Pension System Trust	Section 11 read with Schedule VII	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
10.	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 11 read with Schedule VII	Declaration that they fall within the relevant income-tax section and eligible for income-tax exemption on their income
11.	Alternative Investment Funds (Category I and II)	Section 11 read with Schedule VII	Copy of Registration certificate issued by SEBI

INDIRECT TAXES

Benefits to the Issuer

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

Benefits to the Debenture holder(s)

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

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

SECTION-IX: ISSUE SPECIFIC INFORMATION

A. ISSUE STRUCTURE

This section should be read in conjunction with and is qualified in its entirety by more detailed information in the section titled "*Terms of the Issue*" beginning on page 74 under this section.

Authority for this Issue

The Blue Bonds being offered as part of the Issue are subject to the provisions of the SEBI ILMDS Regulations, SEBI Master Circular, the Gujarat Provincial Municipal Corporations Act, 1949, the Listing Agreements, the terms of this Draft Offer Document and the Offer Document, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of Blue Bonds and any other documents that may be executed in connection with the Blue Bonds.

The Corporation has obtained approvals for the Issue of Blue bonds from the General Board vide its Resolutions No. 147 dated February 18, 2026 and from Standing committee vide its Resolution No. 546 dated February 07, 2026 and the Urban Development and Urban Housing Department, Government of Gujarat vide its Resolution bearing no. UDUHD/SPP/e-file/18/2026/0656/P Section dated August 25, 2026 for issuing blue municipal bonds.

This Draft Offer Document has been approved by the Bond Issue Committee at its meeting held on November 13, 2026. The Blue Bonds pursuant to this Issue will be issued on terms and conditions as set out in the Offer Document.

The key terms and conditions of the Blue Bonds are mentioned in the Section titled *"Summary Term Sheet"*.

Participation by any of the investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that, if required by them, they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, see *"Issue Procedure"* beginning on page 92.

Indicative Specific Terms for NCDS

Type of Instrument	Unsecured NCDs
Face Value / Issue Price of NCDs (₹ / NCDs)	₹1,000 per NCD
Minimum Application	₹ 10,000/-
In Multiples of thereafter(₹)	In multiple of 1(One) NCD
Tenor	Tenor shall be 5 years from Deemed Date of Allotment.
Coupon (% per annum) for NCD Holders	As will be specified in the Offer Document
Effective Yield (% per annum) for NCD Holders	As will be specified in the Offer Document
Frequency of Interest Payment	Half yearly
Mode of Interest Payment	Through Various Modes available
Maturity/Redemption (from the Deemed Date of Allotment)	The redemption date/ maturity date ("Redemption Date"/ "Maturity Date") for the Bonds shall be 5 years from Deemed Date of Allotment
Put or Call Option	N.A.

Subject to applicable tax deducted at source, if any. For further details, please see the section titled "*Tax Benefits*" on page 66 of this Draft Offer Document.

Coupon and Payment of Coupon

Coupon would be paid half-yearly. The first interest payment will be due at the end of six months from the deemed date of Allotment. Subsequently, interest payment will be due at the end of every six months thereafter. The last interest payment will be made at together with the redemption of the Blue Bonds.

The Blue Bonds shall be redeemed at par, together with accrued interest, if any, on the Redemption Date, being the date falling 5 (five) years from the Deemed Date of Allotment. Principal repayment shall be made lump sum on the Redemption Date.

Coupon shall be payable on Coupon Payment Dates.

Application Size

The minimum application size shall be ₹ 10,000/- (i.e. 10 NCDs) and in multiple of 1(One) NCD thereafter.

B. TERMS OF THE ISSUE

Issue/instrument specific regulations

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI ILMDS Regulations, the relevant provisions of the Gujarat Provincial Municipal Corporations Act, 1949, the SEBI Master Circular, other applicable statutory and/or regulatory authorities.

The Corporation is undertaking this public issue of Blue Bonds in accordance with Section 109 and Section 118 of the GPMC Act.

The Corporation has obtained all required approvals for issuing blue municipal bonds of face value of ₹ 1,000 each, for an amount aggregating up to ₹ 200 Crores (Rupees Two Hundred Crores Only).

The NCDs being offered as part of this Issue will be issued on terms and conditions as set out in this Draft Offer Document and the Offer Document.

Rating and Rating Rationale

India Ratings has vide its letter dated August 06, 2026, revalidated vide letter dated November 05, 2026 assigned a rating of 'Provisional IND AA+/Stable' and has issued a rating rationale dated August 06, 2026. CRISIL has vide its letter dated July 20, 2026, revalidated vide letter dated November 05, 2026, assigned a rating of 'Provisional Crisil AA+/Stable' and has issued a rating rationale dated July 17, 2026.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the proposed Blue Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For credit ratings of Bonds and detailed rationale of the ratings, please refer to Annexure- II. There are no unaccepted rating and any other than as specified in this Draft Offer Document for the proposed Blue Bonds.

Ranking of NCDs

The Blue Bonds when issued will constitute unsecured debt obligations of the Corporation and subject to any obligations under applicable statutory and/or regulatory requirements.

The Blue Bonds shall inter se rank Pari-passu in relation to their rights and benefits, without any preference, priority or privilege whatsoever on account of date of issue or allotment or otherwise.

Further, the Debenture Trustee, on behalf of the Eligible Bondholder(s) of the blue bond shall have first and pari passu charge over the no-lien Escrow Account and Collection Account(s) along with bond holders of '7.15 % VMC 2027 Series I" issued through placement memorandum dated March 24, 2022 and "7.90 % VMC 2029 Series II" bonds issued through placement memorandum dated March 1, 2024, as specifically set out in and fully described in the Debenture Trust Deed.

The Eligible Bondholder(s) shall have first and exclusive charge on the funds lying in the Interest Payment Account (IPA-III) (including the DSRA Amount) Sinking Fund Account (SFA-III) and any investment(s) made from these account(s). Further, the Bondholder(s) shall have first and exclusive charge on the 10% Cash Collateral Upfront Fixed Deposit) created for the issue.

Any payments received from the Issuer or realized by the Debenture Trustee upon enforcement of any rights, shall be distributed to the Debenture Holders in proportion to the amounts outstanding to such Debenture Holder in equal proportions without any preference or priority whatsoever.

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.)

There has been no change in terms and conditions of debt securities issued by the Issuer in past 5 years.

Credit Enhancement Mechanisms, if any.

Please refer to Annexure-I for Structured Payment Mechanism.

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 / delay 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 for the defaulting period.

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

In case of delay in listing of the NCDs beyond 3 (three) working days from Issue Closing Date, the Issuer shall pay penal interest of 2 % per annum which shall be paid over and above the Coupon Rate for the period of delay in listing. As per provisions of the SEBI ILMDS Regulations, in case the Issuer fails to obtain listing or trading permission from the Stock Exchanges, it shall refund the entire monies received within seven days of receipt of intimation from the Stock Exchanges and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer shall be liable to repay that money with interest at the rate of 15% (fifteen per cent) per annum till such refund is made.

Security

The Debentures shall be unsecured.

However, under the Structured Payment Mechanism in the term sheet, the Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the non-lien Escrow Account and Collection Account(s). The Bondholder(s) shall have first and exclusive charge on the funds lying in the Interest Payment Account (IPA-III) (including the DSRA Amount) Sinking Fund Account (SFA-III) and any investment(s) made from these account(s). Further, the Bondholder(s) shall have first and exclusive charge on the 10% Cash Collateral (Upfront Fixed Deposit) created for the issue.

Debenture Redemption Reserve / Sinking Fund

As per SEBI ILMDS Regulations and the requirements of the SEBI Continuous Disclosures Circulars and GPMC Act, the Issuer is required to create Sinking Fund for due repayment of principal amount of the NCDs. Accordingly, the Issuer shall create Sinking Fund as mentioned in the Structured Payment Mechanism for redemption of the Bonds. For further details of Structured Payment Mechanism, please refer to Annexure-I of this Draft Offer Document.

Recovery Expense Fund

The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the SEBI Master Circular for Debenture Trustees as amended from time to time with the Designated Stock Exchange and inform the Debenture Trustee regarding transfer of amount toward such fund. The recovery expense fund may be utilised by the Debenture Trustee, in the event of default by the Corporation under the terms of the Debenture Trust Deed, for taking appropriate legal action.

Kindly note, any default committed by the Corporation in terms of the NCDs proposed to be issued shall be reckoned with respect to ISIN assigned to the NCD.

Face Value
The face value of NCDs shall be of ₹ 1,000/- each.

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

The Corporation has appointed A. K. Capital Services Limited and Tipsons Consultancy Services Private Limited as 'Lead Manager' to the Issue vide work order dated March 12, 2026 and March 12, 2026 respectively and Issue Agreement dated November 05, 2026.

The Lead Managers, either directly or through its affiliates or it associates or its subsidiaries may invest in the Issue through standard bidding process as per the applicable regulatory norms for public issue of NCDs, which is adopted to ensure fair, objective and unbiased opportunity to all investors and accordingly, confirm that there is no conflict of interest between the Lead Managers and the Issuer in accordance with the applicable regulations.

Disclosures in accordance with the SEBI Master Circular for Debenture Trustees

Debenture Trustee Agreement

Fees charged by Debenture Trustee

The Debenture Trustee has agreed for one time acceptance fee amounting to ₹ 75,000/- (plus applicable taxes) with annual service fee amounting to ₹ 50,000/-per annum, CERSAI Fees ₹ 5,000, trust settlement fees ₹1000 payable before execution of documents (Refundable) and out of pocket expense will be reimbursed up to 15% of the annual maintenance to be charged annually for the services as mutually agreed.

The Corporation has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

(i) The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee.
(ii) The Issuer has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;
(iii) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Terms of carrying out due diligence:

As per the SEBI Master Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debentures of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to:

(a) The Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the Relevant Laws.

(b) The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee.

(c) The Debenture Trustee shall, at the time of filing of the Draft Offer Document furnish a due diligence certificate to Stock Exchanges confirming that it has carried out due diligence for the clauses.

(d) The Debenture Trustee shall monitor the Transaction Documents including the Debenture Trust Deed, Second Supplemental Escrow Agreement, Disclosure Documents, etc. during the entire tenor of the Debentures.

(e) The debenture trustee, shall, prior to the opening of the public issue, furnish to the Board a due diligence certificate.

(f) At the time of issuance of the Offer Document, when the issue structure has been determined and finalized, the Debenture Trustee shall submit a Due Diligence Certificate to Stock Exchanges.

Trustees for the NCD Holders

The Corporation has appointed SBICAP Trustee Company Limited to act as the Debenture Trustee for the NCD Holders.

The Corporation and the Debenture Trustee will execute a Debenture Trust Deed as per Regulation 20 of the SEBI ILMDS Regulations, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and The Corporation. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Blue Bonds as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the Debenture Holders or with the sanction of a resolution, passed at a meeting of the Debenture Holders in the manner provided in the Debenture Trust Deed shall, give notice to the Issuer specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, inter alia, if any of the events listed below and as further detailed in the Debenture Trust Deed occurs.

Notwithstanding anything to the contrary contained herein, on occurrence of any event of default specifically identified under the Debenture Trust Deed, the Debenture Holder shall be entitled, in the manner provided in the Debenture Trust Deed, to instruct the Debenture Trustee to issue notice and/or to take actions as stipulated under the Debenture Trust Deed in consultation with holders of such debt securities and in accordance with applicable law.

The debenture trustee shall supervise the implementation of the conditions for the debt securities, creation of recovery expense fund and debenture redemption reserve, as applicable.

The description below is indicative and a complete and detailed list of events of defaults and the terms of occurrence of such events of default and related consequences will be specified in the Debenture Trust Deed.

Indicative list of events of default as will be more specifically set out in the Debenture Trust Deed:

- default is committed in payment of the principal amount of the NCDs on the due date(s);
- default is committed in payment of any interest/coupon on the NCDs on the due date(s).
- default is committed in payment of any other amounts outstanding on the NCDs;
- any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer;
- if in the opinion of the Debenture Trustee, the Security is in jeopardy;
- Default is committed in the performance of covenants, conditions or agreements on the part of the Issuer in the manner provided under the Debenture Trust Deed other than any payment defaults under the Debenture Trust Deed or the other Transaction Documents;
- Any information furnished or any representation and / or warranty given by the Issuer to the NCD Holders: (a) in this Draft Offer Document, Offer Document or any other Transaction Documents until the date of listing of the NCDs on the Stock Exchanges, is or proves to be untrue or inaccurate in any respect or omits any disclosure of fact which may make the information furnished therein, in light of circumstances under which it was furnished, false or misleading; or (b) under the Transaction Documents on an ongoing basis after the date of listing of the NCDs on the Stock Exchanges, is or proves to be misleading or incorrect in any respect or is found to be incorrect in any respect;
- The occurrence of any other event or condition which leads to occurrence of a material adverse effect, as set out in the Debenture Trust Deed;

Any event of default shall be called by the Debenture Trustee in accordance with applicable laws including the SEBI Master Circular for Debenture Trustees and as per the terms as set out in the Debenture Trust Deed.

In accordance with the SEBI Master Circular for Debenture Trustees, post the occurrence of a "default", the consent of the NCD Holders for entering into an inter-creditor agreement (the "ICA") wherever applicable, shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law.

Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Any default committed by the Issuer shall be reckoned at the International Securities Identification Number level notwithstanding the debt securities and/or non-convertible redeemable preference shares being issued under different offer documents.

Subject to applicable law, 'default' shall mean non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a "default", the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Master Circular for Debenture Trustees issued by SEBI.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The rights and privileges of the NCD Holders shall be as provided in the Debenture Trust Deed, the Gujarat Provincial Municipal Corporation Act 1949 and the SEBI ILMDS Regulations.

2. The Corporation hereby undertakes that the rights of the NCD Holders will be protected as per the governing Act, agreement/deed executed/to be executed between the Corporation and the Debenture Trustee. The Debenture Trustee Agreement/Deed shall contain such clauses as may be prescribed under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and various other circulars. Further the Debenture Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Debenture Trustee or Corporation in relation to any rights or interests of the holder(s) of the NCDs; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI ILMDS Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustee or Corporation for loss or damage caused by their act of negligence or commission or omission. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.

3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI ILMDS Regulations, the Gujarat Provincial Municipal Corporations Act, 1949, the terms of this Draft Offer Document, the Offer Document, the Application Form, the terms and conditions of the Debenture Trust Deed, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.

5. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository.

Rollover and redemption

6. Subject to applicable laws, the Blue Bonds can be rolled over only by a special resolution of the NCD Holders after providing 21 days prior notice for such roll over and in accordance with Section 21 of the SEBI ILMDS Regulations. The Corporation shall redeem the NCDs of all the NCD Holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

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

Jurisdiction

The NCDs and the Transaction Documents (other than the Public Issue Account and Sponsor Bank Agreement) shall 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 Vadodara, Gujarat. The Public Issue Account and Sponsor Bank Agreement shall 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 Mumbai, Maharashtra.

Application in the Issue

Blue Bonds being issued through the relevant Offer Document can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 4C of the SEBI ILMDS Regulations, The Corporation has entered into an arrangement with a depository registered with the Board for dematerialisation of the municipal debt securities that are proposed to be issued, in accordance with the Depositories Act, 1996, rules and regulations made thereunder and make public issue of the NCDs in the dematerialised form.

As per the provisions of the Depositories Act, investors have an option to hold the Bonds in physical form post allotment and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Market Lot / Trading Lot

The market lot for the proposed Issue of Blue Bonds shall be 1 (one) NCD of ₹ 1,000/- ("Market Lot").

Mode of Transfer/Transmission of NCDs

The NCDs shall be transferred or transmitted freely in accordance with the provisions of applicable law and/or as provided in the Debenture Trust Deed. The NCDs which are held in dematerialized form shall be transferred or transmitted subject to and in accordance with the rules/procedures as prescribed under applicable law. 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 register of debenture holders. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In the case of transmission, any claims in respect of interest and/or redemption amount, as applicable, by the nominee(s), legal heir(s), executor(s), administrator(s), successor(s) or other person(s) claiming entitlement to the NCDs shall be settled in accordance with the applicable laws and procedures for transmission, and the Issuer and/or the Registrar shall have no liability or obligation in respect of any dispute or claim between such person(s).

For further details, see "Issue Structure" beginning on page 72, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs which are held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories. The Corporation 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; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by the Corporation, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

- No transfer of title of an NCD will be valid unless and until entered on the register of NCD Holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or The Corporation and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with the Corporation or the Registrar.

Succession

In the event of the demise of the sole/first holder of the NCD(s) or the last survivor, in case of joint holders for the time being, the Corporation shall recognize the executor or administrator of the deceased NCD Holder, or the holder of succession certificate or other legal representative as having title to the NCD(s), the Corporation 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 Corporation may, where it thinks fit, may take into consideration any other documentary evidence for this purpose, in accordance with the Applicable Law. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

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

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

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship.

Indicative Timeline

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Closing Date	T[#]
Finalisation of Basis of Allotment with the Designated Stock Exchange	Before 9:00 p.m. on T+1 working day
Initiation of unblocking of funds from ASBA Accounts	9:30 a.m. on T+2 working days
Credit of debt securities to demat accounts of Allottees	Before 6:00 p.m. on T+2 working days
Commencement of trading of the debt securities on the Stock Exchanges	T+3 working days

[#]*UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date.*

The above timetable is indicative. While The Corporation shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Blue Bonds on the Stock Exchanges are taken within three Working Days from the Issue Closing Date, or such other period as prescribed by the SEBI, the timetable may be extended due to various external factors, such as, any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Blue Bonds, shall be at the discretion of the Stock Exchanges and in accordance with applicable laws.

Restriction on transfer or transmission of NCDs

There are currently no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. However, such transfer or transmission shall be in dematerialised form only.

Procedure for re-materialization of NCDs

Subject to the RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their depository participant at any time after Allotment in accordance with the applicable

procedure stipulated by the depository participant, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. NCDs Holders who propose to re-materialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Issuer and the depository participant. No proposal for re-materialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

Period of subscription

ISSUE PROGRAMME*	
Issue Opens On	As will be specified in the Offer Document
Issue Closes On	As will be specified in the Offer Document
Pay In Date	Application Date. The entire Application Amount is payable/blocked 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 Exchanges. 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 forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment.

** 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 in the Offer Document, except that the Issue may close on such earlier date, subject to a minimum of three Working Days from the date of opening of the Issue, 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 early closure or extension of the Issue, the Corporation shall ensure that notice of the same is provided to the prospective investors through electronic modes such as online newspapers or website of the issuer or the stock exchanges, or in a national daily newspaper with wide circulation in which the pre-issue advertisement for opening of the Issue is given, on or before such earlier or extended date of closure, in accordance with SEBI ILMDS Regulations. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (Indian Standard Time) and uploaded or modified (in case of submitted bids) until 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5.00 p.m. (Indian Standard Time) on the Issue Closing Date. For further details please refer to the section titled "Issue Specific Information" on page 72 of this Draft Offer Document.*

Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days (both inclusive barring public holiday) (a) by the Designated Intermediaries as the case maybe, at the centres mentioned in Application Form through the ASBA mode (b) directly by the Designated Branches of the SCSBs or (c) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchanges. It is clarified that the Applications not uploaded in the Stock Exchanges platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date, or such extended time as may be permitted by the Stock Exchanges. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither the Corporation, nor the Lead Managers, nor any Trading Member of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Master Circular. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on Blue Bonds held by resident Indians in accordance with Section 393 of the IT Act. In cases where interest is to be paid to an Individual or Hindu Undivided Family ("HUF") (being the Bond Holder) is less than ₹ 10,000 and interest is to be paid by way of account payee cheque then the relevant

Bond Holder may seek non deduction of tax at source on the interest on Blue Bonds by submitting the prescribed declaration/certificates with the Issuer and the RTA at the aforesaid address on or prior to the relevant Record Date. For details of possible tax benefits available to the Corporation and the NCD Holders under the applicable laws in India, please see the section titled "Tax Benefits" on page 66.

Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 395(1) of the IT Act; and that a valid certificate is filed with the Registrar or the Corporation before the prescribed date of closure of books for payment of debenture interest;

b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of Section 393(6) of the IT Act in the prescribed Form 121 verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under Section 393(6)(a) of the IT Act, such declaration shall not be valid (except in the case of a resident individual who is sixty years of age or more during the tax year) if the aggregate amount of the income or sums of the nature specified in the Table to Section 393(6), including interest referred to in Section 393(1) [Table: Sl. No. 5(i), (ii) and (iii)], credited or paid or likely to be credited or paid during the relevant tax year exceeds the maximum amount not chargeable to income-tax;

c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 121 for non-deduction of tax at source in accordance with the provisions of Section 393(6) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 121 which can be given by individuals who are of the age of 60 years or more (ii) Form 121 which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.128.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Corporation/ Registrar, at least 7 days before the relevant record date for payment of debenture interest (i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document a may be required under the Income Tax Act, 2025 for claiming non-deduction / lower deduction of tax at source and/or specified by the Corporation/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted at least 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar or the Corporation as per below details or any other details as may be updated on the website of the Issuer or the Registrar at www.kfintech.com, from time to time. The tax exemption forms may be sent to the email-id of the Registrar to the Issue as mentioned below.

Registrar to the Issue

KFin Technologies Limited
Selenium, Tower B, Plot No-31 & 32,
Financial District, Nanakramguda
Serilingampally Hyderabad
Rangareddy - 500 032, Telangana, India.
Tel: +91 40 67162222 / 18003094001
Fax No.: +91 40 6716 1563
Email: vadodara.ncdipo@kfintech.com
Investor Grievance Email Id: einward.ris@kfintech.com
Contact Person: Williams R
Website: www.kfintech.com

Compliance Officer: Anish Kumar
Email Compliance Officer: anish.kumar@kfintech.com
SEBI Registration No.: INR000000221
CIN: L72400MH2017PLC444072

Contact details of the Issuer
Address: 1st Floor, Khanderao Market,
Raj Mahal Road, Vadodara-390209
Contact Person cum Compliance Officer: Santosh Hiralal Tiwari,
Chief Accountant & Deputy Municipal Commissioner (Project)
Tel: (0265) 2432003, 2433116/118 Extn. 281
E-mail: chiefaccountant@vmc.gov.in
Website: www.vmc.gov.in

The investors need to submit Form 121/certificate in original from the Assessing Officer for each Fiscal during the currency of the NCD to claim non-deduction or lower deduction of tax at source from interest on the NCD. Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in the Corporation's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Please also see, "Tax Benefits" on page 66. Subject to the terms and conditions in connection with computation of applicable interest on the Record Date as stated in the section titled "Issue Procedure" on page 92, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Offer Document, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Offer Document and Offer Document, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

Procedure for deciding and adjusting Payment Dates

The amount of interest/coupon payable shall be as specified in the Offer Document and rounded off to the nearest Rupee. In the event, the interest/payout of total coupon /redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

If the coupon payment date other than one falling on the redemption date, falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Offer Document. If the redemption/maturity date of the Bonds falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such Bonds shall also be paid on the previous working day as per the cash flows provided under Annexure – V "Illustration of Bond Cash Flow of the Offer Document.

If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated October 15, 2025 bearing reference SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137, as amended from time to time and detailed in the Summary Term Sheet on page 170 of the Draft Offer Document.

If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided in the Offer Document. Investors should note that this example is shall be solely for illustrative purposes.

We have not considered the effect of public holidays as it is difficult to ascertain for future dates. In the event the record date falls on a day when the Stock Exchanges are having a trading holiday, the immediate preceding trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchanges, will be deemed as the record date. The interest/redemption payments shall be made only on the days when the commercial banks are open for business in Vadodara.

For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided in the Offer Document. Investors should note that this example is shall be solely for illustrative purposes. We have not considered the effect of public holidays as it is difficult to ascertain for future dates.

In the event, the interest, refund or redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.

The bank details will be obtained from the Depositories for payment of interest, refund or redemption, as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the Depository Participant.

Please note that failure to do so could result in delays in credit of interest / refund / redemption amount to the Applicant at the applicant's sole risk, and none of the Lead Managers, the Corporation or the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular will be as disclosed in the Offer Document.

Permission to use Issuer Details

The Online Bond Platform Providers registered with the stock exchanges ("OBPPs" only for offering NCDs in the secondary markets), shall be permitted to use the Issuer's name, logo, and relevant Issue details in advertisements, or promotional and marketing materials for the purpose of marketing and promoting the NCDs on their websites, mobile applications, or other digital platforms. It is the responsibility of Issuer to ensure compliance with Applicable Laws and further ensure that the same does not constitute an offer to the public.

Basis of Payment of Interest

The NCDs shall have a tenor of 5 (five) years from the Deemed Date of Allotment and shall carry a fixed Coupon Rate of [●]% per annum, payable on a half-yearly basis. The Blue Bonds shall be redeemed at par upon maturity. The terms of the Blue Bonds, including the tenor, Coupon Rate and redemption amount, shall remain unchanged throughout the tenor of the Blue Bonds.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of rematerialisation

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, the Corporation may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the unsecured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also see the para "Payment on Redemption" given below.

Unsecured NCDs held in electronic form

No action is required on the part of Bond Holder(s) at the time of redemption of NCDs.

Maturity and Redemption

The redemption date/ maturity date for the Bonds shall be 5 (five) years from Deemed Date of Allotment. Principal repayment to happen in lumpsum at the end of the 5th anniversary of the Deemed Date of Allotment.

Record Date

The record date for payment of coupon/interest and repayment of principal in connection with the NCDs shall be 15 (fifteen) Calendar Days.

In case of Payment of coupon/interest, record date shall be 15 calendar days prior to the date on which coupon/interest payment is due.

In case of redemption/ repayment, record date shall be 15 calendar days prior to the Redemption Date/ Maturity Date for NCDs or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law.

In case the record date falls on a day when the Stock Exchanges are having a trading holiday, the immediate preceding trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchanges, will be deemed as the record date.

In case of Redemption Date/ Maturity Date of NCDs, the trading in the respective NCDs shall remain suspended between the record date and the Maturity Date/Redemption Date.

Payment on Redemption

The NCDs shall be redeemed at face value on the Redemption Date. On the Redemption/Maturity Date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to the Corporation. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be extinguished upon redemption of amount through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Such payment will be a legal discharge of the liability of the Issuer towards the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

If the Redemption Date or Maturity Date of the NCDs fall on a Sunday or a holiday, the redemption amount shall be paid on the immediately preceding Working Day along with interest accrued on such NCDs. The interest payments shall be made only on the subsequent day when the Banks are functioning in Vadodara. Interest shall be computed on an actual/actual basis i.e., on the principal outstanding on the NCDs as per the SEBI Master Circular.

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

The entire issue price per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, the Issuer shall unblock the excess amount paid on application to the applicant in accordance with the terms of the Offer Document.

The allotment of Blue Bonds and credit of the Blue Bonds in the accounts of the Successful Applicants shall be completed as per the prescribed timelines.

Deemed Date of Allotment

The date on which the Bonds Issue Committee approves the Allotment of the NCDs for this Issue or such date as may be determined by the Bonds Issue Committee (as permitted under applicable law) and notified to the Stock Exchanges. 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 shall be available to the NCD Holders from the Deemed Date of Allotment.

Put/ Call Option

Not Applicable

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form, the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI.

Manner of Payment of Interest / Refund / Redemption

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, the Corporation or the Registrar shall have no responsibility and undertake no liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1.Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2.NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("MICR") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3.RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate the Corporation and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4.NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that the Corporation shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as the Corporation has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.
The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 2 (two) Working Days of the Issue Closing Date.

Printing of bank particulars on interest or redemption warrants

As a matter of precaution against possible fraudulent encashment of refund orders, and interest or redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the Depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Application Size

Minimum Application size shall be ₹ 10,000/- (i.e. 10 NCDs) and in multiple of 1(One) NCD thereafter.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Buy Back of NCDs

The Corporation may, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back of the NCDs, upon such terms and conditions as may be decided by the Issuer in accordance with applicable laws.

Form and Denomination of NCDs

NCDs shall be issued and held in accordance with applicable law. No physical certificates shall be issued.

As per the provisions of the Applicable Law, the trading of the NCDs on the Stock Exchanges shall be in dematerialized form only in multiples of 1 (one) NCD ("Market Lot"). Allotment in this Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see "Issue Procedure" beginning on page 92.

Issue of duplicate NCD certificate(s)

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or if there be no further space on the back thereof for endorsement of transfer of NCDs, the same may be replaced by us against the surrender of such

certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Right to Recall or Redeem prior to Maturity

Not Applicable

Transfer of NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The Bond Holder (seller) should give delivery instructions containing details of the buyer's Depository Participant account to her/his Depository Participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only.

Common form of transfer

The Corporation undertakes that there shall be a common form of transfer for the NCDs and the provisions of all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Sharing of Information

The Issuer may, use, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required without prejudice to the interests of the Bond Holders and subject to Applicable Laws.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published through electronic modes such as online newspapers or website of the issuer or the stock exchanges, or in a national daily newspaper with wide circulation where the head office of the Corporation is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the Blue Bond(s) from time to time.

Future Borrowings

The Corporation will be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency, in accordance with Gujarat Provincial Municipal Corporation Act, 1949, so long as (i) there is no shortfall in the contribution to the Escrow Account, the interest payment account (opened for the previous bond issuance) & Interest Payment Account-III (including towards maintenance of the Required DSRA Amount) and/or the sinking fund account (opened for the previous bond issuance) & Sinking Fund Account- III which has not been made good by the Issuer in terms of the Transaction Documents; (ii) the Financial Covenants and Conditions are met (iii) consents and approvals and other conditions, as may be required under Applicable Law or financing agreements, including intimations, if applicable under any Transaction Documents, are obtained or provided, as the case may be, and (iv) no event of default has occurred and is continuing. However, until the Debentures are fully redeemed, the Issuer shall not create any charge on Interest Payment Account-III(including DSRA), Sinking Fund Account-III and Upfront FD, without the prior written approval from the Debenture Trustee acting on the instructions of the Majority Debenture Holders.

Pre-closure

The Corporation, in consultation with the Lead Managers, reserves the right to close the Issue at any time prior to the Issue Closing Date (subject to Issue being kept open for the minimum statutory period of three working days), subject to receipt of minimum subscription or as may be specified in this Draft Offer Document. The Corporation shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of

Allotment as described in the Offer Document and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, the Corporation shall ensure that public notice of such early closure is published on or before such early date of closure as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

Minimum subscription

In terms of the SEBI ILMDS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size (i.e. ₹ 75 crores). If the Corporation does not receive the minimum subscription of 75% of Base Issue Size (i.e. ₹ 75 crores), prior to the Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within prescribed time period under applicable law or such time as may be specified by SEBI provided wherein in case of any delay by the Issuer in making the aforesaid refund, the Corporation will become liable to refund the Application Amount along with interest at the rate of 10 (ten) percent per annum for the delayed period.

To the extent possible, where the required information for making such refunds is available with the Corporation, refunds will be made to the account prescribed. However, where the Corporation does not have the necessary information for making such refunds, the Corporation will follow the guidelines prescribed by SEBI in the SEBI Master Circular.

Trading Lot

The NCDs shall be allotted in dematerialized form. As per the SEBI ILMDS Regulations, the trading of the NCDs is in dematerialised form.

The trading lot shall be (One) NCD of ₹ 1000/- (Rupees One Thousand only).

Allotment in this Issue will be in electronic form in multiples of one NCD. For further details of Allotment, please see the section titled "Issue Procedure" on page 92.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deed and on receipt of listing and trading approval from the Stock Exchanges as per applicable provisions of law(s), regulations, and approvals.

Utilisation of Issue Proceeds

The Corporation certifies that:

i. all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in the SEBI ILMDS Regulations, and the Corporation will comply with the conditions as stated therein, and these monies will be transferred to Corporation's bank account after receipt of listing and trading approvals;

   Provided that, the Issue proceeds shall be transferred to the Issuer's separate bank account only after the payment of the brokerage payable by the Corporation to the Consortium Members (as per the Consortium Agreement to be entered into between the Issuer, Lead Managers and the Consortium Member(s)). The payments applicable will be made on the basis of valid invoices within such timelines mutually agreed by the Corporation & the Consortium Members as per the consortium agreement. Further, the Issuer undertakes to pay all the issue expenses pertaining to the Issue out of its own resources.

   The Issuer further undertakes and agrees that all expenses relating to or arising out of the Issue shall be borne and paid by the Issuer from its own resources and the Issue Proceeds shall not be utilized for the payment of such expenses.

ii. the Allotment Cum Unblocking Intimation shall be issued, or application money shall be refunded in accordance with the applicable law failing which interest shall be due to be paid to the applicants in accordance with applicable law for the delayed period

iii. details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;

iv. details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form of financial assets in which such unutilised monies have been invested;

v. we shall utilize the Issue Proceeds only upon creation of security as stated in this Draft Offer Document in the section titled "Terms of the Issue" on page 74 and after (a) permissions or consents for creation of charge over the assets of the Corporation and for further raising of funds from the creditors, if required; (b) receipt of the minimum subscription of 75% of the Base Issue Size (i.e. ₹ 75 crores) pertaining to the Issue; (d) creation of security and confirmation of the same in terms of Blue Bonds and (e) receipt of listing and trading approval from Stock Exchanges;

vi. the Issue Proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any property;

vii. the Issue Proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by SEBI or any other statutory authority from time to time. Further the Issue Proceeds shall be utilised only for the purpose and objects stated in the Draft Offer Document; and

viii. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 2 Working Days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

Pre-Issue Advertisement

The Corporation will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will be issued in compliance with the Regulation 9 of SEBI ILMDS Regulations and shall contain the information as prescribed in Schedule IV of the SEBI ILMDS Regulations.

Material updates, if any, between the date of filing of the Draft Offer Document with SEBI and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI ILMDS Regulations.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. The Corporation shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "Issue Procedure - Rejection of Applications" beginning on page 114.

Listing

The NCDs offered through this Draft Offer Document are proposed to be listed on the BSE and NSE. The Corporation has obtained an 'in-principle' approval for listing of the Blue Bonds to be allotted pursuant to the Issue from the NSE vide their letter bearing reference number [●] dated [●] from BSE vide their letter bearing reference number [●] dated [●]. For the purposes of the Issue, NSE shall be the Designated Stock Exchange. Listing Applications for listing of the NCDs will be made to the Stock Exchanges in terms of SEBI ILMDS Regulations and the SEBI Master Circular.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, the Corporation will forthwith repay, without interest, all money received from the Applicants in pursuance of the Offer Document within seven days from the earliest intimation rejecting the application for listing of the NCDs, and if any such money is not repaid after the Issuer becomes liable to repay it, the Issuer will repay that money with interest at the rate of fifteen percent per annum till such refund is made.

The Corporation will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 3 Working Days of the Issue Closing Date.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilisation of Issue Proceeds

The Corporation shall monitor the utilisation of the proceeds of the Issue in accordance with the Blue Bond Framework developed by the Issuer and approved by the Bond Issue Committee vide its resolution dated July 31, 2026. The Corporation shall appoint a third-party reviewer/certifier for post-issue management of the utilisation of the proceeds of the Issue, in accordance with the applicable provisions of the SEBI Master Circular for the issue and listing of Non-Convertible Securities, as amended from time to time. The Corporation will disclose the status of implementation of project(s) which is being financed using the proceeds of the Issue along with reasons for delay, if any and the utilizations of Issue Proceeds for execution of the Project as stated in the Draft Offer Document, as applicable, on a half yearly basis to the Stock Exchanges. Further, the Corporation shall disclose in its balance sheet the purpose for which the Issue Proceeds have been utilized until the whole proceeds are utilised for the Objects of the Issue.

Lien

The Corporation will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, whether in single name or joint name, to the extent of all outstanding dues, if any by the NCD Holder to the Corporation.

Lien on Pledge of NCDs

Subject to applicable law, the Corporation, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

Interim use of proceeds

Pending utilization of the proceeds of the Issue for the Objects described in this Draft Offer Document, the Issuer may temporarily invest the Issue proceeds as provided in the Blue Bond Framework and the GPMC Act and in accordance with SEBI circular dated November 13, 2019.

C. ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the SEBI Master Circular, all Applicants are required to apply for in the Issue through the ASBA process and an amount equivalent to the full Application Amount as mentioned in the Application Form will be blocked by the Designated Branches of the SCSBs. Further, pursuant to the SEBI Master Circular, SEBI has provided the UPI Mechanism as a payment mechanism for the Issue, wherein a UPI Investor, may submit the Application Form with a SCSB or a Designated Intermediary or through the app/web based interface platform of the Stock Exchanges and use their bank account linked UPI ID for the purpose of blocking of funds, if the Application being made is for a value of ₹5 lakhs or less. The UPI Mechanism is applicable for public issue of debt securities which open for subscription on or after January 1, 2021. Accordingly, payment through the UPI Mechanism shall be available for the Issue. SEBI, vide the SEBI Master Circular has also introduced an additional mode for application in public issues of debt securities through an online (app/web) interface to be provided by the Stock Exchanges. In this regard, SEBI has also stipulated that the Stock Exchanges formulate and disclose the operational procedure for applying through the app/web based interface developed by them for making applications in public issues through the Stock Exchanges' website.

Further, pursuant to SEBI RTA Master Circular all individual investors applying in public issues of such securities through intermediaries (viz. syndicate members, registered stock brokers, registrar to an issue and transfer agent and depository participants), where the application amount is up to ₹ 5,00,000 shall only use UPI for the purpose of blocking of funds and provide his/ her bank account linked UPI ID in the bid-cum application form submitted with intermediaries. Further, individual investors shall continue to have the choice of availing other modes (viz. through SCSBs and Stock Exchanges Platform) for making an application in the public issue.

Applicants should note that they may submit their Application Forms (including in cases where Applications are being made under the UPI mechanism) at (i) the Designated Branches of the SCSBs or (ii) at the Collection Centres, i.e. to the respective Members of the Consortium at the Specified Locations, the Trading Members at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations or (iii) through the app and/or web based interface/platform of the Stock Exchanges, as applicable. ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. For further information, please see "Issue Procedure - Submission of Completed Application Forms" on page 112.

Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in the Offer Document.

Please note that this section has been prepared based on the SEBI Master Circular and other related circulars. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (to participate in the public issue for an amount up to ₹ 2,00,000 for issue of debt securities pursuant to the SEBI Master Circular, or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchanges or through intermediaries (Syndicate Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

The Issuer and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Offer Document. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.

Further, the Issuer, the Lead Managers and the Members of the Consortium do not accept any responsibility for any adverse occurrence consequent to the implementation of the UPI Mechanism for application in the Issue.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE SYSTEM/ PLATFORM FOR SUBSCRIBTION IN ELECTRONIC MODE PROVIDED BY THE STOCK EXCHANGES ("ELECTRONIC APPLICATION PLATFORM") WILL NEED TO APPROACH THE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGES. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT OFFER DOCUMENT AND OFFER DOCUMENT, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBER(S) AND THE ISSUER SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBER/ DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGES.

For purposes of this Issue, the term "Working Day" means all days on which commercial banks in the Vadodara are open for business. In respect of announcement or bid/issue period, working day/business day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchanges, working day/business day shall mean all trading days of the Stock Exchanges for NCDs, excluding Saturdays, Sundays and bank holidays, as specified.

The information below is given for the benefit of the Investors. The Issuer and the Members of Syndicate are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Offer Document.

PROCEDURE FOR APPLICATION

Availability of this Draft Offer Document, Offer Document, Application Forms and Term Sheet.

Physical copies of the Offer Document Application Forms and Term Sheet may be obtained from:

(a) The Issuer's Head Office;
(b) Offices of the Lead Managers/Consortium Members;
(c) Offices of the Registrar to the Issue
(d) the CRTA at the Designated RTA Locations;
(e) the CDPs at the Designated CDP Locations;
(f) Trading Members at the Broker Centres; and
(g) Designated Branches of the SCSBs.

Electronic copies of this Draft Offer Document, Offer Document together with the downloadable version of the Application Form and Term Sheet will be available on the websites of the Lead Managers, the Stock Exchanges, SEBI and the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations. The Term Sheet shall be available for download on the website of the Registrar to the Issue.
Electronic Application Forms may be available for download on the website of the Stock Exchanges and on the websites of the SCSBs that permit submission of Application Forms electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the website of the Stock Exchanges. The Issuer may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the website of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

UPI Investors making an Application up to ₹ 5 lakhs, using the UPI Mechanism, must provide the UPI ID in the relevant space provided in the Application Form. Application Forms that do not contain the UPI ID are liable to be rejected. UPI Investors applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Who can apply?

The following categories of persons are eligible to apply in this Issue:

Category I Investor (Institutional Investor)

- 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 Crore, 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 Indian army, navy or the air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, Union of India;
- Systemically Important NBFCs registered with the RBI and having a net-worth of more than ₹ 500 Crore 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 and published in the Gazette of India; and
- Mutual funds registered with SEBI

Category II Investor (Non Institutional Investors)

- 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;
- Trust 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 ;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of persons;
- Any other incorporated and/ or unincorporated body of persons.

Category III Investor (High Net Worth Individual Investors)

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 2,00,000 in this Issue.

Category IV Investor (Retail Individual Investors)

Resident Indian Individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹2,00,000 in the Issue and shall include Retail Individual Investors who have submitted bid for an amount not more than UPI Application Limit (i.e. up to ₹2,00,000 for issues of debt securities) 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.

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Application made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Issue.

The Lead Managers, Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

The information below is given for the benefit of Applicants. The Issuer and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Offer Document.

Please note that there is a single Application Form for persons resident in India.

Who are not eligible to apply for NCDs?

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

i. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Application by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
ii. 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;
iii. Persons resident outside India and other foreign entities;
iv. Foreign Institutional Investors;
v. Foreign Portfolio Investors;
vi. Non-Resident Indians;
vii. Foreign Venture Capital Funds;
viii. Qualified Foreign Investors;
ix. Overseas Corporate Bodies**; and
x. Persons ineligible to contract under applicable statutory/regulatory requirements.
xi. Other foreign entities; and
xii. Any other category of Applicants not provided for under "*Issue Procedure - Who can apply?*" on page 93 of this Draft Offer Document.

* *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 this Issue.*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Based on the information provided by the Depositories, the Issuer shall have the right to accept Application Forms belonging to an account for the benefit of a minor (under guardianship). In case of such Application, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

Please see *"Issue Procedure - Rejection of Applications*" on page 114 for information on rejection of Applications.

The information below is given for the benefit of Applicants. The Issuer and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Offer Document.

Method of Application

In terms of SEBI Master Circular, an eligible investor desirous of applying in the Issue can make Applications only through the ASBA process only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application Form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or Public Issue Account Bank or Sponsor Bank.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Master Circular.

Applicants should submit the Application Form only at the bidding centres, *i.e*. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with any of the Designated Branches at any Specified Location of the SCSB with whom the relevant ASBA Accounts are maintained.

Pursuant to SEBI RTA Master Circular, all individual investors applying in public issues where the application amount is up to ₹5,00,000 shall use UPI and shall also provide their UPI ID in the bid cum application form submitted with any of the entities mentioned herein below:

1. a syndicate member;
2. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
3. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
4. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. ***Through Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)***

(a) An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchanges bidding platform and blocking of funds in investors account by the SCSB would continue.

(b) An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchanges bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

(c) An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹ 5 lac or less. The intermediary shall upload the bid on the Stock Exchanges bidding platform. The application amount would be blocked through the UPI mechanism in this case.

2. ***Through Stock Exchanges***

(a) An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.

(b) The Stock Exchanges have extended their web-based platforms i.e., 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to ₹ 5 Lac. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.

(c) An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: https://www.bsedirect.com; and NSE: https://www.nseindiaipo.com.

(d) The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications

(e) To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60, and https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61 .

Application process through physical Application Form

Applicants opting for the physical mode of Application process, should submit the Application Form (including for Applications under the UPI Mechanism) only at the Collection Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the registered broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available on SEBI's website *for Applications under the UPI Mechanism* at https://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants (including for Applications under the UPI Mechanism), shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit the Application Forms (except Application Forms submitted by UPI Investors under the UPI Mechanism) with any of the Designated Branches at any Specified Location of the SCSB with whom the relevant ASBA Accounts are maintained. An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB, with the SCSB and can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. For Applicants submitting the physical application Form who wish to block the funds in their respective UPI linked bank account through the UPI Mechanism, post uploading of the details of the Application Forms into the online platform of the Stock Exchanges, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Investors for blocking of funds.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a Retail Individual Investor who is not applying using the UPI Mechanism. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI mechanism, as applicable.

The Issuer, the Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications (including Applications under the UPI Mechanism) accepted by and/or uploaded by and/or accepted but not uploaded by Trading Members, registered brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs or failure to block the Application Amount under the UPI Mechanism. It shall be presumed that for Applications uploaded by SCSBs (other than UPI Applications), the Application Amount payable on Application has been blocked in the relevant ASBA Account and for Applications by UPI Investors under the UPI Mechanism, uploaded by Designated Intermediaries, the Application Amount payable on Application has been blocked under the UPI Mechanism.

OPERATIONAL INSTRUCTIONS AND GUIDELINES

Certain relevant operational instructions and guidelines, for using BSE Direct/ NSE goBID to make an Application in the Issue, are listed below:

a. **General Instructions –**

i. Applicants are required to preregister themselves with BSE Direct/ NSE goBID. For the detailed process of registration and Applications under the BSE Direct Platform/ NSE goBID Platform, see "*Issue Procedure - Process of Registration and Application on BSE Direct Platform/Mobile App/ NSE goBID platform/Mobile App*" on page 99.

ii. Applicants can access BSE Direct platform via internet at https://www.bsedirect.com or through the mobile app (on android phones only) called BSE Direct which can be downloaded from the Google Playstore.

iii. Applications can access NSE goBID via internet at https://eipo.nseindia.com/eipodc/rest/login or through the mobile app (on android phones only) called NSE goBID which can be downloaded from the Google Playstore.
iv. The Stock Exchanges shall make the Offer Document, Term Sheet and Issue related details available on its website under the 'Forthcoming Issues' a day prior to the Issue Opening Date and the details of the Issue shall also be made available on the issue page of BSE Direct/NSE goBID.
v. The BSE Direct platform/NSE goBID platform, offers a facility of making a direct application through the web based platform or the mobile app with a facility to block funds upto ₹5 lakhs through the UPI Mechanism.
vi. The mode of allotment for Applications made through the BSE Direct platform/NSE goBID platform, shall mandatorily be in dematerialised form only.

b. **Order Entry Parameters -**

Pursuant to the SEBI Master Circular and other relevant SEBI circulars, the following operating parameters shall be made available for making an Application in the Debt IPO Segment. Applicants are requested to note the following general instructions:

i. The Issue symbol will remain same across all series/options;
ii. Applicants can enter order for a single Application having different series within one order entry screen;
iii. Before submission of the Application, the Applicant should have created an UPI ID with a maximum length of 45 characters including the handle (example: investorId@bankname);

Applicants can only submit an Application with the UPI Mechanism as the payment mode. The Applications which are successfully accepted will be allotted a bid id or order no.

c. **Modification and cancellation of orders**

i. An Applicant shall not be allowed to add or modify the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. The Applicant can withdraw the bid(s) submitted under a single Application and reapply.
iii. The part cancellation of bid in a single Application will not be permitted.

For details of the process post the Application details being entered into the bidding platform of the Stock Exchanges, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 112.

d. **Re-initiation of Bids**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation.
ii. The facility of re-initiation/ resending the UPI Mandate shall be available only till 5 pm on the day of bidding.
iii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

e. **Acceptance of the UPI Mandate**

i. An Applicant will be required to accept the UPI Mandate by 5:00 pm on the third Working Day from the day of bidding on the Stock Exchanges platform except for the last day and the second to last day of the Issue Period or any other modified closure date of the Issue Period in which case, they shall be required to accept the UPI Mandate by 5:00 pm of the Issue Closing Date. As the Issuer reserves the right to close the issue prior to the Issue Closing Date, hence is advisable that the Applicants should accept the UPI mandate by 5:00 pm on the Working Day subsequent to date of submission of the Application on BSE Direct/NSE goBID.
ii. The transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
iii. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
iv. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.
v. Please note that the display of status of acceptance of the UPI Mandate/fund blocking shall be solely based on the data received from the Sponsor Bank.

f. **Order book and Modification**

i. The order book will be available in the Debt module of the Stock Exchanges in real time basis.
ii. An Applicant shall be allowed to modify selected fields such as their DP ID/Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not both) on the Issue Closing Date.

g. **Applicant's responsibilities**

i. Applicants shall check the Issue details before making an Application.
ii. Applicants shall only be able to make an Application for an amount up to ₹5 lakhs through UPI.
iii. Applicants shall have only UPI as the payment mechanism with ASBA.
iv. Applicants must check and understand the UPI Mandate acceptance and the fund blocking process before making an Application.
v. The receipt of SMS for UPI Mandate acceptance depends upon the system response/ integration of UPI on the Debt Public Issue System.
vi. Applicants must check their respective mobiles for an SMS or the mobile app, associated with the UPI ID linked bank account, for receipt of the UPI Mandate.
vii. Applicants must accept the UPI Mandate request within stipulated timelines.
viii. Applicants must note that the transaction will be treated completed only after the UPI Mandate is accepted by the Applicant and the transaction is authorised by entering of their respective UPI PIN and successful blocking of fund through ASBA process by the Applicant's bank.
ix. If the Applicant fails to accept the mandate within stipulated timelines, their Application will not be considered for allocation.
x. Applicants are required to check the status of their Applications with regards to the UPI Mandate acceptance and blocking of fund in the UPI Report for completion of the transaction.

The Issuer, Lead Managers, the Registrar to the Issue or the Stock Exchanges shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons.

Process of Registration and Application on BSE Direct Platform/Mobile App/NSE goBID Platform/Mobile App

a. **Process of Registration for Investor**

i. To make an Application on the BSE Direct platform/ mobile app/NSE goBID Platform/Mobile App an Applicant is required to register themselves with the platform/mobile app.
ii. At the time of registration, the Applicant shall be required to select the option of "New Registration without Broker" and enter their respective PAN along with details of their demat account (i.e., DP ID and Client ID) and UPI ID.
iii. The Stock Exchanges shall verify the PAN and demat account details entered by the Applicant with the Depository, within one Working Day.
iv. The Applicant shall be required to accept the terms and conditions and also enter the correct 'One Time Password' ("**OTP**") sent on their respective mobile phones and email IDs to complete the registration process.
v. Upon the successful OTP confirmation, the Applicant's registration request shall be accepted, and a reference number shall be provided to them for checking their registration status.
vi. At the time of demat account verification, the Stock Exchanges shall also validate Applicant's client type (investor category) present in demat account.
vii. An Applicant's registration shall be rejected if an incorrect investor category and/or demat account details have been entered.
viii. Post the verification of the demat account, the Stock Exchanges shall activate the Applicant's profile for making an Application and also provide a user ID (which is PAN) and password for login onto the BSE Direct platform/ NSE goBID platform.
ix. An Applicant shall be able to view their respective details including their demat account, by accessing the tab 'My Profile'.
x. To modify their details, an Applicant must login to the BSE Direct portal/ NSE goBID portal and click on 'My profile'.
xi. The Stock Exchanges shall revalidate the modified details with Depository.
xii. No modification request shall be accepted during the Issue Period if the Applicant has made an Application in the Issue.
xiii. To re-generate a new password, the Applicant can use the 'Forget Password' option.
xiv. Existing individual investors, who are already registered for "GSec AND T-Bills investment", can also use the facility for applying in the Issue by using the UPI Mechanism for blocking of funds for Applications with a value upto ₹5 lakhs.

b. **Process to place Bid via BSE Direct platform/ mobile app/ NSE goBID for /mobile app**

i. The Issue, during the Issue Period, shall be opened for subscription and will be available for making an Application through the BSE Direct platform/ mobile app/ NSE goBID platform / mobile app.
ii. Upon successful login, an Applicant can select the Issue to make an Application.
iii. The details of PAN and DP ID and Client ID will be populated based on the registration done by the Applicant.
iv. Before submission of the Application, an Applicant would be required to create a UPI ID with a maximum length of 45 characters including the handle (Example: investorId@bankname).
v. An Applicant shall be required to enter a valid UPI ID, in the UPI ID field.
vi. An Applicant must select the series/option along with number of NCDs being applied for in the Issue.
vii. Applicants must check the Issue details before making an Application.
viii. Applicant will only be able to make an Application for an amount of upto ₹5 lakhs through UPI.
ix. Applicants shall only have UPI as a payment mechanism with ASBA.
x. Applicants must check and understand the UPI Mandate acceptance and blocking of fund process before making an Application.

For details of the blocking process post the Application details being entered into the bidding platform of the Stock Exchanges, see "*Issue Procedure – Submission of Applications - for Applications under the UPI Mechanism*" on page 112.

c. **SMS from the Exchanges**

i. Post completion of the blocking process, the Stock Exchanges shall send an SMS to the Applicant regarding submission of the Application at the end of day, during the Issue Period and for the last day of the Issue Period, the SMS shall be sent the next Working Day.

d. **Modification and Cancellation of Orders**

i. An Applicant shall not be allowed to add or modify the bid(s) of the Application except for modification of either DP ID/Client ID, or PAN but not both.
ii. An Applicant can withdraw the bid(s) submitted under a single Application and reapply. However, part cancellation of bid in a single Application is not permitted.

e. **Re-initiation of Bid**

i. If the Applicant has not received the UPI Mandate vide an SMS or on the mobile app, associated with the UPI ID linked bank account, they will have the option to re-initiate the bid which is pending for confirmation, after the lapse of reasonable time.
ii. The Designated Intermediaries shall be permitted to use the re-initiation of Application option only once.

For details of the process of the UPI Mandate acceptance, see "*Issue Procedure – Operational Instructions and Guidelines - Acceptance of the UPI Mandate*" on page 98.

The Issuer, Lead Managers, the Registrar to the Issue or the Stock Exchanges shall not be liable or responsible in the event an Applicant fails to receive the UPI Mandate acceptance request on their mobile or they fail to accept the UPI Mandate within the stipulated time period or due to any technical/other reasons. Since the process of making an Application through BSE Direct/ NSE goBID is based on notifications issued by the Stock Exchanges, Applicants are requested to check the website of the Stock Exchanges for any further notifications by the Stock Exchanges amending, supplementing, updating or revising the process of Applications through BSE Direct/ NSE goBID.

APPLICATIONS BY VARIOUS CATAGORIES FOR ALLOTMENT OF NCDs

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

Applications by Mutual Funds

Pursuant to the SEBI master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20%

of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10% of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme Further, the group level limits for debt schemes and the ceiling be fixed at 10% of net assets value extendable to 15% of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, (i) a certified copy of their SEBI registration certificate, (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories must be submitted with the Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by a board resolution authorising investments, memorandum and articles of association/charter of constitution, power of attorney, specimen signature of authorised signatories, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s). **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof**.

Application by scheduled commercial banks, co-operative banks and regional rural banks

Commercial banks, co-operative banks and regional rural banks can apply in this Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required, along with Power of Attorney / Letter of Authorisation, to be attached to the Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Pursuant to SEBI Master Circular, SCSBs making Applications on their own account using ASBA Facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making Application in public issues and clear demarcated funds should be available in such account for applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority of India ("**IRDAI**"), (i) a certified copy of certificate of registration issued by IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories must be lodged along with Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDA (Investment) Regulations, 2000.

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by (i) certified true copies of SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by 'Associations of Persons' and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorised to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorised person. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

Applications by National Investment Fund

The Application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) specimen signature of authorized person.

Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the act/ rules under which they are incorporated. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

The Application must be accompanied by certified true copies of certified copy of i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason thereof.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be lodged along with the Application Form. In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, the Issuer reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Issuer, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that the Issuer and the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Issuer reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

APPLICATIONS FOR ALLOTMENT OF NCDs

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and the Issuer are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Offer Document. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (https://www.sebi.gov.in) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of registered brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchanges at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the registered brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Submission of Applications

Applications can be submitted through either of the following modes:

(a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal

to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchanges. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchanges.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchanges. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application.

In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

(b) Physically through the Designated Intermediaries at the respective Collection Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Collection Center where the Application Form is submitted (a list of such branches is available at https://www.sebi.gov.in).

(c) A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is upto ₹5 lakhs, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

(d) A UPI Investor may also submit the Application Form for the Issue through BSE Direct/ NSE goBID, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges. Post which:

(a) ***for Applications other than under the UPI Mechanism*** - the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at https://www.sebi.gov.in). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected.** If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form.

(b) ***for Applications under the UPI Mechanism*** – once the Application details have been entered in the bidding platform through Designated Intermediaries or BSE Direct/ NSE goBID, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the relevant Designated Intermediary through its platform, for corrections, if any. Post uploading of the Application details on the Stock Exchanges' platform, the Stock Exchanges shall send an SMS to the Applicant regarding submission of the Application. Post undertaking validation with the Depository, the Stock Exchanges shall, on a continuous basis, electronically share the bid details along with the Applicants UPI ID, with the Sponsor Bank appointed by the Issuer. The Sponsor Bank shall then initiate a UPI Mandate Request on the Applicant. The request raised by the Sponsor Bank, would be electronically received by the Applicant as an SMS or on the mobile app, associated with the UPI ID linked bank account. The Applicant shall then be required to authorise the UPI Mandate Request. Upon successful validation of block request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account. The status of block request would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchanges. The block request status would also be displayed on the Stock Exchange platform for information of the Designated Intermediaries.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

(a) Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries at the respective Collection Centres; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Offer Document is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.

(b) The Designated Branches of the SCSBs shall accept Application Forms directly from Applicants only during the Issue Period. The SCSBs shall not accept any Application Forms directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please see "*General Information – Issue Programme*" on page 39.

Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialised form only.

Please note in accordance with SEBI Master Circular instructions to investors for completing the application form as specified in Annex- II D of the aforesaid master circular shall be disclosed on the websites of the Issuer, Lead Managers and Consortium Members during the Issue Period and a copy of the Term Sheet shall be made available on the websites of Issuer, Lead Managers and Registrar to the Issue and a link for downloading the Term Sheet shall be provided in issue advertisement for the Issue.

Accordingly, a copy of the Term Sheet including instructions to investors for completing the application form shall be disclosed on the website of the Issuer, Lead Managers, Consortium Member(s) and the Registrar to the Issue.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in **BLOCK LETTERS IN ENGLISH**, as per the instructions contained in the Offer Document and the Application Form. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.;
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names;
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. Not more than five applications can be made from one single ASBA account;
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter.

- If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form;
- It shall be mandatory for Applicants to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction;
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the Eighth Schedule of the Constitution of India needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism;
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Application Form for the records of the Applicant;
- Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be;
- Every Applicant should hold valid Permanent Account Number and mention the same in the Application Form;
- All Applicants need to tick the Series of NCDs in the Application Form that they wish to apply for;
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form;
- All Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected.
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the stock exchanges (i.e., NSE and BSE) on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Locations, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Issuer or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified Location for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip ("TRS"). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Managers, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for Allotment.

Applicants should note that neither the Members of Syndicate, Trading Member of the Stock Exchanges, Public Issue Account Banks nor Designated branches of SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. The Issuer would allot the NCDs, as specified in the Offer Document for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant option of NCDs.

B. Applicant's Beneficiary Account Details

Applicants must mention their DP ID, Client ID and UPI ID (wherever applicable) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID, PAN and UPI ID (wherever applicable) mentioned in the Application Form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID, PAN and UPI ID (wherever applicable) available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected.

On the basis of the Demographic Details as appearing on the records of the DP, the Registrar to the Issue will take steps towards demat credit of NCDs. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in demat credit and neither the Issuer, Designated Intermediaries, SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

In case of Applications made under power of attorney, the Issuer in its absolute discretion, reserves the right to permit the holder of power of attorney to request the Registrar that for the purpose of printing particulars on the Allotment Advice, the Demographic Details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue. Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither the Issuer, Registrar to the Issue, Public Issue Account Bank, Sponsor Bank nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Offer Document, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of such Applicants. **Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the parameters, namely, DP ID, Client ID, PAN and UPI ID (wherever applicable), then such Application are liable to be rejected.**

C. Unified Payments Interface (UPI)

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Issuer will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

D. Permanent Account Number

The Applicant should mention his or her Permanent Account Number allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. The exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

E. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications all interest / redemption amount payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

F. Additional/Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other option of NCDs, subject to a minimum Application size as specified in the Offer Document and in multiples of thereafter as specified in the Offer Document. **Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected**. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ 2 lakhs shall be deemed such individual Applicant to be an HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the Basis of Allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of the Offer Document and applicable law, rules, regulations, guidelines and approvals.
2. Read all the instructions carefully and complete the Application Form in the prescribed form.
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Issue.
4. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchanges are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID, Client ID, PAN and UPI ID (wherever applicable) are correct and the depository account is active as Allotment of the Equity Shares will be in dematerialized form only. The requirement for providing Depository Participant details is mandatory for all Applicants.
5. Ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Investors applying using the UPI Mechanism) in the Application Form. Further, UPI Investors using the UPI Mechanism must also mention their UPI ID.

6. UPI Investors applying using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking, is certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries.
7. UPI Investors applying using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected.
8. Ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) in case the Applicant is not the ASBA account holder. Applicants (except UPI Investors making an Application using the UPI Mechanism) should ensure that they have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Application Form. UPI Investors applying using the UPI Mechanism should ensure that they have mentioned the correct UPI- linked bank account number and their correct UPI ID in the Application Form.
9. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be.
10. UPI Investors making an Application using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to Application Amount and subsequent debit of funds in case of Allotment, in a timely manner.
11. UPI Investors making an Application using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, the UPI Investor may be deemed to have verified the attachment containing the application details of the UPI Investor making and Application using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to issue a request to block the Application Amount mentioned in the ASBA Form in their ASBA Account.
12. UPI Investors making an Application using the UPI Mechanism should mention valid UPI ID of only the Applicants (in case of single account) and of the first Applicant (in case of joint account) in the ASBA Form.
13. UPI Investors making an Application using the UPI Mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in their account and in case of Allotment in a timely manner.
14. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Collection Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediary/ Designated Branch of the SCSB.
15. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Collection Centre.
16. Ensure that you have been given an TRS and an acknowledgement as proof of having accepted the Application Form from the Designated Branch or the concerned Designated Intermediary or Trading Members of the stock exchange(s), as the case may be, for the submission of the Application Form.
17. Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes
18. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
19. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground.
20. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta.
21. Ensure that the Applications are submitted to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date.
22. Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for

blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

23. **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.
24. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
25. All Applicants should choose the relevant option in the column "Category of Investor" in the Application Form.
26. Choose and mark the option of NCDs in the Application Form that you wish to apply for.
27. Check if you are eligible to Apply under ASBA.
28. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹2,00,000 (or as stipulated by SEBI).
29. Read all the instructions carefully and complete the bid- cum-application form, as the case may be, in the prescribed form.
30. Guardians applying for minor applicants need to mention the PAN of the minor.
31. Ensure that the application form bears the stamp of the relevant designated intermediary(ies) to whom it is submitted.
32. In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of the Issue and listing at 3 (three) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum Application size.
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest.
3. Do not send Application Forms by post. Instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be.
4. Do not submit the Application Form to any non-SCSB bank or the Issuer.
5. Do not apply through an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue Size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.
8. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (wherever applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue.
9. Do not submit the Application Form without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of UPI Investors making and Application using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available.
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms.
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872.
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise.
13. Do not submit Applications to a Designated Intermediary at a location other than Collection Centres.
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction.

15. Do not apply if you are a person ineligible to apply for NCDs under this Issue including Applications by Persons Resident Outside India, NRI (inter-alia including 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).
16. Do not make an Application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue.
18. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Investors using the UPI Mechanism.
19. Do not submit more than five Application Forms per ASBA Account.
20. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.
21. Do not submit an Application Form using UPI ID, if the Application is for an amount more than UPI Application Limit and if the Application is for an amount more than ₹ 5,00,000.
22. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor.

Please also see "*Issue Procedure – Operational Instructions and Guidelines*" on page 97.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in).

Please see *"Issue Procedure – Rejection of Applications*" on page 114 for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Collection Centres, named by such SCSB to accept such Applications from the Designated Intermediaries, as the case may be (a list of such branches is available at https://www.sebi.gov.in).

For Applications other than those under the UPI Mechanism, the relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the Application. For Applications under the UPI Mechanism, i.e., upto ₹5 lakhs, the Stock Exchanges shall undertake validation of the PAN and Demat account combination details of the Applicant with the Depository. The Depository shall validate the PAN and Demat account details and send response to the Stock Exchanges which would be shared by the Stock Exchanges with the relevant Designated Intermediary through its platform, for corrections, if any. The blocking of funds in such case (not exceeding ₹5 lakhs) shall happen under the UPI Mechanism.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs or the Sponsor Bank (as the case maybe) to unblock the excess amount in the ASBA Account.

For Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application, before entering the Application into the electronic system of the Stock Exchanges. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

For Applications submitted under the UPI Mechanism, post the successful validation of the UPI Mandate Request by the Applicant, the information would be electronically received by the Applicants' bank, where the funds, equivalent to Application Amount, would get blocked in the Applicant's ASBA Account.

Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application. An Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

A UPI Investor applying through the UPI Mechanism should ensure that, they check the relevant SMS generated for the UPI Mandate Request and all other steps required for successful blocking of funds in the UPI linked bank account, which includes accepting the UPI Mandate Request by 5:00 pm on the third Working Day from the day

of bidding on the Stock Exchanges (except on the last day and the second to last day of the Issue Period, where the UPI Mandate Request shall be accepted by 5:00 pm of the Issue Closing Date).

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs or the Sponsor Bank (in case of Applications under the UPI Mechanism) on the basis of the instructions issued in this regard by the Registrar to the respective SCSB or the Sponsor Bank, within two Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Issue or until rejection of the Application, as the case may be.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using physical Application Form, (a) to the Designated Intermediaries at relevant Collection Centres, or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using electronic Application Form, to the SCSBs, electronically through internet banking facility, if available.
Applications under the UPI Mechanism	(i) Through the Designated Intermediary, physically or electronically, as applicable; or (ii) Through BSE Direct/ NSE goBID.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an Acknowledgement Slips which will serve as a duplicate Application Form for the records of the Applicant.

Electronic Registration of Applications

(a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications (including those under the UPI Mechanism) using the on-line facilities of the Stock Exchanges. **The Members of Syndicate, the Issuer and the Registrar to the Issue or the Lead Manager(s) is not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchanges or (vi) any Application made under the UPI Mechanism, accepted or uploaded or failed to be uploaded by a Designated Intermediary or through the app/web based interface of the Stock Exchanges and the corresponding failure for blocking of funds under the UPI Mechanism.**

(b) In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the option, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for Allotment/rejection of Application.

(c) The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on this Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants

are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchanges, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(e) With respect to Applications submitted to the Designated Intermediaries, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- UPI ID (if applicable)
- Number of NCDs applied for
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Location
- Application amount

(f) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by the Issuer. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(g) **Applications can be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect.** The permission given by the Stock Exchanges to use its network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Issuer, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Issuer, the management or any scheme or project of the Issuer; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Offer Document; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

(h) **Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment**. The Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue

Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Bond Issue Committee thereof, reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

(a) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
(b) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicants' ASBA Account maintained with an SCSB;
(c) Applications not being signed by the sole/joint Applicant(s);
(d) Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
(e) Applications submitted without blocking of the entire Application Amount. However, the Issuer may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as per the Offer Document;
(f) Applications not made through the ASBA facility
(g) Investor Category in the Application Form not being ticked;
(h) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, the Issuer may Allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
(i) Applications where a registered address in India is not provided for the non-Individual Applicants;
(j) In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
(k) Application Amounts blocked not tallying with the number of NCDs applied for;
(l) Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
(m) PAN not mentioned in the Application Form., except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
(n) DP ID, Client ID or UPI ID (wherever applicable) not mentioned in the Application Form;
(o) GIR number furnished instead of PAN;
(p) Applications by OCBs;
(q) Applications for an amount below the minimum Application size;
(r) Submission of more than five ASBA Forms per ASBA Account;
(s) Applications by persons who are not eligible to acquire NCDs of the Issuer in terms of applicable laws, rules, regulations, guidelines and approvals;
(t) Applications under power of attorney or by limited companies, corporate, trust etc. submitted without relevant documents;
(u) Applications accompanied by stock invest/ cheque/ money order/ postal order/ cash;
(v) Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
(w) Applications by persons debarred from accessing capital markets, by SEBI or any other appropriate regulatory authority;
(x) Date of birth for first/sole Applicant for persons applying for allotment not mentioned in the Application Form;
(y) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant;
(z) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
(aa) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediary, as the case may be;
(bb) ASBA Applications not having details of the ASBA Account or the UPI-linked Account to be blocked;
(cc) In case no corresponding record is available with the Depositories that matches the parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN not available in the Depository database;
(dd) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;

(ee) SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;

(ff) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;

(gg) Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;

(hh) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;

(ii) Applications by any person outside India;

(jj) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;

(kk) The UPI Mandate Request is not approved by the Retail Individual Investor within prescribed timelines;

(ll) Applications not uploaded on the online platform of the Stock Exchanges;

(mm) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;

(nn) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form, the Offer Document and as per the instructions in the Application Form and the Offer Document;

(oo) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(pp) Applications providing an inoperative demat account number;

(qq) Applications submitted to the Designated Intermediaries other than the Collection Centres or at a Branch of a SCSB which is not a Designated Branch;

(rr) Applications submitted directly to the Public Issue Bank (except in case the ASBA Account is maintained with the said bank as a SCSB);

(ss) Investor category not ticked;

(tt) Forms not uploaded on the electronic software of the Stock Exchanges;

(uu) In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;

(vv) where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;

(ww) Where Demat details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;

(xx) A UPI Investor applying through the UPI Mechanism, not having accepted the UPI Mandate Request by 5:00 pm on the third Working Day from the day of bidding on the stock exchange except on the last day and the second to last day of the Issue Period, where the UPI Mandate Request not having been accepted by 5:00 pm of the Issue Closing Date; and

(yy) An Application under the UPI Mechanism for an amount more than ₹5 lakhs.

For information on certain procedures to be carried out by the Registrar to the Issue for finalization of the Basis of Allotment, please see "*Information for Applicants*" below.

Information for Applicants

Upon the closure of the Issue, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID, UPI ID (where applicable) and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database and prepare list of technical rejection cases. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such Applications or treat such Applications as rejected.

Based on the information provided by the Depositories, the Issuer shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Retention of oversubscription/Green Shoe Option

The Issuer shall have the option to retain over- subscription up to the Issue limit.

Basis of Allotment for NCDs

The Registrar to the Issuer will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the Basis of Allotment. Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, **("Institutional Portion")**;

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, **("Non-Institutional Portion")**.

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, **("High Net Worth Individual Investors Portion")**.

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, **("Retail Individual Investors Portion")**.

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, the Issuer shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case the Issuer opts to retain any oversubscription in the Issue up to an amount specified under the Offer Document. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case the Issuer opts to retain any oversubscription in Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed in the Offer Document.

Allocation Ratio:

Particulars	Category I	Category II	Category III	Category IV
% of the Issue size	[●]%	[●]%	[●]%	[●]%
Base Issue Size in amount (₹ in crore)	[●]	[●]	[●]	[●]
Total Issue Size in amount (₹ in crore)	[●]	[●]	[●]	[●]

(a) *Allotments in the first instance:*

(i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

(ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

(iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

(iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to [●] of Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

As per the SEBI Master Circular, the allotment in this Issue is required to be made on date priority basis i.e., on first-come first-serve basis, based on the date of upload of each application into the electronic book of the Stock Exchanges, in each Portion subject to Allocation Ratio. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

Under Subscription

(a) If there is any under subscription in any Portion(s), priority in Allotments to other Portion(s) will be first to the Retail Individual Investors Portion, and balance, if any, shall be first made to applicants of the High Net Worth Individual Investors Portion, then to Non Institutional Portion, followed by the Institutional Portion on a first come first serve basis. If there is under subscription in the overall Issue Size, all valid Applications received till the end of last day of the Issue Closure shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

(b) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where applications uploaded into the platform of the Stock Exchanges exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.

(c) Minimum Allotments of 10 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.

Allotments in case of oversubscription

In case of an oversubscription of the overall Issue, for the purpose of allotment oversubscription will considered Portion wise and allotments to the maximum extent, as possible, will be made on date priority basis i.e. on first-come first-serve basis, based on the date of upload of each application into the electronic book of the Stock Exchanges, in each Portion subject to Allocation Ratio, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and thereafter proportionate allotment of NCDs to the applicants from the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion) up to the last day of the Issue Period.

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

a. In case of an oversubscription in all Portions resulting in an oversubscription in the Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).

b. In case there is oversubscription in Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:

   i. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.

   ii. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application into the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchanges during the Issue period.

   iii. For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Issue Period.

   In case of an oversubscription of the overall Issue and where any Portion(s) gets oversubscribed on the first day of the Issue, all valid applications in such Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall get proportional allotment.

Proportionate Allotments:

For each portion, from the date of oversubscription and thereafter:

(1) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

(2) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

(3) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, the Issuer will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

Unblocking of funds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.
In case of ASBA Applications submitted to the SCSBs, in terms of the RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Manager sand the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected. In case of Applicants submitted to the Lead Managers, Consortium Members and Trading Members of the Stock Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, the Issuer, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per Depository records or treat such ASBA Application as rejected. Based on the information provided by the Depositories, the Issuer shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within two Working Days of the Issue Closing Date.

The Issuer and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within two Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,
a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected for the delay beyond two Working Days; and
d) The Issuer will provide adequate funds to the Registrar to the Issue for this purpose

ISSUANCE OF ALLOTMENT ADVICE

The Issuer shall ensure dispatch of Allotment Advice and give instructions for credit of NCDs to the beneficiary account with Depository Participants upon approval of Basis of Allotment. The Allotment Advice for successful Applicants will be mailed by ordinary post to their addresses as per the Demographic Details received from the Depositories.

The Issuer shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken to ensure listing within 3 (three) Working Days from the Issue Closing Date.

Allotment Advices shall be issued or Application Amount shall be unblocked within prescribed timelines, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.
The Issuer will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications until the Issue Closing Date. In case an Applicant wishes to withdraw the Application during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite.

In case of Applications (other than under the UPI Mechanism) were submitted to the Designated Intermediaries, upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediary, as the case may be, shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications (other than under the UPI Mechanism) submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account, directly.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice no. NSE/CML/2012/0672 dated August 07, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary and the Designated Branch of the SCSBs, as the case may be. For Applications made under the UPI Mechanism, an Applicant shall not be allowed to add or modify the details of the Application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the Applicant may withdraw the Application and reapply.

However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/ modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by the Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on the Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/ or the Designated Branches of the SCSBs will be given up to 5:00 p.m. on the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. Please also see, "*Issue Procedure – Operational Instructions and Guidelines - Modification and cancellation of orders*" on page 100.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between the Issuer, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialised form.

In this context:

(i) Tripartite agreement dated January 17, 2022 among the Issuer, the Registrar and NSDL and tripartite agreement dated February 09, 2022 among the Issuer, the Registrar and CDSL, respectively for offering depository option to the investors.
(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
(iii) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
(iv) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(v) Non-transferable Allotment Advice will be directly sent to the Applicant by the Registrar to this Issue.
(vi) It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges has connectivity with NSDL and CDSL.
(vii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

Allottees will have the option to rematerialize the NCDs allotted under this Issue as per the provisions of the SEBI ILMDS Regulations and the Depositories Act.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCDS.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or post Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any post Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant stock exchanges (i.e., NSE or BSE).

Interest in case of delay

The Issuer undertakes to pay interest, in connection with any delay in Allotment and demat credit, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "*Risk factors*" on page 18.

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the draft offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the Blue Bonds are listed."

As per the SEBI ILMDS Regulations and SEBI Master Circular, the following are the details of applicable interest or penalty required to be paid by the Issuer if it fails to refund / unblock the amounts in timely manner for each instance:

Reason for Refund / Unblocking	Applicable Interest / Penalty
Delay in refund of application monies	No interest is payable on Application monies. In case of any delay in refund/ unblocking of application monies due to withdrawal of application/ withdrawal of Issue beyond prescribed timelines, interest at the rate of fifteen percent per annum shall be payable.

Reason for Refund / Unblocking	Applicable Interest / Penalty
Failure to receive minimum subscription in connection with the Base Issue Size and any delay in making refunds/ unblocking the funds within 12 days from the Issue Closing Date	In case of any delay, interest at the rate of ten per cent. per annum shall be payable for the delayed period
Delay in receipt of listing approval within the timelines prescribed under Applicable Law	In case of delay in listing of the NCDs beyond 3 (three) working days from Issue Closing Date, the Issuer shall pay penal interest of 2 % per annum which shall be paid over and above the Coupon Rate for the period of delay in listing.
Failure to obtain the final approval from the Stock Exchanges for listing of the Blue Bonds, application monies to be refunded within seven days of receipt of intimation from stock exchange	In case of any delay in refund of application monies, interest at the rate of fifteen percent per annum shall be payable till such refund is made.
In case of delay in allotment/ non allotment due to technical rejections or over subscriptions - amount to be refunded / unblocked within the timelines prescribed under Applicable Law	In case of any delay in refund, interest at the rate of fifteen percent per annum shall be payable till such refund is made
Delay/Default in payment of coupon/ redemption amount	In case of default/delay in payment of Interest and/or principal redemption on the due dates, additional interest of at least @2% p.a. over the Coupon Rate shall be payable by the Issuer for the defaulting period.
Delay in execution of Debenture Trust Deed and security documents	In case of delay in execution of Debenture Trust Deed and security documents, the Issuer will pay an interest of at least @ 2% p.a. over the Coupon Rate or such other rate as specified by the Board till the execution of the Debenture Trust Deed.

For further details, please see, "*Risk Factor - There may be a delay in making refund/ unblocking of funds to Applicants*".

Other Undertakings by the Issuer

The Issuer undertakes that:

a) The Draft Offer Document does not omit disclosure of a material fact which may make the statements made therein misleading.
b) The Draft Offer Document or term sheet or any advertisement issued, in connection with debt securities shall not contain any false or misleading statement.
c) The Draft Offer Document contains all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.
d) The Issuer shall treat the applicants in public issue of municipal debt securities in a fair and equitable manner as per the procedures as may be specified by the Board.
e) The Issuer shall comply with the conditions of listing specified in Schedule V of SEBI ILMDS regulations including continuous disclosure and other requirements specified by the SEBI from time to time.
f) The information in respect of issues such as issuer details, instrument details, ratings, rating migration, coupon, buyback etc. shall be required to be reported to a common database as may be specified by the Board.
g) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by the Issuer expeditiously and satisfactorily;
h) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
i) The Issuer will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 3Working Days from the Issue Closing Date;
j) Funds required for dispatch of Allotment Advice will be made available by the Issuer to the Registrar to the Issue;
k) The Issuer will forward details of utilisation of the proceeds of the Issue, duly certified by the Auditor, to the Debenture Trustee;
l) We Issuer shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by the from time to time;
m) The Issuer will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Offer Document;
n) The Issuer will disclose the complete name and address of the Debenture Trustee on its website;
o) We shall create a recovery expense fund in the manner as specified by SEBI from time to time; and inform the Debenture Trustee about the same.

SECTION-X: FINANCIAL INFORMATION

I. Following details as per the financial statements for past 3 years in tabular format:

A. EXAMINATION REPORT ON FINANCIAL INFORMATION

To,

Dated: November 13, 2026

VADODARA MUNICIPAL CORPORATION
1st Floor, Khanderao Market,
Raj Mahal Road,
Vadodara- 390209

Dear Sir/s,

1. We have examined the Financial Information comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statement for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 (collectively, the "**Financial Information**") of Vadodara Municipal Corporation (the "**Issuer**") as annexed to this report for the purpose of inclusion in the Draft Offer Document and the Offer Document to be filed by the Issuer with the Securities and Exchange Board of India ("**SEBI**") and the stock exchange(s) where the 20,00,000 (Twenty Lakhs) rated, listed, taxable, unsecured, redeemable, non-convertible municipal bonds in the nature of debentures, of face value of ₹ 1,000/- (Rupees One Thousand Only) ("**Blue Bonds**"/ "**NCDs**"/ "**Debentures**"/"**Bonds**") for an amount aggregating up to ₹ 200 crores (Rupees Two Hundred Crores Only) ("**Issue**")

   The Financial Information has been prepared and approved by the Management of the Issuer in connection with its proposed Public Issue and prepared in accordance with:

   a) Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time ("**Regulations**");
   b) The National Municipal Accounts Manual (NMAM);
   c) The Gujarat Provincial Municipal Corporation Act, 1949 ("**Act**") and the rules framed thereunder;
   d) The guidance notes issued from time to time by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Notes**").

The audit of the municipal accounts for the financial year ended 31 March 2024, 31 March 2025 and 31 March 2026 have been conducted by the Municipal Chief Auditor of the Corporation as per the section 105 and 106 of The Gujarat Provincial Municipal Corporations Act, 1949. Further the review of the financial statements for the financial year ended 31 March 2024, 31 March 2025 and 31 March 2026 has been conducted by us in accordance with SRE 2400 (Revised), for which Review reports were issued dated May 28, 2024, 30th May 2025 and May 29, 2026, respectively.

Management Responsibility

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

Responsibility of the Auditor for the Issue

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

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 31.03.2026 in connection with the proposed Issue of the Debentures by the Issuer;
   b) The Guidance Notes. We are required to comply with the ethical requirements of the code of ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Financial Information; and
   d) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Regulations and the Guidance Notes in connection with the proposed Issue of Debentures.

Opinion

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

The Financial Information comprising of the Balance Sheet, the Income and Expenditure Statement and Cash Flow Statement for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024 (collectively, the "**Financial Information**") is accurately sourced from the financial statements of the corporation for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024.

5. This Examination report should not in any way be construed as a reissuance, re-stated or re-dating of any of the previous reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

7. Our report is intended solely for use of the purpose set out in first paragraph and in connection with the proposed issue of Bonds. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. We hereby provide our consent for sharing of our report with SEBI, the stock exchanges or any other statutory/ regulatory authority, as may be required, and A.K Capital Services Limited and Tipsons Consultancy Services Private Limited (being the Lead Managers to the Issue) and M V Kini Law Firm (Legal Counsel to the Issue).

For, M/s Shah & Tolia
Chartered Accountants
Firm Registration No. 135095W
Date: November 13, 2026
Place: Vadodara
CA Harshit N Shah
Partner
Membership No. 150855
UDIN: 26150855JNFIWO7743

a) ABRIDGED BALANCE SHEET

(₹ in Crore)

Particulars	Financial Year		
	2023-24	2024-25	2025-26
LIABILITIES			
Reserves & Surplus			
Municipal (General) Fund	5686.77	5402.35	5042.5
Earmarked Funds[1]	318.21	391.65	472.07
Reserves	1345.92	1260.52	1144.76
Total Reserves & Surplus	**7350.89**	**7054.52**	**6659.34**
Grants, Contributions for specific purposes	**7839.35**	**8915.92**	**10645.75**
Loans			
Secured Loans	38.05	31.41	24.81
Unsecured Loans	206.21	203.02	200.00
Total Loans	**244.26**	**234.43**	**224.81**
Current Liabilities and Provisions			
Deposits Received	290.03	324.86	384.06
Deposit works	8.42	9.23	9.67
Other Liabilities (Sundry Creditors)[2]	182.51	217.50	335.80
Provisions	57.78	61.12	56.35
Total Current Liabilities and Provisions	**538.74**	**612.70**	**785.88**
TOTAL LIABILITIES	**15973.25**	**16817.57**	**18315.77**
ASSETS			
Fixed Assets			
Gross Block	12632.49	13279.00	13933.67
Less: Accumulated Depreciation	3136.85	3482.68	3861.51
Net Block	**9495.64**	**9796.32**	**10072.16**
Capital Work-in-Progress[3]	2574.37	3056.81	3973.51
Total Fixed Assets	**12070.01**	**12853.13**	**14045.67**
Investments			
Investment – General Fund	697.46	714.31	712.40
Investments – Other Funds	1145.93	1077.92	1100.74
Total Investments	**1843.39**	**1792.23**	**1813.14**
Current Assets, Loans and Advances			
Stock in Hand (Inventories)	6.12	7.79	8.18
Sundry Debtors (Receivables)			
Gross Amount Outstanding	385.59	439.99	485.30
Less: Accumulated provision against bad and doubtful receivables	-	-	-
Net Amount Outstanding	385.59	439.99	485.30
Prepaid Expenses	0.00	0.00	0.00
Cash and Bank Balances	1453.86	1444.42	1614.08
Loans, advances and deposits[4]	214.13	279.86	349.25
Less: Accumulated provision against Loans Net Amount outstanding	-	-	-
Net Amount Outstanding	**214.13**	**279.86**	**349.25**
Total Current Assets, Loans & Advances	**2059.70**	**2172.06**	**2456.81**
Other Assets	0.15	0.15	0.15
Miscellaneous Expenditure (to the extent not written off)	-	-	-
TOTAL ASSETS	**15973.25**	**16817.57**	**18315.77**

Notes:

1. *The increase in earmarked funds across the years has been primarily on account of increase in sinking fund (including interest earned thereon) created for redemption of bonds and green bonds issued previously by the Corporation as well as increase in plantation deposit by the Corporation.*
2. *The sharp increase in other liabilities (sundry creditors) in FY 2025-26 is mainly on account of the amount set aside by the Corporation out of the sale proceeds of land for future land purchases and legal matters.*
3. *The increase in capital work-in-progress is due to the higher spending on capital works by the Corporation across the years, mainly out of Grant fund.*
4. *The increase in loans, advances and deposits across the years in mainly on account of the higher amount of advances provided by the Corporation to road contractors and other contractors during both these financial years to undertake the contract works.*

b) INCOME & EXPENDITURE ACCOUNT

(₹ in Crore)

Major Head of Account	Financial Year		
Particulars	**2023-24**	**2024-25**	**2025-26**
INCOME			
Tax Revenue	591.13	616.91	647.89
Assigned Revenues & Compensation	61.22	68.22	72.41
Rental Income from Municipal Properties[1]	33.72	15.04	13.84
Fees & User Charges[2]	337.25	237.46	255.43
Sale & Hire Charges	0.85	0.63	0.70
Revenue Grants, Contributions & Subsidies	553.57	573.74	608.32
Income from Investments	0.00	0.00	0.00
Interest Earned	135.08	165.84	150.81
Other Income[3]	18.78	23.40	76.10
Inventories	(0.80)	1.66	0.40
Total – INCOME	**1730.80**	**1702.90**	**1825.90**
EXPENDITURE			
Purchase Expenses	-	-	-
Establishment Expenses	790.96	853.90	877.90
Administrative Expenses[4]	22.26	16.75	22.48
Operations & Maintenance	280.45	321.30	343.58
Programme Expenses	274.75	315.41	367.83
Revenue Grants, Contributions & subsidies	0.46	0.58	0.04
Total – EXPENDITURE	**1368.88**	**1507.94**	**1611.83**
Gross surplus/ (deficit) of income over expenditure before Depreciation, interest and Prior Period Items	**361.92**	**194.96**	**214.07**
Less:			
Interest and Finance Charges[5]	12.98	19.74	18.20
Depreciation	305.22	345.83	378.83
Net Surplus/(deficit) of income over expenditure after Depreciation, interest and before Prior Period Items	**43.72**	**(170.61)**	**(182.96)**
Add: Prior period Items (Net)	(6.17)	(0.53)	(17.89)
Add: Depreciation charged to revaluation reserve	80.16	80.16	80.16
Net surplus/ (deficit) of income over expenditure after Prior Period Items	117.71	(90.98)	(120.69)
Less: Transfer to reserve funds	**117.71**	**(90.98)**	**(120.69)**
Net balance being surplus/ deficit carried over to Municipal Fund			

Notes:

1. *The rental income from Municipal Properties has reduced drastically in FY 2024-25 mainly due to sharp reduction in income from rent of cable connection (from Rs 14.45 Crore in FY 2023-24 to Nil in FY 2024-25) and income from advertisements/hoardings on municipal properties (from Rs 4.87 Crore in FY 2023-24 to Rs 0.72 Crore in FY 2024-25).*
2. *The fees and user charges has reduced sharply in FY 2024-25 mainly due to decline in income from building permission fee from Rs 291.84 Crore in FY 2023-24 to Rs 206.44 Crore in FY 2024-25.*
3. *Other income rose sharply in FY 2025-26 mainly due to receipt of Rs 45 Crore reimbursement grant from the Health Department during the year.*
4. *The administrative expenses is showing a sharp reduction in FY 2024-25 mainly due to regrouping of expenses incurred under the sub-head 'Manavdin for Removal of Mosquitoes' from administrative expenses to establishment expenses in FY 2024-25. Further, the administrative expenses increased sharply in FY 2025-26 mainly on account of contract execution expenses incurred for city bus services of Rs. 5.20 Crores by the Corporation in FY 2025-26, which was earlier used to be incurred by the Smart City till FY 2024-25.*
5. *Although the total Loans are decreasing year on year but the interest cost increased in FY 2024-25 reason being the Green Bonds were issued in March 2024 and interest cost on the said bonds started becoming due from FY 2024-25, which was the first full financial year for the green bonds.*

c) CASH FLOW STATEMENT

(₹ in Crore)

Particulars	Financial Year		
	2023-24	2024-25	2025-26
Cash flows from Operating Activities:			
Gross surplus/(deficit) over expenditure	**117.71**	**(90.98)**	**(120.69)**
Adjustments for			
Add:			
Depreciation	305.22	345.83	378.83
Interest & finance expenses	12.98	19.74	18.20
Less:			
Investment income	-	-	-
Interest income	135.08	154.03	150.81
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	300.83	120.56	125.53
Changes in current assets and current liabilities			
(Increase)/decrease in Sundry debtors	(64.02)	(54.38)	(45.30)
(Increase)/decrease in Stock in Hand	0.81	(1.66)	(0.40)
(Increase)/decrease in other current assets	0.00	0.00	0.00
(Decrease)/increase in Deposits received	12.05	35.63	59.65
(Decrease)/increase in other current liabilities	35.94	34.99	118.30
(Decrease)/increase in Provisions	9.74	3.33	(4.77)
	-5.48	**17.91**	**127.48**
Net cash generated from/(used in) operating activities (a)	**295.35**	**138.47**	**253.01**
B. Cash flows from Investing Activities			
(Purchase) of/ Change in fixed assets	(884.91)	(646.82)	(654.66)
(Purchase) of CWIP	4.83	(482.44)	916.70
Municipal (General) fund / Reserves	(97.89)	(278.85)	(354.91)
Increase/(Decrease) in Special Funds/Grants	1271.53	1076.57	1729.83
Increase/(Decrease) in Earmarked Funds	64.75	73.45	80.42
(Purchase) of Investments	(438.04)	51.16	(20.91)
	79.74	206.63	136.93
Add:			
Proceeds from disposal of Investments	-	-	-
Sale of Fixed Assets	-	-	-
Interest income received	135.08	154.03	150.81
Recovery of Loan	-	-	-
-Loan advanced to employee	(10.37)	(65.73)	(69.40)
Net cash generated from/ (used in) investing activities (b)	**44.97**	**(118.33)**	**(55.52)**
C. Cash flows from Financing Activities			
Add:			
Loans from Banks/Others Received	100.00	0.00	0.00
Less:			
Loan Repaid	9.51	9.83	9.63
Finance Expenses	12.98	19.74	18.20
Net cash generated from/ (used in) financing activities (c)	**77.51**	**(29.57)**	**(27.83)**
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	**417.83**	**(9.43)**	**169.66**
Cash and cash equivalents at beginning of period	1036.02	1453.85	1444.42
Cash and cash equivalent at the end of the year comprises of the following account balances at the end of the year: i. Cash balances ii. Bank Balances iii. Scheduled Co-operative Banks iv. Balances with post offices v. Balances with other banks	1453.85	1444.42	1614.08

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

The financial information regarding the Corporation can be obtained from the link: https://vmc.gov.in/SupportAccounts.aspx

C. COPY OF BUDGET DOCUMENTS FOR PREVIOUS THREE YEARS

The summary of budget of the Issuer for previous three financial years (FY 2023-2024, FY 2024-2025 and FY 2025-26) and for the current FY 2026-2027 are annexed herewith as Annexure VII.

For complete budget documents for previous three financial years (FY 2023-2024, FY 2024-2025 and FY 2025-2026) and for the current FY 2026-2027 please refer to the link: https://vmc.gov.in/SupportAccounts.aspx

D. FINANCIAL PARAMETERS

(₹ in Crores except ratios)

Key Financial Figures	Financial Year		
	2023-24	2024-25	2025-26
Revenue Income*	1726.19	1704.95	1811.11
Revenue expenditure (Excl. Interest)**	1595.50	1776.19	1913.60
Operating revenue Surplus	**130.69**	**-71.24**	**-102.49**
Interest expense	12.98	19.74	18.20
Principal repayment (outside sinking Fund)	9.51	9.82	9.63
Contribution to Sinking fund	22.00	41.67	40.00
Revenue Surplus***	**117.71**	**-90.98**	**-120.69**
Capital Income	1271.53	1076.57	1729.83
Capital Expense	880.07	1128.95	1571.37
Capital Surplus	**391.46**	**-52.38**	**158.46**
Overall Surplus	**509.17**	**-143.36**	**37.77**
Deposits and Advances (net)	-84.33	-54.22	-44.48
Initial Cash/Bank balance	1036.02	1453.85	1444.42
Change in Cash/Bank balance	417.83	-9.43	169.66
Final Cash / Bank Balance	**1453.85**	**1444.42**	**1614.08**
Loan repayment from sinking fund	0.00	0.00	0.00
Initial Sinking fund Balance	21.67	43.67	85.33
Change in sinking fund	22.00	41.67	40.00
Final sinking fund balance	**43.67**	**85.34**	**125.33**
Total Debt	244.26	234.43	224.81
Total Expenditure	2488.55	2924.88	3503.17
Total Revenue	2997.72	2781.52	3540.94
Ratio of Total Expenditure/Total Revenue	0.83	1.05	0.99
Cash Surplus ****/ Total Revenue	0.24	0.04	0.09
Ratio of Debt Service***** / Total Revenue	0.01	0.03	0.02

**Includes prior period income*

***Includes prior period expenses. Further while adding the depreciation expense, the depreciation charged to revaluation reserve has been reduced*

****The interest expense has been reduced from the operating revenue surplus while calculating the revenue surplus*

*****Cash Surplus is calculated by adding back net depreciation to the overall surplus & net depreciation less depreciation revaluation reserve. While calculating the net depreciation expense, the depreciation charged to revaluation reserve has been reduced.*

******Debt service includes Interest expense, Principal repayment (outside sinking Fund) and Contribution to Sinking fund.*

I. Details of top 5 revenue sources for the previous three years

(₹ in Crores)

Revenue Receipts Type	Financial Year		
	2023-24	2024-25	2025-26
	Actual	Actual	Actual
Tax Revenue	591.13	617.64	647.89
Revenue Grants, Contributions & Subsidies	553.57	573.74	608.32
Fees & User Charges	337.25	246.74	255.43
Interest Earned	135.08	154.03	150.81
Assigned Revenues & Compensation	61.22	70.09	72.41

II. Details of Property Tax Collection

(₹ in crore)

Particulars	Demand Raised			Collections			Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Arrears	Current	Total		
2025-2026	363.99	555.38	919.37	83.85	455.27	539.12	58.64%	81.97%
2024-2025	324.57	516.93	841.50	68.83	451.21	520.04	61.80%	87.29%
2023-2024	278.16	489.33	767.49	59.83	431.88	491.71	64.07%	88.26%

III. Status of reforms with respect to e-governance, cost recovery on water supply & Solid Waste Management (SWM), property tax, double entry accounting and others, as specified by MoUD and authorities concerned

(i) Reforms on E-Governance

- **My Vadodara- Mobile Application**

VMC has launched the "My Vadodara" App, a comprehensive digital platform providing citizens convenient and transparent access to municipal and civic services. The App enables online and WhatsApp-based complaint registration, facilitating responsive grievance redressal and reducing the need for physical visits to municipal offices. It also provides contact details and geo-location facilities for essential civic amenities, including Blood Banks, Urban Health Centers, Community Halls and Cremation Grounds.

VMC has further digitised services including Fire and Emergency Services, Gas Bill payments, Shops and Establishments services, Water and Drainage services, Fire NOCs, Vendor Registration, Food Safety Licenses, Contractor Registration and online payment facility for Property tax, Professional Tax and vehicle tax. These initiatives streamline municipal and regulatory processes, reduce administrative and procedural burdens, minimise physical interaction with authorities, and enhance accessibility, efficiency and transparency in civic service delivery.

- **Call Centre on 24x7 basis**

VMC has established a 24x7 customer care and call centre facility through a toll-free helpline to facilitate convenient and accessible communication between citizens and the municipal administration. The facility enables citizens to seek information and assistance in relation to various services, functions and activities of VMC, without the requirement of visiting municipal offices in person. The facility also enables citizens to register complaints and grievances and obtain information regarding the status and progress of complaints filed by them, thereby providing an accessible mechanism for grievance registration and follow-up. The availability of the service on a 24x7 basis and through a toll-free number facilitates continuous access to municipal assistance and reduces procedural and logistical difficulties for citizens in communicating with VMC.

- **Integrated Operation Centre & Command and Control Centre (ICCC)**

VMC has established an Integrated Command and Control Centre (ICCC) under the Smart City Mission, integrating various smart-city and civic systems, including CCTV cameras, ANPR systems (Automatic Number Plate Recognition), smart traffic signals, variable messaging sign boards, public address systems, emergency call boxes , environmental sensors and data centre. The CCC operates as an integrated platform receiving inputs from various Government and civic departments, including fire, police, water and sanitation, health and meteorology, thereby enabling coordinated monitoring and management of civic services. The

initiative further incorporates an optical fibre network for connecting IoT devices, integration of GIS, SWM Vehicle Tracking, City Bus Tracking, Water SCADA System etc. and other municipal systems, and a cloud-based disaster recovery facility, thereby strengthening the efficiency, reliability and scalability of VMC's civic and emergency response infrastructure.

- **Fire, Water tanker and Water drainage Services**

  VMC has enabled **online applications for Fire and Emergency Services** through its web portal and mobile application, facilitating citizens in registering their premises for applicable fire services and obtaining **Fire NOCs and related fire-compliance approvals**. The digital platform enables submission of application particulars and requisite documents, generation of an application number and mobile notification, and **online tracking of application status and downloading of applications**. The facility also enables citizens to seek **emergency fire services**, facilitating prompt response and deployment of fire services to the concerned premises. The initiative promotes fire safety compliance, improves accessibility to fire services, reduces the need for physical visits and facilitates transparent and streamlined service delivery.

- **Hoarding/LED Display boards**

  VMC has introduced an online facility for applications relating to installation of hoardings, LED panels and other advertisement displays through its web portal. Applicants can submit their applications, pay the applicable fees online and track the status of their applications through the portal. The initiative provides a centralised mechanism for VMC to regulate and manage advertisement displays within the city, while enabling citizens and advertisers to access the approval process conveniently and transparently, thereby reducing procedural requirements and facilitating efficient administration of outdoor advertising activities.

- **Urban Transport Services**

  Vadodara Municipal Corporation (VMC) has deployed a fleet of 150 city buses to facilitate efficient, reliable and accessible public transportation across the city. This public transport network plays an important role in enhancing urban mobility by providing convenient connectivity between various residential, commercial and institutional areas. The initiative aims to improve accessibility, facilitate the daily commute of citizens, reduce dependence on private vehicles and promote an organised and sustainable urban transportation system.

- **Health Care Services**

  VMC has established an extensive urban healthcare network comprising 4 Urban Community Health Centres (UCHCs) and 40 Urban Primary Health Centres (UPHCs), ensuring comprehensive and accessible healthcare services across the city. These healthcare facilities play a vital role in strengthening the city's public health infrastructure by providing essential medical services and catering to the healthcare needs of the urban population.

  In addition, VMC operates a network of 439 Anganwadi Centres, which provide essential nutritional support, early childhood care and educational services to children in the 0–6 years age group. These centres contribute significantly towards improving child health, nutritional outcomes and early childhood development, thereby reinforcing VMC's commitment to inclusive and community-oriented healthcare and welfare services.

- **Roads and Streetlight Coverage**

  VMC has developed an extensive road network spanning approximately 1,837 km, covering nearly 89% of the city's geographical area and catering to approximately 91% of its resident population. This road infrastructure plays a significant role in facilitating seamless intra-city connectivity, improving accessibility to various residential, commercial and institutional areas, and supporting the overall mobility and transportation requirements of the city.

  Further, VMC has established a comprehensive street lighting network extending approximately 2,600 km, covering nearly 97% of the city's geographical area and serving approximately 98% of its population. The extensive street lighting infrastructure enhances visibility and road safety, particularly during night-time, while contributing to improved public security, convenience and the overall quality of urban life.

(ii) Water Supply Reforms

- **Coverage of water supply connection: 100%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services in year 2021 as OG limit extends from 159 sq.km to 220.33 sq.km then 91% (Year 2023-24) 95% in (Year 2024-25) and 98% in (Year 2025-2026) by providing and laying New Water Supply Network pipeline length 2055 KM in different areas within VMC limit.

- **Per capita supply of water:**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services as OG limit extends from 159 sq.km to 220.33 sq.km. then 179 lpcd (Year 2023-24) 185 lpcd in (Year 2024-25) and 219 lpcd in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Extent of metering of water connection: 100%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services as OG limit extends from 159 sq.km to 220.33 sq.km then 7% in (Year 2023-2024) 7% in (Year 2024-2025) and 7% in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Extent of non-revenue water: 20%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services as OG limit extends from 159 sq.km to 220.33 sq.km then 23% in (Year 2023-2024) 20% in (Year 2024-2025) and 15% in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Continuity of water supply: 24 hours per day**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services from 1 hour in (Year 2023-2024) to 1 hour in (Year 2024-2025) and maintained as 1 hour in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Quality of water supplied: 100%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services as OG limit extends from 159 sq.km to 220.33 sq.km then 99% (Year 2023-24) 99% in (Year 2024-2025) and 99% in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Efficiency in redressal of customer complaints: 80%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services 99% in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Cost recovery in water supply services: 100%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services 95% in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Efficiency in collection of water supply related charges: 95%**

  VMC has taken Service Level Benchmark of Water Supply Connections for Water Supply Network Services as OG limit extends from 159 sq.km to 220.33 sq.km. then 92% in (Year 2023-2024) ,95% in (Year 2024-2025) and 95% in (Year 2025-2026) by providing and laying New Water Supply Network in different areas within VMC limit.

- **Scada Phase-2 Projects - Distribution Network**

  Real-time monitoring of water distribution networks through ICCC, zonal SCADA, and mobile applications enables precise tracking of flow and pressure, while remote motorized valve control ensures hassle-free operations. Equal water distribution is achieved using flow readings, and areas with reduced supply time or problematic zones such as leakages and blockages can be identified through historical benchmarks. Authentic data helps prioritize complaints for faster redressal, and supply timings and durations at the distribution zone level can be cross-checked and monitored for improved efficiency, Water Quality Monitoring: Deploy IoT-based sensors for continuous online monitoring of water quality parameters (pH, turbidity, chlorine levels) at multiple points in the network.

- **Energy Efficiency:**

  Energy-Efficient Pumps & Motors Replacing old pumps with modern, high-efficiency models reduces electricity consumption and improves reliability. Variable Frequency Drives (VFDs) can be installed to optimize pump speed according to demand, minimizing wastage and lowering operational costs.

  Solar-Powered Pumping Stations Integrating solar photovoltaic (PV) systems at pumping stations provides clean, renewable energy, reduces dependency on grid electricity, and ensures uninterrupted operation during outages. Hybrid systems combining solar with grid or diesel backup can further enhance resilience.

  Automation & Smart Controls Automated pump scheduling based on demand patterns and real-time SCADA inputs can balance energy use and water supply. Smart controllers can switch between solar and grid power depending on availability, ensuring maximum efficiency.

(iii) Drainage Services Reforms

- **Reforms on Coverage of Sewage Network**

  VMC has taken Service Level Benchmark of Sewage Management for Coverage of Sewage Network Services from 95% in year 2018-2019) to 96% in year 2020-2021, 80% in year 2021-2022 as OG limit extends from 159 sq.km to 216 sq.km and 100% in year 2022-2023 by providing and laying New Drainage Gravity Line Network in different areas within VMC limit and thereafter VMC has maintained 100% status throughout the years and still going on with 100% in (Year 2025-26).

- **Reforms on Collection Efficiency of Sewage Network**

  VMC has carried Service Level Benchmark of Sewage Management for Collection Efficiency of Sewage Network from 68% in year 2018-2019 to 91% in year 2020-2021 due to provision of above mentioned network and 86% in year 2021-2022 to 88% in year 2022-2023. It further increased to 95% in year 2023-24 and then reached to 100% in year 2024-25 and as OG limit extends from 159 sq.km to 216 sq.km. It is still at 100% in the year 2025-26.

- **Reforms on Adequacy of Sewage Treatment Capacity**

  VMC has transformed Service Level Benchmark of Sewage Management for Adequacy of Sewage Treatment Capacity from 68% in year 2018-2019 to 87% in year 2020-2021 by constructing New 78 MLD Sewage Treatment Plant at Rajivnagar. 93% in year 2021-2022 to 100% in year 2022-2023 as OG limit extends from 159 sq.km to 216 sq.km and thereafter VMC has maintained 100% status throughout the years and still going on with 100% in (Year 2025-26).

- **Reforms on Quality of Sewage Treatment**

  VMC has taken Service Level Benchmark of Sewage Management for Quality of Sewage Treatment from 91% (Year 2018-2019) to 97% (Year 2020-2021) by increasing efficiency in O&M and also making in operation the new 78 MLD STP at Rajivnagar having advanced treatment parameters. 92.5%. In (Year 2021-2022) to 95% in (Year 2022-2023) as OG limit extends from 159 sq.km to 216 sq.km and thereafter VMC has maintained 100% status throughout the years and still going on with 100% in (Year 2025-26).

(iv) Solid Waste Management Reforms

- **Door to door collection and transportation**

  VMC has implemented an integrated Solid Waste Management system covering collection, sweeping, transportation and disposal of municipal solid waste. The system provides door-to-door collection through GPS-enabled garbage collection vehicles for efficient and monitored waste collection. Regular day and night sweeping is undertaken to maintain cleanliness across the city. VMC also carries out lifting and transportation of waste containers, with around 650 large garbage containers placed across the city. Secondary transportation of solid waste is undertaken through dumper trucks and container-lifting vehicles. The collected waste is transported to designated composting and landfill/disposal facilities. Door-to-door collection vehicles transport waste directly to the compost plant/disposal site, reducing unnecessary handling. Dumper trucks are fully covered with plastic sheets during transportation to prevent spillage and littering. GPS-based monitoring and systematic transportation help improve operational efficiency and accountability. Overall, the reform promotes cleaner streets, efficient waste collection and safer transportation, contributing to improved sanitation and a cleaner environment for citizens.

- **Remediation of Legacy Waste at Atladara**

  VMC has undertaken the scientific remediation of legacy waste accumulated at the Atladara Solid Waste Plant through the deployment of appropriate methodologies and technologies for processing and disposal. The initiative is aimed at addressing the accumulated legacy waste in a scientific, systematic and environmentally sustainable manner. The facility has the capacity to scientifically process and dispose of approximately 3 lakh metric tonnes of existing legacy waste from the Atladara dumpsite. The remediation process involves scientific reprocessing and treatment of the accumulated waste, thereby reducing the volume and environmental impact of legacy waste.

  The initiative is intended to facilitate the reclamation and improved utilisation of land presently occupied by legacy waste. The plant operations are also subject to CCTV surveillance, enabling continuous monitoring of the activities undertaken at the facility. The surveillance mechanism strengthens operational oversight, accountability and transparency in the implementation of the remediation process. The initiative is expected to mitigate the adverse environmental and public health impacts associated with prolonged accumulation of untreated waste. It will also contribute towards improved sanitation, reduction of potential pollution and better management of municipal solid waste. Overall, the reform represents VMC's efforts towards scientific waste management, environmental protection and sustainable utilisation of municipal resources.

- **Complete coverage of solid waste management network services**

  VMC has achieved 100% coverage of solid waste management network services and provides services to 100% of the city's resident population, ensuring comprehensive coverage of essential sanitation and waste management services. The Corporation has established an integrated waste management system encompassing waste collection, segregation, processing, recycling and scientific disposal, with a focus on maintaining urban cleanliness and environmental sustainability.

- **Recycling and reuse of waste**

  As part of its waste management initiatives, VMC facilitates the recycling and reuse of approximately 50 tonnes per day (TPD) of plastic waste. Additionally, approximately 50 TPD of construction and demolition (C&D) waste is collected, processed and reused, promoting resource recovery and reducing the burden on landfill facilities. The Corporation has also undertaken the clearance of approximately 8 lakh metric tonnes of legacy waste through bio-remediation processes, contributing to the reclamation and restoration of waste disposal sites and improved environmental management.

- **Efficiency in waste collection**

  In terms of operational efficiency, VMC has achieved 100% efficiency in waste collection, along with 100% efficiency in the scientific disposal of solid waste and grievance redressal relating to Solid Waste Management services. These achievements reflect the Corporation's emphasis on strengthening sanitation infrastructure, ensuring effective waste collection and disposal mechanisms, and maintaining responsive citizen service delivery.

- **Efficiency in waste water treatment**

  Further, VMC has attained 97% efficiency in wastewater treatment, 82% efficiency in complaint redressal and 81% efficiency in the collection of charges for sanitation services. Collectively, these performance indicators demonstrate the Corporation's continued efforts towards improving sanitation services, promoting scientific waste management practices, enhancing operational efficiency and ensuring environmentally sustainable urban development.

(v) Property Tax Reforms:

With the efforts made by VMC, the total collection of property tax, which is one of the main sources of revenue, has increased from to Rs. 491.71 crores in FY 2023-2024 to Rs. 520.04 crores in FY 2024-2025 and to Rs. 539.12 crores in FY 2025-2026.

- **Digital Property Tax Assessment and Payment**

  VMC has enabled citizens to search, view and pay their property tax dues through both its Web Portal and Mobile Application, facilitating convenient and accessible tax compliance. The digital platform provides multiple search mechanisms, allowing citizens to locate their property tax records using either the Census Number or the owner's name and property address. This enables citizens to conveniently access their tax details and make property tax payments online, without the need for physical visits to municipal offices. The initiative promotes ease of access, transparency and efficiency in the property tax administration process.

- **Tax Rebates**

  VMC has introduced a tax rebate of up to 11% for both residential and non-residential properties, thereby incentivising timely payment of property taxes. The reform is expected to improve citizen convenience, voluntary tax compliance and timely revenue collection, while reducing administrative burden and facilitating a more efficient and citizen-centric municipal taxation system.

(vi) Double Entry Accounting Reforms:

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

- The National Municipal Accounting Manual has been followed by the Issuer with a view to providing better financial management, improved governance, accountability and transparency of management.

- VMC's Financial Accounting System (FAS) is an integrated digital platform that enables end-to-end processing of financial transactions, including bill creation, voucher generation, and real-time tracking of income and expenditure. It incorporates structured modules such as account chart management, ledger maintenance, budgeting, and reporting, aligned with double entry principles to ensure that every transaction is properly recorded with corresponding debit and credit entries.

IV. DETAILS OF ISSUER'S OUTSTANDING BORROWING

a. Details of borrowings of the Issuer, as on the latest quarter end as on September 30, 2026

As on September 30, 2026 the Issuer had outstanding secured borrowings of Rs. 21.50 Crore and unsecured borrowings of Rs. 200 Crore.

b. Details of Secured Loan Facilities:

(₹ in Crores)

Sr. No.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding September 30, 2026	Repayment Date/ Schedule	Security
1.	Housing & Urban Development Corporation	Term Loan	89.41	21.50	Quarterly Repayment of Rs. 1.65 Crore + Interest	1. Open Plot of 6657 sq m at Moje sama & Nizampura (Nr. mahesananagar)

	(HUDCO)					2. Open Plot of 6170 sq m at Moje sama (Nr.Giriraj soc. Jaljyotpase) 3. Open Plot of 3300 sq m at Moje Gorwa & Subhanpura (Nr w-10 vmc office) 4. Open plot of 12500 sq m at Moje Akota Nr D-mart). 5. Open plot of 4906 sq m at Moje Jetalpur (Nr. swagatsoc. Bh. inox).

c. Details of Unsecured Loan Facilities:

As on September 30, 2026, the Issuer does not have any unsecured loan facilities.

d. Details of NCDs/Bonds:

e. As on September 30, 2026, the Issuer has following NCDs/Bonds outstanding:-

ISIN and Bond Name	Debenture/ Bond Series	Tenor/ Period of Maturity	Coupon	Amount (₹ in crore)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured
ISIN: INE0KDG24012 Municipal Bond	Unsecured, taxable, non-convertible, redeemable bonds in the nature of debenture	5 years	7.15 %	100 Crore	March 28, 2022	March 28, 2027	India Ratings: IND AA+/Stable CRISIL: CRISIL AA/Stable	Unsecured
ISIN: INE0KDG08023 Green Municipal Bond	Unsecured, taxable, non-convertible, redeemable bonds in the nature of debenture	5 years	7.90 %	100 Crore	March 04, 2024	March 04, 2029	India Ratings: IND AA+/Stable CRISIL: CRISIL AA/Stable	Unsecured

e. List of Top 10 Debenture Holders

The list of top 10 (Ten) Debenture Holders as on September 30, 2026 is as follows:

S. No.	Name of Debenture Holders	Outstanding Amount (₹ in crore)
Municipal Bond - INE0KDG24012		
1	Bank of Baroda	50.00
2	Gujarat State Financial Services Limited	50.00
Green Municipal Bond - INE0KDG08023		
3	Gujarat State Financial Services Limited	45.00
4	Indian Overseas Bank	25.00
5	Trustees GEB's Contributory Provident Fund	10.00
6	Aditya Birla Sun Life Insurance Company Limited	10.00
7	Hindustan Steel Limited Contributory Provident Fund	8.00
8	HUDCO Employees Contributory Provident Fund Trust	2.00

f. Details of Commercial Paper

As on September 30, 2026, the Issuer has not issued any commercial papers;

g. Details of Rest of Borrowings

Nil

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

The Issuer has not availed any other 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.

VI. Sufficient revenue generation and resources for timely servicing and redemption

The Blue Bonds being issued by VMC are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism all funds deposited whether on account of Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) or any other specified revenue/cash flow deposited in the account(s) where Tax Income is collected (Collection Accounts(s)) shall be transferred to a separate no-lien Escrow Account for debt servicing.

In order to ensure timely servicing and redemption, the Issuer shall establish 2 (Two) accounts solely for the purpose of servicing the Blue Bonds. The Interest Payment Account – Series III shall be established with a deposit of an amount equivalent to annual interest payments for bonds to be maintained throughout the tenure of the Blue Bonds. To ensure adequacy of funds for redemption of the Blue Bonds, a Sinking Fund Account – Series III shall be opened where amounts shall be deposited for redemption of the principal amounts of the Debentures. Further, an Upfront Fixed deposit of an amount equivalent to 10% (Ten percent) of the total bond issue size shall also be maintained throughout the tenure of the Blue Bonds. There is sufficient revenue generation/collection from Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) or any other specified revenue/cash flow deposited in the account(s) where Tax Income shall be collected for timely servicing and redemption. The total Revenue from Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) during the last 3 (Three) Financial Years is approximately Rs. 720.30 Crore (FY 2025-2026), Rs. 685.13 Crores (FY 2024-2025) and Rs. 652.35 Crores (FY 2023-2024).

VII. Issue Estimated Scenarios of Asset Liability Mismatches

As there is sufficient Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax), there does not seem to be any scenario of asset liability mismatch. With respect to the repayment of Blue Bonds, the Debentures are to be paid from Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) of the Issuer. The current collections are sufficient to ensure the redemption of the Debentures. The structured payment mechanism as provided in the Draft Offer Document shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) are estimated to remain sufficient; therefore, we do not foresee any scenario of Asset Liability mismatch in future as well. Further, any shortfall towards payments to be made in respect of the Debentures will be transferred, in terms of the Transaction Documents

SECTION-XI : LEGAL AND OTHER INFORMATION

The Bond Issue Committee in its meeting held on November 13, 2026 has adopted a materiality policy for disclosure of litigation in relation to the Issuer according to which other litigation involving the Issuer and the members of the Bond Issue Committee which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the Projects proposed to be funded by the proceeds of the Debentures, have been disclosed hereinbelow.

Except as stated in this section, there are no:*(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Issuer or the members of the Bond Issue Committee in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; or (v) Material Litigation (as mentioned below), involving the Issuer or the members of the Bond Issue Committee.*

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

a. *the potential financial liability/monetary claim by or against Municipal Corporation or the members of the Bond Issue Committee, in any such pending matter(s) is in excess of 7 % of gross surplus income over expenditure as per the financial statements of the Issuer for the FY 2025-26, i.e., ₹ 14.98cr;*
b. *any such litigation wherein the monetary liability is not quantifiable which is and/or which may have a material adverse effect from the perspective of the(i) operations of the Corporation, (ii) the financial position, income and cash flows of our Corporation; (iii) the Projects proposed to be funded out of the proceeds of the Issue; (iv) the Issue; or the investor's decision to invest/continue to invest in the Bonds;*
c. *It is hereby clarified that Notices received from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that the Issuer or any of the any of the members of the Bond Issue Committee of the Municipal Corporation is impleaded as defendants in litigation proceedings before any judicial forum.*

Further, the Issuer has a policy for identification of material outstanding dues to creditors ("Material Dues") for creditors where outstanding due to any one of them is in excess of Rs.1 Crore.

A. CONTINGENT LIABILITIES OF THE ISSUER

As per the certificate of the Auditor for the Issue dated November 13, 2026;

In accordance to the Notes to Financial Statement for the Financial Year ended 31st March 2026, the details of Contingent Liabilities of the Issuer are as follows:-

VMC undergoes number of capital work contracts on a regular basis. Considering the nature and complexity of the contracts the precise commitment on account of capital contracts cannot be ascertained. However an exercise has been undertaken to identify the various Contingent Liabilities of the Corporation. The same are shown hereunder. No provision has been made during the year for the following: -

a. Total Claims against Corporation:

Department	2025-26 (in ₹)
Affordable Housing and BSUP (NURM) Cell	27,76,10,119
Water Supply Ele Mech.	11,25,59,846
Bridge	5,99,50,818
Strom Water Drain	5,59,27,980
Parks And Garden	4,00,00,000
Vehicle Pool	3,45,00,000
Solid Waste Management	96,68,700
Road	24,14,532
Total	**59,26,31,995**

I. PANAM water project has claims against Corporation amounting to INR 1,052.95 crores (Previous Year INR 920.69 crores) which is excluding interest and penalty. The present status as per the documents and records suggests that the claims may not sustain as the Irrigation department is considering waiver. The extent of waiver is uncertain. However; the contention of Corporation is that the Corporation is partner in the project having contributed to the capital cost. It is also contributing regularly to the O & M share as per the average of last of O & M bills determined by VMC. Hence there cannot be any additional charge.

II. Khanpur (Sherkhi) Water Project as claims against Corporation amounting to INR 23.48 crores (Previous Year INR 20.58 crores) which is excluding interest and penalty. The present status as per the documents and records suggests that the claims may not sustain as the Sardar Sarovar Narmada Nigam Ltd. Is considering waiver of interest and penalty. The extent of waiver is uncertain. However; the contention of Corporation is that the Corporation is partner in the project having contributed to the capital cost. It is also contributing regularly to the O & M share as per the average of last of O & M bills determined by VMC. Hence there cannot be any additional charge.

b. Total Number of cases under Litigation:

The number of pending legal cases against the Vadodara Municipal Corporation as furnished by the legal department is shown below. The matters are pending at various courts and waiting for its adjudication. Till time the amount of liability is not ascertainable.

S. No	Matter of Dispute	No of cases	Authority / Court
1	Departments	45	Supreme Court
2	Departments	612	High Court
3	Departments	395	District court and Civil Court
4	MACP (Accident)	4	Civil Court
5	Land	6	Civil Court
6	Departments	13	Arbitration
7	Service Matter	362	Labour Court
Total		**1437**	

LITIGATIONS INVOLVING THE ISSUER

B. LITIGATION AGAINST THE ISSUER

i. CRIMINAL LITIGATIONS

Nil

ii. WILLFUL DEFAULTER

The Issuer is not a wilful defaulter.

iii. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

- **Employees Provident Fund Organization**

(₹ in Crores)

Name of Parties	Case No	Description	Amount Involved
Vadodara Municipal Corporation Versus Assistant Provident Fund Commissioner, Vadodara.	EPF. Appeal/TRF/0073/2017	The Issuer has filed an Appeal numbering EPF. Appeal/TRF/0073/2017 [Old Appeal No. 179(5) of 2014] dated February 27, 2014, in the Central Government Industrial Tribunal, Ahmedabad against the order of the Assistant Provident Fund Commissioner, Vadodara in Case No. GJ/RPFC/BRD/21509/DAMAGAES/ENF.II/575 demanding ₹ 1,58,59,470 (Rupees One Crore Fifty-Eight Lakh Fifty-Nine Thousand Four Hundred Seventy only) under section 14B of Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and ₹ 1,29,56,653 (Rupees One Crore Twenty-Nine Lakh Fifty-Six Thousand Six Hundred Fifty Three only) under section 7Q of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 payable towards damages and interest respectively, for the default in timely payment of the Issuer's contribution towards the EPF for the period between September 1997 to November 2003. The matter is pending for disposal	2.88

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

Nil

v. DIRECT AND INDIRECT TAX

• Income Tax

i. E-Proceedings

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
1	2024-25	A Show Cause Notice dated June 07, 2024, vide DIN ITBA/COM/F/17/2024-25/1065467831(1) under Sections 201 and 201(1A) of the Income Tax Act, 1961 was issued to the Corporation. The notice stated that a Concession-cum-Development Agreement had been executed between the Corporation and the Developer for the development of housing facilities under the Pradhan Mantri Awas Yojana (Affordable Housing) under the Gujarat Slum Rehabilitation Policy. The said notice further stated that the development activity undertaken pursuant to the Agreement constituted a "work contract" within the meaning of the Income Tax Act, 1961 thereby making the Corporation liable to deduct tax at source (TDS) on payments made to the Developer. Accordingly, the Corporation was called upon to show cause as to why it should not be treated as an assessee in default u/s 201 & 201(1A) r.w.s 194C of the I T Act for not deducting TDS @ 2% u/s 194C of the I T Act on the consideration value of construction of project totaling to ₹ 23,72,93,295.80 for FY 2023-24Thereafter, several notices were issued to the corporation re-iterated the same. The said matter is currently pending	-
2	2024-25	A Notice under Section 133(6) of the Income Tax Act, 1961 was issued to the Corporation vide Notice No. ITBA/COM/F/17/2023-24/1057045469(1) dated October 13, 2023. The notice stated that there was a significant shortfall of more than 50% in the deduction of tax at source (TDS) under Sections 193, 194C, 194J, 194LA and 92A during Financial Year 2023–24 as compared to Financial Year 2022–23. The Corporation was called upon to furnish detailed reasons for such shortfall along with supporting evidence. Failing which recovery proceeding may be initiated as per Act. Further the notice highlighted that an outstanding return processing demand of ₹ 1,87,29,470/- is pending in this case, and no compliances have been made in this regard despite several reminders. The notice further sought extensive information regarding low-cost housing projects undertaken under PMAY and similar schemes, including details of agreements with developers, transfer of non-project land, bank guarantees, TDS/TCS compliance, applicable policies and regulations, and transactions relating to the Sanjay Nagar Project. The Corporation was directed to furnish the information within seven days, failing which penalty proceedings under Section 272A(2) of the Income Tax Act, 1961 could be initiated. Thereafter, a reminder notice under Section 133(6) of the Income Tax Act, 1961 was issued to the Corporation vide Notice No. ITBA/COM/F/17/2023-24/1057210068(1) dated October 19, 2023, in continuation of the earlier notice. The Corporation was directed to provide details of the department responsible for executing agreements with developers. The notice further sought information on the statutory provisions and policies governing the transfer of development rights and non-project land under Gujarat rehabilitation and affordable housing policies. Specific clarification was also sought regarding the Sanjay Nagar Project, including the legal basis for transfer of rights before completion of 33% of the project, details of bank guarantees, transactions with the developers, and deduction of TDS on transfer of land rights. The Corporation was directed to furnish the information within seven days, failing which penalty proceedings under Section 272A(2) of the Income Tax Act, 1961 could be initiated.	-

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
		Another reminder notice under Section 133(6) of the Income-tax Act, 1961 was issued to the Corporation vide Notice No. ITBA/COM/F/17/2023-24/1060612294(1) dated February 7, 2024. The notice stated that, upon verification of the information partially furnished by the Corporation, it was observed that Slum Rehabilitation Scheme (SRS) expenses had been incurred by contractors/builders and premium amounts for land had been paid by them in lieu of construction under various slum redevelopment projects, including Bajaniyawas, Jamwadi, Sainath Nagar, Sanjay Nagar and odd Nagar. The Corporation was called upon to furnish detailed information regarding GST data vis-à-vis taxable income reported in income tax returns for Financial Years 2016–17 to 2022–23, the accounting and tax treatment of project land, non-project land, SRS expenses, free FSI, and bank guarantees, as well as head-wise bifurcation of taxable and exempt income. The notice further sought details regarding the determination and payment of bank guarantees, transaction statements of specified developers, namely Red Organisers Pvt. Ltd., Manav Infra Pvt. Ltd. and Cube Construction Engg Pvt. Ltd., and copies of agreements relating to PPP projects where Parcel B land was transferred to developers in lieu of additional construction. The Corporation was directed to furnish the information, failing which penalty proceedings under Section 272A(2) of the Income-tax Act, 1961 could be initiated. The said matter is presently open on the Income Tax website.	
3	2023-24	A Show Cause Notice vide DIN & Notice No. ITBA/COM/F/17/2024-25/1065468139(1) dated June 7, 2024, under Sections 201 and 201(1A) of the Income Tax Act, 1961 was issued to the Corporation. The notice referred to a Concession-cum-Development Agreement executed between the Corporation and developers, M/s Narayan Realty Private Limited & Shri Sairuchi and DMC Infra Joint Venture for the development of affordable housing under the Pradhan Mantri Awas Yojana (PMAY). The notice stated that the development activity undertaken pursuant to the Agreement constituted a "work contract" within the meaning of Section 194C of the Income-tax Act and that the transfer of development rights and land in favour of the Developer amounted to payment made in a mode other than cash. The notice further stated that the value of the land proposed to be transferred to the Developer was approximately Rs. 279.48 crores and that the Corporation was required to deduct tax at source (TDS) at the rate prescribed under Section 194C on such consideration. Accordingly, the Corporation was called upon to show cause as to why it should not be treated as an assessee in default under the provisions of the Income-tax Act, 1961 for not deducting TDS @ 2% u/s 194C of the Income Tax Act, 1961 on the consideration value of construction of project in the form of Land (Developer land) of ₹ 279.4824 crores Thereafter, several reminder notices were issued to the Corporation seeking detailed replies along with supporting documents and evidence in substantiation of its stand. The said matter is presently open on the Income Tax website.	-
4	2022-23	A Show Cause Notice vide DIN & Notice No. ITBA/COM/F/17/2023-24/1061763536(1) dated February 29, 2024, under Sections 201 and 201(1A) read with Section 194C of the Income Tax Act, 1961 was issued to the Vadodara Municipal Corporation ("Corporation") for Financial Year 2021–22. The notice pertained to various Concession-cum-Development Agreements executed between the Corporation and different developers for the development of affordable housing and slum rehabilitation projects under the Mukhya Mantri Gruh Yojana Gujarat Slum Rehabilitation Policy (PPP-2013). The said notice further stated that the development activity undertaken pursuant to the Agreement constituted a "work"" within the meaning of the Income-tax Act, thereby making the Corporation liable to deduct tax at source (TDS) on payments made to the Developer. The notice further alleged that the consideration for construction was discharged by transfer of Parcel B land through conveyance deeds and that such transfer constituted payment by "any other mode" within the meaning of Section 194C of the Income Tax Act, 1961, thereby attracting TDS liability. Accordingly, the Corporation was called upon to show cause as to why it should not be treated as an assessee in default under the	-

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
		provisions of the Income Tax Act, 1961, for failure to deduct TDS at the rate of 2% under section 194C on the consideration value of ₹ 6,55,20,000 for F.Y 2021-2022 resulting in an alleged TDS liability of approximately ₹13.10 lakh Thereafter, several notices were issued to the Corporation seeking detailed replies along with supporting documents and evidence in substantiation of its stand. The said matter is presently open on the Income Tax website.	
5	2019-20	An Order under section 201(1) and 201(1A) of Income Tax Act 1961 vide DIN: ITBA/COM/F/17/2021-22/1035056848(1)dated August 24, 2021, was passed by income tax department wherein they stated that a survey action was conducted at the premises of the Corporation. The Order stated that during the course of the survey certain irregularities were found w.r.t non deduction of TDS and which led to issuance of several show cause notice by Income Tax Department for non-deduction of TDS on leave encashment, payments made to trust and interest paid to HUDCO for FY 2016-17, 2017-18, 2018-19 in whose response replies were filed by the Corporation. The said order stated replies filed by Corporation were not tenable in nature hence in consideration of taxing provisions of the Income Tax Act 1961, the Corporation was found to be liable for payment of tax liability of ₹1,40,42,275/- which included tax of ₹ 94,58,819 along with interest of ₹45,83,456/- An appeal against the Order dated August 24, 2021 was filed by the Corporation in Form 35 on October 01, 2021 claiming exemptions under 10(10AA) for TDS w.r.t leave encashment, exempted taxation under section 11 and 13 for income by a trust and exemption on interest paid to HUDCO on the ground that tax was already paid. However, a penalty notice under Section 274 read with Section 271C of the Income-tax Act, 1961 was issued on June 17, 2025, ITBA/COM/F/17/2025-26/1077117131(1) demanding payment of ₹ 94,58,819/- against which a reply was filed by Corporation dated June 23, 2025, stating the penalty cannot be levied since appeal was pending before the Commissioner of tax. The said matter is presently open on the Income Tax website.	-
6	2019-20	An Order dated October 18, 2021 having DIN ITBA/COM/F/17/2021-22/1036458845(1) under section 206C(7) and 206C(6) of Income Tax Act, 1961 was passed by income tax department wherein they stated that a survey action was conducted under section 133A (2A) of the Income Tax Act 1961, at the premises of the Corporation. The Order stated that during the course of the survey, certain irregularities were found w.r.t non Collection of TCS and which led to issuance of several show cause notice by Income Tax Department for non-Collection of TCS on sale of scraps in whose response replies were filed by the Corporation dated March 08, 2019. The said order stated replies filed by Corporation were not tenable in nature hence in consideration of taxing provisions of the Income Tax Act 1961, the Corporation was found to be liable for discharging total tax liability of ₹ 1,24,400/- which included TCS of ₹ 92,270/- and interest of ₹ 32,130/-. Later another Order for penalty was issued dated September 24, 2024, vide DIN & Letter No: ITBA/COM/F/17/2024-25/1069014286(1) in this matter against the corporation demanding payment of penalty under section 271CA of the Income Tax Act, 1961 as it stated non-collection of TCS amounted to penalty which cannot be negated by only payment of interest hence a penalty was levied on failure of collection of TCS which amounted to ₹ 92,270/- equal to the amount of non-collection of TCS. An appeal dated December 26, 2025, has been filed against this penalty order of assessing officer before the Commissioner of Income Tax for removal for deletion. The said matter is presently open on the Income Tax website.	-
7	2019-20	An order under section 201 (1) and 201(1A) of the Income Tax Act 1961 dated March 27, 2025, vide DIN TBA/COM/F/17/2024-25/1075100664(1) was issued to	-

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
		the Corporation wherein it was stated that several show cause notices were issued to the Corporation w.r.t a Concession-cum-Development Agreement -executed between the Corporation and the Developers for the development of housing facilities under the Mukhya Mantri Gruh Yojana (Affordable Housing) under the Gujarat Slum Rehabilitation Policy. The Income Tax Department alleged that the transfer of land to the developers as consideration for construction of housing projects attracted deduction of tax at source under Section 194C of the Income Tax Act, 1961.The Order stated the replies filed by the Corporation were not tenable in nature hence due to non-payment of the TDS liability the interest was charged under section 201 (1A), making the total tax liability to ₹ 29,29,482/- which included Interest of ₹ 12,62,784/-. The Corporation has filed an appeal in Form 35 claiming exemption from section 194 C of the Income Tax Act, 1961 and submitting that the allocation of the said land was not a contractual payment but a capital asset transfer. Thus section 194 C of the Income Tax Act 1961 would not be applicable. The appeal dated December 17, 2025 prayed for quashing TDS Demand of Rs. 16,66,698/- and Interest thereto of ₹12,62,784/- aggregating to Rs. 29,29,482/- may be deleted. The said matter is presently open on the Income Tax website.	
8	2018-19	An Order under section 201(1) and 201(1A) of Income Tax Act 1961, vide DIN: ITBA/COM/F/17/2021-22/1040190488(1), dated February 28, 2022 was passed by income tax department wherein it was stated that a survey action was conducted under section 133A (2A) of the Income Tax Act 1961, at the premises of the Corporation. The Order stated that during the course of the survey, certain irregularities were found with respect to non-collection of TCS on sale of scrap and which led to issuance of several cause notice by Income Tax Department for non-Collection of TCS on sale of scraps in whose response replies were filed by the Corporation. The said order stated replies filed by Corporation were not tenable hence in consideration of taxing provisions of the Income Tax Act 1961, the Corporation it was found to be liable for discharge total tax liability of ₹55,154/- which included TCS of ₹.25,885, and interest of ₹29,269/-. Later another Order was issued in this matter under Section 154 of the Income Tax Act 1961, : vide DIN ITBA/COM/F/17/2021-22/1040759578(1), dated March 15, 2022, which stated that on basis of rectification filed by the Corporation and upon correction it was found that Corporation was liable to discharge tax liability of ₹ 53,154 only which included TCS of ₹ 23,885 and Interest of ₹ 29,269/-. Thereafter a notice of demand under section 156, vide DIN & Notice No.: ITBA/COM/F/17/2021-22/1040760073(1), dated March 15, 2022, was issued in this matter against the corporation demanding payment of interest under section 206C(6) and (7) of the Income Tax Act 1961. An appeal has been filed, dated March 21 ,2024, against this penalty order of assessing officer before the Commissioner of Income Tax. The said matter is presently open on the Income Tax website.	-
9	2018-19	An Order under section 201(1) and 201(1A) of Income Tax Act 1961 vide DIN: ITBA/COM/F/17/2021-22/1035060404(1) dated August 24, 2021 was passed by income tax department wherein it was stated that a survey action was conducted under Section 133A(2A) of the Income-tax Act, 1961 at the premises of the Corporation. The Order stated that during the course of the survey certain irregularities were found w.r.t non deduction of TDS and which led to issuance of several show cause notice by Income Tax Department for non-deduction of TDS on leave encashment, payments made to trust and interest paid to HUDCO for FY 2016-17, 2017-18, 2018-19 in whose response replies were filed by the Corporation. The said order stated replies filed by Corporation were not tenable in nature hence in	-

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
		consideration of taxing provisions of the Income Tax Act 1961, the Corporation was found to be liable for payment of tax liability of ₹1,70,37,472/- which included total tax liability of ₹98,03,049/- under section201(1) of Income Tax Act 1961 along with interest of ₹ 72,34,423/-/- under section . 201(1A) of Income Tax Act 1961. Thereafter various notices were issued demanding payment of ₹1,70,37,472/- to discharge tax liability. An appeal against the Order dated August 24, 2021 was filed by the Corporation in Form 35 on October 02, 2021 claiming exemptions under Section10(10AA) of the income tax act, 1961 for TDS w.r.t leave encashment, exempted taxation under section 11 and 13 in respect of payments made to trusts and exemption from interest paid to HUDCO on the ground that tax was already paid. The said submission made by the Corporation was allowed by Commissioner of Income Tax Appeal vide its order dated March 05, 2025, having reference DIN: ITBA/APL/S/250/2024-25/1074057550(1). However a notice for penalty was issued to Corporation on June 17, 2025 vide DIN:ITBA/COM/F/17/2025-26/1077116990(1) proposing levy of penalty equal to the amount of Tax liability of ₹98,03,049/- under Section 271C against which a reply was filed by Corporation dated June 23, 2025 stating the penalty cannot be levied since Commissioner of Income Tax Appeal had already passed an order dated March 05.,2025 allowing the exemptions sought by the Corporation. The said matter is presently open on the Income Tax website.	
10	2018-19	An order under section 201 (1) and 201(1A) of the Income Tax Act 1961 dated March 25, 2025, vide DIN ITBA/COM/F/17/2024-25/1075005766(1) was issued to the Corporation wherein it was stated that show cause notices were issued to the Corporation w.r.t a Concession-cum-Development Agreement executed between the Corporation and the Developer for the development of housing facilities under the Mukhya Mantri Gruh Yojana (Affordable Housing) under the Gujarat Slum Rehabilitation Policy. The Order stated the replies filed by the Corporation were not tenable in nature hence due to non-payment of the TDS liability of Rs.12,59,985/- U/s. 201(1) along with the interest of Rs.11,33,987/- was charged under section 201 (1A), making the total tax liability to ₹23,93,972/-. The Corporation has filed an appeal in Form 35 on date December 17, 2025, claiming exemption from section 194 C of the Income Tax Act, 1961 and submitting that the allocation of the said land was not a contractual payment but a capital asset transfer. Thus section 194 C of the Income Tax Act 1961 would not be applicable there is no method for determining TDS liability on land transfers. The appeal prayed for quashing TDS Demand and Interest thereto of ₹11,33,987/. The said matter is presently open on the Income Tax website.	-
11	2017-18	An Order under section 201(1) and 201(1A) of Income Tax Act 1961 was passed by income tax department dated August 24, 2021 vide DIN & Order No: ITBA/COM/F/17/2021-22/1035061196(1) wherein it was stated that a survey action was conducted under Section 133A(2A) of the Income Tax Act, 1961 at the premises of the Corporation. The Order stated that during the course of the survey certain irregularities were found w.r.t non deduction of TDS and which led to issuance of several show cause notice by Income Tax Department for non-deduction of TDS on leave encashment and payments made to trust for FY 2016-17, 2017-18, 2018-19 in whose response replies were filed by the Corporation. The said order stated replies filed by Corporation were not tenable in nature hence in consideration of taxing provisions of the Income Tax Act 1961, the Corporation was found to be liable for payment of tax liability of ₹19,43,320/- which included tax of ₹11,80,442 U/s. 201(1) along with interest of ₹ 7,62,878/- U/s. 201(1A). Later an appeal was filed by the Corporation in this regard by Corporation in Form 35 of the Income Tax Act 1961 before Commissioner of the Income Tax.	-

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
		However a notice w.r.t penalty has been issued under Section 274 read with Section 271C of the Income Tax Act, 1961 dated December 31, 2024, vide DIN & Notice No. ITBA/COM/F/17/2024-25/1071714194(1) stating that Corporation has failed to deduct tax for the AY 2017-18 as per provision of 271C against which reply was filed by the Corporation stating that corporation is executing public sovereign functions hence the payments made were exempted from taxation by virtue of 10(10AA) of Income Tax Act, 1961, CA certificate has been submitted with payment made to trust which was not considered by assessing officer while passing the above order and also that appeal has been filed in this regard. The said matter is presently open on the Income Tax website.	
12	2017-18	An Order under section 206C and 206C (6) of Income Tax Act, 1961 was passed by income tax department dated October 22, 2021 vide DIN & Order No: ITBA/COM/F/17/2021-22/1036533821(1) wherein it was stated that a survey action was conducted at the premises of the Corporation. The Order stated that during the course of the survey, certain irregularities were found w.r.t non collection of TCS and which led to issuance of several cause notice by Income Tax Department for non-collection of TCS on sale of scraps in whose response replies were filed by the Corporation. The said order stated replies filed by Corporation were not tenable in nature hence in consideration of taxing provisions of the Income Tax Act, 1961, the Corporation was found to be liable for payment of ₹1,982/- which was interest w.r.t TCS and TCS of ₹11,010/-. Which in turn led to issuance of demand notice demanding payment of the said interest of ₹1,982/- along with tax liability of ₹ 11,010/- from the Corporation. An Order was again issued in this matter against the corporation demanding payment of penalty under section 271CA of the Income Tax Act 1961 dated September 24, 2024 vide DIN & Letter No: ITBA/COM/F/17/2024-25/1069016253(1) as it stated non-collection of TCS amounted of ₹. 11010 and therefore penalty equal to the amount of non-collection of TCS was levied which amounted to ₹11,010/-. An appeal has been filed against this penalty order of assessing officer, before the Commissioner of Income Tax in form 35. Written submissions have also been filed before the National Faceless Appeal Centre contending that no penalty shall be imposed where the corporation establishes that there was reasonable cause for the failure or submits Form 27BA. The said matter is presently open on the Income Tax website.	--
13	2017-18	An Order under Sections 201(1) and 201(1A) of the Income Tax Act, 1961 was passed by the Income Tax Department dated March 30, 2024 vide DIN & Letter No. ITBA/COM/F/17/2023-24/1063680560(1) wherein it was stated that proceedings were initiated against the Corporation in relation to concession-cum-development agreements entered into with.various developer for implementation of affordable housing and slum rehabilitation projects under the Mukhya Mantri Gruh Yojana and Gujarat Slum Rehabilitation Policy (PPP-2013). The Income Tax Department alleged that the developers had undertaken construction and rehabilitation obligations and had received land and development rights from the Corporation as consideration for execution of such works and, accordingly, the Corporation was liable to deduct tax at source under Section 194C of the Income-tax Act, 1961. In this regard, several show cause notices were issued by the Income Tax Department calling upon the Corporation to explain why it should not be treated as an assessee-in-default for failure to deduct tax at source. Consequently, the Corporation was held liable for payment of total tax liability of ₹71,78,490 U/s. 201 and interest of ₹61,01,716 under Section 201(1A) of the Income Tax Act, 1961, aggregating to ₹1,32,80,206, and a demand notice was issued accordingly.	-

Sr. No	Assessment Year	Description	Amount Involved# (₹ in Crores)
		The Corporation disputes the findings of the Income Tax Department and has contended that the allotment of Parcel-B land to the developer under the Public Private Partnership framework was not a monetary payment but a policy-driven allocation undertaken pursuant to government housing and slum rehabilitation schemes and therefore did not attract deduction of tax at source under Section 194C of the Income Tax Act, 1961. An appeal dated February 28, 2025 has been filed by the Corporation in this regard before the Commissioner of Income Tax challenging the aforesaid order and demand in form 35. The said matter is presently open on the Income Tax website.	

#The details of the amount involved in the e-proceedings has been mentioned in the outstanding TDS demand below.

ii. Tax Deducted at Source

Number of Cases	Amount Involved (₹ in Crore)
17	11.27

***Source:** https://traces.tdscpc.gov.in/, status as on November 13, 2026.*

iii. Property Tax

S. No	Nature	Number of Cases	Amount Involved (₹ in Crores)
Property Tax			
1	*Property–Tax -Cases have been filed against the Issuer by the residents/ entities residing/ operating inVadodara Municipal Corporation on jurisdiction accusing Issuer of charging huge amount of property tax.	57	NA

**Amount quantifiable to the extent*

- **Indirect Tax Related Litigation**

i. Goods & Service Tax

Sr. No	Reference ID/Order ID	Tax Period	Description	Amount of Demand (₹ in Crores)
1	ZD2401251120454	FY 2017-18	An order in Original No. CGST/Div-IV/AC/25/2024-25 dated 30.01.2025 and Summary of the order in Form GST DRC-07 bearing Reference No. ZD2401251120454 dated January 31, 2025 was issued by the Assistant Commissioner, CGST & Central Excise, Division-IV, Vadodara-I, to Vadodara Municipal Corporation under Section 74 of the Central Good and Service Tax Act, 2017 ("**CGST Act**") for the tax period July 2017 to March 2018 with total demand confirmed under the DRC-07 was ₹50,03,336, comprising tax of ₹25,01,668 (CGST ₹12,50,834 and SGST ₹12,50,834), interest of nil, and penalty of ₹25,01,668 (CGST ₹12,50,834 and SGST ₹12,50,834). The order arose pursuant to summons dated August 13 2021 and September 08, 2021 issued in relation to examination of input tax credit availed by the Corporation and was preceded by an Intimation of Tax Liability No. 1490 dated 29 August 2023 and a show cause notice under section 74 of the CGST Act, 2017 issued in Form GST DRC-01 bearing Reference No. ZN2412230451994, in continuation of the detailed show cause notice dated 25 September 2023.	0.50

Sr. No	Reference ID/Order ID	Tax Period	Description	Amount of Demand (₹ in Crores)
			The DRC-01 alleged wrongful availment of input tax credit in connection with GST paid under reverse charge mechanism on legal services and proposed recovery of tax, interest and penalty under Section 74 of the CGST Act, 2017. In response, the Corporation filed written submissions and replies in Form GST DRC-06, contending that GST on legal services had been paid under a bona fide belief during the initial phase of GST implementation, that such legal services were exempt for a municipal authority under Notification No. 12/2017-Central Tax (Rate), that the adjustment was revenue-neutral, and that there was no suppression of facts or fraudulent intention. The total demand confirmed under the DRC-07 was ₹50,03,336, comprising tax of ₹25,01,668 (CGST ₹12,50,834 and SGST ₹12,50,834), interest of nil, and penalty of ₹25,01,668 (CGST ₹12,50,834 and SGST ₹12,50,834). Aggrieved by the order, the Corporation filed an appeal in Form GST APL-01 before the Appellate Authority vide Appeal ARN AD240425027910C, which was acknowledged in Form GST APL-02 bearing Reference No. ZD240425122793H dated April 29 2025 upon payment of the prescribed pre-deposit of ₹2,50,168. The Appellate Authority rejected the appeal and confirmed the demand vide Form GST APL-04 bearing Order No. ZD240626011590P dated June 03 2026. The matter is currently pending	

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

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
1.	Vadodara Municipal Corporation vs M.V Omni Projects (India) Limited	4358 of 2026	High Court of Gujarat	The Corporation has filed Civil Application bearing No. 4538 of 2026 before the Hon'ble High Court of Gujarat at Ahmedabad on July 14, 2026. The Corporation has filed this appeal under Section 37(1)(c) of the Arbitration and Conciliation Act, 1996, read with Section 13(1A) of the Commercial Courts Act, 2015, challenging the judgment and order dated March 20, 2026 passed by the Ld. District Judge, Commercial Court, Vadodara in Commercial Civil Misc. Application No. 18 of 2024. By that order, the Corporation's Section 34 application was dismissed and the arbitral award dated March 29, 2024, relating to the JnNURM housing works (AR-4), was upheld. The award directs the Corporation to pay Rs. 17,76,89,676/- to M.V. Omni Projects (India) Limited, against the claim of Rs. 54,73,54,174/-.The Corporation had contende that the award is patently illegal and perverse, mainly because the Tribunal reckoned the 18-month time limit from the work order date despite recording that the plots were handed over only in May and June 2013, and still attributed the entire delay to the Corporation; overheads, idling charges and loss of profit were awarded without proof of actual loss and for the same period, resulting in double recovery; Rs. 89,64,812/- such claims were rejected. The current appeal was filed after the limitation period, and along with condonation of a delay of 18 days, which Corporation attributed to the multi-level approval process of a statutory body	17.77

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
				handling public funds. The Corporation stated it had already some amount with the Principal District Judge, Vadodara. The Corporation had filed the current application asking for stay against the impugned judgment and order and the award until the appeal is finally decided. The said matter is currently pending before the High Court.	
2.	Vadodara Municipal Corporation vs M.V Omni Projects (India) Limited	4541 of 2026	High Court of Gujarat	The Corporation filed civil application bearing no. 4541 of 2026 High Court of Gujarat at Ahmedabad on July 14, 2026. The Corporation has filed this appeal under Section 37(1)(c) of the Arbitration and Conciliation Act, 1996, read with Section 13(1A) of the Commercial Courts Act, 2015, challenging the judgment and order dated March 20, 2026 passed by the Ld. District Judge, Commercial Court, Vadodara in Commercial Civil Misc. Application No. 19 of 2024. As per that impugned order, the Corporation's Section 34 application was dismissed and the arbitral award dated March 29, 2024 was upheld. The award directs the Corporation to pay Rs. 43,75,86,404/- against a total claim of Rs. 119,71,70,480/- by M/s. M.V. Omni Projects (India) Limited. The Corporation in its application has contended that the award on the grounds that there has been contradictory finding on the commencement date versus site availability, wrongful inclusion of the court-stay period in the delay, rejection of the novation plea, awards for overheads and idling charges without proof of actual loss, and interest on interest. The Corporation has filed this Civil Application also seeking condonation of the delay in filing stating that delay in filing application was due to the internal approval process of a statutory body, and states that 50% of the awarded amounts, Rs. 30,76,38,040/-, is already deposited with the Principal District Judge, Vadodara. The Corporation in its application has prayed to seek a stay of the impugned order and the award while the case is pending disposal of the appeal. The matter is currently pending before the High Court.	43.76
3.	M/S M.V Omni Projects (India) Limited V. Vadodara Municipal Corporation	Not Allotted	Arbitral Tribunal, Shri A B Desai, Sole Arbitrator	MV Omni Projects (India) Limited, the Contractor ("Claimant"), has filed an arbitration case against the Corporation before Sole Arbitrator. The Claimant was awarded the work order dated November 26, 2013 amounting to ₹ 42,35,75,369.42 (Rupees Forty-Two Crore Thirty-Five Lakh Seventy-Five Thousand Three Hundred Sixty-Nine only) for the construction of 1296 housing units (G.F.+3 RCC frame structure) including onsite infrastructure services for Urban poor under the JnNURM Scheme, Phase-III, Package 1, at R.S. No. 585, 586(P), Atladra, Vadodara City. The work was originally to be completed within 9 months but same could not be executed on schedule as the Claimant alleged that Respondent had failed to hand over possession of the site, later allotted	78.51

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
				fragmented and distant plots in place of the single large site promised, and further delayed matters through pending court litigation, demolition of prior contractor's structure, repeated design revisions, and delayed Standing Committee approvals for variation in scope. The Claimant further alleged that Respondent had illegally encashed the Claimant's Bank Guarantee and issued an order of Blacklisting & Termination dated July 30, 2019. The Claimant has raised claims including outstanding bill amount, extra work, illegal BG encashment, security deposit, overhead and business losses, idling charges, loss of profit, and interest, aggregating to approximately ₹ 78.51 Crore (plus interest of approximately ₹24.90 crores). The said matter is currently pending.	
4.	Omni Projects (India) Limited. V. Vadodara Municipal Corporation	Not Allotted	Arbitral Tribunal, Shri A B Desai, Sole Arbitrator	MV Omni Projects Ltd, the Contractor ("Claimant") has filed an arbitration case against the Issuer ("Respondent"). The Claimant was awarded a work order amounting to approximately ₹161.69 crore for the construction of 1,448 housing units for the Affordable Housing Project (RAY – Sahkarnagar & 1856 housing unit at Ektanagar). The Claimant alleged that delays and losses were caused by Respondent's breaches of contractual obligations, including failure to hand over the possession of several plots, frequent change in site locations. It alleged that on several occasions the officials of Respondent stopped the work which resulted in frequent stoppage of work The Respondent alleges that the Claimant could not execute the project in a time bound manner. Revised work order was given to the Claimant because of the price escalation and still the Claimant did not start the work. The said matter is currently pending.	83.07
5.	M/s M.V. Omni Projects (India) Limited . V. Vadodara Municipal Corporation	Not Allotted	Arbitral Tribunal, Shri A B Desai, Sole Arbitrator	M/s M.V. Omni Projects (India) Limited, the Contractor ("Claimant"), has filed an arbitration case against the Corporation before Sole Arbitrator. The Claimant was awarded the work order dated November 26, 2013 amounting to ₹47,60,25,057.88 (Rupees Forty-Seven Crore Sixty Lakh Twenty-Five Thousand Fifty-Seven only) for the construction of 1328 housing units (G.F.+3 RCC frame structure) including onsite infrastructure services for Urban poor under the JnNURM Scheme, Phase-III, Package 2, at R.S. No. 585, 586(P), Atladra, Vadodara City. The claimant contended that work originally had a completion timeline of 9 month however same could not be executed on schedule due to non-availability of site, allotment of scattered smaller plots in place of the promised single site, demolition of the previous contractor's structure for want of a Structural Stability Certificate, multiple design revisions, and prolonged delay in Standing Committee approval of variation in scope and cost. The Claimant has alleged that Respondent illegally encashed the Claimant's Bank Guarantee and issued an order of Blacklisting &	85.28

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
				Termination dated July 30, 2019. The Claimant has raised claims including outstanding bill amount, extra work, illegal BG encashment, security deposit, overhead and business losses, idling charges, loss of profit, and interest, aggregating to approximately ₹ 85.28 Crore (plus interest of approximately ₹ 25.15 crores). The said matter is currently pending.	
6.	M/s M.V. Omni Projects (India) Limited V. Vadodara Municipal Corporation	Not Allotted	Arbitral Tribunal, Shri A B Desai, Sole Arbitrator	MV Omni Projects (India) Limited, the Contractor ("Claimant"), has filed an arbitration case against the Corporation. The Claimant was awarded the work order dated November 26, 2013 amounting to ₹ 48,13,78,433.48 ((Rupees Forty-Eight Crore Thirteen Lakh Seventy-Eight Thousand Four Hundred Thirty-Three and Forty-Eight Paise only)) for the construction of 1472 housing units (G.F.+3 RCC frame structure) including onsite infrastructure services for Urban poor under the JnNURM Scheme, Phase-III, Package 3, at R.S. No. 585, 586(P), Atladra, Vadodara City. The work, originally to be completed within 9 months, could not be executed on schedule due to non-availability of site, allotment of scattered smaller plots in place of the promised single site, , demolition of the previous contractor's structure for want of a Structural Stability Certificate, multiple design revisions, and prolonged delay in Standing Committee approval of variation in scope and cost. The Claimant has alleged that Respondent illegally encashed the Claimant's Bank Guarantee and issued an order of Blacklisting & Termination dated July 30, 2019. The Claimant has raised claims including outstanding bill amount, extra work, illegal BG encashment, security deposit, overhead and business losses, idling charges, loss of profit, and interest, aggregating to approximately ₹82.77 Crore (plus interest of approximately ₹24.94 crore). The said matter is currently pending.	82.77
7.	Vadodara Shaheri Jilla Khedut Mandal President Vs Vadodara Municipal Corporation &Ors.	SLP(Civil)No. 31465/2014	Supreme Court of India	The Petitioners, an association of farmers, residing and carrying on operations within the limits of Vadodara Urban Development Corporation (VUDCC), have filed this SLP against the judgment and final order dated July 15, 2014 passed by the Hon'ble High Court of Gujarat against dismissal of their Writ Petition numbering 111/2013. The Petitioner has challenged the statutory and constitutional validity of the Resolution bearing No. 217 passed by VUDC and also challenged the legality and constitutional validity of the Notification dated March 21, 2013 issued by the Government of Gujarat by by which any person praying praying for the development permission of his land will have to set apart approximately 35%-40% of the land for various public purposes at the stage of operation of the development plan. Such restrictions are violative of Articles 14 and 300A of the Constitution. The said matter is currently pending.	N.A.

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
8.	SandipVinubhai Patel Vs State of Gujarat ,Vadodara Municipal Corporation &Ors.	SLP(Civil) No. 036330/2015	Supreme Court of India	The Petitioners, an association of farmers residing and carrying on operations within the limits of Vadodara Urban Development Corporation (VUDC), have filed this SLP against the judgment and final order dated July 15, 2014 passed by the Hon'ble High Court of Gujarat against dismissal of their Writ Petition. The Petitioner has challenged the statutory and constitutional validity of the Resolution dated January 30, 2013 passed by VUDC and also challenges the legality and constitutional validity of the Notification dated March 21, 2013 issued by the Government of Gujarat. The said matter is currently pending.	N.A.
9.	Chitra Publicity Company Private Limited & Anr. v. Vadodara Municipal Corporation & ors.	SLP(C) No. 013905 -/2020	Supreme Court of India	Chitra Publicity Company Private Limited & Anr., ("Petitioner") filed a special leave petition bearing number 013905/2020 before the Supreme Court of India against Vadodara Municipal Corporation and Ors. ("Respondents") on November 16, 2020 (the "Petition"). The Petition was filed against the order passed by the High Court of Gujarat ("High Court") dated October 20, 2020. The contentions made by the Petitioner before the High Court were – (i) levy and collection of the license fees by the Respondent were violative against the provisions of Constitution of India; (ii) after introduction of the GST regime, the collection of tax under the guise of license fee amounts to double-taxation by the Respondent; and (iii) the provisions of the Gujarat Provincial Municipal Corporations Act, 1949 gives unguided and unanalyzed legislative power to the Commissioner which ultimately violates the Article 14 of the Constitution of India. The said matter is currently pending.	N.A.
10.	Baldev Shyamal Agrawal & Ors. v. Vadodara Municipal Corporation	SLP(C) No– 005203 - 005206/2020	Supreme Court of India	Baldev Shyamal Agarwal ("**Petitioner**") filed a special leave petition bearing number 005203-0005205/2020 before the Supreme Court of India in which VMC has also been made a party. The Corporation believes that the Petition is related to bullet train project taking place between Ahmedabad and Mumbai, further believes that matter is related to land acquisition around the area of track. As per the Corporation no land of theirs is going into acquisition. The Corporation has not been issued any notice or petition from the Supreme Court of India and the liability, if any will fall on the NHSRCL and the Union of India. The said matter is currently pending.	N.A.
11.	Vodafone West Limited v. Vadodara Municipal Corporation	C.A. No– 007999 - 008008 /2014 SLP(C)– No. 008939 - 008948 / 2014	Supreme Court of India	Vodafone West Limited ("Petitioner") filed a special leave petition before the Supreme Court of India against the Corporation. The Petition was filed against the judgment and order dated October 24, 2013 passed by the High Court of Gujarat ("High Court"). In the order, the High Court dismissed the writ petition filed by the Petitioner which was regarding challenging section 141B of the Gujarat Provincial Municipal Corporations Act, 1949 ("Act") and a rule 8D of the Taxation Rules (Amendment),	N.A.

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
				2001 as ultra vires to Constitution of India. In the High Court, the Petitioner challenged the constitutionality of the Act wherein the High Court upheld the constitutionality of the provision of the Act. Aggrieved by the order and decision of High Court, the Petitioner filed the Petition. The said matter is currently pending.	
12.	Animal Welfare Foundation v. Union of India	R/WPPIL /102/2022	High Court of Gujarat	Animal Welfare Foundation ("**Petitioner**") filed a writ petition bearing number 102 of 2022 before the High Court of Gujarat ("**High Court**") against the Union of India(Vadodara Municipal Corporation was one of the Respondent in this case) ("**Respondents**") on November 28, 2022 ("**Writ Petition**"). In the Writ Petition, the Petitioner requested the High Court to issue appropriate writ, order or direction for stopping the cruelty committed on the poultry animals that are being slaughtered in an illegal manner in meat shops; and for proper and effective implementation of Prevention of Cruelty to Animals Acts, 1960 and the provisions of Prevention of Cruelty to Animals (Slaughter House) Rules, 2001, in the State of Gujarat. The said matter is currently pending.	N.A.
13.	Rohitbhai Alias Ghanshyambhai Ambalal Patel. v. Vadodara Municipal Corporation & Ors.	Writ Pet–tion (PIL) - No. 166 of 2019	High Court of Gujarat	Rohitbhai alias Ghanshyambhai Ambalal Patel ("**Petitioner**") filed a writ petition bearing number 166 of 2019 before the High Court of Gujarat ("**High Court**") against the Gujarat State and Others (Vadodara Municipal Corporation was one of the Respondent in this case) ("**Respondents**") on July 31, 2019 ("**Writ Petition**"). In the Writ Petition, Petitioner requested to direct the State government to implement the provisions of the Gujarat Town Planning and Urban development Act, 1976 ("**Act**") and frame the rules preferably within a period of four months and form and constitute the committee as provided under the Act. The said matter is currently pending.	N.A.
14.	Rajesh Ramanlal Shah& Anr. v. Vadodara Municipal Corporation & Ors	Writ Pet–tion (PIL) - No. 177 of 2019	High Court of Gujarat	Rajesh Ramanlal Shah and Anr. ("**Petitioner**") filed a writ petition bearing number 177 of 2019 before the High Court of Gujarat ("**High Court**") against the Urban Development and Urban Housing Department and Others (Vadodara Municipal Corporation was one of the Respondent in this case) ("**Respondents**") on November 09, 2019 ("**Writ Petition**"). In the Writ Petition, Petitioner requested strict implementation of the norms governing the safety measures for setting up temporary structure for organizing events to prescribed standards to be maintained for granting NOC for temporary structures for events. The matter is currently pending before the High Court. The said matter is currently pending.	N.A.

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
15.	Vasudev Ramanlal Thakor. V. State of Government , Vadodara Municipal Corporation & Ors.	Writ Pet–tion (PIL) - No. 62 of 2019	High Court of Gujarat	Vasudev Ramanlal Thakor ("**Petitioner**") filed a writ petition bearing number 62 of 2019 before the High Court of Gujarat ("**High Court**") against the State of Gujarat and Others (Vadodara Municipal Corporation was one of the Respondent in this case) ("**Respondents**") on March 01, 2019 ("**Writ Petition**"). In the Writ Petition, Petitioner requested for granting interim relief and take urgent action for providing the facility of crematorium (Smashan) to the residents of Sayajipura Village. The said matter is currently pending.	N.A.
16.	Chhaya Vinesh Kadambkant & Ors. v. State of Gujarat, Vadodara Municipal Corporation & Ors.	Writ Pet–tion (PIL) - No. 162 of 2019	High Court of Gujarat	Chhaya Vinesh Kadambkant & Ors. ""Petitioner") filed a writ petition bearing number 162 of 2019 before the High Court of Gujarat "High Court") on August 02, 2019, against State of Gujarat & Ors., wherein Vadodara Municipal Corporation is one of the Respondent ("Writ Petition"). In the Writ Petition, Petitioners sought directions from the High Court on educating the public about the different types of fire resistance in buildings, fire safety measures as well as requirement to compel authorities implement and enforce the applicable fire safety laws and prescribed norms" .The Petition also sought directions for fixing accountability of responsible authorities and other persons, including initiation of appropriate civil and criminal proceedings, wherever warranted, in cases of fire safety violations. The said matter is currently pending.	N.A.
17.	Gujarat Khedut Hitrakshak Smiti. v. Vadodara Municipal Corporation & Ors.	Writ Pet–tion (PIL) - No. 192 of 2016	High Court of Gujarat	Gujarat Khedut Hitrakshak Samiti ("**Petitioner**") filed a writ petition bearing number 192 of 2016 before the High Court of Gujarat ("**High Court**") against the Vadodara Municipal Corporation & Ors. ("**Respondents**") on September 2, 2016 ("**Petition**"). In the Petition, the Petitioner challenged the statutory and constitutional validity of Resolution bearing No.217 passed by Vadodara Urban Development Authority, legality and constitutional validity of the notification dated March 21, 2013, issued by the Government of Gujarat and challenged vires of section 17 and 18 of Gujarat Town Planning and Urban Development Act, 1976. The said matter is currently pending.	N.A.
18.	Ektanagar Rahis Association. v. Vadodara Municipal Corporation & Ors.	Writ Pet–tion (PIL) - No. 235 of 2016	High Court of Gujarat	Ektnagar Rahis Association and Ors. ("**Petitioners**") filed a writ petition bearing number 235 of 2016 before the High Court of Gujarat ("**High Court**") against the Vadodara Municipal Corporation and Ors. ("**Respondents**") on November 3, 2016 ("**Writ Petition**"). In the Writ Petition, Petitioners challenged the removal of the residents of Ektnagar, Tandalja, Bapod Sahkari Nagar, Vadodara without any authority of law and sought to quash the proposed rehabilitation scheme framed under Gujarat Slum Areas (Improvement, Clearance and Redevelopment) Act, 1973. and Regulation for Rehabilitation and Re-development of Slums, 2010.	N.A.

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
				The said matter is currently pending.	
19.	Amit Manilal Panchal Vs State Of Gujarat, Vadodara Municipal Corporation	Filing No. WP(PIL): 15721/2020 & Registration No. WP(PIL) 118/2020	High Court of Gujarat	Amit Manilal Panchal (hereinafter referred as "**Petitioner**") has filed the writ petition (PIL) No. 118 of 2020 before Hon'ble High Court of Gujarat. The Petitioner has alleged that Vadodara Municipal Corporation (hereinafter to be referred as "Respondent") has failed to effectively enforce fire safety laws and statutory regulations within its jurisdiction by permitting buildings to obtain development and "Building Use" (BU) permissions without ensuring compliance with mandatory fire safety requirements. The petition raises concerns regarding inadequate fire stations, manpower, and firefighting equipment; non-compliance by high-rise buildings, hospitals, occupation of buildings without BU permissions; lack of effective inspection, monitoring, and enforcement etc. The petitioner further alleges that the Respondent failed to file a separate affidavit in the present proceedings in compliance with the Hon'ble Court's directions dated 27 May 2024. In this regard, the Municipal Commissioner, in an affidavit dated 03 June 2024 stated that affidavits of the Corporation had already been filed in Writ Petition (PIL) No. 34 of 2024 and requested that the same be treated as part of the record of Writ Petition (PIL) No. 118 of 2020. In reply to the same, affidavits were filed by Municipal and Deputy Municipal Commissioners of Vadodara Municipal Corporation, stating that the Corporation has complied with the High Court's directions by collecting information from the Fire and Emergency Services and Town Development Departments. The Respondent further stated that the Corporation grants development and building usage permissions only after obtaining the requisite Fire Safety Certificates and the Fire and Emergency Services Department,wherever required under the applicable GDCR/Common GDCR and possesses adequate vehicles and equipment and has reported no fire-related deaths in hospitals and schools during the preceding five years, , while six lives had been lost during last five years due to fire in different incidents The Respondent denied the allegations of the Petitioner and attached all the supporting documents as annexures in the affidavit filed. The Respondent further submitted that substantial steps have been taken to comply with the directions of the Hon'ble High Court and seek further time to complete the remaining actions. The said matter is currently pending.	Nil

Sl. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)
20.	Suo Motu Vs State Of Gujarat &Ors.	Writ Petition (PIL) No 34 of 2024	High Court of Gujarat	The Hon'ble High Court of Gujarat initiated Suo Motu Writ Petition (PIL) No. 34 of 2024 to monitor compliance with fire safety norms and its earlier directions concerning hospitals, schools, colleges, malls, multiplexes, auditoriums and other public buildings within the jurisdiction of the Vadodara Municipal Corporation (hereinafter to be referred as "the Respondents"). In reply to the same, affidavits were filed by the Municipal Commissioner and Chief Fire Officer of the Corporation detailing the measures undertaken for implementation of fire safety norms, including inspections, issuance of Fire NOCs and enforcement against non-compliant establishments. The matter is presently pending adjudication before the Hon'ble High Court.	Nil

C. LITIGATIONS BY THE ISSUER

i. CRIMINAL LITIGATIONS

- The Issuer has filed about 33 cases from the year 2013 to 2026 that are pending under the Food Safety and Standards Authority Act, 2006 while inspecting various samples.

- **Cases under Section 138 of the Negotiable Instrument Act 1881**

a. ***The Municipal Commissioner versus Paresh R. Shah bearing no.CC 895/2023***

A complaint has been filed by the Corporation before the Hon'ble Chief Judicial Magistrate, Vadodara, bearing Criminal Case No. 895/2023, dated January 6, 2023, against Paresh R. Shah (hereinafter referred to as the "Accused").As per the complaint, the Corporation had issued a tender for display advertisements, pursuant to which the Accused submitted an application that was duly accepted by the Corporation. Subsequently, a licence agreement was executed between the parties for carrying out the work contemplated under the tender. One of the conditions of the tender required the Accused to deposit an advance licence fee of ₹5,05,77,998/-. In this regard, the Accused issued a cheque for the aforesaid amount. However, upon presentation, the cheque was returned unpaid by the bank with the remark "Payment Stopped by Drawer. Consequently, the Corporation filed the present complaint before the Hon'ble Court, inter alia, seeking issuance of a non-bailable warrant against the Accused and payment of compensation equivalent to twice the amount of the dishonoured cheque. The matter is currently pending before the Hon'ble Court.

b. ***The Municipal Commissioner versus Paresh R Shah bearing no CC 17458/2022***

A complaint has been filed by the Corporation before the Ld. Chief Judicial Magistrate First Class, Vadodara, bearing Criminal Case No. 17458/2022, dated July 05 2022, against Paresh R. Shah (hereinafter referred to as the "Accused"). As per the complaint, the Corporation had issued tenders for display advertisements for erection of unipoles and installation of kiosk boards on electric poles pursuant to which the Accused submitted applications that were duly accepted by the Corporation, and licence agreements were executed between the parties. Towards payment of the outstanding licence fee, the Accused issued two Indian Overseas Bank cheques, dated 18/04/2022, for ₹56,46,669/- and ₹67,98,628/- respectively, totaling ₹1,24,45,297/-. However, upon presentation, both cheques were returned unpaid by the bank with the remark "Payment Stopped by Drawer." Despite written intimation and a statutory demand notice under the Negotiable Instruments Act served by the Corporation the Accused neither replied nor complied. Consequently, the Corporation filed the present complaint before the Hon'ble Court, inter alia, seeking issuance of a non-bailable warrant against the Accused and payment of compensation equivalent to double the amount of the dishonoured cheques. The matter is currently pending before the Hon'ble Court.

ii. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

Sr. No.	Name of Parties	Case No	Authority	Brief Facts of the Case	Amount Involved (₹ in Crores)	Case Status
1.	Vadodara Municipal Corporation v. Oriental Insurance Co. Ltd. & Anr.	SLP(C) No. 8140 & 8141/2020	Supreme Court of India	A Special Leave Petition was filed before the Hon'ble Supreme Court of India by Vadodara Municipal Corporation (hereinafter referred to as the "Petitioner") against The Oriental Insurance Co. Ltd. and Ripple Aqua Sports. The Petitioner states that Ripple Aqua Sports was engaged for operating boating activities at Sursagar Lake, Vadodara and that the said activities were insured with The Oriental Insurance Co. Ltd. Following a boating accident at Sursagar Lake, Vadodara resulting in the death of 22 persons, various consumer complaints were filed by the legal heirs of the victim's seeking compensation. Pursuant to the orders passed by the Consumer Commissions, the Petitioner paid compensation to the claimants and subsequently sought reimbursement and recovery of the amounts paid. Being aggrieved by the judgment and order dated October 31, 2019, passed by the National Consumer Disputes Redressal Commission, New Delhi in First Appeal Nos. 522 and 523 of 2015, the Petitioner preferred the present Special Leave Petitions. The Petitioner sought reimbursement and recovery of amounts paid towards compensation, including recovery of ₹ 10,57,473/- from Ripple Aqua Sports together with interest, and interest at the rate of 10% per annum on ₹ 90,57,473/- for the period from June 29, 2009, to December 2, 2011, from The Oriental Insurance Co. Ltd. The Petitioner contended that it was not the service provider and had no privity of contract with the victims, that the responsibility for boating activities vested exclusively with Ripple Aqua Sports under the license agreement, and that the National Commission erred in directing the Petitioner to pursue recovery through a civil suit. It was therefore prayed that the impugned judgment dated October 31, 2019, be set aside and appropriate consequential reliefs be granted. The said matter is currently pending.	0.1	Pending

D. LITIGATIONS INVOLVING THE MEMBERS OF THE BOND ISSUE COMMITTEE

LITIGATIONS AGAINST THE MEMBERS OF THE BOND ISSUE COMMITTEE

Nil

LITIGATIONS BY THE MEMBERS OF THE BOND ISSUE COMMITTEE

Nil

E. OUTSTANDING DUES TO CREDITORS

Based on Materiality Policy of the Issuer, as on September 30, 2026 VMC had a total 7 material creditors. Further the Issuer does not categorize its creditors as SSU/MSME and the creditors also do not submit their SSU/MSME

registrations and hence the dues to SSU/MSME are not disclosed in this Draft Offer Document.

Details of outstanding dues to creditors is given below:

Particulars	No. of Creditors	Outstanding Dues(₹ in crore)
Total Outstanding dues to Material Creditors	7	13.14
Total Outstanding dues creditors other than Material Creditors	239	16.11
Grand Total	**300**	**29.25**

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link:
https://vmc.gov.in/pdf/Account/E.%20MUNICIPAL%20BONDS/6%20BLUE%20MUNICIPAL%20BONDS/List%20of%20Material%20Creditors%20as%20on%2030.09.2026.pdf

F. MATERIAL DEVELOPMENTS SINCE DATE OF THE LAST BALANCE SHEET

As per the certificate of the Auditor dated November 13, 2026 the Issuer has not undergone any material development since date of the last balance sheet except routine transfer of officials of the Issuer

G. MATERIAL AGREEMENTS AND CONTRACTS:

Except for the agreements entered into by the Issuer in the normal course of business, the details of the Material Agreements Contracts are as provided in the section titled "Material Contracts and Documents" on page no. 182 of this Draft Offer Document.

H. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER, RESULTING IN MATERIAL LIABILITIES, RESTRUCTURING EVENT, ETC,) AT THE TIME OF THE ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTORS' DECISION TO INVEST/ CONTINUE TO INVEST IN THE MUNICIPAL DEBT SECURITIES.

The Issuer hereby confirms that, except as disclosed in this Draft Offer Document, there has been no material event, development or change having implications on the financial condition or credit quality of the Issuer which may affect the issue of the Bonds or an investors' decision to invest or continue to invest in the Bonds to be issued by the Issuer.

I. DETAILS OF NON-PAYMENT OF STATUTORY DUES

Except as disclosed above, there are/ are no instances of non-payment of statutory dues by the Corporation.

J. DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENT ISSUED BY THE ISSUER, IN THE PAST 3 YEARS.

Nil

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

i. Against the Issuer

Nil

ii. Against the Debenture Trustee

Nil

iii. Against the Lead Managers

Tipsons Consultancy Services Private Limited

Sr. No	SEBI/Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication take by SEBI/Regulatory Authority
1.	SEBI	1. SEBI has issued an Adjudication Order dated 22.04.2024 in the matter of UGRO Capital Limited under Section 15HB of SEBI Act, 1992 and imposed penalty an amount of Rs. 3,00,000/- (Rupees Three Lakh Only) and the same was paid to the SEBI and the matter is settled and closed. 2. SEBI has issued Summary Settlement order dated 14.06.2024 in the matter of Nido Home Finance Limited under Section 15HB of the SEBI Act, 1992 and imposed penalty an amount of Rs. 7,18,750/- (Rupees Seven Lakh Eighteen Thousand Seven Hundred Fifty Only) and the same was paid to the SEBI and the matter is settled and closed.

iv. Against the Credit Rating Agencies

Sr. No	Name of Credit Rating Agency	SEBI/Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication take by SEBI/Regulatory Authority
1.	India Ratings & Research Private Limited	SEBI	1. The Securities Exchange Board of India (SEBI) had passed an adjudication order dated December 26, 2019, imposing a penalty of Rs 25 lacs on India Ratings in respect of assigning ratings to Infrastructure Leasing & Financial Services Limited. India Ratings has filed an appeal to Securities Appellate Tribunal (SAT) on February 10, 2020, against the SEBI order imposing a penalty of Rs. 25 lacs on India Ratings. On September 22, 2020, the penalty was enhanced to Rs 1 crore. India Ratings has filed an appeal to SAT on November 6, 2020, against the SEBI order dated September 22, 2020 which enhanced the penalty to Rs. 1 crore. SAT at its hearing on September 30, 2026 directed the appeals to be listed for hearing next on November 17-19, 2026. 2. SEBI imposed a fine of Rs 3 lakhs on India Ratings vide its Order dated November 30, 2023, in respect of the delay in recognition of default by M/s Altico Capital India and the delay in recognition of material event in case of M/s Hindustan Cleanenergy Limited. The payment towards the same was done by India Ratings on 18 December 2023 and the matter stands closed.

v. Against the Registrar

Nil

SECTION-XII: OTHER REGULATORY AND STATUTORY DISCLOSURES

I. Authority for this Issue

The Corporation has obtained approvals for the Issue of Blue Bonds from the General Board vide its resolution no. 147 dated February 18, 2026 read with Standing Committee resolutions no.546 dated February 07, 2026, and the Urban Development and Urban Housing Department, Government of Gujarat vide its Resolution bearing no. UDUHD/SPP/e-file/18/2026/0656/P Section dated August 25, 2026 for issuing blue municipal bonds. The Bond Issue Committee through its resolution dated November 13, 2026 approved the Issue.

For details of the abovementioned resolutions of General Board, Standing Committee, Bond Issue Committee and Urban Development and Urban Housing Department, Government of Gujarat, please refer to the Annexure III of this Draft Offer Document at page A-42.

The Corporation has received in-principle approvals of the NSE vide its letter bearing reference no. [●] dated [●] and BSE vide its letter bearing reference no. [●] dated [●] for the listing of the NCDs.

II. Prohibition by SEBI and Identification as Wilful Defaulter

The Corporation and the members of the Bonds Issue Committee are not: (i) restrained, prohibited or debarred from accessing the securities market by any order or direction by SEBI; (ii) named in the list of wilful defaulter.

III. Eligibility for the Issue

The Corporation is eligible to file this Draft Offer Document and the Offer Document in accordance with the SEBI ILMDS Regulations as it fulfils the following criteria:

a) The Corporation is eligible to raise funds under its constitution documents;
b) The Corporation has prepared its accounts in accordance with National Municipal Accounts Manual;
c) The Corporation has not defaulted in repayment of debt securities or loans obtained from banks or financial institutions, during the preceding three hundred and sixty five days;
d) Neither the Corporation nor the members of the Bonds Issue Committee is: (i) restrained, prohibited or debarred from accessing the securities market by any order or direction by SEBI; or (ii) named in the list of wilful defaulter;
e) The members of the Bonds Issue Committee have not been declared as a fugitive economic offender;
f) The issuer has surplus income as per its Income and Expenditure Statement in one of the immediately preceding three financial years i.e. Financial Year ending March 31, 2024.

IV. Disclosures

1. DISCLAIMER STATEMENT FROM THE ISSUER.

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT OFFER DOCUMENT, OFFER DOCUMENT OR IN ANY ADVERTISEMENT OR 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 THEIR OWN RISK.

2. UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "RISK FACTORS" SECTION ON PAGE 18 OF THIS DRAFT OFFER DOCUMENT.

ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS DRAFT OFFER DOCUMENT CONTAINS TRUE, FAIR AND ADEQUATE INFORMATION TO ENABLE INVESTORS TO MAKE A WELL INFORMAED DECISION REGARDING THEIR INVESTMENT IN THE PROPOSED ISSUE AND THAT THERE IS NO MIS-LEADING OR UNTRUE STATEMENTS OR MIS-STATEMENT IN THE DRAFT OFFER DOCUMENT.

THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS DRAFT OFFER DOCUMENT ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE WEBSITE WHERE THE NCDs ARE PROPOSED TO BE LISTED.

THE ISSUER UNDERTAKES THAT CHARGE SHALL BE CREATED IN FAVOUR OF THE DEBENTURE TRUSTEE AS PER THE TERMS OF ISSUE, IF APPLICABLE.

THE ISSUER DECLARES THAT NOTHING IN THIS DRAFT OFFER DOCUMENT IS CONTRARY TO THE PROVISIONS OF SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS 2015, THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

THE ISSUER SHALL SUBMIT THE DOCUMENTS DISCLOSED IN THE DRAFT OFFER DOCUMENT TO THE DEBENTURE TRUSTEE IN ELECTRONIC FORM (SOFT COPY).

ALL STEPS FOR COMPLETION OF THE NECESSARY FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING AT ALL STOCK EXCHANGES WHERE THE SECURITIES ARE TO BE LISTED ARE TAKEN WITHIN THE PERIOD SPECIFIED BY THE BOARD.

ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE TRANSFERRED TO A SEPARATE BANK ACCOUNT.

THAT THE ISSUER HAS NOT ISSUED ANY SECURITIES BY WAY OF PUBLIC ISSUE IN THE PAST.

3. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA ("SEBI"):

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

4. DISCLAIMER CLAUSE OF GOVERNMENT OF GUJARAT

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS DRAFT OFFER DOCUMENT SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY GOVERNMENT OF GUJARAT. GOVERNMENT OF GUJARAT DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT OFFER DOCUMENT.

5. DISCLAIMER OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED

AS REQUIRED, A COPY OF THE DRAFT OFFER DOCUMENT SHALL BE FILED WITH NSE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, ISSUED VIDE NOTIFICATION NO. SEBI/ LAD-NRO/GN/2015-16/006 (DATED JULY 15, 2015) AS AMENDED FROM TIME TO TIME. NSE HAS GIVEN VIDE ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE

LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, IT'S MEMBERS OF BOND ISSUE COMMITTEE OR ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

6. DISCLAIMER OF BSE LIMITED

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER NO [●] DATED [●] PERMISSION TO THIS ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THE ISSUER. THE EXCHANGE DOES NOT IN ANY MANNER:

A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS DRAFT OFFER DOCUMENT; OR

B. WARRANT THAT THE ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS MEMBERS OF BOND ISSUE COMMITTEE, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THE ISSUER;

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECTURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

7. DISCLAIMER OF THE RATING AGENCIES

DISCLAIMER OF CRISIL RATINGS LIMITED:

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN

THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. VADODARA MUNICIPAL CORPORATION WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800-267-3850".

DISCLAIMER OF INDIA RATINGS AND RESEARCH PRIVATE LIMITED:

INDIA RATINGS & RESEARCH PRIVATE LIMITED ("INDIA RATINGS") IS A CREDIT RATING AGENCY REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) UNDER SECTION 12 OF THE SEBI ACT, 1992. IN THIS CAPACITY, INDIA RATINGS UNDERTAKES RATINGS OF LISTED AND PROPOSED TO BE LISTED INSTRUMENTS THAT FALL UNDER THE REGULATORY OVERSIGHT OF SEBI. IN ADDITION, IN LINE WITH REGULATION 9(F) OF THE SEBI (CREDIT RATING AGENCIES) REGULATION, 1999, INDIA RATINGS RATES FINANCIAL INSTRUMENTS FALLING UNDER THE PURVIEW OF OTHER FINANCIAL SECTOR REGULATORS (FSR). INSTRUMENTS WHICH COME UNDER THE PURVIEW OF OTHER FSRS DO NOT COME UNDER THE OVERALL GOVERNANCE OF SEBI. ISSUERS/USERS/READERS OF THIS DOCUMENT ARE, THEREFORE, CAUTIONED TO KNOW THE RISKS INVOLVED IN DEALING IN SUCH INSTRUMENTS. SUCH INSTRUMENTS CAN CARRY LIQUIDITY AND PRICE RISK WHICH PERTAINS TO HOW SALEABLE A SECURITY IS IN THE MARKET. IF A PARTICULAR SECURITY DOES NOT HAVE A MARKET AT THE TIME OF SALE, THEN THE INVESTOR'S INVESTMENTS MAY HAVE TO BEAR AN IMPACT DEPENDING ON ITS EXPOSURE TO THAT PARTICULAR SECURITY. IT IS NOT POSSIBLE TO PREDICT IF, AND TO WHAT EXTENT, A SECONDARY MARKET MAY DEVELOP IN THE DEBT SECURITIES OR AT WHAT PRICE THE DEBT SECURITIES WILL TRADE IN THE SECONDARY MARKET OR WHETHER SUCH MARKET WILL BE LIQUID OR ILLIQUID. THE MORE LIMITED THE SECONDARY MARKET IS, THE MORE DIFFICULT IT MAY BE FOR HOLDERS OF THE DEBT SECURITIES TO REALISE VALUE FOR THE DEBT SECURITIES PRIOR TO REDEMPTION OF THE DEBT SECURITIES. IF THE DEBT SECURITIES ARE UNLISTED, THEN THE ABILITY OF THE INVESTORS TO RESELL OR TRADE THEM MAY BE LIMITED, LEADING TO LIQUIDITY AND PRICE RISK ON THE DEBT SECURITIES. THE RETURNS FROM A PARTICULAR ASSET CLASS MAY UNDERPERFORM RETURNS FROM OTHER ASSET CLASSES. THE CHANGES IN GOVERNMENT POLICY IN GENERAL AND CHANGES IN TAXATION MAY IMPACT THE RETURNS TO INVESTORS. THERE CAN BE EXTERNAL RISKS ARISING OUT OF GEOPOLITICAL SITUATIONS WHICH CAN LEAD TO VOLATILITY IN/IMPACT THE PERFORMANCE OF THE INDIVIDUAL SECURITIES. ISSUERS/USERS/READERS ARE ADVISED TO NOTE THAT SEBI'S INVESTOR PROTECTION MECHANISMS AND SEBI'S GRIEVANCE OR DISPUTE REDRESSAL MECHANISMS ARE NOT APPLICABLE TO RATINGS ASSIGNED BY INDIA RATINGS THAT FALL UNDER THE PURVIEW OF OTHER FSRS. SHOULD YOU HAVE ANY GRIEVANCE WITH INSTRUMENTS UNDER THE PURVIEW OF OTHER FSRS, PLEASE WRITE TO INFOGRP@INDIARATINGS.CO.IN. FOR ANY GRIEVANCE WITH INSTRUMENTS UNDER THE PURVIEW OF SEBI, PLEASE WRITE TO INVESTOR.GRIEVANCES@INDIARATINGS.CO.IN.

FURTHER, INDIA RATINGS RELIES ON INFORMATION OBTAINED FROM MULTIPLE SOURCES AND THERE MAY BE INSTANCES WHERE THE INFORMATION IS NOT ACCURATE/INCOMPLETE, DESPITE EFFORTS BEEN TAKEN TO VERIFY THE SAME. ULTIMATELY, THE ISSUER /ITS ADVISERS ARE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION THEY PROVIDE TO INDIA RATINGS AND TO THE MARKET IN OFFERING DOCUMENTS AND OTHER REPORTS. IN ISSUING ITS RATING, INDIA RATINGS RELIES ON THE WORK OF EXPERTS, INCLUDING INDEPENDENT AUDITORS WITH RESPECT TO FINANCIAL STATEMENTS AND ATTORNEYS WITH RESPECT TO LEGAL AND TAX MATTERS. FURTHER, RATINGS ARE INHERENTLY FORWARD-LOOKING AND EMBODY ASSUMPTIONS AND PREDICTIONS ABOUT FUTURE EVENTS THAT BY THEIR NATURE CANNOT BE VERIFIED AS FACTS. AS A RESULT, DESPITE ANY VERIFICATION OF CURRENT FACTS, RATINGS CAN BE AFFECTED BY FUTURE EVENTS OR CONDITIONS THAT MAY NOT HAVE BEEN ANTICIPATED AT THE TIME A RATING WAS ISSUED OR AFFIRMED.

IT NEEDS TO BE NOTED THAT RATINGS ARE NOT A RECOMMENDATION OR SUGGESTION, DIRECTLY OR INDIRECTLY, TO YOU OR ANY OTHER PERSON, TO BUY, SELL, MAKE OR HOLD

ANY INVESTMENT, LOAN OR SECURITY OR TO UNDERTAKE ANY INVESTMENT STRATEGY WITH RESPECT TO ANY INVESTMENT, LOAN OR SECURITY OF ANY ISSUER. CREDIT RATINGS DO NOT COMMENT ON THE ADEQUACY OF MARKET PRICE, THE SUITABILITY OF ANY INVESTMENT, LOAN OR SECURITY FOR A PARTICULAR INVESTOR (INCLUDING WITHOUT LIMITATION, ANY ACCOUNTING AND/OR REGULATORY TREATMENT), OR THE TAX-EXEMPT NATURE OR TAXABILITY OF PAYMENTS MADE IN RESPECT OF ANY INVESTMENT, LOAN OR SECURITY. THE RATING AGENCY SHALL NEITHER CONSTRUED TO BE NOR ACTING UNDER THE CAPACITY OR NATURE OF AN 'EXPERT' AS DEFINED UNDER SECTION 2(38) OF THE COMPANIES ACT, 2013. INDIA RATINGS DOES NOT PROVIDE ANY FINANCIAL, LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES IN ANY MANNER. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. INVESTORS MAY FIND OUR RATINGS TO BE IMPORTANT INFORMATION, AND INDIA RATINGS NOTES THAT YOU ARE RESPONSIBLE FOR COMMUNICATING THE CONTENTS OF THIS LETTER, AND ANY CHANGES WITH RESPECT TO THE RATING, TO INVESTORS.

8. DISCLAIMER OF THE DEBENTURE TRUSTEE:

INVESTORS SHOULD CAREFULLY READ AND NOTE THE CONTENTS OF THE DRAFT OFFER DOCUMENT. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE MERIT OF THE INVESTMENT IN BLUE 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 BLUE BONDS AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYZE SUCH INVESTMENT AND SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCE. PROSPECTIVE INVESTORS ARE REQUIRED TO MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN SUCH INSTRUMENTS. THE TRUSTEE WOULD ACT AS PER THE PREVALENT SEBI GUIDELINES.

9. DISCLAIMER OF THE LEAD MANAGERS:

THE ISSUER HAS AUTHORISED THE LEAD MANAGERS TO DISTRIBUTE THIS DRAFT OFFER DOCUMENT IN CONNECTION WITH THE PLACEMENT OF THE BLUE BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS DRAFT OFFER DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH OFFER OR PLACEMENT WOULD BE IN VIOLATION OF ANY LAW, RULE OR REGULATION. EACH PERSON RECEIVING THIS DRAFT OFFER DOCUMENT ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE DRAFT OFFER DOCUMENT AND THE RISK FACTORS STATED IN SECTION IV (RISK FACTORS) ON PAGE 18 OF THIS DRAFT OFFER DOCUMENT AND RELY ON ITS OWN EXAMINATION OF THE ISSUER AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE BLUE BONDS. THE LEAD MANAGERS: (A) ARE NOT ACTING AS TRUSTEE OR FIDUCIARY FOR THE POTENTIAL INVESTOR; AND (B) ARE UNDER NO OBLIGATION TO CONDUCT ANY "KNOW YOUR CUSTOMER" OR OTHER PROCEDURES IN RELATION TO ANY PERSON ON BEHALF OF ANY POTENTIAL INVESTOR. NEITHER THE LEAD MANAGERS NOR THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES ARE RESPONSIBLE FOR ANY DETERMINATION AS TO WHETHER ANY INFORMATION PROVIDED OR TO BE PROVIDED TO ANY FINANCE PARTY IS NON-PUBLIC INFORMATION THE USE OF WHICH MAY BE REGULATED OR PROHIBITED BY APPLICABLE LAW OR REGULATION OR OTHERWISE.

THE LEAD MANAGERS ARE NOT ACTING AND HAS NOT BEEN ENGAGED TO ACT AS AN UNDERWRITER WITH RESPECT TO THE BLUE BONDS.

THE ISSUER HAS PREPARED THIS OFFER DOCUMENT AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS DRAFT OFFER DOCUMENT 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 LEAD MANAGERS.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS DRAFT OFFER DOCUMENT. HOWEVER, THE POTENTIAL INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS DRAFT OFFER DOCUMENT AS INVESTMENT, LEGAL, ACCOUNTING, REGULATORY OR TAX ADVICE, AND THE POTENTIAL INVESTORS SHOULD CONSULT WITH THEIR OWN ADVISORS AS

TO ALL LEGAL, ACCOUNTING, REGULATORY, TAX, FINANCIAL AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE BLUE BONDS. THIS DRAFT OFFER DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE USED AS THE BASIS OF ANY CREDIT ANALYSIS OR OTHER EVALUATION AND SHOULD NOT BE CONSIDERED AS A RECOMMENDATION BY THE LEAD MANAGERS THAT ANY RECIPIENT PARTICIPATES IN THE ISSUE OR ADVICE OF ANY SORT. IT IS UNDERSTOOD THAT EACH RECIPIENT OF THIS DRAFT OFFER DOCUMENT WILL PERFORM ITS OWN INDEPENDENT INVESTIGATION AND CREDIT ANALYSIS OF THE PROPOSED FINANCING AND THE OPERATIONS, FINANCIAL CONDITION, PROSPECTS, CREDITWORTHINESS, STATUS AND AFFAIRS OF THE ISSUER, BASED ON SUCH INFORMATION AND INDEPENDENT INVESTIGATION AS IT DEEMS RELEVANT OR APPROPRIATE AND WITHOUT RELIANCE ON THE LEAD MANAGER OR ON THIS DRAFT OFFER DOCUMENT.

THE LEAD MANAGERS ARE ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE BLUE BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE DRAFT OFFER DOCUMENT. THE RECEIPT OF THE DRAFT OFFER DOCUMENT BY ANY RECIPIENT IS NOT TO BE CONSTITUTED AS THE GIVING OF INVESTMENT ADVICE BY THE LEAD MANAGERS TO THAT RECIPIENT, NOR TO CONSTITUTE SUCH A RECIPIENT A CUSTOMER OF THE LEAD MANAGERS. THE LEAD MANAGERS AREARE NOT RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTION AFFORDED TO THE CUSTOMERS OF THE LEAD MANAGERS NOR FOR PROVIDING ADVICE IN RELATION TO THE BLUE BONDS.

EACH RECIPIENT OF THE DRAFT OFFER DOCUMENT ACKNOWLEDGES THAT EACH RECIPIENT HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM THE ISSUER AND TO REVIEW AND HAS RECEIVED FROM THE ISSUER ALL ADDITIONAL INFORMATION CONSIDERED BY THE RECIPIENT TO BE NECESSARY TO VERIFY THE ACCURACY AND THE LEAD MANAGERS SHALL NOT BE RESPONSIBLE FOR ANY INFORMATION RECEIVED BY THE RECIPIENT OF THE DRAFT OFFER DOCUMENT OTHER THAN THE INFORMATION SET OUT HEREIN.

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

PLEASE NOTE THAT:

(A) THE LEAD MANAGERS AND/ OR THEIR AFFILIATES MAY, NOW AND/ OR IN THE FUTURE, HAVE OTHER INVESTMENT AND COMMERCIAL BANKING, TRUST AND OTHER RELATIONSHIPS WITH THE ISSUER AND OTHER ENTITIES RELATED TO THE ISSUER;

(B) AS A RESULT OF THOSE OTHER RELATIONSHIPS, THE LEAD MANAGERS AND/ OR THEIR AFFILIATES MAY GET INFORMATION ABOUT THE ISSUER AND/ OR THE ISSUE OR THAT MAY BE RELEVANT TO ANY OF THEM. DESPITE THIS, THE LEAD MANAGERS AND/ OR THEIR AFFILIATES WILL NOT BE REQUIRED TO DISCLOSE SUCH INFORMATION OR THE FACT THAT IT IS IN POSSESSION OF SUCH INFORMATION TO ANY RECIPIENT OF THIS DRAFT OFFER DOCUMENT;

(C) THE LEAD MANAGERS AND/ OR THEIR AFFILIATES MAY, NOW AND IN THE FUTURE HAVE FIDUCIARY OR OTHER RELATIONSHIPS UNDER WHICH IT, OR THEY MAY EXERCISE VOTING POWER OVER SECURITIES OF VARIOUS PERSONS. THOSE SECURITIES MAY FROM TIME TO TIME INCLUDES SECURITIES OF THE ISSUER;

(D) THE LEAD MANAGERS AND/ OR THEIR AFFILIATES MAY EXERCISE SUCH VOTING POWERS, AND OTHERWISE PERFORM ITS FUNCTIONS IN CONNECTION WITH SUCH FIDUCIARY OR OTHER RELATIONSHIPS, WITHOUT REGARD TO ITS RELATIONSHIP TO THE ISSUER AND/ OR THE BLUE BONDS.

10. DISCLAIMER IN RESPECT OF JURISDICTION

ISSUE OF THESE BLUE BONDS HAVE BEEN/ WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER ISSUE PROCEDURE – APPLICATION PROCESS ON PAGE 96 OF THIS DRAFT OFFER DOCUMENT. THE DRAFT OFFER DOCUMENT IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO BLUE BONDS OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THIS DRAFT OFFER DOCUMENT AND THE OFFER DOCUMENT

COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

11. DISCLAIMER OF INDEPENDENT THIRD PARTY REVIEWER

THIS BLUE BOND VERIFICATION REPORT HAS BEEN PREPARED EXCLUSIVELY FOR VADODARA MUNICIPAL CORPORATION (VMC). THE ASSESSMENT IS BASED ON THE DATA, INFORMATION, AND SUPPORTING DOCUMENTATION PROVIDED BY VMC AND ITS REPRESENTATIVES THROUGHOUT THE REVIEW AND VERIFICATION PROCESS, WHICH HAVE BEEN SUBMITTED IN GOOD FAITH. HAS RELIED UPON THE ACCURACY AND COMPLETENESS OF THE INFORMATION MADE AVAILABLE DURING THE ASSESSMENT.

FORCE MAJEURE

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE ISSUE AT ANY TIME PRIOR TO THE ISSUE CLOSING DATE IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND/ OR REGULATORY ENVIRONMENT OR OTHERWISE. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION MONEY, IF ANY, COLLECTED IN RESPECT OF THE ISSUE WITHOUT ASSIGNING ANY REASON, SUBJECT TO APPLICABLE LAW.

Utilization details regarding the previous issues of the issuer

The details of the previous issuance are as follows:-

A. Previous public issue of Municipal Debt Securities

The Corporation has previously not undertaken public issue of municipal debt securities.

B. Private placements by Issuer:

During Financial Year 2021-22 and Financial Year 2023-24, VMC had issued rated, listed, unsecured, taxable, redeemable, non-convertible bonds in the nature of debentures of face value of ₹ 1 lakhs each at par aggregating to ₹ 100 crores in relation to three projects.

Please see below the details of any private placements undertaken by the Issuer: -

ISIN	Date Of Allotment	Date of Redemption	Objects of the Issue	Utilization of Proceeds
INE0KDG08023	March 04, 2024	March 04, 2029	Projects proposed to be funded by the Issue Proceeds namely: a. Construction of 100 MLD Sewage Treatment Plant at Sherkhi b. Design, Commissioning and Testing of New Auxillary Pumping Station (With 10 years O&M), Pressure line and Drainage Network in Newly added Bil area of Vadodara. 3. Engineering, Procurement and Construction of New 21 MLD Sewage Treatment Plant and Main Pumping Station at Undera (with 10 years O&M)	Fully utilized
INE0KDG24012	March 28, 2022	March 28, 2027	a. Project of Improvement to water supply arrangement (from Mahi River near Sindhrot); and b. Construction of new Auxiliary Pumping Station (APS) at Amit Nagar and for laying new drainage gravity line by microtunneling method	Fully utilised

Other Confirmations

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

SBICAP TRUSTEE COMPANY LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 13, 2026. AS PER THE FORMAT SPECIFIED IN THE SEBI DEBENTURE TRUSTEE MASTER CIRCULAR WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.

(2) ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS:

WE CONFIRM THAT:

a) ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

b) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), AND DRAFT OFFER DOCUMENT.

c) ISSUER HAS GIVEN AN UNDERTAKING THAT THE DEBENTURE TRUST DEED SHALL BE EXECUTED BEFORE THE FILING OF THE LISTING APPLICATION.

Debenture Trust Deed

The Corporation and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Issuer, as per SEBI ILMDS Regulations applicable for the proposed NCD Issue within timelines prescribed therein.

Track record of past public issues handled by the Lead Managers:

The track record of public issues handled/managed by the Lead Managers, as required by SEBI Master Circular for Merchant Bankers Registered with SEBI dated July 14, 2026, is available at the following websites:

Name of Lead Manager	Website
A. K. Capital Services Limited	www.akgroup.co.in
Tipsons Consultancy Services Private Limited	www.tipsons.com

Trading

The marketable lot for the purpose of trading of Blue Bonds shall be 1 (one) NCD of face value of ₹ 1000 (Rupees One Thousand). Trading of NCDs would be permitted in demat mode only and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Blue 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.

Consents

Consents in writing of: (a) the Compliance Officer, (b) members of the Bonds Issue Committee (c) the Lead Managers, (d) the Registrar to the Issue, (e) the Debenture Trustee to the Issue, (f) Legal Advisor to the Issue, (g) Credit Rating Agencies, (h) Project Management Consultants (i) Auditor for the Issue (j) Banker to the Issue (k) Consortium Member (*which shall be procured at the time of filing of Offer Document*) (l) Independent Third Party Reviewer, (m) Escrow Bank (n) Independent Certifier.

The consent of the Auditor for the Issue M/s Shah & Tolia, Chartered Accountant for inclusion of (a) their names as the Auditor for the Issue, (b) examination report on the Financial Statements comprising the abridged balance sheet, income and expenditure account and cash flow statement for the last three financial years, ending March 31, 2026 and March 31, 2025 and March 31, 2024 in the form and context in which they appear in this Draft Offer Document; and (c) statement of special tax benefits, (d) Review reports along with financial statements for the last three financial

years, ending March 31, 2026, and March 31, 2025 and March 31, 2024 have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Draft Offer Document.

Filing of this Draft Offer Document

In terms of Regulation 7 of the SEBI ILMDS Regulations, a copy of this Draft Offer Document has been filed with the SEBI and the Stock Exchanges for dissemination on their website.

Filing of the Offer Document

A copy of the Offer Document shall be filed with SEBI, NSE and BSE in accordance with the SEBI ILMDS Regulations.

Recovery Expense Fund:

Issuer shall create a recovery expense fund in the manner as specified in the SEBI Master Circular for Debenture Trustees with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action.

Underwriting

This Issue will not be underwritten.

Reservation

No portion of this Issue has been reserved.

Default / delay in payment

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued additional interest of at least 2% p.a. over the coupon rate shall be payable by the Issuer for the defaulting period.

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on NSE and BSE. In Principle Applications will be made to the BSE and NSE simultaneously with the filing of the Offer Document for permission to deal in and for official quotation in NCDs. NSE has been appointed as the Designated Stock Exchange.

In case of delay in listing of the NCDs beyond 3 (three) working days from Issue Closing Date, the Issuer shall pay penal interest of 2 % per annum which shall be paid over and above the Coupon Rate for the period of delay in listing.

As per provisions of the SEBI ILMDS Debt Regulations, In case the issuer fails to obtain listing or trading permission from any of the recognized stock exchanges where the municipal debt securities were proposed to be listed, it shall refund the entire monies received within seven days of receipt of intimation from stock exchange or in case of multiple stock exchange(s) within seven days from the earliest intimation rejecting the application for listing of municipal debt securities, and if any such money is not repaid after the issuer becomes liable to repay it, the issuer shall be liable to repay that money with interest at the rate of fifteen percent per annum till such refund is made.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Offer Document and the Offer Document may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Delay in allotment of securities

Issuer confirms that there have been no delays in allotment of securities in the past and all allotments have been made within the prescribed timelines. Issuer shall pay interest at a rate of 15% per annum to investors where allotment has not been made and/or the application monies are not refunded or unblocked within the prescribed timelines.

Jurisdiction

The NCDs and the Transaction Documents (other than the Public Issue Account and Sponsor Bank Agreement) shall 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 Vadodara, Gujarat. The Public Issue Account and Sponsor Bank Agreement shall 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 Mumbai, Maharashtra.

Mechanism for redressal of investor grievances

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor's grievance within 21 days of its receipt and in such manner as may be specified by the SEBI. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to chiefaccountant@vmc.gov.in. 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 at point G of this Section at page 32 in this Draft Offer Document. The Corporation has already got itself registered with the SCORES platform of SEBI (SCORES ID: comn00629) for the convenience of the investors for filing of any complaint.

KFin Technologies Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated November 05, 2026 between the Registrar to the Issue and the Corporation will provide for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue and Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchanges where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

KFIN TECHNOLOGIES LIMITED

Logo:

Address: Selenium, Tower B, Plot No-31 & 32,
Financial District, Nanakramguda
Serilingampally Hyderabad
Rangareddy - 500 032, Telangana, India.
Tel: +91 40 67162222 / 18003094001
Fax No.: +91 40 6716 1563

Email: vadodara.ncdipo@kfintech.com
Investor Grievance Email Id: einward.ris@kfintech.com
Contact Person: Williams R
Website: www.kfintech.com
Compliance Officer: Anish Kumar
Email Compliance Officer: anish.kumar@kfintech.com
SEBI Registration No.: INR000000221
CIN: L72400MH2017PLC444072

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible, in accordance with applicable law.

The compliance officer of the Corporation is Shri. Santosh Hiralal Tiwari**,** Chief Accountant & Deputy Municipal Commissioner (Project) and his contact details are as follows:

Address: 1st Floor, Khanderao Market Building,
Raj Mahel Road, Vadodara,
Gujarat, India - 390209
Tel: (0265) 2432003, PBX: (0265) 2433116/118 Extn. 281
Mobile: +91-9925028515
E-mail: chiefaccountant@vmc.gov.in
E-mail (Investor Grievance): chiefaccountant@vmc.gov.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice cum unblocking intimation, demat credit of allotment of NCDs and non-receipt of funds by electronic mode.

Auditor's Remark

Our Auditor for the Issue have highlighted few remarks/observations/matters in the Review Reports for F.Y. 2025-26 dated May 29, 2026, for FY 2024-25 dated May 30, 2025 and for FY 2023-24 dated May 28, 2024. The same can be accessed on our website through the following link: https://vmc.gov.in/SupportAccounts.aspx .

SECTION-XIII : GOVERNMENT APPROVALS

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

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

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

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

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

I. ISSUER

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

S. No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number ("PAN")	AAALV0111B	Income Tax Department, Government of India	April 01, 1966*	One Time Registration
2.	GST Registration Certificate ("GST")	24AAALV0111B1ZU	Government of India	July 06, 2018	One Time Registration
3.	GST Registration Certificate ("GST TDS")	24BRDV00232B1D5	Government of India	September 26, 2018	One Time Registration
4.	Tax deduction Account Number ("TAN")	BRDV00232B	Income Tax Department, Government of India	April 19, 2002	One Time Registration
5.	Registration under Employees' Provident Fund	Gj/BD./21509	Employees Provident Fund Organisation	August 09, 2000	One Time Registration
6.	Registration under Gujarat State Tax on Profession, Traders, Calling and Employment Act, 1976.	PRC020500233	Ward No. 5(E), Raopura, Vadodara	May 21, 2021	One Time Registration
7.	Legal Entity Identifier Number	335800MJ3H2O6XY4 1B12	Legal Entity Identifier India Limited	February 22, 2024	February 22, 2028

**Date mentioned on the PAN Card*

II. SUBSIDIARY OF THE ISSUER

The Issuer does not have any subsidiary.

The details of the approvals obtained/ required to be obtained by the Issuer for undertaking the proposed Projects are set out in paragraph G "Details and status of the regulatory approval (if required)" of Section Objects of the Issue "Details and status of the regulatory approval" on page no. 55 and 59 for Project I and Project II, respectively, of this Draft Offer Document.

SECTION-XIV: UNDERTAKINGS BY THE ISSUER

VADODARA MUNICIPAL CORPORATION
Khanderao Market Building, Rajmahal Road, Vadodara - 390209
PBX: 2433116 / 2433118 / 2433338 / 2433369 | FAX: 0265 - 2433060
E-Mail: commissioner@vmc.gov.in

UNDERTAKING BY THE ISSUER

Vadodara Municipal Corporation (the "**Issuer**") hereby agrees and undertakes that:

1. It shall submit the documents disclosed in the Draft Offer Document to the Debenture Trustee in electronic form (soft copy);
2. The complaints received in respect of the Issue shall be attended by the Issuer expeditiously and satisfactorily;
3. All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed would be taken within the period specified by the Board;
4. The Draft Offer Document contains true, fair, correct, and adequate information to enable investors to make well informed decision regarding their investment in proposed Issue and a declaration to this effect issued by the Mayor and by the Municipal Commissioner has been annexed to the Draft Offer Document;
5. The Draft Offer Document or term sheet or any advertisement issued by the Issuer in connection with the issue of Debt Securities shall not contain any false or misleading statements.
6. All monies received out of the Issue shall be transferred to a separate bank account;
7. It has not issued any securities by way of public issues in the past;
8. It has complied and shall comply with all the applicable laws including but not limited to the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 and other applicable SEBI circulars.

For Vadodara Municipal Corporation

Name: Arun Mahesh Babu M S (I.A.S.)
Designation: Municipal Commissioner
Place: Vadodara
Date: 13-11-2026

Commissioner
Municipal Corporation
Vadodara.

VADODARA MUNICIPAL CORPORATION * VADODARA *

SECTION-XV : SUMMARY TERM SHEET

SUMMARY OF OFFER

A. Primary business of the Issuer:

Vadodara Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Gujarat Provincial Municipal Corporations Act, 1949 ("**GPMC**", **Act**) erstwhile the Bombay Provincial Municipal Corporations Act, 1949 ("**BPMC**" Act)) vide notification dated March 28, 1966, bearing reference no. KP/605(A)/BMC/1065/7902 P.

The Issuer, being a corporation established under the GPMC Act, which is a state act, is a public sector company for the purposes of the Income Tax Act, 2025, which defines the term 'public sector company' under Section 2(88) to mean any corporation established by or under any central, state or provincial act or a government company as defined in the Section 2(45) of the Companies Act, 2013.

B. Size of the Issue:

Unsecured, rated, listed, taxable, redeemable, non-convertible municipal bonds in the nature of debentures ("**Blue Bonds**"/ "**Bonds**"/ "**NCDs**"/ "**Debentures**"), of face value of ₹ 1,000/- (Rupees One Thousand Only), for the base issue size of ₹ 100 Crores (Rupees Hundred Crores) ("**Base Issue Size**") with a green shoe option of up to ₹ 100 Crores (Rupees Hundred Crores) ("**Green Shoe Option**") for an amount aggregating up to ₹ 200 crores (Rupees Two Hundred Crores Only) ("**Issue Size**") by Vadodara Municipal Corporation ("**Issuer**"), proposed to be listed on NSE and BSE ("**Issue**").

C. Object of the Issue:

The Corporation proposes to utilize the Issue Proceeds, towards funding capital expenditure of the Project(s) as provided below:

(₹ in crores)

Name of the Project	Project cost*	Means of the finance of the capital cost		
		Government of India / GoG**	VMC Contribution	
			(Internal accruals)	External Borrowing (Proposed Bonds Issue)***
Project I: Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara.	305.89	159.25	46.64	100.00
Project II: Engineering, Procuring, Constructing, Testing, & Commissioning (EPC) of 75 MLD Water Treatment Plant at Nimeta, and laying of 11.23 km transmission line from Nimeta to Sardar Estate Junction along with Operation and Maintenance for Five (5) years.	184.45	70.20	14.25	100.00
Total	**490.34**	**229.45**	**60.89**	**200.00**

**The cost of the Project I and Project II are as approved by Bond Issue Committee vide Resolution dated November 13, 2026. Cost of Project I and Project II are inclusive of applicable GST & may vary during implementation. Any incremental cost shall be borne by Vadodara Municipal Corporation.*

***Grant from GOI/GOG is as per G.U.D.M./AMRUT2.0/4th SHPSC/596 dated March 06, 2023 for Project I and Grant from GOI/GOG is as per G.U.D.M./AMRUT2.0/SWAP/Tranche-2/Administrative Approval/2022-23/2869(1) dated November 02, 2022 for Project II.*

****The proceeds from the Issue shall be utilized for funding the balance expenditure for implementation of the Projects and for recoupment of the capital expenditure which has temporarily been incurred/funded by the Issuer from its own funds for the Projects. Further the Issuer shall not utilize the issue proceeds towards O&M cost of the projects.*

The proceeds from the Issue shall be utilized for funding the balance expenditure for implementation of the Projects and for recoupment of the capital expenditure which has temporarily been incurred/funded by the Issuer from its own funds for the Projects. Further the Issuer shall not utilize the issue proceeds towards O&M cost of the Projects.

D. Summary table of pending litigation

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

S. No.	Nature	Number of Cases	Amount Involved (₹ in Crores)
Direct Tax			
1	#E-proceedings	13	-
2	##TDS	17	11.27
3	###Property Tax	57	-
Indirect Tax			
1	*GST	1	0.50

#*Source: https://eportal.incometax.gov.in/iec/foservices/#/login. Status as on November 13, 2026*
Source: https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded , status as on November 13, 2026.
###To the extent quantifiable excluding interest and penalty thereon.
** Source: https://services.gst.gov.in/services/login , status as on November 13 , 2026*

- **Criminal Litigations involving the Issuer, and the members of the Bond Issue Committee**
  The details of the criminal litigations involving the Issuer, and members of the Bond Issue Committee have been disclosed in the "Section-XI- Legal and Other Information" on Page No. 136 of the Draft Offer Document.

- **Actions by Regulatory and Statutory Authorities against Issuer**
  The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the "Section-XI-Legal and Other Information" on Page No. 136 of the Draft Offer Document.

- **Other Civil Litigation**
  The details of all the individual civil litigations above the materiality threshold have been disclosed in the "Section-XI- Legal and Other Information" on Page No. 136 of the Draft Offer Document.

  There are certain matters disclosed under the Section "Section-XI-Legal and Other Information" beginning on page no.136 of this Draft Offer Document in relation to which no claim amount is quantifiable**.**

E. Risk Factors

For Risk Factor please refer to section titled "*Risk Factors*" beginning on page 18 of this Draft Offer Document.

F. Summary of Contingent Liabilities

Except as disclosed under the head *"Contingent Liabilities of the Issuer"* in the section titled "Legal and Other Information" on Page No. 136 of the Draft Offer Document, as on the date of this Draft Offer Document, there are no contingent liabilities of the Issuer.

G. Summary of Related Party Transactions

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

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

Please refer to the row titled *'Structured Payment Mechanism'* under *Summary Term Sheet* of Section XV *(Term Sheet)* on page 175 of this Draft Offer Document.

SUMMARY OF TERM SHEET

Security Name	[●] VMC BLUE BONDS 2031
Issuer	Vadodara Municipal Corporation ("VMC"/ "Corporation"/ "Issuer")
Type of Instrument	Rated, Listed, Taxable, Unsecured, Redeemable, Non-Convertible Municipal bonds in the nature of debentures (hereinafter referred to as "Blue Bonds"/ "Bonds"/ "Debentures"/ "NCDs")
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)
Mode of Issue	Public Issue of Municipal Bonds under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.
Eligible investors	Please see the section titled "Issue Procedure – Application Process" on page 96 of the Offer Document.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The Blue Bonds/ NCDs are proposed to be listed on BSE Limited and National Stock Exchange of India Limited (NSE). NSE shall be designated Stock Exchange. The NCDs shall be listed within 3 (three) Working Days from the Issue Closing Date.
Rating of the Instrument	The Bonds proposed to be issued by the Vadodara Municipal Corporation have been rated by CRISIL and India Ratings. CRISIL has assigned a rating of Provisional CRISIL AA+/Stable' vide its letter dated July 20, 2026, revalidated vide letter dated November 05, 2026 and has issued a rating rationale dated July 17, 2026, India Ratings has assigned a rating of Provisional IND AA+/Stable, vide its letter dated August 06, 2026, revalidated vide letter dated November 05, 2026 and has issued a rating rationale dated August 06, 2026 in respect of the Bonds.
Base Issue Size	Rs 100.00 Crore
Option to retain over subscription	Up to Rs 100.00 Crore
Total Issue Size	Up to Rs 200.00 Crore (including Green Shoe Option)
Minimum Subscription	75% of the Base Issue Size i.e., Rs 75 crores
Objects of the issue	The Issue proceeds of the issue will be utilized for funding the capital expenditure to be incurred towards following projects: - 1. Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara 2. Construction of 75 MLD Water Treatment Plant at Nimeta, Vadodara The details of the Projects have been provided in the section titled "Objects of the Issue" in Draft Offer Document.
Details of the utilization of the proceeds	The Issue Proceeds of the Issue shall be utilized for the Projects. The details of the Projects along with the details/ status of any prior requisite approvals required, if any for such Projects have been detailed in the section titled "*Objects of the Issue*" in Draft Offer Document.
Coupon rate	As specified in the Offer Document.
Taxable/Tax free	Taxable
Step Up/Step Down	N.A.
Coupon payment frequency	On a Half-Yearly basis
Coupon payment dates	As specified in the Offer Document
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count Basis	Actual/ Actual
Interest on Application Money	N.A.
Tenor	Tenor shall be 5 years from Deemed Date of Allotment.
Redemption Date/ Maturity Date	The redemption date/ maturity date ("Redemption Date"/ "Maturity Date") for the Bonds shall be 5 years from Deemed Date of Allotment

Redemption Amount	Principal repayment to happen in lumpsum at the end of the 5th anniversary of the Deemed Date of Allotment. Each Bond will be redeemed at face value on the Redemption Date. Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued Coupon and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.
Redemption Premium / Discount	Not applicable
Issue Price	Face Value of ₹ 1,000/- per NCD
Discount at which security is issued and the effective yield as a result of such discount	Not applicable
Put Option Date	Not applicable
Call Option Date	Not applicable
Put Option Price	Not applicable
Call Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	Not applicable
Face Value	Each NCD shall have a face value of ₹ 1,000/- (Rupees One Thousand only).
Minimum Application Size and in multiples thereof	Minimum Application size shall be ₹ 10,000/- (i.e. 10 NCDs) and in multiple of 1(One) NCD thereafter.
Trading Lot	1 (One) NCD of ₹ 1000/- (Rupees One Thousand only)
Issue Timing	As specified in the Offer Document
Issuance mode of the Instrument	Dematerialised form only
Trading mode of the Instrument	NCDs will be traded in dematerialised form only
Settlement mode of the Instrument	As specified in the Offer Document
Depository	NSDL and CDSL
Business/ Working Day Convention	Working Day means all days on which commercial banks in Vadodara are open for business. In accordance with the SEBI (Issue and Listing of Municipal Debt Securities) (Amendment) Regulations, 2026 dated July 01, 2026 , Business day/Working day, for Announcement of bid /issue period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business; And at the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board;" If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI NCS Master Circular dated October 15, 2025 bearing reference SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137, as amended from time to time. If the coupon payment date other than one falling on the redemption date, falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Offer Document. If the redemption/maturity date of the Bonds falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such Bonds shall also be paid on the previous working day as per the cash flows provided under Annexure–V "Illustration of Bond Cash Flow of the Offer Document. If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of

	days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure-V "Illustration of Bond Cash Flow" of the Offer Document. Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 2025 (if applicable) or any statutory modification or re-enactment thereof for the time being in force.
Record Date	The record date for payment of coupon/interest and repayment of principal in connection with the NCDs shall be 15 (fifteen) Calendar Days. In case of Payment of coupon/interest, record date shall be 15 calendar days prior to the date on which coupon/interest payment is due. In case of redemption/ repayment, record date shall be 15 calendar days prior to the Redemption Date/ Maturity Date for NCDs or such other date as may be determined by the Bond Issuance Committee / authorised officer(s) of the Bond Issuance Committee of the Corporation (as permitted under applicable law) thereof from time to time in accordance with the applicable law. In case the record date falls on a day when the Stock Exchanges are having a trading holiday, the immediate preceding trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchanges, will be deemed as the record date. In case of Redemption Date/ Maturity Date of NCDs, the trading in the respective NCDs shall remain suspended between the record date and the Maturity Date/Redemption Date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	The Debentures shall be unsecured. However, under the Structured Payment Mechanism in the term sheet, the Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the no-lien Escrow Account and Collection Account(s). The Bondholder(s) shall have first and exclusive charge on the funds lying in the Interest Payment Account (IPA-III) (including the DSRA Amount) Sinking Fund Account (SFA-III) and any investment(s) made from these account(s). Further, the Bondholder(s) shall have first and exclusive charge on the 10% Cash Collateral (Upfront Fixed Deposit) created for the issue.
Required DSRA Amount	For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account-III shall be funded 1 (One) day prior to Allotment Date/ with an amount equal to the 2 (two) succeeding coupon payments (i.e. One year interest obligation) required to be paid by the Issuer in respect of the Debentures ("Required DSRA Amount"). The amounts lying in, or credited into, the Interest Payment Account-III from time to time towards maintenance of the Required DSRA Amount, shall be hereinafter referred to as the "DSRA Amount". In the event of any utilization from the DSRA Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below.
Cash Collateral (Upfront Fixed Deposit)	The Issuer shall, 1 (One) day prior to the Allotment Date, create Upfront Fixed Deposit in terms of the Transaction Documents for an amount equivalent to 10% (Ten percent) of the total bond issue size. ("Upfront Fixed Deposit" or "Upfront FD"). The Upfront FD shall be utilized in accordance with the Principal Repayment (Sinking Fund) mechanism defined in the structured payment mechanism below and at the end of 48 months from the deemed date of allotment, the said fixed deposit amount shall be transferred to the Sinking Fund Account (SFA-III). The Issuer hereby agrees and undertakes that it shall, at all times maintain the Upfront Fixed Deposit and the same shall always be lien marked to the debenture trustee in terms of the Transaction Documents until the amount gets transferred to the Sinking Fund Account-III at the end of 48 months from the deemed date of allotment.

Structured Payment Mechanism	The Issuer had established a no-lien escrow account by the name of "VMC ESCROW ACCOUNT" with Bank of Baroda wherein the amount is transferred from the Collection Accounts in which all funds whether on account of Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) or any other specified revenue/cashflow (Collection Account(s)) is being collected. The escrow account being used for the aforesaid purposes is the same escrow account which was opened by the Issuer in relation to its previous issued bonds "7.15 % VMC 2027 Series I" issued through placement memorandum dated March 24, 2022 and "7.90 % VMC 2029 Series II" bonds issued through placement memorandum dated March 1, 2024 ("**Escrow Account**"). The Escrow Agreement dated 10th March 2022 and First Supplemental Escrow Agreement dated February 14, 2024 have been already executed between Vadodara Municipal Corporation, Bank of Baroda & SBICAP Trustee Company Limited. Under the structured payment mechanism for the Bonds to be issued through the Offer Document, the Issuer shall use the aforesaid VMC Escrow Account for this Issue and Second Supplemental Escrow Agreement shall be executed between Vadodara Municipal Corporation, Bank of Baroda & SBICAP Trustee Company Limited. Under this escrow arrangement, the transfer from Collection Accounts to the escrow account is being done twice a week i.e., on Mondays and Thursdays except on the last business day of every month. The funds lying in Collection Accounts is not utilized for any purpose other than transfer to Escrow account. On the last Business Day of every month, the Minimum Balance maintained as indicated below is being transferred to respective accounts established for servicing debt for each lender/debenture with the Escrow Banker. Eligible Bondholders and Lenders shall have first and pari-passu charge over the no lien Escrow Account and the Collection account(s). The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the no-lien Escrow Account and Collection Account(s). VMC shall establish Interest Payment Account (including DSRA amount) and Sinking Fund Account for servicing debt for each lender/debenture with the Escrow Banker as per the terms of each borrowing. Bondholders/Lenders shall have first and exclusive charge over such accounts for their respective borrowings. 1. The funds lying in the Escrow Account shall be used in the following priority: a. The funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any month shall be calculated as per para 3 below. b. The Minimum Balance shall not be used for any purpose other than to transfer to respective Interest Payment Account and Sinking Fund Account established for servicing debt for each lender/debenture. c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to VMC HO Account. VMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to respective Interest Payment Account and Sinking Fund Accounts established for servicing debt for each lender/debenture on any day prior to the last business day of the month. 2. In case of any shortfall in the Escrow Account to the tune of Minimum Balance, VMC shall make good the shortfall from the funds from other account(s) to Escrow Account. 3. The funds to be transferred from the Escrow Account ("Minimum Balance") shall be aggregate of the following:

i) Monthly Contribution to be transferred from the Escrow Account shall be calculated separately for each Bond/loan facility as per the terms of the said issuance/facility.
ii) Shortfall in any earlier contribution to the extent not made good by VMC from other account(s).

4. The funds lying in the Escrow Account shall be used in the following priority:

a) Firstly, to transfer funds to respective accounts created for servicing of each loan /bonds.
b) Within each loan/bonds service the transfer shall be made in priority as per the terms and conditions of the loan/bonds facility.

5. VMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the respective accounts established for servicing debt for each lender/debenture such that at no time the contribution is less than as calculated in para 3 above (including the contribution for the month to be expedited).

6. Each Debenture Trustee (on behalf of the Bondholders) shall have first and exclusive charge in its favour on the funds lying in the respective Interest Payment Account and Sinking Fund Account created specifically for that bond issue or any investments made from those accounts.

7. Any surplus funds lying in such servicing accounts after the loan/bond is repaid in full shall be transferred to the Escrow Account after obtaining certificate from debenture trustee that the Issuer has discharged its debt obligations in a timely manner.

Current Bond Issue

1. VMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders of this issue:

a. VMC BONDS INTEREST PAYMENT ACCOUNT SERIES 3 (“IPA - III”)

b. VMC BONDS SINKING FUND ACCOUNT SERIES 3 (“SFA - III”)

2. VMC shall cause the following funds to be transferred from Escrow Account:

a) The IPA – III shall be funded one day before the Allotment datewith an amount equal to annual interest payable for bonds referred as DSRA Amount.

b) On the last Business Day of every month, an amount as mentioned in Schedule I (Schedule I contains the funds required to be transferred to Accounts i.e., IPA-III and SFA-III in each month) shall be transferred to the respective accounts.

c) Any shortfall in Required DSRA Amount and further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution as mentioned in Offer Document shall be transferred to the IPA - III.

d) On the last Business Day of every month, an amount as mentioned in Schedule I (w.r.t. SFA-III in each month) of the Offer Document, and any shortfall in earlier contribution shall be transferred to the SFA-III.

e) Any shortfall in the above account(s) shall be made good by VMC by transfer from other account(s) of VMC.

3. The funds lying in the above account(s) shall be utilized in the following manner:

a) The DSRA Amount lying in IPA – III can be used to meet any shortfall in IPA – III for coupon payment to be made on coupon payment date and thereafter can be used to meet any shortfall at the time of final redemption of bonds.

However, the DSRA Amount in IPA-III cannot be utilized to meet any shortfall in contribution to SFA - III except at the time of final redemption of bonds.

b) The funds lying in the IPA - III (apart from the DSRA Amount) can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Offer Document. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall pertaining to DSRA Amount and thereafter be used to make good any shortfall in contribution to SFA - III.

c) The funds lying in the SFA - III can be used to redeem the bonds issued pursuant to the Offer Document.

d) Any funds lying in the above account(s) can be used for making permitted investment(s). However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mentioned in points (a) to (c) above.

e) Any surplus funds lying in the above account(s) after the bonds issued pursuant to the Offer Document 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 Instruction of the Debenture Trustee that Issuer has discharged its debt obligations in a timely manner.

4. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the no-lien Escrow Account and Collection Accounts. The Bondholder(s) shall have first and exclusive charge on the funds lying in IPA - III (including the DSRA Account), SFA - III and Upfront FD–and any investment(s) made from these account(s).

5. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the IPA - III (including the DSRA Amount), SFA - III and Upfront FD and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s) for the Bonds issued under the Offer Document. The amount deposited in IPA - III and SFA - III shall be used solely for meeting the dues to these Bondholder(s). No amount can be withdrawn from these account(s) without the approval of Debenture Trustees to the bondholder(s).

PERMITTED INVESTMENT

6. The Funds lying credited in the IPA - III (including the DSRA Amount) can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations as amended from time to time and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.

7. The funds lying to the credit of SFA - III shall be invested as per Gujarat Provincial Municipal Corporation Act, 1949 and applicable SEBI regulations/circulars. The lien shall be created in favor of debenture trustee on all the investments made above.

8. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).

9. Escrow Account, IPA – III and SFA – III shall be maintained with a scheduled commercial bank rated at least AAA 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 AAA by any rating agency VMC shall, with written consent of Debenture Trustees, enter into escrow agreement with any other bank satisfying the rating criteria.

10. 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. VMC and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Interest Payment Mechanism

Half-Yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA every month for 5 months. Accordingly, 20% of the 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) shall be transferred to IPA each month in from 1st month to 5th month and then 7th month to 11th month of each 12 month block in the following manner:-

(i) For Interest payable in 1st Half-year - in 1st to 5th Month
(ii) For Interest payable in 2nd Half-year - in 7th to 11th Month

The Trustee shall check the amount lying to the credit of IPA – III (which is over and above the Required DSRA Amount) at 25 days prior to the interest payment date (T-25). In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the IPA-III (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate VMC of the shortfall and VMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date (T-15). In case of shortfall in any amount in Interest Payment Account at 14 (Fourteen) days prior to the interest payment date (T-14), the Trustee shall trigger the payment mechanism and instruct bank to utilize the DSRA Amount lying in the IPA – III to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date on or prior to the date falling 13 (Thirteen) days prior to the Interest Payment Date (T-13). The Interest shall be paid by VMC on the due date. Any amount utilized from the DSRA Amount should be deposited back in the IPA – III as per the mechanism indicated below.

In case the DSRA Amount (or part thereof) is utilized to fund the shortfall in the amount required to make payment of the Coupon in respect of any Coupon Payment Date, immediately after the Debenture Trustee has instructed the Bank to utilise the DSRA Amount as above and in any event prior to 12 (Twelve) days prior to the relevant Coupon Payment Date (T-12), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall within next 15 (Fifteen) days (T+3).

Principal Redemption Mechanism/Sinking Fund Account (SFA)

Out of Total issue size of the Debentures ie. Rs 200 Crore, Rs. 180 crore shall be divided into 4 equal parts and each part (Rs. 45 Crore) shall be transferred to SFA-III in each of the 1st year to 4th year.

1st year to 4th year

Further, this one part of ₹ 45 Crore to be transferred to SFA-III in each of the first four years shall be sub-divided into 11 equal sub-parts and each sub-part (Rs. 4.09 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA-III each month for first 11 months. Accordingly, 22.5% of total issue size shall be transferred each year for the first 4 years out of which 2.045% of total issue size each month for first 11 months of each year.

Further, the remaining Rs.20 Crore (10% of the total issue size) to be transferred to the Sinking Fund Account in lumpsum from Upfront Fixed Deposit at the end of 48 months from deemed date of allotment

Once the sinking fund account (SFA – III) gets completely built up equivalent to the 100% of the total issue size i.e. Rs 200 Crore at the end of 48 months from the deemed

	date of allotment, there shall be no further transfers to the Sinking Fund Account -III from the Escrow Account. The debenture trustee shall check the balance in the SFA – III at the end of each year and in case of any shortfall in the SFA – III, VMC shall replenish the SFA – III with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of SFA – III 25 days prior to the end of each 12 month block (T-25). In case of any shortfall in amount, the trustees shall intimate VMC of the shortfall and VMC shall make good the shortfall in the SFA – III by 15 days prior to the end of 12 month block (T-15). In case of shortfall still persists in the Sinking Fund Account-III at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilize the Upfront Fixed Deposit to the extent of the shortfall in the Sinking Fund Account on or prior to the date falling 13 (Thirteen) days prior to the end of each 12 month block (T-13 days). In case the Upfront Fixed Deposit (or part thereof) is utilized to fund the shortfall in the amount in the sinking fund account prior to the end of each 12 month block, immediately after the Debenture Trustee has instructed the Bank to utilise the Upfront Fixed Deposit as above and in any event 12 (Twelve) days prior to the end of each 12 month block (T-12), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall replenish the Upfront Fixed Deposit within next 12 (Twelve) days (T). The Trustees shall keep the Rating Agencies informed of any shortfall in IPA – III, SFA – III and any utilization of DSRA Amount towards the interest payment on the due date.
Financial Covenants	VMC shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year: (A) DSCR: Debt Service Coverage Ratio ("DSCR") for the VMC will not be less than 1.25 times of operating surplus calculated as the below: DSCR = operating surplus / total debt service i) Operating surplus calculated as the below: Operating Surplus = Total Income – Expenditure Total income =Total income of the corporation Expenditure = Total expenditure –Depreciation – Finance charges ii) total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment+ transfer to debt service reserve account (B) The total amount collected in escrow account shall be at least 1.25 times of the Debt Service Amount on an annual basis. In case, the ratio falls below 1.25 times, VMC shall not borrow any further amount against the cash flow(s) of the escrow account. DSA is defined as follows: DSA = Interest payment for the month + proportionate principal deposited in sinking fund or installment of principal redemption (C) VMC shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account and no permission to borrow further amount(s) by VMC shall be required from the bondholder(s) as long as the below condition are satisfied: (a) the amount collected in escrow account is atleast 1.25 times of DSA is maintained by the Issuer on an annual basis; (b) the minimum DSCR of 1.25 times is maintained; (c) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount), the Sinking Fund Account and/or the Upfront FD which has not been made good by the Issuer in terms of the Transaction Documents; (d) no Event of Default has occurred.

Affirmative, Informative and Negative Covenants	As indicated in Annexure IX of the Offer Document and more specifically set out in Debenture Trust Deed.
Transaction Documents	The documents being executed in relation to or which are relevant to the Issue including the Draft Offer Document, Offer Document, the Debenture Trustee Agreement, Registrar Agreement, Issue Agreement, the Debenture Trust Deed, the Second Supplementary Escrow Agreement, Public Issue Account and Sponsor Bank Agreement, Consortium Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Conditions Precedent to Disbursement	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI ILMDS Regulations as amended from time to time in this regard: 1. Rating letters for provisional rating from two credit rating agencies ("Rating Agency(ies)") not being more than one month old from the Issue Opening Date; 2. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s); 3. In-principle approval from the Stock Exchanges for listing of the Debentures. 4. State Government Approval/Order. 5. Council / BIC resolution for the Issue 6. Creation of DSRA 7. Creation of Upfront Fixed Deposit 8. Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations as amended from time to time, there are no conditions precedents to the Issue.
Conditions Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents: 1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the regulations; 2. Listing of the Debentures within 3 (three) working days from the Issue Closing Date; 3. Execution of Debenture Trustee Deed 4. Other than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILDMS Regulations as amended from time to time, there are no conditions subsequent to the Issue.
Events of default	As will be stated in the Offer Document and more specifically set out in the Debenture Trust Deed.
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the Master Circular for Debenture Trustee bearing no. HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 dated September 28, 2026 as amended from time to time with the designated Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As provided under the head "Events of Default" above and will be set out in the Debenture Trust Deed to be executed in accordance with applicable law
Default Interest	(a) All monies due in respect of the Debentures shall, in case the same be not paid on the respective due dates, carry further interest at the rate of 2% (Two Percent) per annum, which shall be paid over and above the Coupon Rate for the period during which such default continues; (b) In case of delay in execution of the Debenture Trust Deed and security documents, the Issuer will refund the subscription with the agreed rate of interest or will pay penal interest of at least 2% p.a. (Two percent per annum), which shall be paid over and above the Coupon Rate for the period during which such default continues; (c) In case of delay in listing of the Debentures beyond 3 (three) Working days from the Issue Closing Date, the Issuer shall pay penal interest of at least 2% p.a. (two percent per annum) which shall be paid over and above the Coupon Rate for the period of delay in listing. (d) Other provisions as set out in the Transaction Documents.

Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 as amended from time to time, and the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Public Issue Account and Sponsor Bank Agreement) shall 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 Vadodara, Gujarat. The Public Issue Account and Sponsor Bank Agreement shall 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 Mumbai, Maharashtra.

SECTION XVI: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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

Material Contracts

a) Copy of Tripartite Agreement dated January 17. 2022 between CDSL, the Issuer and the Registrar to the Issue;
b) Copy of Tripartite Agreement dated February 09, 2022 between NSDL, the Issuer and the Registrar to the Issue;
c) Debenture Trustee Agreement dated November 05, 2026 between the Issuer and the Debenture Trustee;
d) Issue Agreement dated November 05, 2026 between the Issuer and the Lead Managers to the Issue;
e) Registrar Agreement dated November 05, 2026 between the Issuer and the Registrar.
f) Consortium Agreement dated [●] entered into between the Issuer, Lead Managers and the Consortium Member(s)
g) Public Issue Account and Sponsor Bank Agreement dated [●] between the Issuer, the Lead Managers, Registrar and the Banker to the Issue;
h) Second Supplementary Escrow Agreement dated [●] between the Issuer, the Debenture Trustee and the Escrow Banker;
i) Debenture Trust Deed to be entered into between the Issuer and the Debenture Trustee;

Material Documents

a) Copy of Notification dated March 28, 1966, bearing reference number KP/605(A)/BMC/1065/7902 P. pursuant to which the Issuer is constituted.
b) Copy of the Gujarat Provincial Municipal Corporations Act, 1949.
c) Copy of resolution of Department of Urban Development and Urban Housing Department, Government of Gujarat bearing reference number UDUHD/SPP/e-file/18/2026/0656/P Section dated August 25, 2026 directing the end of term of the Corporation.
d) Copy of the Order of General Administration Department having order No. 43 dated May 30, 2026 in relation to constitution of Bond Issue Committee.
e) Copy of the resolutions of the General Board of the Issuer bearing no. 147 dated February 18, 2026 approving the Issue of blue debt securities and projects.
f) Letter from the Municipal Commissioner of the Issuer dated November 13, 2026 confirming the list of members of the Bonds Issue Committee.
g) Consents of the Compliance Officer, members of the Bond Issue Committee, Lead Managers, Debenture Trustee, Credit Rating Agencies, Registrar to the Issue, Legal Advisor, Escrow Bank, Banker to the Issue, Auditor for the Issue, Independent Third Party Reviewer, Independent Certifier to include their names in the Draft Offer Document.
h) Copy of the resolution of the Bond Issue Committee dated July 31, 2026 approving the Blue Bond Framework for Vadodara Municipal Corporation.
i) Copy of the resolution of the Bond Issue Committee dated November 13, 2026 approving the Issue of Blue Bonds and the eligibility to issue Blue Bonds.
j) Copy of the resolution of the Bond Issue Committee dated November 13, 2026 approving the Objects of the Issue.
k) Copy of the resolutions of the Bond Issue Committee dated November 13, 2026 approving the Materiality Policy and Term Sheet.
l) Copy of the resolution of the Bond Issue Committee dated November 13, 2026 appointing Chief Accounts Officer (Chief Accounts and Finance Officer) as the Compliance Officer and Officer in Charge of dealing with Investor Grievances.
m) Examination report dated November 13, 2026 issued by the Auditor for the Issue.
n) Statement of tax benefits dated November 13, 2026 issued by the Auditor for the Issue.
o) Financial statements of the Corporation, for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024.
p) Budget Documents for the last three financial years and current FY.
q) Certificates dated November 13, 2026 by the Project Management Consultants confirming the Projects' details inserted in the Draft Offer Document.
r) Verification Report dated October 01, 2026 by Bureau Veritas (India) Private Limited.
s) Rating letter dated August 06, by India Ratings and Research Private Limited, revalidated vide letter dated November 05, 2026 and rating rationale dated August 06, 2026 issued by India Ratings and Research Private Limited.

t) Rating letter dated July 20, 2026 by CRISIL Ratings Limited, revalidated vide letter dated November 05, 2026 and rating rationale July 17, 2026 issued by CRISIL Ratings Limited.
u) Copy of the resolution of the Bond Issue Committee dated November 13, 2026 approving the Draft Offer Document.
v) Due diligence certificate dated November 13, 2026 filed by the Debenture Trustee with SEBI.
w) Due diligence certificate dated November 13, 2026 filed by the Lead Managers with SEBI.
x) In principle approval of NSE bearing reference no. [●] dated [●].
y) In principle approval of BSE bearing reference no. [●] dated [●].

SECTION-XVII: DECLARATION

Geeta Umesh Makwana
Mayor

Vadodara Municipal Corporation
Office: Khanderao Market Building, Rajmahal Road, Vadodara- 390 209.
Ph. : (O) 0265- 2419901 (M) 84018 24780

Declaration

I, Geetaben Umeshbhai Makwana, Mayor of Vadodara Municipal Corporation (the "**Issuer**") hereby declare and confirm that:

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

For Vadodara Municipal Corporation

Name: Geetaben Umeshbhai Makwana
Designation: Mayor
Date: 13-11-2026

Mayor
Vadodara Municipal Corporation

Residence: Dr. Ambedkar Chowk, Madanzapa Road, Bakrawadi, Vadodara-390 001.
E-mail: mayor@vmc.gov.in



VADODARA MUNICIPAL CORPORATION

ARUN MAHESH BABU, M.S., IAS
Commissioner

DECLARATION

I, **Arun Mahesh Babu M.S, (I.A.S.), Municipal Commissioner** of Vadodara Municipal Corporation (the "**Issuer**") hereby declare and confirm that:

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

For Vadodara Municipal Corporation

Name: Arun Mahesh Babu M S, (I.A.S.)
Designation: Municipal Commissioner
Date: 13-11-2026

Commissioner
Municipal Corporation
Vadodara.

VADODARA MUNICIPAL CORPORATION * VADODARA *

Khanderao Market Building, Palace Road, Vadodara-390 209.
Tel. No. (0265) 2433344, Fax No. (0265) 2433060, E-mail : commissioner@vmc.gov.in

ANNEXURE I

Structured Payment Mechanism

STRUCTURED PAYMENT MECHANISM

The Issuer had established a no-lien escrow account by the name of "VMC ESCROW ACCOUNT" with Bank of Baroda wherein the amount is transferred from the Collection Accounts in which all funds whether on account of Tax Income (Tax Income means property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax) or any other specified revenue/cashflow (Collection Account(s)) is being collected. The escrow account being used for the aforesaid purposes is the same escrow account which was opened by the Issuer in relation to its previous issued bonds "7.15 % VMC 2027 Series I" issued through placement memorandum dated March 24, 2022 and "7.90 % VMC 2029 Series II" bonds issued through placement memorandum dated March 1, 2024 ("**Escrow Account**").

The Escrow Agreement dated 10th March 2022 and First Supplemental Escrow Agreement dated February 14, 2024 have been already executed between Vadodara Municipal Corporation, Bank of Baroda & SBICAP Trustee Company Limited.

Under the structured payment mechanism for the Bonds to be issued through the Offer Document, the Issuer shall use the aforesaid VMC Escrow Account for this Issue and Second Supplemental Escrow Agreement shall be executed between Vadodara Municipal Corporation, Bank of Baroda & SBICAP Trustee Company Limited.

Under this escrow arrangement, the transfer from Collection Accounts to the escrow account is being done twice a week i.e., on Mondays and Thursdays except on the last business day of every month. The funds lying in Collection Accounts is not utilized for any purpose other than transfer to Escrow account. On the last Business Day of every month, the Minimum Balance maintained as indicated below is being transferred to respective accounts established for servicing debt for each lender/debenture with the Escrow Banker. Eligible Bondholders and Lenders shall have first and pari-passu charge over the no lien Escrow Account and the Collection account(s). The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the non-lien Escrow Account and Collection Account(s).

VMC shall establish Interest Payment Account (including DSRA amount) and Sinking Fund Account for servicing debt for each lender/debenture with the Escrow Banker as per the terms of each borrowing. Bondholders/Lenders shall have first and exclusive charge over such accounts for their respective borrowings.

1. The funds lying in the Escrow Account shall be used in the following priority:

    a. The funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any month shall be calculated as per para 3 below.

    b. The Minimum Balance shall not be used for any purpose other than to transfer to respective Interest Payment Account and Sinking Fund Account established for servicing debt for each lender/debenture.

    c. The surplus funds after meeting the Minimum Balance can thereafter be transferred to VMC HO Account.

    VMC, with the written consent of the Trustees, can transfer the Minimum Balance maintained in Escrow Account to respective Interest Payment Account and Sinking Fund Accounts established for servicing debt for each lender/debenture on any day prior to the last business day of the month.

2. In case of any shortfall in the Escrow Account to the tune of Minimum Balance, VMC shall make good the shortfall from the funds from other account(s) to Escrow Account.

3. The funds to be transferred from the Escrow Account ("Minimum Balance") shall be aggregate of the following:

    i) Monthly Contribution to be transferred from the Escrow Account shall be calculated separately for each Bond/loan facility as per the terms of the said issuance/facility.
    ii) Shortfall in any earlier contribution to the extent not made good by VMC from other account(s).

4. The funds lying in the Escrow Account shall be used in the following priority:

    a) Firstly, to transfer funds to respective accounts created for servicing of each loan /bonds.
    b) Within each loan/bonds service the transfer shall be made in priority as per the terms and conditions of the loan/bonds facility.

5. VMC, at its sole discretion but with prior intimation to the Trustees, can expedite payment of any succeeding future month(s) contribution into the respective accounts established for servicing debt for each lender/debenture such that at no time the contribution is less than as calculated in para 3 above (including the contribution for the month to be expedited).

6. Each Debenture Trustee (on behalf of the Bondholders) shall have first and exclusive charge in its favour on the funds lying in the respective Interest Payment Account and Sinking Fund Account created specifically for that bond issue or any investments made from those accounts.

7. Any surplus funds lying in such servicing accounts after the loan/bond is repaid in full shall be transferred to the Escrow Account after obtaining certificate from debenture trustee that the Issuer has discharged its debt obligations in a timely manner.

Current Bond Issue

1. VMC shall open the following accounts for servicing the interest and principal of the proposed bonds for the exclusive benefit of the Bondholders of this issue:

    a. VMC BONDS INTEREST PAYMENT ACCOUNT SERIES 3 ("IPA - III")

    b. VMC BONDS SINKING FUND ACCOUNT SERIES 3 ("SFA - III")

2. VMC shall cause the following funds to be transferred from Escrow Account:

    a) The IPA – III shall be funded one day before the Allotment date/ pay-in date with an amount equal to annual interest payable for bonds referred as DSRA Amount.

    b) On the last Business Day of every month, an amount as mentioned in Schedule I (Schedule I contains the funds required to be transferred to Accounts i.e., IPA-III and SFA-III in each month) shall be transferred to the respective accounts.

    c) Any shortfall in Required DSRA Amount and further interest payable (by whatsoever name called) as per the terms of the issuance and any shortfall in earlier contribution as mentioned in Offer Document shall be transferred to the IPA - III.

    d) On the last Business Day of every month, an amount as mentioned in Schedule I (w.r.t. SFA-III in each month) of the Offer Document, and any shortfall in earlier contribution shall be transferred to the SFA-III.

    e) Any shortfall in the above account(s) shall be made good by VMC by transfer from other account(s) of VMC.

3. The funds lying in the above account(s) shall be utilized in the following manner:

a) The DSRA Amount lying in IPA – III can be used to meet any shortfall in IPA – III for coupon payment to be made on coupon payment date and thereafter can be used to meet any shortfall at the time of final redemption of bonds. However, the DSRA Amount in IPA-III cannot be utilized to meet any shortfall in contribution to SFA - III except at the time of final redemption of bonds.

b) The funds lying in the IPA - III (apart from the DSRA Amount) can be used to make interest payment to the bondholder(s) of the bonds issued pursuant to the Offer Document. Any surplus after making the payment to bondholder(s) should be first used to make good any shortfall pertaining to DSRA Amount and thereafter be used to make good any shortfall in contribution to SFA - III.

c) The funds lying in the SFA - III can be used to redeem the bonds issued pursuant to the Offer Document.

d) Any funds lying in the above account(s) can be used for making permitted investment(s). However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilized for any purpose other than mentioned in points (a) to (c) above.

e) Any surplus funds lying in the above account(s) after the bonds issued pursuant to the Offer Document 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 Instruction of the Debenture Trustee that Issuer has discharged its debt obligations in a timely manner.

4. The Debenture Trustee, on behalf of the Bondholder(s) shall have first and pari passu charge over the non-lien Escrow Account and Collection Accounts. The Bondholder(s) shall have first and exclusive charge on the funds lying in IPA - III (including the DSRA Account) , SFA - III and Upfront FD–and any investment(s) made from these account(s).

5. The Debenture Trustee, on behalf of the Bondholder(s), shall have lien on the IPA - III (including the DSRA Amount) , SFA - III and Upfront FD and any investment(s) made from these account(s) for the exclusive benefit of the Bondholder(s) for the Bonds issued under the Offer Document. The amount deposited in IPA - III and SFA - III shall be used solely for meeting the dues to these Bondholder(s). No amount can be withdrawn from these account(s) without the approval of Debenture Trustees to the bondholder(s).

PERMITTED INVESTMENT

6. The Funds lying credited in the IPA - III (including the DSRA Amount) can be kept in Fixed Deposits with any scheduled commercial bank with a dual rating of AAA. 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. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI ILMDS Regulations as amended from time to time and SEBI circulars issued thereunder and Gujarat Provincial Municipal Corporation Act, 1949, to the extent applicable.

7. The funds lying to the credit of SFA - III shall be invested as per Gujarat Provincial Municipal Corporation Act, 1949 and applicable SEBI regulations/circulars. The lien shall be created in favor of debenture trustee on all the investments made above.

8. Any actual interest income earned and received on these investment(s) can be utilized towards the future dues in the respective account(s).

9. Escrow Account, IPA – III and SFA – III shall be maintained with a scheduled commercial bank rated at least AAA 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 AAA by any rating agency VMC shall, with written consent of Debenture Trustees, enter into escrow agreement with any other bank satisfying the rating criteria.

10. 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. VMC and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Interest Payment Mechanism

Half-Yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA every month for 5 months. Accordingly, 20% of the 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) shall be transferred to IPA each month in from 1st month to 5th month and then 7th month to 11th month of each 12 month block in the following manner :-

(i) For Interest payable in 1st Half-year - in 1st to 5th Month
(ii) For Interest payable in 2nd Half-year - in 7th to 11th Month

The Trustee shall check the amount lying to the credit of IPA – III (which is over and above the Required DSRA Amount) at 25 days prior to the interest payment date (T-25). In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the IPA-III (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate VMC of the shortfall and VMC shall make good the shortfall in the Interest Payment Account by 15 days prior to the interest payment date (T-15). In case of shortfall in any amount in Interest Payment Account at 14 (Fourteen) days prior to the interest payment date (T-14), the Trustee shall trigger the payment mechanism and instruct bank to utilize the DSRA Amount lying in the IPA – III to the extent of the shortfall in the amount required to make payment of the Coupon on the Coupon Payment Date on or prior to the date falling 13 (Thirteen) days prior to the Interest Payment Date (T-13). The Interest shall be paid by VMC on the due date. Any amount utilized from the DSRA Amount should be deposited back in the IPA – III as per the mechanism indicated below.

In case the DSRA Amount (or part thereof) is utilized to fund the shortfall in the amount required to make payment of the Coupon in respect of any Coupon Payment Date, immediately after the Debenture Trustee has instructed the Bank to utilise the DSRA Amount as above and in any event prior to 12 (Twelve) days prior to the relevant Coupon Payment Date (T-12), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall make good the DSRA Amount Shortfall within next 15 (Fifteen) days (T+3).

Principal Redemption Mechanism/Sinking Fund Account (SFA)

Out of Total issue size of the Debentures ie. Rs 200 Crore, Rs. 180 crore shall be divided into 4 equal parts and each part (Rs. 45 Crore) shall be transferred to SFA-III in each of the 1st year to 4th year.

1st year to 4th year

Further, this one part of ₹ 45 Crore to be transferred to SFA-III in each of the first four years shall be sub-divided into 11 equal sub-parts and each sub-part (Rs. 4.09 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA-III each month for first 11 months. Accordingly, 22.5% of total issue size shall be transferred each year for the first 4 years out of which 2.045% of total issue size each month for first 11 months of each year.

Further, the remaining Rs.20 Crore (10% of the total issue size) to be transferred to the Sinking Fund Account in lumpsum from Upfront Fixed Deposit at the end of 48 months from deemed date of allotment

Once the sinking fund account (SFA – III) gets completely built up equivalent to the 100% of the total issue size i.e. Rs 200 Crore at the end of 48 months from the deemed date of allotment, there shall be

no further transfers to the Sinking Fund Account -III from the Escrow Account.

The debenture trustee shall check the balance in the SFA – III at the end of each year and in case of any shortfall in the SFA – III, VMC shall replenish the SFA – III with the necessary amount to fill the shortfall. The Trustees shall check the amount lying to the credit of SFA – III 25 days prior to the end of each 12 month block (T-25). In case of any shortfall in amount, the trustees shall intimate VMC of the shortfall and VMC shall make good the shortfall in the SFA – III by 15 days prior to the end of 12 month block (T-15).

In case of shortfall still persists in the Sinking Fund Account-III at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilize the Upfront Fixed Deposit to the extent of the shortfall in the Sinking Fund Account on or prior to the date falling 13 (Thirteen) days prior to the end of each 12 month block (T-13 days).

In case the Upfront Fixed Deposit (or part thereof) is utilized to fund the shortfall in the amount in the sinking fund account prior to the end of each 12 month block, immediately after the Debenture Trustee has instructed the Bank to utilise the Upfront Fixed Deposit as above and in any event 12 (Twelve) days prior to the end of each 12 month block (T-12), the Debenture Trustee would issue a final notice in writing to the Issuer. On the issuance of such notice, the Issuer shall replenish the Upfront Fixed Deposit within next 12 (Twelve) days (T).

The Trustees shall keep the Rating Agencies informed of any shortfall in IPA – III, SFA – III and any utilization of DSRA Amount towards the interest payment on the due date.

ANNEXURE - II
Rating Letters and Rationale

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Santosh Tiwari
Chief Accounts Officer
Vadodara Municipal Corporation
Head Office, Accounts Department
Khanderao Market Building,
Raj Mahel Road, Vadodara, Gujarat 390209

August 06, 2026

Dear Sir/Madam,

Re: Rating Letter for Bonds of Vadodara Municipal Corporation

India Ratings and Research (Ind-Ra) has taken the following rating actions on Vadodara Municipal Corporation's (VMC) debt instruments:

Instrument Description	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Proposed municipal bonds#*	Refer to Annexure	-	-	-	2,000	Provisional IND AA+/Stable	Assigned
Municipal bonds*	Refer to Annexure	-	-	-	2,000	IND AA+/Stable	Affirmed

#The rating is provisional and contingent upon the execution of certain documents and/occurrence of certain steps.
*Details in annexure

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

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

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

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

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

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

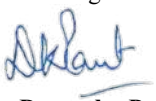
It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information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

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

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,
India Ratings



Dr Devendra Pant
Senior Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)	Regulator of Instrument
Municipal bonds #	INE0KDG24012	28/03/2022	7.15	28/03/2027	IND AA+/Stable	1000.00	SEBI
Municipal bonds *, &	INE0KDG08023	04/03/2024	7.90	04/03/2029	IND AA+/Stable	1000.00	SEBI
Proposed Municipal Bonds	-				Provisional IND AA+/Stable	2000.00	SEBI

#: The frequency of interest payment is semi-annual (28 September and 28 March each year), and the principal will have a bullet repayment.

*: The frequency of interest payment is semi-annual (4 September and 4 March each year), and the principal will have a bullet repayment.

&: Green bonds

Source: NSDL, VMC

Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating Activity

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI

12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), India Ratings shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

B. Other activities:

Sr. No.	**Activity Name**	**Regulator of the activity**
1	Monitoring Agency	SEBI
2	Research activities, incidental to rating, such as research for Economy, Industries and Companies @	NA

@ permitted by SEBI vide SEBI Master Circular for CRAs.

Note: For instruments or activities falling under the purview of regulators other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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India Ratings & Research
A Fitch Group Company

Fitch Group

Mr. Santosh Tiwari
Chief Accounts Officer
Vadodara Municipal Corporation
Head Office, Accounts Department
Khanderao Market Building,
Raj Mahel Road, Vadodara, Gujarat 390209

November 05, 2026

Dear Sir/Madam,

Re: Rating Letter for Bonds of Vadodara Municipal Corporation

This is in reference to the rating action commentary released on 6 August 2026.

India Ratings and Research (Ind-Ra) is pleased to communicate the following ratings of Vadodara Municipal Corporation:

Instrument Description	Regulator of Instrument	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook
Proposed municipal bonds#*	SEBI	2,000	Provisional IND AA+/Stable
Municipal bonds*	SEBI	2,000	IND AA+/Stable

#The rating is provisional and contingent upon the execution of certain documents and/occurrence of certain steps.

*Details in annexure.

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

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

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

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the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

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

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

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,
India Ratings



Dr Devendra Pant
Senior Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)	Regulator of Instrument
Municipal bonds	INE0KDG08023	04/03/2024	7.90	04/03/2029	IND AA+/Stable	1000.00	SEBI
Municipal bonds	INE0KDG24012	28/03/2022	7.15	28/03/2027	IND AA+/Stable	1000.00	SEBI
Proposed Municipal Bonds	-				Provisional IND AA+/Stable	2000.00	SEBI

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India Ratings Assigns Vadodara Municipal Corporation's Proposed Bonds at 'Provisional IND AA+'/Stable; Affirms Existing Bonds

Aug 06, 2026 | Vadodara Municipal Corporation | Urban Local Bodies

India Ratings and Research (Ind-Ra) has taken the following rating actions on Vadodara Municipal Corporation's (VMC) debt instruments:

Details of Instruments

Instrument Description	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Proposed municipal bonds#*	Refer to Annexure	-	-	-	2,000	Provisional IND AA+/Stable	Assigned
Municipal bonds*	Refer to Annexure	-	-	-	2,000	IND AA+/Stable	Affirmed

#The rating is provisional and contingent upon the execution of certain documents and/occurrence of certain steps. Please refer to the section, DISCLOSURES FOR PROVISIONAL RATING, for additional details as per Ind-Ra's Policy for Provisional Rating
*Details in annexure

Analytical Approach

Ind-Ra continues to take a standalone view of VMC to arrive at the ratings.

Detailed Rationale of the Rating Action

The ratings reflect VMC's operational and financial profile, the stable performance of the escrowed assets (tax income from property tax, water tax/charges, conservancy tax, cleaning tax, fire tax, vehicle tax, and professional tax), and the enforceable nature of these collections by the corporation. The ratings also factor in the structured payment mechanism throughout the instrument's tenor, which will be monitored and controlled by the debenture trustee (DT). Additionally, the ratings reflect VMC's healthy coverage of debt servicing obligations (interest payment plus proportionate principal deposited in the sinking fund account (SFA) or the instalment of principal redemption).

The structured payment mechanism is backed by an interest payment account (IPA) and SFA. For the existing bonds, the IPA has been pre-funded with one annual interest instalment of INR71.5 million on 25 March 2022 for the bonds issued in March 2022 and one annual interest instalment of INR79 million for the green bonds on 1 March 2024, which is the required debt service reserve (DSR) amount. No separate DSR account has been created to meet the requirements of the Securities and Exchange Board of India's circular in relation to the 'Continuous Disclosures and Compliances by the listed entities under the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015' dated 13 November 2019.

For the proposed bond issuance of INR2,000 million, the structured payment mechanism is backed by an IPA and SFA. In addition to an upfront DSR amount equivalent to one annual interest instalment, the corporation proposed to maintain an upfront sinking fund fixed deposit (FD) of up to 10% of the issuance amount, which is equivalent to INR200 million. Also, the accumulation in the sinking fund is within 11 months which is faster than for the existing bonds (12 months).

List of Key Rating Drivers

Strengths

- Adequacy of escrowed revenue stream

- Structured debt servicing mechanism
- Trustee monitoring
- Healthy debt service coverage
- Adequate own revenue sources
- Consistent revenue surplus

Weaknesses

- Further improvement required in civic services delivery

Detailed Description of Key Rating Drivers

Adequacy of Escrowed Revenue Stream: Ind-Ra expects the escrowed receivables from the tax income to keep providing a strong cover for VMC's debt service obligations during the tenor of bonds. Under the structure, VMC's revenue from tax income is escrowed for debt servicing. The escrowed collections will be first utilised for meeting the minimum balance required to be transferred to the IPA and SFA. Its tax income in terms of cash expanded at a CAGR of 8.79% over FY22-FY26 to INR6,633.80 million (FY25: INR6,417.68 million). Its property tax on accrual basis rose at a CAGR of 10.69% during FY22-FY26 to INR2,955.72 million (FY25: INR2,833.87 million). The overall property tax collection efficiency remained at 65.97% on average over FY22-FY26, while the current tax collection efficiency dipped to 82.91% in FY26 (FY25: 88.72%).

Structured Debt Servicing Mechanism: Ind-Ra derives comfort from the debt being serviced through monthly transfers to IPA and SFA, which Ind-Ra expects to continue on a timely basis. Under the existing and proposed structure, one annual instalment of interest payment will always be maintained in the IPA. VMC has created an escrow mechanism, wherein the tax income shall be transferred twice a week on pre-determined days, except the last business day of the month. On the day, the minimum balance (an aggregate of monthly fund requirement to meet debt servicing obligations) will be transferred to the DSR account from the escrow account. The funds in the DSR account shall be used in the following order of priority: a) monthly transfers to the IPA on the last business day of every month; and b) monthly transfers to the SFA on the last business day of every month.

The DT will verify the availability of the requisite funds for interest servicing T-25 days before the due date. In case of a shortfall, the DT will intimate VMC to cover up the shortfall by T-15 days. In case of a shortfall in IPA at T-14 days prior to the interest payment date, the DT shall trigger the payment mechanism and instruct the escrow bank to utilise the DSR amount lying in the IPA to make coupon payments on the due date. The DT shall also check the balance in the SFA at the end of the year; in case of any shortfall, VMC shall replenish the account to that extent. The DT shall also check the amount lying to the credit of SFA at T-25 days prior to the redemption date. In case of any shortfall in the amount, the DT shall intimate VMC about the shortfall and VMC shall meet the shortfall by T-15 days prior to the redemption date.

For proposed bond issuance, in additional to an upfront DSR amount equivalent to one annual interest instalment, the company proposes to maintain an upfront sinking fund FD of up to 10% of issuance amount, equivalent to INR200 million.

Also, the accumulation in sinking funds is within 11 months, faster than for the existing bonds (12 months). The tenor of the proposed municipal bond issuance remains same as previous issuances as five years. Refer to the annexure for the structure's detailed trustee monitoring mechanism.

Trustee Monitoring: All accounts will be monitored by the DT. The amount deposited in the IPA and SFA shall be used solely for meeting the dues to bondholders. Any surplus funds available in the escrow account can be transferred to the account of VMC with approval from the DT.

Healthy Debt Service Coverage: Ind-Ra expects VMC's debt service coverage ratio (DSCR) to remain comfortable over the medium term. The agency will closely monitor the coverage adequacy during the entire tenure of the bonds. VMC had a total outstanding debt of INR2,248.07 million at FYE26 (FYE25: INR2,344.35 million). As on 30 June 2026, the SFA balance accumulated for both the bonds stood at INR1,475.30 million for the debt servicing upon redemption. VMC has comfortably managed its debt servicing so far, as indicated by its DSCR of 7.05x in FY26 (FY25: 6.58x).

Adequate Own Revenue Sources: The higher proportion of own revenue (tax and non-tax) in the total revenue supports VMC's rating, which Ind-Ra expects to remain robust. VMC has the ability to generate adequate revenue from its own sources to fund its revenue expenditure. The corporation's tax and non-tax revenues constituted 38.13% and 20.07%, on average, of the total revenue income over FY22-FY26. The corporation's revenue income grew by 7.22% yoy to INR18,259.04 million in FY26 (FY25: INR17,028.96 million), majorly due to a rise in tax revenue collections and other income. The corporation's own revenue/total revenue income ratio stood at 54.20% in FY26 (FY25: 55.76%); property and

water tax collections were the key drivers of its revenue from tax collections during FY22-FY26. The share of octroi grant compensation on average of its total revenue income remained at 21.30% during FY22-FY26, while the share of revenue grants on average stood at 11.51%.

Consistent Revenue Surplus: Ind-Ra expects VMC to sustain its revenue surplus position over the medium term, supported by tax revenue, non-tax revenue and grants. It maintained a consistent revenue surplus before depreciation position during FY22-FY26 (FY26: INR1,779.71 million; FY25: INR1,746.95 million). The revenue surplus grew marginally in FY26, mainly due to growth in tax revenue collection and other income. Also, its operating margins on average were moderated 10.74% in FY26 (FY25: 11.42%).

Further Improvement Required in Civic Services Delivery: VMC's service delivery levels for the water, sewerage and solid waste segments were comfortable in FY26, as reflected by its coverage network (water supply: 96%; sewage network: 100%; solid waste management service: 100%) as against the benchmark levels (water: 100%; sewerage: 100%; solid waste: 100%). The per capita supply of water stood at 219 litres per capita day (benchmark: 135 litres per capita per day). However, VMC's performance was less than adequate in areas such as water metering (FY26: 7% against benchmark of 100%), and continuity of water supply (one hour against benchmark of 24 hours). An improvement in the civic service deliverable parameters will be a key monitoring factor over the medium term.

Liquidity

Superior: Ind-Ra expects VMC to maintain a healthy liquidity profile in the medium term, with the debt payment obligations being met comfortably through the operating revenue surplus. VMC's liquidity position is supported by sustained revenue surpluses, capital grants to fund capex, sizeable cash and bank balances, and unencumbered investments. The debt servicing requirement pertaining to bonds will be backed by way of an escrow of receivables from the tax income. Also, VMC has the ability to absorb shocks, supported by its healthy cash balance and investments. VMC's cash balances and unencumbered investments stood at INR28,627.88 million at FYE26 (FYE25: INR27,565.75 million). It has maintained a net cash position historically; however, VMC's capital utilisation ratio (capital expenditure/capital income) remained below 1x over FY22-FY26 (FY26: 0.97x).

The frequency of interest payment of the existing bonds and the proposed bonds is half-yearly. VMC has debt repayment requirement of INR1,340.96 million in FY27 and INR346.39 million along with interest in FY28.

Rating Sensitivities

Positive: The positive rating triggers are not applicable for the rated instrument of the urban local body as the instrument rating will have a cap of 'IND AA+' in the absence of any unconditional, irrevocable, pre-default and continuing guarantee from the sovereign for principal and interest payments throughout the life of the instrument or a full/partial credit guarantee from any multilateral donor agency.

Negative: The following developments could individually or collectively lead to a negative rating action:

- a breach of the financial covenant as per the term sheet
- an unanticipated increase in the debt levels, resulting in the DSCR falling below 2x for two consecutive years
- higher dependence on grants and/or deterioration in the revenue balance for two consecutive years
- current property tax collection efficiency falling below 75% on a sustained basis
- failure or breach to comply with SEBI listing requirements with regard to timely disclosure on a sustained basis.

Disclosures for Provisional Rating

1. RATING THAT WOULD HAVE BEEN ASSIGNED IN ABSENCE OF THE PENDING STEPS/ DOCUMENTATION

Ind-Ra would have assigned 'IND A+'/Stable in the absence of the pending steps/documentation.

2. PENDING STEPS/ DOCUMENTATION CONSIDERED WHILE ASSIGNING PROVISIONAL RATING AND RISKS ASSOCIATED WITH THE PROVISIONAL NATURE OF THE CREDIT RATING:

Sr. no	Pending documentation considered while assigning provisional rating*	Risks associated with the provisional nature of the credit rating in the absence of completed documentation or change in documentation

1	State government approval	The bond issuance cannot take place without approval from the state government.
2	Final term sheet	Weaker structure and monitoring; risks to timeliness of payment; lower protection to investors
3	Final Information memorandum along with all annexures	
4	Debenture trustee agreement	
5	Escrow agreement	
6	Debenture trust deed	
7	Statement of interest payment account showing required debt service reserve amount (one annual interest instalment) and Sinking fund fixed deposit receipt (10% of issue size)	Pending funding of debt service reserve amount would increase vulnerability to cashflow mismatches and a risk of timely debt servicing
*Additionally, any other relevant documents executed for the transaction should be provided to the agency.		

3) VALIDITY PERIOD

The final rating, upon the receipt of executed documents consistent with the draft documents, shall be assigned within 90 days from the date of issuance of the instrument. The provisional rating may be extended by another 90 days, subject to Ind-Ra's policy, if the execution of the documents is pending.

Any Other Information

Financial Covenants

VMC shall maintain the following ratios on an ongoing basis and the same should be tested at least at the end of each financial year:

(A) DSCR will not be less than 1.25x of the operating surplus and will be calculated as the below:

DSCR = operating surplus / total debt service

Operating surplus = Total Income – Expenditure

Total income =Total income of the corporation

Expenditure = Total expenditure –Depreciation – Finance charges

Total debt service = interest payment of loans and bonds + principal repayment deposited in the sinking funds or installment of principal repayment+ transfer to debt service reserve account

(B) The total amount collected in escrow account shall be at least 1.25x of debt service amount (DSA) on an annual basis. In case, the ratio falls below 1.25x, VMC shall not borrow any further amount against the cash flow(s) of the escrow account.

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

(C) VMC shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the escrow account, and no permission to borrow further amount(s) by VMC shall be required from the bondholder(s) as long as the below conditions are satisfied:

(i) the amount collected in the escrow account is at least 1.25x of DSA on an annual basis;

(b) there is no shortfall in the contribution to the escrow account, IPA (including towards maintenance of the required DSRA) and/or SFA which has not been made good by VMC in terms of the transaction documents; and

(c) no event of default has occurred.

Additional Covenants for Green bonds

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

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on VMC, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

VMC is a local self-government. It was established in 1966 under the Gujarat Provincial Municipal Corporation Act,1949 (earlier known as the Bombay Provincial Corporation Act). The corporation is mainly responsible for the administration of the city, maintaining infrastructure facilities, and providing various civic services such as water supply, solid waste management, sewerage, education, health and others to its citizens. VMC covers around 220.33 sq km and the city of Vadodara has 19 administrative wards and election wards with a population of 2.24 million.

VMC raised INR1,000 million on 28 March 2022 and the proceeds of the issue were deployed in two projects; improving its water supply arrangement on the Mahi River and the construction of a new auxiliary pumping station in Amit Nagar, Vadodara. The projects are being partly financed through the Atal Mission for Rejuvenation and Urban Transformation scheme. The total project cost is INR1,801.90 million which is being funded through a combination of grants from the government of India, the government of Gujarat and proceeds of the issued bonds, as part of VMC's own contribution.

VMC raised INR1,000 million in the form of green bonds on 4 March 2024 and the proceeds of the issue is being utilised for the construction of a 100MLD sewage treatment plant in Sherkhi; the design, commissioning and testing of a new auxiliary pumping station (with 10 years O&M); pressure line and drainage network in newly added Bil area of Vadodara; and engineering, procurement and construction of a new 21MLD sewage treatment plant and main pumping station in Undera. The said green bonds have been certified by a third-party agency viz. Climate Bonds Initiative. The total project cost of INR2,624.9 million for these projects will be funded through a combination of grants from the government of India, and the government of Gujarat and the proceeds of the issued green bonds as part of VMC's own contribution.

Key Financial Indicators

Particulars	FY26	FY25
Revenue Income (INR million)	18,259.04	17,028.96
Revenue expenditure (INR million)	16,479.33	15,282.01
Revenue surplus (INR million)*	1,779.71	1,746.95
Debt service coverage ratio (x)	7.05	6.58
Debt payment /Revenue income (%)	1.52	1.74
Source: VMC, Ind-Ra *Before Depreciation		

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook			
	Rating Type	Rated Limits (INR million)	Current Rating	14 August 2025	16 August 2024	18 March 2024	18 August 2023
Municipal bonds	Long-term	4,000	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Municipal bonds	Moderate

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

Instrument	ISIN	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (million)	Rating/Outlook
Municipal bonds #	INE0KDG24012	SEBI	28 March 2022	7.15	28 March 2027	INR1,000.00	IND AA+/Stable
Municipal bonds *, &	INE0KDG08023	SEBI	4 March 2024	7.90	4 March 2029	INR1,000.00	IND AA+/Stable
Proposed Municipal Bonds	NA	SEBI	NA	NA	NA	INR2,000.00	Provisional IND AA+/Stable
Total						INR4,000.00	

#: The frequency of interest payment is semi-annual (28 September and 28 March each year), and the principal will have a bullet repayment. *: The frequency of interest payment is semi-annual (4 September and 4 March each year), and the principal will have a bullet repayment. &: Green bonds Source: NSDL, VMC

Broad terms of the proposed issuance of municipal bonds worth INR2,000 million.

Proposed Tenor: 5 years

Objects of the issue: The Net proceeds of the issue will be utilized for funding the capital expenditure to be incurred towards following projects: -

1. Engineering, Procuring, Constructing, Testing, & Commissioning (EPC) of 75 MLD Water Treatment Plant at Nimeta, and laying of 11.23 km transmission line from Nimeta to Sardar Estate Junction along with Operation and Maintenance for Five (5) years.

2. Designing, Constructing, Testing & Commissioning of Intake Well cum Pump House, 75 MLD Water Treatment plant, Clear water reservoir cum Pump house, Providing, Lowering, Laying Testing and Commissioning of Rising Mains from Intake well to WTP, Civil, Electromechanical Works and Instrumentation Works including all allied works complete on Turnkey Basis at Rayka Village, Vadodara along with Operation and Maintenance for Five (05) years and Providing & Laying Water Supply M.S. Transmission Line From Proposed WTP At Rayka To Existing 1354 Mm Dia. Pipe & From Poicha French Well Feederline To Airport Circle.

IPA: Half-Yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA every month for 5 months. Accordingly, 20% of the 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) shall be transferred to IPA each month in from first to fifth month and then seventh to 11th month of each 12-month block in the following manner:

(i) For Interest payable in 1st Half-year - in 1-to 5th month

(ii) For Interest payable in 2nd Half-year - in 7-11th month

SFA: Out of the total issue size of the bonds of INR2,000 million, INR1,800 million shall be divided into four parts and each part (INR450 million) shall be transferred to SFA in each of the 1st to 4th year.

First to fourth year**:** Further, this one part to be transferred to SFA in each of the first four years shall be sub-divided into 11 sub-parts and each sub-part (INR40.90 million) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 11 months. Accordingly, 22.5% of total issue size shall be transferred each year for the first 4 years out of which 2.04% of total issue size each month for first 11 months of each year.

Further, the remaining INR200 million (10% of the total issue size) to be transferred to the Sinking Fund Account in lumpsum from Upfront Fixed Deposit at the end of 48 months from deemed date of allotment. Once the sinking fund account gets completely built-up equivalent to the 100% of the total issue size i.e. INR 2,000 million at the end of 48 months from the deemed date of allotment, there shall be no further transfers to the Sinking Fund Account from the Escrow Account.

Structured Payment Mechanism

Structured Payment Mechanism	
Interest payment date (T)	
Trigger Date	Action Points
T-25	The DT shall check the amount lying to the credit of IPA. In case of any shortfall in amount, the DT shall intimate VMC
T-15	VMC shall make good the shortfall in the IPA, if applicable
T-14	In case of shortfall, DT shall trigger the payment mechanism and instruct the bank to utilise the shortfall amount from the DSRA to the IPA
T-13	The bank shall transfer the shortfall amount, if applicable*
T	Interest payment is done
Source: VMC	
*Any amount drawn from the DSRA should be deposited back in the account before T+8 (15 days post DSRA utilisation)	
DSRA	
Trigger Date	Action Points
T-12	DSRA amount will be used to make the coupon payment in case of shortfall

Structured Payment Mechanism	
-	The issuer shall make good the DSRA amount shortfall within next 15 days (T+3). Further, immediately after the DSRA utilisation, the amounts lying or credited in the escrow account shall flow into the interest payment account for DSRA replenishment and shall not be transferred by the issuer to the general fund account(s) till the time the required DSRA amount is replenished
Source: VMC	
Redemption mechanism	
T – 12-month block end date/Redemption date	
Trigger Date	Action Points
T-25	The DT shall check the amount lying to the credit of the SFA prior to the end of each 12-month block. In case of any shortfall in amount, the DT shall intimate VMC of the shortfall and VMC shall make good the shortfall in the SFA at T-25 prior to the end of each 12-month block
T-15	In case of shortfall in any amount still persists in the SFA at T-14 prior to the end of each 12-month block, the DT shall trigger the payment mechanism and shall instruct the bank to utilise the sinking fund FD to the extent of the shortfall in the SFA on or prior to T-13 days prior to the end of each 12 month block.
T-12	In case the Upfront FD is utilised to fund the shortfall, VMC shall replenish the sinking fund FD before T. Further, immediately after the utilisation of Upfront FD, the amounts lying or credited in the escrow account shall be utilized for replenishment of FD and shall not be transferred by the Issuer to the general fund account(s) till the time Upfront FD is fully replenished.
T	12-month block end date/Redemption payment is done
Source: VMC	

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Evaluating Corporate Governance
Policy on Provisional Ratings
Local and State Government Rating Criteria
The Rating Process

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the Investors to resell or trade them may be limited, leading to liquidity and price risk on the debt securities. The returns from a particular asset class may underperform returns from other asset classes. The changes in government policy in general and changes in taxation may impact the returns to investors. There can be external risks arising out of geopolitical situations which can lead to volatility in/impact the performance of the individual securities. Issuers/Users/readers are advised to note that SEBI's investor protection mechanisms and SEBI's grievance or dispute redressal mechanisms are not applicable to ratings assigned by India Ratings that fall under the purview of other FSRs. Should you have any grievance with instruments under the purview of other FSRs, please write to infogrp@indiaratings.co.in. For any grievance with instruments under the purview of SEBI, please write to investor.grievances@indiaratings.co.in.

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RL/VAMUNC/397151/BOND/0726/153582/168560347
July 20, 2026

Mr. Santosh Tiwari
Chief Accounts & Finance Officer
Vadodara Municipal Corporation
Vadodara Mahanagar Seva Sadan
Khanderao Market Building Raj Mahal Road
Vadodara - 390001
9925028515

Dear Mr. Santosh Tiwari,

Re: Crisil Rating on the Rs. 200 Crore Bond& of Vadodara Municipal Corporation (VMC)

We refer to your request for a rating for the captioned Debt instrument.

Crisil Ratings has, after due consideration, assigned a Provisional Crisil AA+/Stable (pronounced as Provisional Crisil double A plus rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Kindly note that the provisional rating will be converted to final rating after Crisil Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps, within 90 days from the date of issuance of the instrument and to the satisfaction of Crisil Ratings.

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

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of Crisil Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. Crisil Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, Crisil Ratings has assumed that the representations made by VMC are true and that the structure, shall work and operate as represented by VMC. Crisil Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to Crisil Ratings and/or the representations made in the transaction documents. Crisil Ratings is not responsible for any acts of commission or omission of the VMC and/or the Trustee.

As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us.

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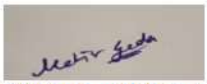
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A link to the same has been provided below for ready reference:
https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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

With warm regards,

Yours sincerely,



Mahir Kantilal Gada
Associate Director - Crisil Ratings



Nivedita Shibu
Director - Crisil Ratings

&A prefix of 'Provisional' indicates that the rating centrally factors in the strength of specific structures and is contingent upon occurrence of certain steps or execution of certain documents by the issuer, as applicable, without which the rating would either have been different or not assigned ab initio. This is in compliance with a May 6, 2015 directive 'Standardizing the term, rating symbol, and manner of disclosure with regards to conditional/ provisional/ in-principle ratings assigned by credit rating agencies' by Securities and Exchange Board of India (SEBI) and April 27, 2021 circular 'Standardizing and Strengthening Policies on Provisional Rating by Credit Rating Agencies (CRAs) for Debt Instruments' by SEBI.

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Details of the Rs.200 Crore Bond
Of Vadodara Municipal Corporation

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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CONFIDENTIAL

RL/VAMUNC/397151/BOND/1126/163429/168560347
November 05, 2026

Mr. Santosh Tiwari
Chief Accounts & Finance Officer
Vadodara Municipal Corporation
Vadodara Mahanagar Seva Sadan
Khanderao Market Building Raj Mahal Road
Vadodara - 390001
9925028515

Dear Mr. Santosh Tiwari,

Re: Crisil Rating on the Rs. 200 Crore Bond& of Vadodara Municipal Corporation (VMC)

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

Please refer to our rating letter dated July 20, 2026 bearing Ref. no: RL/VAMUNC/397151/BOND/0726/153582/168560347

Rating outstanding on the captioned debt instruments is "Provisional Crisil AA+/Stable" (pronounced as "Provisional Crisil double A plus rating" with Stable outlook). Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Kindly note that the provisional rating will be converted to final rating after Crisil Ratings receives following transaction documents duly executed and/or confirmations on completion of the following pending steps, within 90 days from the date of issuance of the instrument and to the satisfaction of Crisil Ratings.

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

The final rating assigned after end of 90 days (or following an extension of upto 90 days, if any, granted by the rating committee of Crisil Ratings after considering case specific considerations) shall be consistent with the available documents or completed steps, as applicable. Crisil Ratings will issue a final rating letter on receipt of documents as mentioned above.

Please note that, in arriving at the ratings, Crisil Ratings has assumed that the representations made by VMC are true and that the structure, shall work and operate as represented by VMC. Crisil Ratings does not guarantee the accuracy, adequacy, or completeness of the representations made by you to Crisil Ratings and/or the representations made in the transaction documents. Crisil Ratings is not responsible for any acts of commission or omission of the VMC and/or the Trustee.

As per our Rating Agreement, Crisil Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. Crisil Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us.

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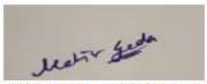
The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable Crisil Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Crisil Ratings' products / activities or ratings of instruments other than 'securities that are listed or proposed to be listed' may fall under the purview of financial sector regulators (FSRs) other than SEBI. In respect of such products / activities or ratings (under the purview of other FSRs such as Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Insurance Regulatory and Development Authority of India (IRDAI), among others), the grievance / dispute redressal and investor protection mechanisms available under SEBI regulations shall not be applicable. A list of products/activities or ratings of instruments falling under the purview of various FSRs along with the names of respective FSRs has been duly disclosed by Crisil Ratings on its website.
A link to the same has been provided below for ready reference:
https://www.crisilratings.com/en/home/our-business/ratings/regulatory-disclosures/list-of-activities-instruments-and-names-of-regulators.html

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

With warm regards,

Yours sincerely,



Mahir Kantilal Gada
Associate Director - Crisil Ratings



Nivedita Shibu
Director - Crisil Ratings

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A. Rating activities

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3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $.	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
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6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $.	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
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24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

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^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$. By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

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Crisil Ratings

Rating Rationale

July 17, 2026 | Mumbai

Vadodara Municipal Corporation

'Provisional Crisil AA+/Stable' assigned to Bond

Rating Action

Name Of Instrument	Rating Outstanding with Outlook	Regulator Of Instrument
Rs.200 Crore Bond[&]	Provisional Crisil AA+/Stable (Assigned)	SEBI
Rs.100 Crore Bond	Crisil AA/Stable (Reaffirmed)	SEBI
Rs.100 Crore Bond	Crisil AA/Stable (Reaffirmed)	SEBI

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities
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Detailed Rationale

Crisil Ratings has assigned its '**Provisional Crisil AA+/Stable'** rating to Rs 200 crore proposed bond issue of Vadodara Municipal Corporation (VMC) and has reaffirmed its 'Crisil AA/Stable' rating on the existing Rs.200 crore bond programmes.

The ratings reflect the strong creditworthiness of VMC, the trustee-administered escrow account and payment mechanism, and adequate liquidity in the form of debt service reserve account (DSRA) equivalent to 12 months of interest obligation.

For the Rs 200-crore proposed bond, an additional fixed deposit (FD) of Rs 20 crore is planned to be created. Also, the accumulation in sinking funds is relatively faster than for the existing bonds.

The ratings factor in growth in revenue receipts to Rs 1,778 crore in fiscal 2026, led by increase in own tax and non-tax revenue of the corporation. Revenue expenses increased by ~7% on account of moderate increase in establishment expenses primarily in salary/allowances and constant rise in maintenance expenses. The operating revenue surplus, which stood at Rs 103 crore in fiscal 2025, increased to Rs 163 crore in fiscal 2026, supported by sustained growth in own tax and shared taxes and significant increase in non-tax revenue, octroi compensation and state grants. Over the medium term, the operating surplus is to be supported by healthy growth in own tax, primarily driven by more property collection as the total assessed properties are increasing. Shared taxes and non-tax revenue, driven by increase in fee collections because of the ongoing processing of pending building permissions and moderate growth in state grants and octroi compensation, also support the operating surplus while the expenses to grow moderately driven by operations and maintenance (O&M) expenses.

The ratings also factor in healthy service delivery, supporting the operating performance, strong financial position with comfortable liquidity and debt protection metrics and the robust economic base. These strengths are partially offset by capital expenditure (capex) largely funded through grants and modest service deliveries.

Analytical Approach

Crisil Ratings has applied its criteria for future flow securitisation.

Key Rating Drivers - Strengths

Strength of the escrow mechanism for the two existing Rs 100-crore bonds

The escrow and bond payment mechanism provides adequate strength to the bond issuance. Tax receipts escrowed at collection, the trustee-managed escrow mechanism and payment structure with recourse to originator ensure adequate safety for timely payments of debt obligation to investors. Creation of the DSRA before pay-in and its maintenance throughout the tenure of the bond further enhance the strength of the structure. The debt service coverage ratio (DSCR) is expected to be high throughout the bond tenure.

Robust escrow mechanism along with additional creation of sinking fund FD and accelerated accumulation in sinking fund account for the Rs 200 crore proposed bond programme

The escrow and bond payment mechanism provides adequate strength to the bond issuance. Tax receipts escrowed at collection, the trustee-managed escrow mechanism and payment structure with recourse to originator, ensure adequate safety for timely payments of debt obligation to investors. Creation of the DSRA before pay-in and its maintenance throughout the tenure of the bond further enhances the strength of the structure. An upfront liquidity of 10% of the issue amount will be created as a fixed deposit, which will be utilised for contribution sinking fund towards the end of the accumulation period. In addition to the upfront liquidity, accelerated accumulation of the principal amount in sinking fund account enhances the strength of the structure. The DSCR is expected to be high throughout the bond tenure.

Healthy operating performance, reflected in healthy operating surplus

Revenue profile includes income from collection of property tax, water and conservancy tax, income from other taxes, octroi compensation and other revenue grants, and non-tax income. Revenue surplus is healthy, backed by strong property tax collection and steady receipt of grants from the state government in lieu of octroi and non-tax income, comprising town development income.

While revenue expenditure has increased in the past two fiscals, the operating surplus remained above Rs 100 crore and may improve over the medium term with initiatives towards improving non-tax revenue, along with sustenance of healthy property tax collection. Property tax

collection, after reaching a historic high of 90% in fiscal 2023, stood at 82–83% during fiscal 2026, partly impacted by the elections. This will remain monitorable.

Moderate economic base
Vadodara is the third largest city in Gujarat (Ahmedabad and Surat being the first two). Centrally located within the state, the city is accessible via road and rail from major cities across the state and country. The city has a strong population base of over 22.4 lakh and houses major educational institutions, including the state-run Maharaja Sayajirao University. Establishment of Gujarat Refinery nearby has led to growth of several state-owned and private industries in the vicinity, which has led to a pick-up in growth of economic activities in the city.

Strong financial risk profile
The financial risk profile is supported by above-average revenue receipts, healthy operating surplus of over Rs 100 crore over the past five fiscals and relatively low debt. Revenue receipts were over Rs 1,500 crore for the three fiscals through 2026. VMC is expected to report operating surplus of Rs 140–155 crore over the medium term, led by gradual increase in tax and non-tax revenue. Furthermore, low net indebtedness supports the financial risk profile. Debt protection metrics should remain comfortable with interest coverage ratio of over 2.5 times. VMC also had strong liquidity (investment and cash/bank balances) of over Rs 2,800 crore as on March 31, 2026.

Key Rating Drivers - Weaknesses
High capex largely funded through grants, though presence of strong liquidity lends comfort
VMC plans to incur significant yearly capex of Rs 2,000–2,500 crore over the medium term against expected annual operating surplus of Rs 150–250 crore. As in the past, the capex is expected to be funded primarily through grants. That said, the operating surplus is expected to be sufficient to fund VMC's share of capex. VMC has been receiving grants for various projects in a timely manner. Also, the corporation has strong liquidity which can be used to fund the capex, if required.

Stable service deliveries
VMC's service delivery adequacy level is stable across water, sewerage and solid waste management on the back of high coverage network (water supply: 98%, sewerage: 95%, solid waste: 100%). Furthermore, the corporation supplies around 219 litres of water per capita per day (LCPD), higher than 135 LCPD recommended level by the Central Public Health and Environmental Engineering Organisation. This is, however, constrained by low metering of water supply (7%) and limited supply (1 hour/day). On the collection front, overall efficiency has been moderate. Further improvement in collection efficiency to historic levels remains monitorable.

Liquidity Strong
Liquidity is supported by healthy operating surplus of over 9% of the revenue receipts and cash and bank balance of over Rs 2,800 crore as on March 31, 2026. VMC is likely to maintain its unencumbered cash and bank balance and continue to generate healthy operating surplus to meet debt obligation and partly fund capex.

Outlook Stable
Crisil Ratings believes VMC will continue to generate a healthy operating surplus over the medium term, while maintaining strong debt protection metrics.

Rating sensitivity factors
Upward factors:
- Sustained increase in revenue receipts with operating surplus of 20–25% of revenue receipts
- Increased collection efficiency in existing revenue sources and income from additional sources
- Significant enhancement in services currently provided such as water supply, sewage treatment and solid waste management.

Downward factors:
- Steep decline in collection of property tax and weakening support from the state government in terms of adequacy and timeliness of octroi compensation, leading to reduction in liquidity
- Fall in operating surplus below Rs 80-100 crore on sustainable basis, weakening debt protection metrics
- Non-adherence to the escrow and payment mechanism

Additional disclosures for the provisional rating
The 'provisional' rating will be converted into a 'final' rating on receipt of the following documents duly executed:
- Debenture trust deed
- Debenture trustee appointment agreement
- Escrow agreement
- Final representation and warranties letter
- Final debenture trustee consent letter
- Final debenture trustee awareness letter
- Final term sheet

Additional documents, if any, executed for the transaction will also have to be provided. A rating rationale/report indicating conversion of the 'provisional' rating into a 'final' rating will be published on the Crisil Ratings website on receipt of the required documents.

The provisional rating shall be converted into a final rating after receipt of the transaction documents duly executed within 90 days from the date of issuance of the instrument.

The final rating assigned, following the conversion, shall be consistent with the available documents. In case of non-receipt of the duly executed transaction documents within the above-mentioned timelines, the rating committee of Crisil Ratings may grant an extension of up to 90 days, in line with its policy on provisional ratings.

Rating that would have been assigned in the absence of the pending documentation
In the absence of the pending documentation considered while assigning the provisional rating as mentioned earlier, Crisil Ratings would have assigned a rating of 'Crisil A+'.

Risks associated with the provisional rating:
The 'Provisional' prefix indicates that the rating is contingent on occurrence of certain steps or execution of certain documents by the issuer, as applicable. If the documents received and/or completion of steps deviate significantly from the expectations, Crisil Ratings may take an appropriate action, including placing the rating on watch or changing the rating/outlook, depending on the status of progress on a case to case basis. In the absence of the pending steps / documentation, the rating on the instrument would not have been assigned ab initio.

About the corporation

VMC is governed by the Gujarat Provincial Municipal Corporation Act, 1949. It covers a jurisdiction of over 220.33 sq km in Vadodara city, formerly known as Baroda, and provides a range of civic services to over 22.4 lakh residents. These services include water supply, sewage disposal, solid waste management, primary education, transportation, and slum improvement.

Key Financial Indicators

As on / for the period ended March 31	Units	2026	2025
Revenue receipts	Rs crore	1778	1,613
Revenue surplus	Rs crore	97	34
Revenue surplus/ revenue receipts	%	5	2

Any other information:

Annexure

Existing bond

Broad contours of the escrow structure pertaining to the Rs 100 crore bond issue (ISIN: INE0KDG24012):

- Escrow of all taxes collected by and due to VMC
- Eligible bondholders and lenders shall have first pari-passu charge over the escrow account and the collection account(s)
- Establishing separate interest payment account (IPA) and sinking fund account (SFA) with the escrow banker as per the terms of each series. Bondholders or lenders of series have first and pari-passu charge over the IPA and SFA for the respective series.
- In case of any shortfall in the above accounts, VMC shall make good the shortfall from the funds from other account(s) of VMC.

Interest payment mechanism

T - Interest payment date

Day	
T-25	The trustees shall check the amount lying to the credit of IPA. In case of any shortfall in amount, the trustees shall intimate VMC.
T-15	VMC shall make good the shortfall in the IPA, if applicable.
T-14	In case of shortfall, trustees shall trigger the payment mechanism and instruct the bank to transfer the shortfall amount from the DSRA to the IPA.
T	Interest payment is done.

Redemption mechanism

T - Redemption date

Day	
T-25	The trustees shall check the amount lying to the credit of the SFA. In case of any shortfall in amount, the trustees shall intimate VMC.
T-15	VMC shall make good the shortfall in the SFA.
T	Redemption payment is done.

Existing green bond:

Broad contours of the escrow structure pertaining to the Rs 100 crore bond issue (ISIN: INE0KDG08023):

- Escrow of all taxes collected by and due to VMC.
- Eligible bondholders and lenders shall have first pari-passu charge over the escrow account and the collection account(s).
- Establishing separate IPA and SFA with the escrow banker as per the terms of each series. Bondholders or lenders of series have first and pari-passu charge over the IPA and SFA for the respective series.
- In case of any shortfall in the above accounts, VMC shall make good the shortfall from the funds from other account(s) of VMC.

Interest payment mechanism

T - Interest payment date

Day	
T-25	The trustees shall check the amount lying to the credit of IPA – II (over and above the required DSRA amount). In case of any shortfall in amount, the trustees shall intimate VMC.
T-15	VMC shall make good the shortfall in the IPA - II, if applicable.
T-14	In case of shortfall, trustees shall trigger the payment mechanism and instruct the bank to transfer the shortfall amount from the DSRA to the IPA – II.
T	Interest payment is done.

Redemption mechanism

T - Redemption date

Day	
T-25	The trustees shall check the amount lying to the credit of the SFA - II. In case of any shortfall in amount, the trustees shall intimate VMC.
T-15	VMC shall make good the shortfall in the SFA, if applicable.
T	Redemption payment is done.

Rs 200 crore bond:

Broad contours of the escrow structure pertaining to the proposed Rs 200 crore bond issue:

- Creation of upfront FD of Rs 20 crore one day prior to the allotment date/Pay-in-Date.
- Escrow of all taxes collected by and due to VMC.
- Eligible bondholders and lenders shall have first pari-passu charge over the escrow account and the collection account(s).
- Establishing separate IPA and SFA with the escrow banker as per the terms of each series. Bondholders or lenders of series have first and pari-passu charge over the IPA and SFA for the respective series. IPA shall be funded one day before the allotment date/pay-in date with an amount equal to annual interest payments for bonds referred as DSRA amount.
- In case of any shortfall in the above accounts, VMC shall make good the shortfall from the funds from other account(s) of VMC.

Interest Payment Mechanism:

T– Interest Payment Date

Day	
T-25	The trustees shall check the amount lying to the credit of IPA-III (which is over and above the required DSRA amount). In case of any shortfall

	in amount, the trustees shall intimate VMC of the shortfall.
T-15	VMC shall make good the shortfall in the IPA-III.
T-13	In case of shortfall at T-14 days, trustees shall trigger the payment mechanism and instruct bank to utilise the DSRA amount lying in IPA-III to the extent of shortfall.
T	Interest payment is done

DSRA

Day	
T-12	In case DSRA is utilised to fund the shortfall, DT would issue a final notice in writing to the Issuer to replenish the DSRA amount shortfall within next 15 days (T+3)

- Principle Redemption Mechanism/SFA:

T – 12-Month Block End Date

Day	
T-25	The trustees shall check the amount lying to the credit of SFA-III. In case of any shortfall in amount, the trustees shall intimate VMC of the shortfall.
T-15	VMC shall make good the shortfall in the SFA-III.
T-13	In case of shortfall at T-14 days, trustees shall trigger the payment mechanism and instruct bank to utilize the upfront FD to the extent of shortfall.
T-12	In case upfront FD is utilised to fund the shortfall, DT would issue a final notice in writing to the Issuer to replenish the upfront FD within next 12 days (T)
T	12-month block end date

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Please note:
More details including a list of activities or instruments, along with the names of respective financial sector regulators (FSRs) whose purview they fall under, is available in 'Annexure – List of Instruments and Names of Regulators' below.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook	Regulator Of Instrument
INE0KDG24012	Bond	28-Mar-22	7.15	28-Mar-27	100.00	Simple	Crisil AA/Stable	SEBI
INE0KDG08023	Bond	04-Mar-24	7.90	04-Mar-29	100.00	Simple	Crisil AA/Stable	SEBI
NA	Bond#	NA	NA	NA	200.00	Simple	Provisional Crisil AA+/Stable	SEBI

#Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT	400.0	Provisional Crisil AA+/Stable,Crisil AA/Stable	26-05-26	Crisil AA/Stable	30-05-25	Crisil AA/Stable	30-05-24	Crisil AA/Stable	31-08-23	Crisil AA/Stable,Provisional Crisil AA/Stable	Crisil AA/Stable
			--		--		--	13-02-24	Crisil AA/Stable,Provisional Crisil AA/Stable	16-08-23	Crisil AA/Stable	--
			--		--		--		--	25-04-23	Crisil AA/Stable	--

All amounts are in Rs.Cr.

Annexure: List of instruments and names of regulators of the instruments
As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A. Rating activities

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)*	SEBI

4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Crisil Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for future flow transactions
Criteria for Infrastructure sectors (including approach for financial ratios)
Criteria for Public Finance (including approach for financial ratios)

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ANNEXURE - III

Resolutions and Approvals

Vadodara Municipal Corporation **A - 43**

Sanctioning issuance of Taxable Municipal Bonds up to Rs.500 Crores.

Government of Gujarat

Urban Development and Urban Housing Department,

Resolution No.: UDUHD/SPP/e-file/18/2026/0656/P Section

Date: As per e-sign

Read:

i) Municipal Commissioner, Vadodara Municipal Corporation's letters no. (1) Account Department/937 dated 30/12/2025, (2) Account Department/86 dated 23/04/2026.

ii) Deputy Municipal Corporation (Projects), Vadodara Municipal Corporation's letters no. (1) Account Department/294 dated 04/07/2026, (2) Account Department/430 dated 07/08/2026.

Preamble:

Vadodara Municipal Corporation has requested the State Government vide its letters read above (i) and (ii) to sanction issuing Taxable Municipal Bonds up to Rs.500 Crores for meeting gap funding requirements for various infrastructure developmental works. The matter of granting permission for issuing the taxable bonds was under consideration of the State Government.

Resolution:

After careful consideration, the State Government is pleased to accord in principle sanction to the proposal of Vadodara Municipal Corporation for issuing Taxable Municipal Bonds up to Rs.500 Crores (Rupees Five Hundred Crores Only) under Section 109 of the Gujarat Provincial Municipal Corporation Act, 1949, with the following conditions: -

1. The amount raised by issuance of the taxable bonds shall be used only for the infrastructure development facilities as mentioned in the proposal.
2. Vadodara Municipal Corporation has to follow the standing instructions issued by the State Government regarding Merchant Bankers, duration of Bond, Rate of interest etc. upon approval of the proposal by the State Government and the Government of India.
3. Vadodara Municipal Corporation shall be responsible for timely repayment of principal amount and payment of the interest to the investors. For the same, Vadodara Municipal Corporation shall follow the accounting process and all the norms as prescribed by the SEBI.

4. Vadodara Corporation shall be liable for proper maintenance of Escrow Account and to report the same to the State Government on monthly basis.
5. The Taxable Bonds are not guaranteed by the State Government and the Bonds will not be a part of the outstanding liabilities of the State Government.
6. Vadodara Municipal Corporation shall adhere to the relevant clauses of Chapter X (10) 'Borrowing Powers' of the Gujarat Provincial Municipal Corporations Act, 1949 regarding their proposal.

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

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

(J. B. Patel)

Joint Secretary (U.D.)

Urban Development and Urban Housing Department.

To,

- Municipal Commissioner, Vadodara Municipal Corporation, Vadodara.
- P.S. to Hon'ble Chief Minister, Swarnim Sankul – 1, Sachivalaya, Gandhinagar.
- P.S. to Hon'ble Minister, Urban Development and Urban Housing, Swarnim Sankul – 1, Sachivalaya, Gandhinagar.
- P.S. to Hon'ble Minister of State, Urban Development and Urban Housing, Swarnim Sankul – 2, Sachivalaya, Gandhinagar.
- Additional Chief Secretary, Finance Department, Sachivalaya, Gandhinagar.
- P.S. to Principal Secretary, Urban Development and Urban Housing Department, Sachivalaya, Gandhinagar.
- Under Secretary, Ministry of Housing and Urban Affairs, Government of India, Sankalp Bhawan, New Delhi – 110 011.
- Select File – 2026.

Validity unknown

Signed by:J B Patel
Joint Secretary
Date:2026.08.25
12:00:04 +5:30

File No: UDUHD/SPP/e-file/18/2026/0656/P Section
Approved By: Principal Secretary,PS Office,UDUHD

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

VADODARA MUNICIPAL CORPORATION

Copy of the Resolution of the VMC's Standing Committee met under the chairmanship of Dr. Sheetalbhai Vasantbhai Mistry on 10.30 am Dated. 07.02.2026

Details	Proposal and amends		Vote given		Resolution		Resolution on the same subject number and date		
	Name 1. proposer 2.supporter	Proposal or amendment made	In support	In opposition	Serial no and date	meaning	Earlier last resolution	Next resolution in future	Remarks
Subject No. 01: Revised Budget Estimates for the year 2025–26 and the Draft Budget for the year 2026–27 of Vadodara Municipal Corporation, along with the proposal by the Municipal Commissioner, are taken into consideration for the preparation of the budget	Shri N.J.Donga Shri R.R.Singh Dr. R.K.Shah Shri H.J. Thakkar Shri B.I.Patel Shri J.V.Kaka Shri K.B.Patel Shri G.T.Solanki	**LOAN / MUNICIPAL BONDS** For the beneficiaries of BSUP Phase 3 (Part), Phase 4 and Phase 5, loans will be arranged on their behalf from HUDCO, banks or other financial institutions within the prescribed limits. If, for any reason, loans are not available, the remaining amount will be arranged from internal funds, similar to the method adopted for BSUP Phase 1 and Phase 2 beneficiaries. The General Board had earlier approved this arrangement and granted full authority to the Municipal Commissioner. It is recommended that this approval and authority be continued for the coming year. In the current and upcoming years, the Municipal Corporation is required to contribute its share in various Central and State Government schemes. In addition, large capital projects are also undertaken from internal funds. Therefore, there may be a need for additional funds in the future, which may be raised through loans or municipal bonds. Under the AMRUT scheme of the Central Government, an incentive of Rs.10 Cr is provided for every Rs.100 Cr raised through municipal bonds, subject to a maximum of Rs.20 Cr. SEBI has also issued guidelines for Regular Municipal Bonds as well as Green, Blue, Yellow and Transition Bonds. Considering this, it is recommended that whenever funds are required in the future, either for contributing to government schemes or for capital projects, the Municipal Corporation may raise funds up to Rs.500 Cr by issuing any category of municipal or thematic bonds (private or public) or by taking loans. The General Board had previously granted full authority to the Municipal Commissioner to carry out all necessary actions in this regard, including executing agreements, appointing agencies, making payments, preparing case studies, undertaking publicity and forming required committees. It is recommended that this authority be continued for the new financial year. As the use of municipal bonds is increasing in India, it is also recommended that, to promote good governance and transparent administration, the Municipal Corporation approve the Master Bond Resolution and Debt Management Policy as included in Annexure–A.	9	-	546 / 07.02.2026	Approved unanimously			

Chief Accountant
Vadodara Municipal Corporation

Municipal Secretary
Vadodara Municipal Corporation

VADODARA MUNICIPAL CORPORATION

Copy of the Resolution of the VMC's General Board met under the chairpersonship of Shri Pinkyben Nirajbhai Soni on 10.30 am Dated. 18.02.2026

Details	Proposal and amends		Vote given		Resolution		Resolution on the same subject number and date		
	Name 1. proposer 2.supporter	Proposal or amendment made	In support	In opposition	Serial no and date	meaning	Earlier last resolution	Next resolution in future	Remarks
Subject No. 02: Regarding the consideration of the Revised Budget for 2025-26 and the Draft Budget for 2026-27 submitted by the Municipal Commissioner of Vadodara Municipal Corporation, along with the relevant proposals; and taking appropriate decisions after reviewing Standing Committee Resolution Nos. 545 to 547 dated 07-02-2026 concerning the preparation of the Budget.	Shri Manoj Patel Shri Shailesh Patil	**LOAN / MUNICIPAL BONDS** It is resolved that for the beneficiaries of BSUP Phase 3 (Part), Phase 4 and Phase 5, loans shall be arranged on their behalf from HUDCO, banks or other financial institutions within the prescribed limits. If, for any reason, such loans are not available, the remaining amount shall be arranged from internal funds in the same manner as was done for BSUP Phase 1 and Phase 2 beneficiaries. The General Board had previously approved this arrangement and granted full authority to the Municipal Commissioner. It is hereby approved that the same arrangement and authority shall continue for the coming year. Further, in the current and upcoming years, the Municipal Corporation is required to contribute its share to various schemes sponsored by the Central and State Governments. In addition, major capital projects are also undertaken through internal funding. Therefore, there is a possibility of requiring additional funds in the future, which may need to be raised through loans or municipal bonds. Under the AMRUT scheme of the Central Government, an incentive of Rs.10 Cr is provided for every Rs.100 Cr raised through municipal bonds, subject to a maximum of Rs.20 Cr. SEBI has also issued guidelines for Regular Municipal Bonds as well as Green, Blue, Yellow and Transition Bonds. Considering this, it is resolved that whenever funds are required in the future, either for contributing to Government schemes or for undertaking capital works, the Municipal Corporation may raise funds up to Rs.500 Cr by issuing any category of municipal or thematic bonds (private or public) or by obtaining loans. The authority previously granted in the last year's budget to the Municipal Commissioner, to take all necessary actions in this regard, including executing agreements, appointing agencies, making payments, preparing case studies, undertaking publicity and forming required committees, shall continue for the new year. Approval is hereby granted to carry out all such related activities. Further, as the use of municipal bonds is increasing in India and with the objective of promoting good governance and transparent administration, it is resolved to approve the Master Bond Resolution and Debt Management Policy as included in Annexure–A.	63	-	147 / 18.02.2026	Approved by majority.			

Chief Accountant
Vadodara Municipal Corporation

Municipal Secretary
Vadodara Municipal Corporation

VADODARA MUNICIPAL CORPORATION

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PBX: 2433116 / 2433118 / 2433338 / 2433369 | FAX: 0265 - 2433060
E-Mail: commissioner@vmc.gov.in

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF VADODARA MUNICIPAL CORPORATION HELD ON NOVEMBER 13, 2026 AT VADODARA

CONSIDERATION AND APPROVAL OF ISSUANCE OF UPTO 20,00,000 (TWENTY LAKHS) UNSECURED, RATED, LISTED, TAXABLE, REDEEMABLE, AND NON-CONVERTIBLE BLUE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 1000/- (RUPEES ONE THOUSAND ONLY)("BLUE BONDS"/ "BONDS"/ "NCDS"/ "DEBENTURES") FOR THE BASE ISSUE SIZE OF ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION UP TO ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("GREEN SHOE OPTION") FOR AN AMOUNT AGGREGATING UP TO ₹ 200 CRORES (RUPEES TWO HUNDRED CRORES ONLY)("TOTAL ISSUE SIZE") THROUGH PUBLIC ISSUE ("ISSUE") BY VADODARA MUNICIPAL CORPORATION ("VMC"/"ISSUER"/"CORPORATION") PROPOSED TO BE LISTED ON THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") (NSE BEING THE DESIGNATED STOCK EXCHANGE) AND BSE LIMITED ("BSE") (BSE AND NSE ARE HEREINAFTER COLLECTIVELY REFERRED TO AS "STOCK EXCHANGES").

"**RESOLVED THAT** the Bond Issue Committee here by approves the issuance of unsecured, rated, listed, taxable, redeemable and non-convertible blue municipal bonds in the nature of Debentures of the face value of ₹1000/-(Rupees One Thousand Only) ("**Blue Bonds**"/ "**Bonds**"/ "**NCDs**"/ "**Debentures**") for the base issue size of ₹ 100 crores (Rupees One Hundred Crores Only) ("**Base Issue Size**") with green shoe option of up to ₹ 100 crores (Rupees One Hundred Crores Only) ("**Green Shoe Option**") for an amount aggregating up to ₹200 Crores (Rupees Two Hundred Crores Only), in dematerialised form, by way of public issue ("**Issue**")."

"**RESOLVED FURTHER THAT** with reference to the resolution of the Bond Issue Committee dated July 01, 2026 for approving the Blue Bond Framework, the Bond Issue Committee hereby accords the approval to issue the proposed non-convertible debentures as "**Blue Bonds**" considering the Object of the Issue for which the funds are proposed to be raised as "**Eligible Blue Projects**" in accordance with applicable SEBI Regulations and Circulars.

"RESOLVED FURTHER THAT the aforesaid resolution shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by the Deputy Municipal Commissioner (Project) and Chief Accountant or the Municipal Commissioner may be furnished to the concerned parties and other regulatory and statutory authorities/bodies as may be required."

CERTIFIED TO BE TRUE COPY

FOR VADODARA MUNICIPAL CORPORATION

NAME: SANTOSH HIRALAL TIWARI
DESIGNATION: DEPUTY MUNICIPAL COMMISSIONER (PROJECT) AND CHIEF ACCOUNTANT

VADODARA MUNICIPAL CORPORATION
Khanderao Market Building, Rajmahal Road, Vadodara - 390209
PBX: 2433116 / 2433118 / 2433338 / 2433369 | FAX: 0265 - 2433060
E-Mail: commissioner@vmc.gov.in

Dated: 13-11-2026

To,

A.K. Capital Services Limited,
603, 6th Floor, Windsor, Off CST Road,
Kalina, Santacruz (East), Mumbai 400098,
Maharashtra, India

And

Tipsons Consultancy Services Private Limited
1st Floor, Sheraton House, Opposite Ketav Petrol,
Polytechnic Road, Ambawadi,
Ahmedabad 380015, Gujarat

(A.K. Capital Services Limited and Tipsons Consultancy Services Private Limited to be hereinafter referred to as the "**Lead Managers**")

Sub: PROPOSED ISSUE BY VADODARA MUNICIPAL CORPORATION ("ISSUER"/ "CORPORATION"/ "VMC") OF UPTO 20,00,000 (TWENTY LAKHS) UNSECURED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES ("BLUE BONDS"/ "BONDS"/ "NCDS"/ "DEBENTURES"), OF FACE VALUE OF ₹ 1,000/- (RUPEES ONE THOUSAND ONLY), FOR THE BASE ISSUE SIZE OF ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION UP TO ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("GREEN SHOE OPTION") FOR AN AMOUNT AGGREGATING UP TO ₹ 200 CRORES (RUPEES TWO HUNDRED CRORES ONLY) ("ISSUE SIZE")/("TOTAL ISSUE SIZE") UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME ("ISSUE").

Dear Sir/Ma'am,

I, Arun Mahesh Babu (I.A.S.), Municipal Commissioner of the Issuer, hereby confirm the following:

- The Urban Development and Urban Housing Department, Government of Gujarat vide its order no. UDUHD/SPP/e-file/18/2026/0656/P Section, dated August 25, 2026 had approved the bond issuance by Issuer for issuing Municipal Bonds in the nature of debenture of up to Rs.500 crores (Rupees Five Hundred Crores Only) under Section 109 of the Gujarat Provincial Municipal Corporation Act, 1949("**State Approval**").

- The Issuer is duly empowered by the resolution passed at the Standing Committee vide Resolution No. 546 dated February 07, 2026, and resolution passed at the General Board vide Resolution No. 147 dated February 18, 2026, for the Issuance of Municipal Bonds. Thereafter, Bond Issue Committee being was constituted by the Municipal Commissioner vide its Order No. 43 dated May 30, 2026, to take various decisions, activities and signing documents/appointments/agreements related to the bond issuance process.

VADODARA MUNICIPAL CORPORATION * VADODARA *

- That the Bond Issue Committee currently consists of the following members:

Sr. No.	Designation	Name	Position
1	Municipal Commissioner	Arun Mahesh Babu ,I.A.S	Chairman
2	Dy. Municipal Commissioner	Santosh Hiralal Tiwari	Member
3	Chief Accountant		
4	Chief Auditor	Harikrishna Maheshchandra Rao	Member
5	Ex Engineer (Water Supply Project)	Darshin Mehta	Member
6	Ex. Engineer (Drainage Project)	Rathva Hareshkumar Rajendrabhai	Member

Note: 1. Committee headed by Municipal Commissioner and Chief Accountant will also act as a Member Secretary.
2. In case of Transfer or Retirement, person posted or holding the charge for any of the above designation will Be deemed to be member or hold position as mentioned above.

- That we shall immediately intimate the Lead Managers to the Issue of any changes in the aforementioned details.

Yours Sincerely,

Arun Mahesh Babu, I.A.S.
Municipal Commissioner

VADODARA MUNICIPAL CORPORATION * VADODARA *

Copy to:
MV Kini, Law Firm
Kini House, 6/39,
Jangpura B,
New Delhi-110014

0

VADODARA MUNICIPAL CORPORATION
Khanderao Market Building, Rajmahal Road, Vadodara - 390209
PBX: 2433116 / 2433118 / 2433338 / 2433369 | FAX: 0265 - 2433060
E-Mail: commissioner@vmc.gov.in

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF VADODARA MUNICIPAL CORPORATION HELD ON NOVEMBER 13, 2026 AT VADODARA

RAISING OF UPTO 20,00,000 (TWENTY LAKHS) UNSECURED, RATED, LISTED, TAXABLE, REDEEMABLE, AND NON-CONVERTIBLE BLUE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 1000/- (RUPEES ONE THOUSAND ONLY)("BLUE BONDS"/ "BONDS"/ "NCDS"/ "DEBENTURES") FOR THE BASE ISSUE SIZE OF ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION UP TO ₹100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("GREEN SHOE OPTION") FOR AN AMOUNT AGGREGATING UP TO ₹ 200 CRORES (RUPEES TWO HUNDRED CRORES ONLY)("TOTAL ISSUE SIZE") THROUGH PUBLIC ISSUE ("ISSUE") BY VADODARA MUNICIPAL CORPORATION ("VMC"/"ISSUER"/"CORPORATION") PROPOSED TO BE LISTED ON THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") (NSE BEING THE DESIGNATED STOCK EXCHANGE) AND BSE LIMITED ("BSE") (BSE AND NSE ARE HEREINAFTER COLLECTIVELY REFERRED TO AS "STOCK EXCHANGES").

"**RESOLVED THAT** pursuant to the authority provided by the resolution passed at the Standing Committee vide Resolution No. 546 dated February 07, 2026, and resolution passed at the General Board vide Resolution No. 147 dated February 18, 2026 in relation to the Issue, the Draft Offer Document dated NOVEMBER 13, 2026 which has been tabled before the Bond Issue Committee be and is hereby approved."

"**RESOLVED FURTHER THAT** the Bond Issue Committee hereby accords its approval for filing of the Draft Offer Document dated NOVEMBER 13, 2026 with the Securities and Exchange Board of India, Stock Exchanges and any other regulatory/statutory authority as required under the applicable law."

RESOLVED FURTHER THAT the Bond Issue Committee hereby accords its approval for listing of Blue Bonds on National Stock Exchange of India Limited ("**NSE**") and BSE Limited, NSE being the designated stock exchange for the Issue."

"**RESOLVED FURTHER THAT** the aforesaid resolution shall come into effect immediately and a copy of the foregoing resolution certified to be a true copy by the Deputy Municipal Commissioner (Project) and Chief Accountant may be furnished to the concerned parties and other regulatory and statutory authorities/bodies as may be required."

CERTIFIED TO BE TRUE COPY

FOR VADODARA MUNICIPAL CORPORATION

NAME: SANTOSH HIRALAL TIWARI
DESIGNATION: DEPUTY MUNICIPAL COMMISSIONER (PROJECT) AND CHIEF ACCOUNTANT

VADODARA MUNICIPAL CORPORATION * VADODARA *

ANNEXURE - IV
Debenture Trustee Consent Letter

SBI Trustee

Ref No.6659/STCL/DT/2026-27 **Date: 29th October 2026**

To,
Vadodara Municipal Corporation
1st Floor, Khanderao Market,
Raj Mahal Road,
Vadodara - 390209

Dear Sir/ Madam,

Sub: Proposed public issue by Vadodara Municipal Corporation ("Issuer"/ "Corporation"/ "VMC") of up to 20,00,000 (Twenty Lakhs) unsecured, rated, listed, taxable, redeemable, non-convertible municipal bonds in the nature of debentures, of face value of ₹ 1,000/- (Rupees One Thousand Only) ("Blue Bonds"/ "Bonds"/ "NCDs"/ "Debentures") for an amount aggregating up to Rs 200 Crores (Rupees Two Hundred Crores Only) (including green shoe option) ("Total Issue Size") ("Issue") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 as amended from time to time.

We, the undersigned, do hereby consent to act as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the draft offer document and the and offer document to be filed with the Securities Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (NSE and BSE hereinafter together to be referred to as the "**Stock Exchanges**") where the Blue Bonds are proposed to be listed and also in all related advertisements, marketing materials and communications sent pursuant to the Issue.

1. The following details with respect to us may be disclosed:

Logo	: SBI Trustee
Name	: SBICAP Trustee Company Limited
Address	: 4th floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai 400 020
Tel.	: 022 - 43025566
Fax	: NA
E-mail	: corporate@sbicaptrustee.com / dt@sbicaptrustee.com
Investor Grievance e-mail	: investor.cell@sbicaptrustee.com
Website	: www.sbicaptrustee.com
Contact Person	: Mr. Ardhendu Mukhopadhyay
Compliance Officer	: Mr. Sandeep Poddar
Tel. (Compliance Officer)	: 022 4302 5517
Email (Compliance Officer)	: Sandeep.Poddar@SBICAPTRUSTEE.COM
SEBI Registration Number	: IND000000536
CIN	: U65991MH2005PLC158386

2. We confirm that we are registered with the SEBI and are eligible to act as a Debenture Trustee under applicable SEBI regulations and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate as **Annexure A** and a declaration regarding our registration with SEBI in the required format is annexed as **Annexure B** hereto.

3. We also confirm that we have not been prohibited by SEBI to act as an intermediary including, without limitation, in capital market issues, nor have we been debarred from functioning by any regulatory authority. We hereby authorise you/ your representatives to deliver this letter of consent and make disclosures in relation to the same to Stock Exchanges, SEBI or any other statutory/regulatory authority, if required by such authority pursuant to the provisions of applicable laws, and to share, as necessary, with the Lead Managers, Legal advisor and other intermediaries duly appointed in this regard for their reliance, in respect of the Issue.

SBI Trustee

4. We hereby confirm that during the last 5 (five) years there has been disciplinary actions, or any enforcement action/adjudication taken by SEBI or any regulatory authority against us except as disclosed in **Annexure C**, from the time of our registration.

5. We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Issuer in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Issuer.

6. We also confirm that we are not an associate of the Issuer in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended.

7. We confirm that we do not have any conflict of interest with the Issuer.

8. We confirm that the information in relation to us in this letter together with the annexures is true, correct and complete in all respects and may be disclosed in the issue related documents/materials/communication.

9. We undertake that we shall immediately intimate the Issuer and the Lead Managers to the Issue of any changes in the aforementioned details until the date of listing and commencement of trading of the Blue Bonds on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the date of listing and commencement of trading of the Blue Bonds on the Stock Exchanges.

10. This letter may be relied upon by the Issuer, the Lead Managers and the Legal Advisor to the Issue.

Sincerely,

For SBICAP Trustee Company Limited

Authorized Signatory
Name: Ms. Trusha Shah
Designation: Team Head- Debenture Trustee & AIF and others

CC:

Lead Managers to the Issue

A.K. Capital Services Limited
Unit no. 603, 6th Floor, Windsor,
Off CST Road, Kalina,
Santacruz – East, Mumbai – 400 098

And

Tipsons Consultancy Services Private Limited
1st Floor, Sheraton House,
Opp. Ketav Petrol Pump,
Polytechnic Road, Ambawadi,
Ahmedabad- 380015

Legal Counsel to the Issue

MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

SBI Trustee

ANNEXURE A

डिबेंचर न्यासी

प्रारूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000256

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र PERMANENT REGISTRATION CERTIFICATE OF REGISTRATION

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

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

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

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

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000536**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

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

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **OCTOBER 06, 2015**

MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

SBI Trustee

ANNEXURE B

Ref No. 6660//STCL/DT/2026-27 **Date: 29th October 2026**

To,

Vadodara Municipal Corporation
1st Floor, Khanderao Market,
Raj Mahal Road,
Vadodara - 390209

Dear Sir/Madam,

Sub: Proposed public issue by Vadodara Municipal Corporation ("Issuer"/ "Corporation"/ "VMC") of up to 20,00,000 (Twenty Lakhs) unsecured, rated, listed, taxable, redeemable, non-convertible municipal bonds in the nature of debentures, of face value of ₹ 1,000/- (Rupees One Thousand Only) ("Blue Bonds"/ "Bonds"/ "NCDs"/ "Debentures") for an amount aggregating up to Rs 200 Crores (Rupees Two Hundred Crores Only) (including Green Shoe Option) ("Total Issue Size") ("Issue") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 as amended from time to time.

1. We refer to our consent letter dated 06th August 2025 bearing reference number 0212/2025-2026/CL07331. We confirm that as on the date of the consent letter, the following details in relation to our registration with the Securities and Exchange Board of India ("**SEBI**") as Debenture Trustee to the Issue are correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000536
2.	Date of Registration/ Date of last renewed Registration/ Date of application of renewal	06th October, 2015
3.	Date of expiry of Registration	Permanent
4.	If applied for renewal, date of application for renewal of registration	No
5.	Details of any communication from SEBI prohibiting from acting as intermediary	No
6.	Details of any pending inquiry/investigation being conducted by SEBI	No
7.	Period up to which registration/ renewal fees has been paid	October 07, 2027
8.	Details of any penalties imposed by SEBI	No

2. We shall immediately intimate the Issuer and the lead managers to the Issue of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the relevant stock exchanges, where the Blue Bonds are proposed to be listed ("**Stock Exchanges**"). In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Blue Bonds on the Stock Exchanges.

Sincerely,

For SBICAP Trustee Company Limited

SBICAP TRUSTEE COMPANY LTD.

Authorized Signatory
Name: Ms. Trusha Shah
Designation: Team Head- Debenture Trustee & AIF and others

SBI Trustee

ANNEXURE C

S. No.	SEBI/ Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
1.	SEBI	NIL

Sincerely,

For SBICAP Trustee Company Limited

Authorized Signatory
Name: Ms. Trusha Shah
Designation: Team Head- Debenture Trustee & AIF and others

Legal Counsel to the Issue
MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

ANNEXURE – V

Illustration of Bond Cash Flow

[•]

ANNEXURE - VI
Budget Documents

Budget Summary

(Rs. In Crore)

2025-26 Revised Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	698.67	63.71	1195.98	746.86	2705.22
Income	1783.49	409.36	1785.12	317.51	4295.49
Total Income	2482.17	473.06	2981.10	1064.37	7000.71
Expenditure	2124.62	458.68	1477.92	177.80	4239.02
Closing Balance	357.55	14.39	1503.19	886.56	2761.69

2026-27 Draft Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	357.55	14.39	1503.19	886.56	2761.69
Income	2141.54	912.45	1470.32	386.21	4910.52
Total Income	2499.09	926.83	2973.51	1272.77	7672.21
Expenditure	2297.84	757.46	1698.16	299.85	5053.31
Closing Balance	201.25	169.37	1275.35	972.93	2618.90

Chief Accountant
Municipal Corporation
Vadodara.

Budget Summary

(Rs. In Crore)

2024-25 Revised Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	758.24	176.70	1240.69	641.17	2816.81
Income	1647.97	231.18	1089.04	228.62	3196.80
Total Income	2406.21	407.88	2329.73	869.79	6013.61
Expenditure	1809.23	350.16	1205.85	222.13	3587.38
Closing Balance	596.98	57.72	1123.88	647.66	2426.23

2025-26 Draft Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	596.98	57.72	1123.88	647.66	2426.23
Income	1781.78	541.43	1235.68	234.69	3793.57
Total Income	2378.76	599.14	2359.56	882.35	6219.81
Expenditure	1942.59	485.69	1394.37	241.50	4064.15
Closing Balance	436.16	113.45	965.19	640.85	2155.65

Chief Accountant
Municipal Corporation
Vadodara.

VADODARA MUNICIPAL CORPORATION * VADODARA *

Budget Summary

(Rs. In Crore)

2023-24 Revised Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	684.60	7.14	847.70	554.67	2094.11
Income	1663.09	410.18	961.04	199.26	3233.57
Total Income	2347.69	417.74	753.93	753.93	5327.68
Expenditure	1676.60	414.55	1013.99	188.80	3293.94
Closing Balance	671.09	2.77	794.75	565.13	2033.74

2024-25 Draft Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	671.09	2.77	794.75	565.13	2033.74
Income	1715.98	546.48	1041.93	220.74	3525.12
Total Income	2387.07	549.24	1836.68	785.87	5558.86
Expenditure	1845.40	532.30	1171.14	195.18	3744.01
Closing Balance	541.66	16.95	665.55	590.69	1814.85

Chief Accountant
Municipal Corporation
Vadodara.

Budget Summary

(Rs. In Crore)

2022-23 Revised Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	524.79	114.58	569.52	446.37	1655.26
Income	1485.36	205.77	774.52	152.33	2617.98
Total Income	2010.15	320.35	1344.04	598.70	4273.24
Expenditure	1526.92	320.35	666.13	112.66	2610.30
Closing Balance	483.23	15.77	677.91	486.04	1662.94

2023-24 Draft Budget

Particular	Revenue	Capital	Grant	Deposit	Total
Opening Balance	483.23	15.77	677.91	486.04	1662.94
Income	1589.47	503.63	906.07	168.64	3167.81
Total Income	2072.70	519.39	1583.98	654.68	4830.75
Expenditure	1636.22	519.35	991.31	131.58	3278.46
Closing Balance	436.48	0.04	592.67	523.10	1552.29

Chief Accountant
Municipal Corporation
Vadodara.

VADODARA MUNICIPAL CORPORATION * VADODARA *

ANNEXURE - VII
Third Party Review Report

VERIFICATION REPORT

VADODARA MUNICIPAL CORPORATION (VMC)

BLUE RESILIENCE FINANCE

OCTOBER 2026

Prepared by: Bureau Veritas India Private Limited (BVIL)

Location: Mumbai, India
Date: 01st October 2026
Ref. No.: 2026 – 31500430

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Disclaimer

Our assessment relies on the premise that the data and information provided by Vadodara Municipal corporation (VMC) to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. BUREAU VERITAS expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

BUREAU VERITAS applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the BUREAU VERITAS Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. BUREAU VERITAS was not involved in the preparation of statements or data included in the Framework except for this Statement. BUREAU VERITAS maintains complete impartiality toward stakeholders interviewed during the assessment process.

ABBREVIATIONS

BVIL	Bureau Veritas India Private Limited
CAR	Corrective Action Request
CC	Cross-Checking
CL	Clarification request
DR	Desktop Review
FAR	Forward Action Request
MoV	Means of Verification
I	Interview

DEFINITIONS

Protocol	Defined requirements and procedures used to assess compliance with the Climate Bonds Standard
Verification Protocol	Methodology applied by an independent verifier to evaluate alignment with the Climate Bonds Standard and Sector Criteria.
Blue resilience finance framework	Issuer's framework governing the selection, management, and reporting of eligible blue and water-resilience investments.
Blue bonds	A debt instrument whose proceeds finance eligible projects related to sustainable water and marine resource management.
Climate Bond Standard	CBI's science-based certification framework for climate-aligned debt instruments, assets, and entities.
Eligible Projects	Projects and assets meeting the applicable Climate Bonds Sector Criteria and Blue Finance Framework requirements.

1 INTRODUCTION

Vadodara Municipal Corporation (VMC) has established a Blue Resilience Finance Framework July 31st, 2026 ("Framework") that outlines the processes and governance arrangements for the issuance, allocation, and management of proceeds on an ongoing basis. The Framework is aligned with the Climate Bonds Standard (CBS) v4.3 water Infrastructure Criteria v3.4, Climate Bonds Initiative (CBI) Use of Proceeds (UoP) requirements, and the IFC Blue Finance Guidelines Version 2.0, ensuring that eligible projects meet the applicable blue and climate finance eligibility criteria.

Vadodara Municipal Corporation (VMC) has engaged Bureau Veritas India Private Limited (BVIL) to provide a verification report for proposed Blue Resilience Finance Framework dated 31st July 2026. This report presents the findings of the verification assessment and includes BVIL's verification statement on the Framework's alignment with the climate Bond standard (CBS) v4.3, Water Infrastructure Criteria v3.4, ICMA Green Bond Principles (2021) and IFC Blue Finance Guidelines version 2.0., as well as its compliance with the applicable requirements of the Climate Bonds Initiative (CBI).

The Issuer has identified the following projects for potential allocation of proceeds, subject to their alignment with the eligibility requirements of the Blue Resilience Finance Framework.

a. Construction of 150 MLD Intake Well, 75 MLD Water Treatment Plant (WTP) with Transmission Main at Rayka, Vadodara ("Project I") and;
b. Construction of 75 mld Water Treatment Plant at Nimeta, Vadodara ("Project II") including Transmission main of 1500 mm dia.

The eligible projects are expected to deliver measurable environmental, climate resilience, and water resource management benefits, including:

a. Improved reliability and sustainability of water supply services
b. Enhanced water quality and treatment performance
c. Protection and restoration of freshwater ecosystems
d. Increased resilience of urban water infrastructure and water management systems

Vadodara Municipal Corporation (VMC) intends to allocate 100% of the net proceeds from the proposed Blue Bond issuance to eligible blue projects and assets in accordance with its Blue Resilience Finance Framework. The proceeds are expected to be fully allocated within 24 months of issuance that contribute to water security, climate adaptation, ecosystem protection, and the long-term resilience of urban water infrastructure and services.

The eligible project categories identified under the Issuer's Blue Resilience Finance Framework include Sustainable Water Supply Infrastructure, Water Transmission and Distribution Infrastructure, Water Resource Management, and Digital Water Systems. Project I and Project II have been selected due to their anticipated contribution to strengthening water security, improving treatment and distribution infrastructure, and enhancing the overall resilience of Vadodara's water supply network.

BVIL has determined that the proposed framework are aligned with the eligibility criteria prescribed under the CBS v 4.3, Water Infrastructure Criteria v3.4 and IFC blue finance guideline 2.0, thereby satisfying the definition of Blue Projects under the Climate Bonds Standard (CBI).

1.1 Objective

The objective of this BVIL verification report is to provide a limited level of assurance on the allocation of proceeds to eligible blue projects and to evaluate their alignment with the Climate Bonds Standard (CBS) v4.3, Water Infrastructure Criteria v3.4, IFC Blue Finance Guidelines Version 2.0, and the applicable requirements of the Climate Bonds Initiative (CBI). The verification is intended to provide an independent assessment of whether the issuer is complying with the relevant standards through a review of the policies, processes, and management systems established, or being established, to ensure that bond proceeds are

allocated, tracked, and managed effectively in accordance with the objectives and requirements of the CBS.

1.2 Scope

The scope of BVIL verification is to provide a limited assurance statement confirming that the proposed allocation of proceeds to blue project categories complies with the eligibility requirements set out under the CBS v4.3, Water Infrastructure Criteria v3.4, IFC Blue Finance Guidelines Version 2.0, and applicable CBI requirements. The Blue Resilience Finance Framework reviewed against the criteria stated in the Climate Bonds Standard.

The following projects have been identified as eligible Blue Projects for financing consideration:

a) Project I: Construction of a 150 MLD Intake Well, a 75 MLD Water Treatment Plant (WTP), and a transmission main at Rayka, Vadodara; and
b) Project II: Construction of 75 mld Water Treatment Plant at Nimeta, Vadodara ("Project II") including Transmission main of 1500 mm dia.

The verification engagement is conducted independently and does not include the provision of consulting services to the framework issuer. However, requests for clarification and recommendations for corrective actions raised during the verification process may contribute to strengthening the issuer's capacity to achieve and maintain compliance with the requirements of the Climate Bonds Standard (CBS).

2 METHODOLOGY

Our work involved a high-level, independent review of the information made available to us, with the understanding that all data and documentation were provided by VMC in good faith. This engagement did not constitute an audit, nor did we conduct any procedures to independently verify the accuracy or completeness of the information shared. We have used BVIL's experts, having experience in water industry. The work undertaken to form our verification included:

i. Assessment of documentary evidence provided by VMC on the Blue project criteria and supplemented by high-level desktop research. The checks refer to current assessment practices and standards methodology.
ii. Discussions with VMC's management, and review of relevant documentation and evidence related to the criteria of the Protocol, including public disclosures. These methods adhere to the latest assessment best practices and standards. We also engaged in detailed discussions with VMC officials, examined pertinent documents, and, where appropriate, verified additional documents related to blue project certification criteria.
iii. Evaluation of data/information disclosed by VMC's on their internal processes for data collection, compilation, and reporting, ensuring their efficiency and reliability.
iv. Discussions with VMC's representatives from management team.
v. Documentation of findings against each element of the criteria.

This confidential report has been prepared to record the assessment methodology, analysis, and results of the two verification phases. The current version of the report covers the activities and findings associated with the Pre-Issuance Verification.

2.1 Review of Documentation

The documents provided by Vadodara Municipal Corporation (VMC) that are directly relevant to the proposed Blue Resilience framework are listed below. These documents served as the primary sources of evidence for conducting the verification and forming the verification conclusions. The information contained within these documents was reviewed and assessed against the applicable requirements of the Climate Bonds Standard (CBS) v4.3, Water Infrastructure Criteria (3.4), and IFC Blue Finance Guidelines Version 2.0. Where considered necessary, the documentary evidence was further validated through discussions

and interviews with relevant VMC representatives and key personnel to confirm the accuracy, completeness, and implementation of the processes, procedures, and commitments described therein.

[R-01] VMC Blue Resilience Finance Framework 2026 (Final)

[R-02] Eligible Assets (Water Supply and Treatment, Project DPRs April 2023

Background documents related to the proposed Blue resilience framework.

[R-03] Climate Bonds Standard V4.3, August 2025, https://www.climatebonds.net/files/documents/CBI_Standard_V4.3_FINAL_2025-08-20-102147_gbqn.pdf

[R-06] Climate Bonds version 3.4 of the Water Infrastructure Criteria June 2026 (https://www.climatebonds.net/our-expertise/climate-bonds-standard-and-certification-scheme/sector-criteria/water-infrastructure)

2.2 Interviews with and Information Collected from stakeholders

BVIL conducted a series of communications, discussions, and interviews with representatives of Vadodara Municipal Corporation (VMC) and relevant office bearers to obtain a comprehensive understanding of the Blue Resilience Finance Framework, its governance structure, implementation processes, and the proposed use of proceeds. These interactions were undertaken to validate information provided through document reviews, clarify key aspects of the Framework, and assess the adequacy of the systems and controls established for the identification, selection, management, and reporting of eligible blue projects.

The stakeholder consultations formed an integral part of the verification process and provided additional evidence to support the assessment of the Framework's alignment with the requirements of the Climate Bonds Standard (CBS) v4.3, Water Infrastructure Criteria v3.4, and the IFC Blue Finance Guidelines Version 2.0. Information obtained during these discussions was used to corroborate documentary evidence and facilitate a robust and independent verification assessment.

The following key personnel participated in these communications and provided relevant information and clarifications during the verification process:

[R-07] Mr. Santosh Tiwari, Chief Accountant, Vadodara Municipal Corporation

2.3 Resolution of outstanding issues

The objective of this phase of the verification is to address and resolve any outstanding matters requiring clarification prior to BVIL reaching its conclusion on the alignment of the Blue Resilience Finance Framework with the applicable requirements and eligibility criteria. This phase focuses on reviewing the completeness, accuracy, and adequacy of the Framework and ensuring that all relevant information and supporting evidence have been evaluated before the issuance of the verification statement.

To promote transparency, consistency, and traceability throughout the verification process, BVIL developed a customized Verification Protocol specifically for this assessment. The Verification Protocol serves as a structured tool that systematically presents the applicable requirements, verification criteria, sources of evidence, verification procedures, and assessment outcomes. It provides a clear and transparent record of how each requirement was assessed and the basis upon which verification conclusions were reached.

The Verification Protocol serves the following key purposes:

- To organize, define, and clarify the requirements and expectations that the Blue Resilience Finance Framework must satisfy under the applicable standards and guidelines.
- To establish a transparent and consistent verification methodology by documenting the verification approach, evidence reviewed, and assessment results for each requirement.

- To provide a clear audit trail demonstrating how compliance with the relevant criteria has been evaluated and substantiated.
- To ensure that verification findings and conclusions are evidence-based, objective, and independently assessed.
- To facilitate stakeholder understanding of the verification process and the rationale supporting the final verification conclusions.

The Verification Protocol is structured into two separate tables, each addressing specific aspects of the verification assessment. These tables collectively outline the applicable requirements, corresponding verification activities, means of verification, evidence reviewed, observations made during the assessment, and the resulting verification conclusions. The purpose and content of each column within the Verification Protocol are illustrated in the figure below. The completed Verification Protocols for the Blue Resilience Finance Framework are provided in Annexure 1 and Annexure 2 of this report and form an integral part of the verification documentation supporting the assurance conclusions presented herein.

These mechanisms assist in evaluating the extent to which the Blue Resilience Finance Framework and associated management processes align with the requirements of the Climate Bonds Standard (CBS), Water Infrastructure Criteria, and IFC Blue Finance Guidelines.

3 VERIFICATION FINDINGS

BVIL has developed and applied a customized verification protocol based on the applicable requirements of the Climate Bonds Standard (CBS) v4.3, Water Infrastructure Criteria, and IFC Blue Finance Guidelines Version 2.0 to assess the eligibility and alignment of VMC's proposed Blue Projects and the associated Blue Resilience Finance Framework. The protocol establishes a structured and systematic approach for conducting the verification and provides the basis for BVIL' independent second-party assessment.

The BVIL Verification Protocol comprises a comprehensive set of assessment criteria, verification procedures, and evidence requirements designed to evaluate the extent to which the Framework satisfies the relevant principles, eligibility requirements, governance expectations, and reporting commitments prescribed under the applicable standards and guidelines. The protocol serves as a transparent tool for documenting the verification methodology, evidence reviewed, observations made, and conclusions reached during the assessment process.

The Climate Bonds Standard (CBS 4.3) requires issuers to ensure that information disclosed to investors and other stakeholders is transparent, accurate, complete, and supported by appropriate governance and management processes. In line with these requirements, the verification assessment examined the Framework's approach to project evaluation and selection, use of proceeds, management of proceeds, governance arrangements, monitoring mechanisms, and reporting commitments to determine whether they are consistent with the objectives and requirements of the applicable standards.

For the purpose of this verification, the assessment criteria were organized in accordance with the key components and requirements of the Climate Bonds Standard framework. Each criteria were reviewed against relevant documentary evidence, management representations, and information obtained through stakeholder consultations. The verification protocol further identifies the means of verification applied, the evidence considered, and the resulting assessment conclusions, thereby providing a clear and auditable record of the verification process.

The protocol forms the basis of BVIL' independent verification of VMC's Blue Resilience Finance Framework against the requirements of CBS v4.3, Water Infrastructure Criteria, and IFC Blue Finance Guidelines Version 2.0.

Pre-Issuance Verification

Based on the limited assurance procedures performed, the evidence obtained, and the scope of our verification report engagement as described above, nothing has come to our attention to suggest that the proposed Blue Bond transaction, by the Issuer (Vadodara Municipal Corporation), is not, in all material respects, in alignment with the requirements of Climate Bonds Standard Version 4.3 or associated Technical Criteria and SEBI circular dated on Feb 06, 2023 SEBI Master Circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated October 15,2025, SEBI Circular HO/17/11/24(1)2026-DDHS-POD1/I/5967/2026 dated February 27, 2026 and other applicable regulations & circulars.

4 VERIFICATION STATEMENT

BVIL has completed the Pre-Issuance Verification of Vadodara Municipal Corporation's (VMC) Blue Resilience Finance Framework and the proposed debt instrument. BVIL's role is to provide an independent verification opinion on the Framework's alignment with the requirements of the Climate Bonds Standard (CBS) v4.3, including the applicable Water Infrastructure Criteria, as well as relevant provisions of the IFC Blue Finance Guidelines Version 2.0.

The verification was conducted in accordance with the requirements of the Climate Bonds Standard v4.3 and the International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The assessment included a review of the Framework and supporting documentation to determine whether the applicable CBS requirements had been appropriately incorporated and consistently applied, together with the collection and evaluation of evidence necessary to support the verification conclusions.

BVIL's verification approach is based on an assessment of the risks associated with compliance with the applicable Climate Bonds requirements. The verification activities included document reviews, discussions with relevant personnel, and examination of supporting evidence and management representations considered necessary to provide a limited level of assurance regarding the Framework's alignment with the applicable standards and eligibility criteria.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that VMC's proposed Blue Bond is not, in all material respects, aligned with the Pre-Issuance requirements of the Climate Bonds Standard (CBS) v4.3, the applicable Water Infrastructure Criteria, and the relevant eligibility requirements as aligned with IFC Blue finance Guidelines Version 2.0 for Blue Projects under the proposed Framework.9899799929

For BUREAU VERITAS INDIA PRIVATE LIMITED (BVIL)

Mumbai, 1st of October 2026

Dr. Apurva SRIVASTAVA
Lead Verifier
Pune, India
30/09/2026

Rupam BARUAH
Lead Reviewer
Mumbai, India
01/10/2026

Anirban CHATTERJEE
Technical Reviewer
Mumbai, India
01/10/2026

About BUREAU VERITAS

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has more than 83,000 employees located in more than 1,600 offices and laboratories around the globe.

Bureau Veritas helps its clients improve their performance by offering services and innovative solutions to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility

ANNEXURE 1: CBS V4.3 PART A: USE OF PROCEEDS CERTIFICATION

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
2.1 Use of Proceeds					
2.1 An issuer of a Climate Bond must use the funds raised to finance eligible project(s).					
2.1.1 The Issuer must document the Nominated projects and assets which are eligible to be associated with the debt instrument. The Issuer must compile a list of Nominated projects and assets which must be kept up to date during the term of the bond.	[R-01] [R-02]	DR I	☒ Yes ☐ No	The proposed Bond is intended to finance, or refinance, in the future, eligible Water treatment and Water Infrastructure projects and assets. The Issuer has outlined its project evaluation and selection methodology in Section 2.3, "Process for Project Evaluation and Selection," of the Framework, detailing the governance and decision-making process used to identify and approve nominated projects and assets. The Bond portfolio may include both assets under construction and completed assets, provided they are aligned with the Climate Bonds Standard (CBS 4.3) and satisfy the applicable Eligibility Criteria. Furthermore, the proposed projects fall within the eligible green project category of Sustainable Water Management, including clean and/or drinking water and water recycling, as defined under Regulation 2(1)(q) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and referenced in the SEBI Master Circular dated 15 October 2025.	OK
2.1.2. All nominated projects and assets must meet the documented objectives of the debt instrument as set out in the issuer's green finance framework.	[R-01] [R-02]	DR I	☒ Yes ☐ No	BVIL confirmed that the nominated projects and assets are consistent with the objectives and eligibility criteria defined in the Issuer's Blue resilience Finance Framework and therefore meet the intended purpose of the debt instrument.	OK
2.1.3 Issuers must allocate at least 95% of the net proceeds of the debt	[R-01] [R-02]	DR I	☒ Yes	BVIL was informed that 100% of the net proceeds have been allocated to projects and assets meeting the Standard's	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
instrument to projects and assets that meet the Sector Criteria requirements of the Standard.			☐ No	Sector Criteria, and these assets have not been financed under any other Certified Climate Bonds, Blue Bonds, or other labelled financing instruments.	
2.1.4. For any part of the net proceeds that finance projects and assets which do not fully satisfy the Sector Criteria requirements (up to 5%), the issuer must provide detailed disclosures in the green finance framework.	[R-01] [R-02]	DR I	☒ Yes ☐ No	Based on the review of the allocation records, project documentation, and Blue Finance Framework provided by the Issuer, BVIL noted that the nominated projects primarily comprise eligible water supply and infrastructure assets aligned with the Climate Bonds Water Infrastructure Sector Criteria and IFC Blue Finance Guidelines. No material allocation was identified that would require reliance on the permitted 5% flexibility threshold. Accordingly, BVIL concludes that the allocation of proceeds is consistent with the disclosure and eligibility requirements of the Climate Bonds Standard and IFC Blue Finance Guidelines.	OK
2.1.5. Any nominated projects and assets which do not fully satisfy the Sector Criteria may be considered eligible if they meet all of the following conditions:	[R-01] [R-02]	DR I	☒ Yes ☐ No	Based on the review of the information and supporting documentation provided, BVIL noted that the nominated projects assessed under the Blue Finance Portfolio primarily comprise investments in sustainable water and infrastructure that are directly aligned with the Climate Bonds Water Infrastructure Criteria and IFC Blue Finance Guidelines. Accordingly, no material exceptions or non-aligned project categories were identified that would require reliance on the provisions of Section 2.1.5 for eligibility determination. Further, BVIL did not identify any financed activities associated with excluded sectors or activities and found the nominated projects to be consistent with the environmental objectives of sustainable water resource management, pollution prevention, and climate-resilient water infrastructure.	OK
i. They relate to asset categories or activities or sectors for which Climate Bonds has not yet developed Sector Criteria; and	[R-01] [R-02]	DR I			OK
ii. They fall under any of the project categories listed in the ICMA Green Bond Principles or the ICMA Social Bond Principles; and	[R-01] [R-02]	DR I			OK
iii. The verification report opinion confirms their alignment with the	[R-01] [R-02]	DR I			OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
ICMA Green/Social Bond Principles; and					
iv. They do not relate to any of the following excluded activities:	[R-01] [R-02]	DR I	☒ Yes ☐ No	Based on the review performed, BVIL confirms that the nominated projects do not involve fossil fuel exploration, extraction, transportation, natural gas production, crude oil refining, or activities leading to the conversion or degradation of High Carbon Stock (HCS) land. The projects are dedicated to eligible water infrastructure and are therefore considered consistent with the exclusion requirements of the Climate Bonds Standard and IFC Blue Finance Guidelines.	OK
a. The exploration, extraction or transportation of proven conventional or unconventional fossil fuel reserves, Conversion or fragmentation of high-	[R-01] [R-02]	DR I	☒ Yes ☐ No		
b. Natural gas production,					
c. Refining crude oil to produce derivative products,					
d. carbon stock (HCS) land or unsustainable operations on HCS land leading to the loss of its status as HCS land.					
2.1.6 The expected Net Proceeds of the debt instrument must be no greater than the Issuer's total Investment Exposure to the proposed Nominated projects and assets or the relevant proportion of the total Market Value of the proposed Nominated projects and assets owned or funded by the Issuer.	[R-01] [R-02]	DR I	☒ Yes ☐ No	The Issuer has committed to ensuring that the value of the nominated projects and assets consistently meets or exceeds the value of the Bond throughout its tenure.	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
2.1.7. Nominated projects and assets must not be nominated to other Certified debt instruments, unless the issuer demonstrates that distinct portions of the nominated projects and assets are being funded by different Certified debt instruments or, the existing Certified debt instrument is being refinanced via another Certified debt instrument	[R-01] [R-02]	DR I	☒ Yes ☐ No	The Issuer has confirmed that the nominated projects and assets have not been nominated to any other Certified debt instruments. Based on the information reviewed, no evidence of double allocation or overlapping certification was identified.	OK
2.2 Process for Evaluation and Selection of Projects & Assets					
2.2 An issuer of a Climate Bond must ensure that at any point in time, the debt instrument is associated with eligible projects or physical assets and that this association can be verified. An issuer is not permitted to double-count eligible projects or physical assets that have been associated with previous Climate Bonds. The eligible project(s) or physical assets are referred to as 'Nominated Project(s).					
2.2.1 The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.	[R-01] [R-02]	DR I	☒ Yes ☐ No	The Framework outlines a comprehensive methodology for identifying, evaluating, and selecting eligible projects and assets. It further demonstrates clear procedures to ensure that proceeds raised through the Blue Bond are allocated solely to Eligible Assets, thereby supporting transparency, accountability, and alignment with the stated environmental objectives of the Framework also as per Chapter IX of SEBI Master Circular dated October 15, 2025.	OK
2.2.2 The decision-making process shall include, without limitation:					
(i) A statement on the climate-related objectives of the Bond;	[R-01]	DR I	☒ Yes ☐ No	The projects under the Blue Resilience Finance Framework were selected based on their alignment with sustainable water management objectives and recognised blue finance principles. The Nimeta Water Treatment Plant (Increased resilience of drinking water infrastructure) Project and Rayka Water Supply Augmentation Project (Diversification of raw water source and improved drought resilience) directly support water security, strengthen water infrastructure, and	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
				enhance the resilience of Vadodara's urban water supply system.	
(ii) How the climate-related objectives of the debt instrument are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability;	[R-01]	DR I	☒ Yes ☐ No	The projects proposed under the Blue Resilience Finance Framework form part of the AMRUT 2.0 programme and are designed to support the programme's objectives through targeted investments in sustainable water infrastructure.	OK
(iii) The Issuer's rationale for issuing the debt instrument;	[R-01]	DR I	☒ Yes ☐ No	The projects identified under the Blue Resilience Finance Framework are aligned with the AMRUT 2.0 program and play a significant role in advancing the mission's goals and intended outcomes.	OK
(iv) A process to determine whether the Nominated projects and assets meet the eligibility requirements of the Climate Bonds Standard.	[R-01]	DR I	☒ Yes ☐ No	The Blue Resilience Finance Framework outlines the governance, management, and allocation of proceeds from VMC's Blue Finance Instruments to eligible Blue Projects, aligned with the climate Bond standard (CBS) v4.3, Water Infrastructure Criteria, ICMA Green Bond Principles (2021) and IFC Blue Finance Guidelines version 2.0 The two projects, Nimeta Water Treatment Plant and Rayka Water Supply Augmentation, were selected for their contribution to water security, improved treatment infrastructure, and enhanced resilience of Vadodara's water supply system.	OK
(v) Related Sector Criteria, including any exclusion criteria and any other process, applied to identify and manage potentially material environmental or governance risks associated with the Nominated projects and assets.	[R-01]	DR I	☒ Yes ☐ No	VMC is committed to developing sustainable infrastructure while managing environmental and social risks. All projects under the Blue Resilience Finance Framework will be screened for compliance with applicable environmental and social requirements. The projects substantially strengthen the city's water infrastructure and deliver measurable environmental benefits, including enhanced water treatment efficiency and reduced contamination risks. No material environmental or social risks have been identified in relation to the nominated projects and assets.	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
vi any green standards or certifications referenced in the selection of Nominated Projects & Assets.	[R-01]	DR I	☒ Yes ☐ No	The Framework aligns with the ICMA Green Bond Principles (2021) and IFC Blue Finance Guideline, CBI water criteria 4.3, UN SDG Goals (SDG 6, SDG 13, SDG 14), CBI wat complementing VMC's Green Finance Framework by supporting sustainable water management, water security, and climate resilience initiatives.	OK
[1]2.3 Management of Proceeds					
2.3 The Issuer shall track, manage and earmark debt instrument proceeds.					
2.3.1 The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:	[R-01]	DR I	☒ Yes ☐ No	The Framework provides for the establishment and maintenance of a dedicated project allocation account to ensure the effective identification, management, and utilization of Blue Bond proceeds. Net proceeds from the issuance will be deposited into a dedicated Blue Bond Account (BBA) managed by VMC and allocated to eligible projects in accordance with the Framework. **BVIL considers this approach to be aligned with CBS requirements.**	OK
(i) Tracking proceeds: The Net Proceeds of the debt instrument can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.	[R-01]	DR I	☒ Yes ☐ No	VMC will track and manage Blue Bond proceeds through its internal systems, ensuring alignment with the VMC Blue Resilience Financing Framework. The Framework includes dedicated provisions for proceeds management, including a dedicated Blue Bond Account to support transparent allocation and monitoring. VMC commits to precisely monitoring the balance of the tracked proceeds drawn under the Framework. VMC aims to	OK

[1] The numbering followed in the table is aligned with the Climate Bonds Standard (CBS) Version 4.0 and starts with Chapter 2. Chapter 1 of CBS Version 4.0 has not been included as it contains the Introduction and no Clauses. Line headings are, in some places, summaries of CBS V4.0. Refer to CBS V4.0 for full text.

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
				present the following information with regard to the tracking procedure: BVIL confirms that the project management and tracking is described in the Framework to appropriately track and report on the required details of the Blue Bond.	
(ii) Managing unallocated proceeds: The balance of unallocated Net Proceeds can be managed as per the requirements in Clause A.3.3.3.	[R-01]	DR I	☒ Yes ☐ No	VMC has stated that Blue Bond proceeds will be fully directed towards Eligible Assets under the Framework. Unallocated proceeds, if any, will be retained for future eligible blue projects and temporarily invested in bank deposits or approved liquid instruments until allocation.	OK
(iii) Earmarking funds to Nominated Projects & Assets: An earmarking process can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.	[R-01]	DR I	☒ Yes ☐ No	VMC has stated that the selection of Eligible Projects is guided by criteria consistent with the requirements of the CBS and its broader sustainability goals.	OK
2.3.2. Where the prospectus requires the proceeds to be ring-fenced, they must be credited to designated bank accounts that can only fund the specified Nominated projects and assets. The Issuer must track and monitor all payments from the designated bank accounts.	[R-01]	DR I	☒ Yes ☐ No	VMC has stated that proceeds will be credited only to designated bank accounts and applied solely to the nominated projects and assets. The Framework establishes procedures for tracking and reporting the use of proceeds, ensuring allocation to eligible projects.	OK
2.4 Reporting Prior to Issuance					
2.4 The Issuer shall provide to debt instrument holders and to the Climate Bonds Standards Secretariat at least annually a report containing the list of Nominated Projects & Assets to which proceeds of the debt instrument have been allocated (or reallocated). The report shall include a brief description of the projects and the amounts disbursed, as well as the expected environmental objectives of the Nominated Projects & Assets.					

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
2.4.1 The Issuer must prepare a Green Finance Framework and make it publicly available prior to, or at the time of, issuance. In the case of loans and other private transactions the issuer/borrower has the option to disclose green finance framework only to the lender(s). The green finance framework must be provided to the CBSS as one of the Certification documents.	[R-01]	DR I	☒ Yes ☐ No	VMC has committed to providing stakeholders with regular disclosures, including the Blue Finance Framework, Assurance Statements, CBI pre-issuance and post-issuance certifications, Allocation Reports, and Impact Reports. BVIL considers these reporting commitments to be aligned with the requirements of the Climate Bonds Standard (CBS).	OK
2.4.2 The Green Finance Framework must include:					
(i) A statement of compliance with the Climate Bonds Standard and/or other applicable standards such as the Green Bond Principles or the United Nations Sustainability Development Goals.	[R-01]	DR I	☒ Yes ☐ No	VMC has stated that the Blue Bond Framework is aligned with the Climate Bonds Standard (CBS), ICMA Green Bond Principles, Climate Bonds Standard Water Infrastructure Criteria v3.4 (June 2026), IFC Blue Finance Guidelines, relevant UN Sustainable Development Goals, the Government of India Sovereign Green Bond Framework, SEBI ESG and Green Debt Securities requirements, and AMRUT 2.0 Guidelines.	OK
(ii) A summary of the expected use of proceeds	[R-01]	DR I	☒ Yes ☐ No	The Framework clearly identifies eligible project categories under the CBS and illustrates their alignment with the CBI Water Infrastructure Sector Criteria, strengthening the Framework's credibility and consistency.	OK
(iii) A description of the decision-making process for project selection	[R-01]	DR I	☒ Yes ☐ No	The nominated projects support sustainable water management by improving water security, strengthening treatment infrastructure, and enhancing the resilience of Vadodara's water supply system. As per the Framework, VMC has set out the process for Project Evaluation and Selection with focus on CBS criteria and VMC's sustainability objectives.	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
(iv). A description of the Issuer's processes for managing the proceeds	[R-01]	DR I	☒ Yes ☐ No	Refer to Section 2.5 – Management of Proceeds of the VMC Blue Resilience Finance Framework.	OK
(v). A description of the Issuer's processes for reporting and external review of verification.	[R-01]	DR I	☒ Yes ☐ No	VMC has committed to annual impact reporting and to conducting pre- and post-issuance verification following certification requirements under the CBS and applicable SEBI regulations. BVIL has verified the Blue resilience finance framework against CBS v4.3 and confirms its alignment with the Standard.	OK
2.4.3 The Green Finance Framework shall also include, without limitation:	[R-01]	DR I	☒ Yes ☐ No		
(i) Information on the methodology and assumptions to be used for confirming that the characteristics or performance of the Nominated projects and assets conform to the relevant Sector Criteria, where required, and any other additional impact metrics that the Issuer will define.	[R-01]	DR I	☒ Yes ☐ No	Refer to Section 2.6 – Reporting and Table 13 – Examples of Potential Impact Reporting Metrics of the VMC Blue Resilience Finance Framework. The VMC has committed to defining and disclosing the methodology, assumptions, and relevant impact metrics used to assess and confirm the alignment of nominated projects and assets with the applicable Sector Criteria. This approach supports transparent evaluation of project performance and enables effective monitoring of environmental outcomes. BVIL considers these arrangements to be aligned with the requirements of the Climate Bonds Standard (CBS).	OK
(ii) A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.3.3.	[R-01]	DR I	☒ Yes ☐ No	Refer to Clause 2.5 of the Blue finance framework. Any unallocated proceeds will be held in bank deposits or other approved liquid investments in accordance with applicable treasury and financial management policies.	OK
(iii) The intended approach to providing Update Reports to reaffirm conformance with the	[R-01]	DR I	☒ Yes ☐ No	The Framework confirms VMC's commitment to undertaking the reporting obligations prescribed under the CBS to ensure continued compliance and maintenance of certification.	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
Climate Bonds Standard while the debt instrument remains outstanding.					
(iv) The list of proposed Nominated projects and assets associated with the debt instrument and the investment areas into which the Nominated projects and assets fall. Where there are limits on the detail that can be made publicly available about specific Nominated projects and assets, information disclosed must include the investment areas into which the Nominated projects and assets fall and an explanation of why detail on Nominated projects and assets is limited.	[R-01]	DR I	☒ Yes ☐ No	VMC has identified the nominated projects and assets in accordance with Appendix C of this report and the Pre-Issuance Assurance Opinion and has committed to making this information available to lenders, investors, and the Climate Bonds Initiative (CBI).	OK
(v) Where a proportion of the Net Proceeds are used for refinancing, an estimate of the respective shares of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.	[R-01]	DR I	☒ Yes ☐ No	The Net proceeds shall not be utilized for re-financing, however, the net proceeds from the Bonds will be allocated exclusively to finance the nominated projects and assets.	OK
2.4.4. Issuers are encouraged to disclose as much information as possible with respect to Nominated projects and assets. However, in many cases it is not possible for the Issuer to disclose detailed information about specific projects	[R-01]	DR I	☒ Yes ☐ No	As per clause 2.6, Vadodara Municipal Corporation intends VMC has committed to publishing annual Allocation and Impact Reports until the proceeds have been fully allocated, with these reports to be made publicly available on its official website. The Allocation Report will provide details on eligible assets, the amount of proceeds allocated, descriptions of funded assets, the total proceeds allocated,	OK

Checklist Question	Ref	MoV	Assessment Checks	Draft Conclusion	Final Conclusion
and assets prior to the issuance of the Bond.				amounts used for financing and refinancing, and any remaining unallocated balance.	
2.4.5 The Issuer shall include in the Disclosure Documentation:					
(i) The investment areas into which the Nominated projects and assets fall.	[R-01]	DR I	☒ Yes ☐ No	Issuer has provided information on investment areas in the Blue resilience finance framework	OK
(ii) The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 3.3.3.	[R-01]	DR I	☒ Yes ☐ No	Refer to Clause 3.3. Unallocated proceeds are held in reserve in a separate account.	OK
(iii) The Approved Verifier engaged by the Issuer for the mandatory Verification Engagements.	[R-01]	DR I	☒ Yes ☐ No	VMC proposes to disclose the engagement of BVIL as appropriate.	OK
(iv) The intended approach to provide Update Reports to reaffirm conformance with the Climate Bonds Standard while the debt instrument remains outstanding, including the location of the published documents.	[R-01]	DR I	☒ Yes ☐ No	VMC has confirmed that annual update reporting will be as specified by the CBI.	OK
(v) The Climate Bonds Initiative Disclaimer provided in the Certification Agreement.	[R-01]	DR I	☒ Yes ☐ No	VMC has confirmed its intention to include the CBI disclaimer in the Bond Disclosure documentation through the Green Financing Framework.	OK

CBS V4.3 Clause 3. Post-Issuance Requirements checklist

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
3.1 Use of Proceeds					
3.1 An issuer of a Climate Bond must use the funds raised to finance eligible project(s).					
3.1.1 The Net Proceeds of the debt instrument shall be allocated to the Nominated Projects & Assets.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance	To be confirmed Post-Issuance.
3.1.2 All nominated projects and assets must meet the documented objectives of the debt instrument as set out in the issuer's green finance framework.	[R-01]	DR	☐ Yes ☐ No	To be confirmed Post-Issuance	To be confirmed Post-Issuance.
3.1.3 Issuers must allocate at least 95% of the net proceeds of the debt instrument to projects and assets that meet the Sector Criteria requirements of the Standard.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance	To be confirmed Post-Issuance.
3.1.4 For any part of the net proceeds that finance projects and assets that do not fully satisfy the Sector Criteria requirements (up to 5%), the issuer must provide detailed disclosures in the green finance framework	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance	To be confirmed Post-Issuance.
3.1.5 Any nominated projects and assets which do not fully satisfy the Sector Criteria may be considered eligible if they meet all of the following conditions:	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
i. They must relate to asset categories or activities or sectors for which Climate Bonds has not yet developed Sector Criteria; and					

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
ii. They must fall under any of the project categories listed in the ICMA Green Bond Principles or the ICMA Social Bond Principles; and					
iii. The verification report opinion must confirm their alignment with the ICMA Green/Social Bond Principles; and					
iv**.** They must not relate to any of the following excluded activities					
3.1.6 The issuer must allocate the net proceeds to the nominated projects and assets within 24 months of issuance of the debt instrument. This deadline can be extended by the CBSS for up to five years (and exceptionally up to ten years if duly justified by the nature of the projects to be financed). An extension will be granted at the discretion of the CBSS, provided the justification for it can be substantiated by the issuer and confirmed by the approved verifier. At the end of the allocation period specified in the Certification, the issuer must provide a post-issuance verification report by an approved verifier. The issuer may be requested to provide annual post-issuance verification reports until the approved verifier confirms that 100% of the proceeds have been allocated.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.1.7 Net proceeds may be reallocated to other nominated projects and assets at any time while the debt instrument remains outstanding, provided the approved verifier has validated such assets	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.1.8 Nominated projects and assets must not be designated to other Certified debt instruments, unless	[R-01]	DR I	☐ Yes	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
the issuer demonstrates that different Certified climate bonds are funding distinct portions of the nominated projects and assets, or the Certified debt instrument is being refinanced via another Certified debt instrument.			☐ No		
3.1.9 Where a proportion of the net proceeds of the debt instrument is used for refinancing, the respective shares of the net proceeds used for financing and refinancing must be tracked and the nominated projects and assets eligible for refinancing must be identified. This may also include the expected look-back period for refinanced nominated projects and assets which should reflect their functional lifetime for delivering the stated climate mitigation/adaptation/resilience benefits. The remaining functional lifetime of the financed physical projects or assets must be equal to or greater than the term of the instrument being Certified. The net proceeds may only be used for refinancing operating expenditures that were incurred within three years prior to the issuance of the Certified debt instrument.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.1.10 The issuer must track the net proceeds of the debt instrument following a formal internal process which is documented in accordance with Clause A.3.3.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.1.11. The net proceeds of the debt instrument must be no greater than the issuer's total investment exposure or debt obligation to the nominated projects and assets or the relevant proportion of the total market value of the nominated projects and assets which are owned or financed by the issuer. When satisfying this clause, the issuer may choose either (i) the investment exposure or debt obligation to the nominated projects and assets, or (ii) their market value	[R-01]	DR	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
3.1.12. Additional nominated projects and assets may be added to, or used to substitute or replenish, the portfolio of nominated projects and assets as long as they are eligible under the Standard and are consistent with the debt instrument's objectives. Where additional nominated projects and assets are covered by Sector Criteria which were not included in the scope of either the pre-issuance verification or the post-issuance verification engagements, the issuer must engage an approved verifier to provide a verification report covering at least the conformance of the additional nominated projects and assets with the relevant Sector Criteria.	[R-01]	I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.2 Process for Evaluation and Selection of Projects & Assets					
3.2 The Issuer shall maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets.					
3.2.1. The Issuer shall document and maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets. This includes, without limitation:		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(i) A statement on the climate-related objectives of the debt instrument.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(ii) How the climate-related objectives of the debt instrument are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
(iii) The Issuer's rationale for issuing the debt instrument.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iv) A process to determine whether the Nominated projects and assets meet the sector eligibility requirements specified of the Standard.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(v) Other information provided by the Issuer as described in Clause A2.2.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(v) Has the Issuer maintained a process to periodically assess climate risks, vulnerabilities, and resilience performance associated with the Nominated Projects & Assets?	[R-01]	DR I		To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.3 Management of Proceeds					
3.3 The Issuer shall track, manage and earmark debt instrument proceeds.					
3.3.1. The Net Proceeds of the debt instrument shall be credited to a sub account, moved to a sub-portfolio or otherwise identified by the Issuer in an appropriate manner, and documented.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.3.2. The debt instrument Issuer must either maintain an earmarking process or ringfence the proceeds per Clause A.2.3 to manage and account for the allocation of Net Proceeds to the Nominated projects and assets.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.3.3. While the debt instrument remains outstanding, the balance of the tracked Net Proceeds must be reduced by amounts allocated to Nominated projects and assets. Pending such allocations to		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
Nominated projects and assets, the balance of unallocated Net Proceeds must be:					
(i) Held in temporary investment instruments that are cash, money-market instruments or other liquid, short-term cash equivalent instruments within a Treasury function; and/or		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(ii) Held in temporary investment instruments that do not relate to greenhouse gas intensive projects or any projects which are inconsistent with the delivery of a low carbon and climate resilient economy; and/or		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iii) Applied to temporarily reduce the indebtedness of a revolving nature before being redrawn for investments in or disbursements to Nominated projects and assets.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4 Post Issuance Reporting					
The issuer commits to providing annual update reports from 12–24 months after issuance and each year thereafter until completion of post-issuance requirements. Verification reports from approved verifiers may be submitted in lieu of annual updates.					
3.4.1Issuers must submit an annual update report within 12 to 24 months from the date of issue and annually thereafter until the post-issuance requirements (as per Clauses A.3.1, A.3.2. and A.3.3.) have been fulfilled. A verification report prepared by an approved verifier may be submitted in place of the update report in any given year. Following the fulfilment of post-issuance requirements, issuers are encouraged, but not required, to continue submitting annual update reports until maturity of the instrument	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.2 Issuers of the following are required to submit annual update reports following post-issuance verification until maturity:	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
i. Revolving credit facilities.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
ii. Debt instruments financing projects and assets whose eligibility for Certification is determined by an emissions threshold and therefore monitored over time.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
iii. Debt instruments financing dynamic asset portfolios where the composition of which may vary over the life of the instrument (e.g., green mortgage portfolios).		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
A.3.4.3. The issuer should also provide an update report on a timely basis in case of material developments, which include, but are not limited to, early repayment, change of control or acquisition, change of name, changes to the eligibility of assets and projects, and any material amendments to transaction documents, including any winding-up process or enforcement.				To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.4 Issuer s are encouraged to provide their Update Reports through existing debt instrument market reporting channels, such as the US Municipality sector's Electronic Municipal Market Access (EMMA) website.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.5 An Update Report may contain three types of reporting: allocation reporting, eligibility reporting, and impact reporting:				To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
(i) Allocation reporting confirms the allocation of debt instrument proceeds to eligible projects and assets and is mandatory for all Certified debt instruments.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed post-issuance.	To be confirmed Post-Issuance.
(ii) Eligibility reporting confirms the characteristics or performance of projects and assets to demonstrate their eligibility under the relevant Sector Criteria and is mandatory for all Certified debt instruments.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iii) Impact reporting discloses the metrics or indicators which reflect the expected or actual impact of eligible projects and assets and is encouraged for all Certified debt instruments.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.6. The three different types of reporting can be included in a single Update Report, which must be provided to the Climate Bonds Standard Secretariat and made publicly available or provided annually to the bondholders/lenders for as long as the debt instrument remains outstanding.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.7. The timing of reporting under this clause can be aligned with the Issuer's regular reporting schedule and does not need to follow the anniversary of the Certification or issuance of the debt instrument.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.8 The Allocation Reporting shall include, without limitation:	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(i) Confirmation that the Bond entered into under the Issuer 's Green Bond Framework are aligned with the Climate Bonds Standard.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
(ii) A statement on the climate-related objectives of the debt instrument.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iii) The list of Nominated projects and assets to which Net Proceeds have been allocated (or re-allocated).	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iv) The amounts allocated to the Nominated projects and assets.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(v) An estimate of the respective shares of the Net Proceeds used for financing and refinancing and which Nominated projects and assets have been refinanced. This may also include the expected look-back period for refinancing Nominated projects and assets.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(vi) The geographical distribution of the Nominated projects and assets.		DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.9 The Eligibility Reporting shall include, without limitation:					
(i) Confirmation that the Nominated projects and assets continue to meet the relevant eligibility requirements applicable when obtaining the Certification	[R-01]	DR I		See Clause 3.4.7 (i)	
(ii) Information on the environmental characteristics or performance of Nominated projects and assets, which is prescribed by the relevant Sector Criteria.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iii) The percentage of the UoP allocated to, and detailed description of, the nominated projects and assets which do not fully satisfy the Sector Criteria, where the issuer has made use of the 5% flexibility pocket in accordance with Clause A.3.1.3.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

Checklist Question	Ref	MoV	Assessment Checks	Draft Concl.	Final Concl.
3.4.10. Some Bonds have a very stable allocation of proceeds and do not need to track any performance indicators to maintain the eligibility of the projects and assets (such as financing for a single large-scale solar facility).	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.11 Where there are limits on the detail that can be made available in the Update Report about specific Nominated projects and assets (as per Clause A.2.4.3), information disclosed must include the investment areas into which the Nominated projects and assets fall and an explanation of why detail on Nominated projects and assets is limited.	[R-01] **Error! Reference source not found.**	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.12 The Impact Reporting shall, without limitation:			☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(i) The expected or actual outcomes or impacts of the nominated projects and assets concerning the climate-related objectives of the bond.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(ii) State qualitative performance indicators and, where feasible, quantitative performance measures of the outcomes or impacts of the nominated projects and assets for the climate-related objectives of the bond.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
(iii) The methods and the key underlying assumptions for the calculation of the performance indicators and metrics.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.
3.4.13. The issuer must make available to the public or to the bondholders any verification reports or other relevant material which supports the update report.	[R-01]	DR I	☐ Yes ☐ No	To be confirmed Post-Issuance.	To be confirmed Post-Issuance.

ANNEXURE 2:DO NOT SIGNIFICANT HARM MITIGATION COMPONENT (DNSH)

S.NO.	Activity/project	Do no significant harm (DNSH) to mitigation Criteria
1	**General Mitigation**	Assessment demonstrates that the project is not expected to cause a material increase in net GHG emissions and may deliver a net negative GHG emissions impact when compared with the BAU baseline.

ANNEXURE 3: REQUIREMENTS CHECKLIST FOR CLIMATE BOND VERSION 4.3 WATER INFRASTRUCTURE CRITERIA V3.4

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
FOR EVALUATION OF THE ISSUER'S VULNERABILITY ASSESSMENT AND IDENTIFICATION OF THE SUBSTANTIAL CONTRIBUTION TO RESILIENCE				
SECTION 1: WATER ALLOCATION				
1.1	Are there accountability mechanisms in place for the management of water allocations that are effective at the water management system, sub-basin and/or basin scale?	D	1	1
1.2 [M] [S] [CE]	Are the following factors considered in the definition of the available resource pool? • Non-consumptive uses (e.g., navigation, hydroelectricity) • Environmental flow requirements • Dry season minimum flow requirements • Return flows (how much water should be returned to the resource pool, after use) • Inter-annual and inter-seasonal variability • Connectivity with other water bodies • Climate change impacts	E	7	7

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
1.3 [M]	Is there a distinction between the allocation regimes used in 'normal' times and in times of extreme or severe water shortage?	E	1	1
1.4 [S]	Are arrangements in place to accommodate the potentially adverse impacts of climate change on the resource pool? (E.g., using best available science to plan for future changes in availability, undertaking periodic monitoring and updating plans as climate science improves.)	E	1	1
1.5 [M]	Do plans define responses to exceptional circumstances, such as an extended drought, that influence the allocation regime? (E.g., triggering water use restrictions, reduction in allocations according to pre-defined priority uses, suspension of the regime plan.)	E	1	1
1.6	For international or transboundary basins, is there a legal mechanism in place to define and enforce water management systems and/or water basin allocation agreements? Is it flexible enough for increased variability in water supplies due to more frequent climate extremes?	D/E	1	The project aims to enhance the reliability and sustainability of Vadodara City's water supply through the development of water treatment, purification, transmission, and associated water management infrastructure. Since

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
				the project is not located within an international or transboundary basin, this requirement is considered **Not Applicable**.
1.7	Are water delivery agreements defined on the basis of actual in situ seasonal or annual availability instead of volumetric or otherwise inflexible mechanisms?	E	1	1
1.8 [S]	Has a formal environmental flows (e-flows) or sustainable diversion limit or other environmental allocation been defined for the relevant water management system, sub-basin and/or basin? (If there is a pre-existing plan, then has the environmental flows programme been updated to account for the new project?)	E	1	1
1.9 [S]	Have designated environmental flows or allocation programmes been assured or implemented?	E or D	1	1
1.10 [M][S]	Has a mechanism been defined to update the environmental flows plan periodically (e.g.,	E	1	1

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
	every five to ten years) in order to account for changes in allocation, water timing, and water availability?			
1.11 [M] [S]	Is the amount of water available for consumption in the resource pool linked to an active, guiding public planning document? (E.g., a river basin management plan or another planning document – please indicate)	E	1	NA The project scope is limited to water treatment and distribution and does not include basin-level water resource planning, allocation, or management functions. The treatment system is designed to remove suspended solids, colloidal matter, turbidity, and pathogens through conventional treatment processes and chlorination
1.12 [S]	If present, is the water management plan a statutory instrument that must be followed rather than a guiding document?	D	1	NA The project is a water treatment and distribution facility drawing raw water from Ajwa Reservoir and does not involve basin-level water resource

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
				planning or allocation functions.
	TOTAL ALLOCATION SCORE		**Max = 16**	**15**
SECTION 2: GOVERNANCE				
2.1	Have water entitlements been defined according to one of the following? • Purpose that water may be used for • Maximum area that may be irrigated • Maximum volume that may be taken in a nominated period Proportion of any water allocated to a defined resource pool	D	1	1
2.2 [S]	Is the surface water system currently considered to be neither over-allocated nor over-used? How might climate change affect this? N.B. Overallocated would be if e.g., current use is within sustainable limits but there would be a problem if all legally approved entitlements to abstract water were used. Over-used would be if existing abstractions	E	1	1

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
	exceed the estimated proportion of the resource that can be taken on a sustainable basis.			
2.3	If the investment uses groundwater, is the groundwater water system currently considered to be neither over-allocated nor over-used? N.B. Overallocated would be if e.g., current use is within sustainable limits but there would be a problem if all legally approved entitlements to abstract water were used. Over-used would be if existing abstractions exceed the estimated proportion of the resource that can be taken on a sustainable basis.	E	1	NA The project does not involve groundwater extraction through borewells, tube wells, or aquifers as a primary source of water supply. Therefore, the assessment of groundwater status, including whether the groundwater system is over-allocated or over-used, is not relevant to the project's water source.
2.4 [S]	Is there a limit to the proportion (e.g., percentage) of water that can be extracted? How might this need to change if water supplies become more variable due to climate change? (E.g., will having sufficient amounts to meet basic human needs take precedence over others?)	E	1	1
	Are governance arrangements in place for			

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
2.5 [P]	dealing with exceptional circumstances (such as drought, floods, or severe pollution events), especially around coordinated infrastructure operations?	D	1	1
2.6 [M]	Is there a process for re-evaluating recent decadal trends in seasonal precipitation and flow OR recharge regime, in order to evaluate 'normal' baseline conditions?	D	1	1
2.7	Is there a formal process for dealing with new entrants?	D	1	1
2.8	For existing entitlements, is there a formal process for increasing, varying, or adjusted use(s)?	D	1	1
2.9	Is there policy coherence across sectors (agriculture, energy, environment, urban) that affect water resources allocation, such as a water management system or regional, national, or basin-wide Integrated Water Resources Management plan?	E	1	1
2.10	Are obligations for return flows and discharges specified and enforced?	D	1	1
2.11	Is there a mechanism to address impacts from users who are not required to hold a water entitlement but can still take water	D	1	1

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
	from the resource pool?			
2.12 [M] [S]	Is there a pre-defined set of priority uses within the resource pool (e.g., according to or in addition to an allocation regime)?	D	1	1
2.13 [M]	If there are new entrants and/or if entitlement holders want to increase the volume of water they use in the resource pool and the catchment is open, are these entitlements conditional on either assessment of third-party impacts, an Environmental Impact Assessment, or on existing user(s) forgoing use?	D	1	NA The project does not involve the allocation, licensing, or management of water entitlements, nor does it govern access to the underlying water resource. Decisions regarding new water users, increased water allocations, and water abstraction rights fall under the jurisdiction of the relevant water resource management authorities.
2.14 [M]	Are withdrawals monitored, with clear and legally robust sanctions?	E	1	1
2.15 [M]	Are there conflict resolution mechanisms in place?	E or D	1	1
	TOTAL GOVERNANCE SCORE		**Max = 15**	**13**
SECTION 3: TECHNICAL DIAGNOSTICS (To be completed for all water infrastructure assets)				

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
3.1	Does a water resources model of the proposed investment and ecosystem (or proposed modifications to existing investment and ecosystem) exist? Specify model types, such as WEAP, SWAT, RIBASIM, USACE applications). Scale should be at least sub-basin and/or water management system.	E	1	1
3.2	Can the system model the response of the managed water system to varied hydrologic inputs and varied climate conditions?	E	1	1
3.3 [E&B]	Are environmental performance limits (ecosystem, species, ecological community) and/or ecosystem services specified?	E	1	1
3.4 [E&B]	Can these performance limits be defined and quantified using the water resources?	E	1	1
3.5 [E&B]	Have these limits been defined based on expert knowledge and/or scientific analysis?	E	1	1
3.6 [E&B]	Are these performance limits linked to infrastructure operating parameters?	E	1	1
3.7 [E&B]	Are these limits linked to an environmental flow's regime?	E	1	1
3.8 [E&B]	For new projects, is there an ecological baseline evaluation describing the pre-impact state?	E	1	1

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
3.9 [E&B]	For rehabilitation or reoperation projects, is there an ecological baseline evaluation available from before the projects were developed?	E	1	NA The project's scope is limited to treatment processes such as coagulation, sedimentation, filtration, and disinfection to provide safe drinking water.
3.10 [E&B] [P]	Has an analysis been provided that details impacts related to infrastructure construction and operation?	E	1	1
3.11 [E&B]	Are lost species and/or lost or modified ecosystem functions specified for restoration in the environmental evaluation?	E	1	NA The project is limited to water treatment and distribution and does not involve ecological restoration, habitat enhancement, or rehabilitation of water resource infrastructure. Therefore, identification and restoration of lost species or modified ecosystem functions are outside the project scope, and this criterion is considered **not applicable**.

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
3.12 [E&B]	Have regionally protected areas or nature reserves been included in the analysis for impacts from the investment asset and future climate impacts?	E	1	NA Same as above
3.13	Does the model include analysis of regression relationships between climate parameters and flow conditions using time series of historical climate and streamflow data?	E	1	NA Same as above
3.14 [M]	Does the model include climate information from a multi-modal ensemble of climate projections (e.g., Climate Wizard or World Bank Climate Change Knowledge Portal) to assess the likelihood of climate risks for the specified investment horizon(s)?	E	1	1
3.15 [M]	Are changes in the frequency and severity of rare weather events such as droughts and floods included?	E	1	1
3.16 [M]	Are sub-annual changes in precipitation seasonality included?	E	1	1
3.17 [M]	Is GCM climate data complemented with an analysis of glacial melt water and sea level rise risks, where appropriate (e.g., high or coastal elevation sites)?	E	NA	NA The project is located in an inland, non-coastal area and is not dependent on glacier-fed water resources. Therefore, risks

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
				associated with glacial meltwater and sea level rise are not relevant to the project, and this criterion is considered **not applicable**.
3.18 [M]	Is paleoclimatic data (e.g., between 10,000 and 1,000 years before present) included?	E	NA	NA Same as above
3.19 [M]	Is the number of model runs and duration of model runs disclosed?	E	NA	NA Same as above
3.20 [M]	Has a sensitivity analysis been performed to understand how the asset performance and environmental impacts may evolve under shifting future flow conditions?	E	NA	NA Same as above
3.21 [M]	Is directly measured climate data for more than 30 years available and incorporated into the water resources model?	E	NA	NA Same as above
3.22 [M]	Has evidence demonstrated that climate change has already had an impact on operations and environmental targets? Are these impacts specified and, to the extent possible, quantified? These impacts should be responded to directly in the Adaptation Plan.	E	1	1

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
3.23 [M]	Does the evidence suggest that climate change will have an impact on operations and environmental targets over the operational lifespan? Are these impacts specified and, to the extent possible, quantified? These impacts should be responded to directly in the Adaptation Plan.	E	1	1
3.24 [M]	Is there a discussion of the uncertainties associated with projected climate impacts on both operations and environmental impacts?	E	1	1
	TOTAL DIAGNOSTIC SCORE		**Max = 24**	**15**
SECTION 4: NATURE-BASED SOLUTIONS (to be completed for NBS and hybrid water infrastructure only)				
This section only needs to be completed if the following apply. • As an NBS, the asset reflects the intentional use of natural and/or nature-based features, processes, and functions (see Box 1) as an integral part of addressing a human need and doing so in a manner that protects, manages, restores, and/or enhances natural features, processes, and systems in a functioning and sustainable manner. • Where feasible, the asset prioritises natural features over nature-based features. Such features include the protection, restoration, expansion, and/or creation of natural systems and processes as an explicit component of the desired project outcomes.			
SECTION 4.1: SITE INVENTORY **How well do we understand the systems and processes at the project site?**				
4.1.1 [P]	Is this a greenfield site (i.e., undeveloped land used for agriculture, landscape design, or left to evolve naturally)? If so, will existing ecosystem services be expanded, supported or maintained?	E	NA	NA It is understood that As the project is a water treatment and distribution facility and does not involve the

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
				conversion of undeveloped natural land or ecosystems, this criterion is considered **not applicable**.
4.1.2	Has an ecohydrological model been developed? Specify model type, such as WEAP, SWAT, RIBASIM, USACE. Is this a quantitative model? Has it been calibrated against site data? Does the model include water quantity?	E	NA	NA The project is a water treatment and distribution facility and does not involve basin-scale water resource management, catchment planning, or ecological flow assessments. Consequently, development and calibration of an ecohydrological model are outside the project scope, and this criterion is considered not applicable.
4.1.3	Has the calibrated ecohydrological model been reviewed by an independent expert?	E	NA	NA Same as above
	Have sources of pollution been analysed for			

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4.1.4 [P]	the following (even if none have been found)? • point source • non-point source	E	NA	NA
	TOTAL SITE INVENTORY SCORE		**Max = 8**	**NA**
SECTION 4.2: ECOLOGICAL BASELINES FOR MANAGEMENT **Do we understand how the ecological characteristics of the site will evolve over time?**				
4.2.1	Is there an inventory of species that can be used as a baseline for vegetation and animal species?	E	1	NA The project scope is limited to treating water to potable standards and supplying it to consumers; however no baseline survey assessment report is available for both projects.
4.2.2	If there is an inventory of species that can be used as a baseline for vegetation and animal species, does it specify or identify endangered or threatened species, ecological communities, or categories of species?	E	1	NA The project scope is limited to treating water to potable standards and supplying it to consumers.
4.2.3	Have studies on current or potential climate impacts on key species (e.g., endangered or threatened species) been included?	E	1	No baseline survey assessment report is available for both projects

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
4.2.4	Is the flow regime used as a basis for ecological management?	E	1	NA Water is abstracted solely based on demand and reservoir storage levels. No assessment has been undertaken regarding natural flow patterns, seasonal ecosystem needs, or environmental flow requirements.
4.2.5	Is there a climate trends analysis for the site or region based on at least 30 years of climate data?	E	1	NA
4.2.6	Is there an assessment of exotic invasive species?	E	1	NA No baseline survey assessment report is available for both projects
4.2.7	If there is an assessment of exotic invasive species, has a plan been developed to cope with exotic invasive species?	E	1	NA No baseline survey assessment report is available for both projects
4.2.8	Has there been an assessment of trade-offs between reliability and environmental benefits to support decision-making	E	1	NA

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	processes?			
	TOTAL ECOLOGICAL MANAGEMENT SCORE		**Max = 8**	**NA**
SECTION 4.3: DATA INVENTORIES OF LOCALISED AND INDIGENOUS ASSETS **Do we have access to adequate, credible data about the project site?**				
4.3.1	Is there an inventory of existing water-related ecosystem services based on 30 or more years of data?	E	1	NA
4.3.2	Does any existing inventory of water-related ecosystem services related to runoff or land use include the following data? • fire regime • sediment or erosion load • nutrient load • land use change	E	3	No evidence was provided to demonstrate that fire regimes within the source watershed have been assessed as part of the evaluation of water-related ecosystem services.
4.3.3	Do inventories of water-related ecosystem services related to water *quality* include the following data? • water quality for environmental services (e.g., habitat, ecological communities, erosion)	E	2	NA

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	water quality for human needs or services (e.g., drinking water, agriculture)			
4.3.4	Is there an existing inventory of water-related ecosystem services related to water *quantity*? • water quantity for environmental services (e.g., habitat, flow regime) water quantity for human needs or services (e.g., service reliability)	E	2	NA
	TOTAL EXISTING INVENTORIES SCORE		**Max = 8**	**5**
SECTION 4.4: BROADER ECOSYSTEM IMPACTS **Do we understand how the project's impacts may extend beyond the site?**				
4.4.1	**Has there been a determination of proposed or estimated impacts from project construction and operations regarding local, upstream, and downstream species and ecological communities?**	**E**	1	NA
	Has there been a determination of proposed or estimated impacts on existing local, upstream, and downstream ecohydrological systems from			

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
4.4.2 [P]	modification regarding the following? • pollution • downstream flow regime • groundwater impacts land tenure (e.g., public vs private)	E	4	NA
4.4.3	Has there been a determination of proposed or estimated impacts and benefits on ecohydrological systems from changes in allocation via the following? • relevant environmental flows management plans groundwater management plans	E	2	NA
4.4.4	Has the monitoring system contributed to the development and goals of the basin management plan?	E	1	NA
	TOTAL BROADER IMPACTS SYSTEMS SCORE		**Max = 8**	**NA**
SECTION 4.5: MONITORING AND MANAGEMENT SYSTEMS **Do we have effective management processes and tools to maintain ecological integrity over time?**				
4.5.1	Have target performance indicators been explicitly defined for the following? • infrastructure service ecosystem	E	2	NA

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
	services			
4.5.2	Is there a monitoring plan in place for infrastructure performance indicators?	E	1	NA
4.5.3	Is there a monitoring plan in place for ecosystem performance indicators?	E	1	NA
4.5.4	Are monitoring outcomes connected to the decision-making and management or operations process?	E	1	NA
4.5.5	Is there a multi-stakeholder basin management plan?	D	1	NA
	TOTAL MONITORING AND MANAGEMENT SYSTEMS SCORE		Max = 6	NA
SECTION 5: DESALINATION PLANTS (to be completed for all desalination projects and assets)				
	Are there measures in place to manage brine discharge which minimise impacts on the ecosystem into which the brine is discharged? For example: • diffuser systems for seawater desalination • use of computer modelling to determine the optimal brine discharge point(s) and length of outfall or the number of openings • regulatory compliance with maximum allowable levels of	E or D	NA	NA The project utilizes conventional treatment of surface water from the Ajwa Reservoir and does not generate brine or saline concentrate streams. Therefore, assessment of brine discharge management measures is not

	Key **[CE]: transition to circular economy** **[E&B]: protection of ecosystems and biodiversity** **[M]: maladaptation** **[P]: pollution prevention and control** **[S]: sustainable use and protection of water and marine resources**	**Requirement** **E = Provide evidence** **D = Disclose**	**Max score**	**Actual score Based on BV team Assessment**
5.1 [CE]	water salinity around discharge points • continuous or frequent water quality monitoring around the brine discharge point(s) • mixing of brine with cooling water before discharge recovery of metals and/or salt from brine			applicable to the project.
5.2	Are there measures in place to manage feedwater intake which minimise impacts on the ecosystem from which the feedwater is extracted? For example: • subsurface intake wells for seawater desalination • use of computer modelling to determine the optimal intake point(s) and the number of openings • compliance with feedwater intake regulations • continuous or frequent water quality monitoring around the intake point(s)	E or D	NA	NA The project utilizes an existing reservoir-based raw water supply and does not involve desalination or ecologically sensitive feedwater intake systems. Therefore, assessment of specialized feedwater intake management measures is not applicable to the project.
	TOTAL DESALINATION SCORE		Max = 2	NA
FOR EVALUATION OF THE ISSUER'S ADAPTATION PLAN				
SECTION 6: ADAPTATION PLAN (AP)				
	Is there a plan to restore or secure lost or			1

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AP. 1	modified ecosystem functions or species?	E	1	
AP. 2 [M]	Is the Adaptation Plan for environmental targets and infrastructure robust across specified *observed* recent climate conditions? Compare with Vulnerability Assessment	E	1	1
AP. 3 [M]	Is the Adaptation Plan for environmental targets and infrastructure robust across specified *projected* climate conditions? Compare with Vulnerability Assessment	E	1	1
AP. 4	Is there a monitoring plan designed to track ongoing progress and impacts to inform future decisions?	E	1	1
AP. 5 [M]	Is there a plan to reconsider on a periodic basis the Vulnerability Assessment for operational parameters, governance and allocation shifts, and environmental performance targets?	E	1	1
	TOTAL ADAPTATION PLAN SCORE		**Max = 5**	5

ANNEXURE 3: REQUIREMENTS CHECKLIST FOR IFC BLUE FINANCE GUIDELINES VERSION 2.0

Ref	Verification requirement	Mov	Assessment	Auditor comments / evidence reviewed	Conclusion
1.1	Has the issuer established a blue finance framework?	Dr / I	Yes	VMC has established the blue resilience finance framework for issuance of blue bonds and allocation of proceeds to eligible blue projects. The framework S structured around use of proceeds, project evaluation and selection, management of proceeds and reporting. This is aligned with IFC blue finance guidelines v2.0, which builds on Blue bond and green loan principles and provides guidance for blue use-of-proceeds instruments.	Ok
1.2	Are net proceeds allocated exclusively to eligible blue projects?	Dr	Yes	The framework states that proceeds will finance or refinance eligible projects contributing to sustainable water management, water supply infrastructure, environmental protection and climate resilience. Initial proceeds are allocated to Nimeta WTP and Raika water supply augmentation project.	Ok
1.3	Has the issuer clearly defined eligible blue project categories?	Dr	Yes	Eligible categories include sustainable water supply infrastructure, water transmission and distribution infrastructure, water management and water reuse, and water resource management and digital water systems. These categories are consistent with IFC blue finance guidelines v2.0 coverage of clean water, water security and water-resource-related blue activities.	Ok
1.4	Are project categories aligned with IFC blue finance guidelines v2.0?	Dr	Yes	The eligible activities relate to water treatment, water supply, water resource management and resilience of water infrastructure, which are within the scope of blue finance activities addressing clean water resources and sustainable use of water.	Ok
1.5	Do eligible projects contribute to protection, restoration or sustainable use of freshwater, marine or coastal ecosystems?	Dr	Yes, for freshwater	The framework focuses on freshwater and municipal water supply systems. Projects are expected to improve water treatment capacity, water quality, sustainable abstraction and reliability of potable water supply. Marine/coastal ecosystem components are not applicable to the current portfolio.	Ok
1.6	Has the issuer identified expected environmental and social benefits?	Dr	Yes	Expected benefits include improved water supply reliability, enhanced water quality, protection of freshwater ecosystems, increased resilience of urban water systems, population benefiting from improved water supply, and compliance with bis 10500 drinking water standards.	Ok

1.7	Are projects compliant with applicable regulations and standards?	Dr / I	Yes	The framework states that projects will comply with applicable national, state and local environmental regulations, pollution control requirements, occupational health and safety requirements, labour laws and statutory approvals. Projects are also implemented under Amrut 2.0.	Ok
1.8	Are exclusionary activities screened from the blue portfolio?	Dr	Yes	The framework excludes fossil fuel extraction, pollution-intensive industries and real estate development unrelated to water infrastructure. These exclusions support IFC blue finance integrity and cbi/climate bonds do-no-significant-harm expectations.	Ok

ANNEXURE - VIII

CERTIFICATE FOR BLUE RESILIENCE BOND

Certification

Climate Bond Certified — Aligned — Use of Proceeds — 1.5° aligned

This is to certify that the

Vadodara Municipal Corporation "Blue Resilience Bond" Aligned with SEBI Green NCD's requirement

Issued by

Vadodara Municipal Corporation

Has met the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative

02 October 2026

Sean Kidney
C.E.O., Climate Bonds Initiative

icmif CALSTRS IIGCC Investor Network on CLIMATE RISK NRDC Investor Group on Climate Change Australia/New Zealand

Climate Bonds INITIATIVE

ANNEXURE - IX

INDICATIVE COVENANTS

1. Affirmative Covenants

The Issuer shall, at all times until the Final Settlement Date:

1.1 utilise the funds raised through the Issue solely towards the Purpose, subject to fulfilling the requirements set out in the Debenture Trust Deed;

1.2 comply with all Applicable Laws which are applicable to the Issuer (including, without limitation, the Act, the SEBI Municipal Debt Regulations, and the circulars and rules issued in terms thereof including, any laws which become applicable as a result of this Issue or as a result of using the proceeds hereof for the Purpose and shall keep in full force and effect all consents, authorisations, Government Approvals for entry into and performance of its obligations under the Transaction Documents;

1.3 keep proper books of account as required by Applicable Law and make true and proper entries therein of all dealings and transactions of and in relation to the Blue Bonds and keep the said books of account and all other books, registers and other documents relating to the affairs of the Issuer at its office and the Issuer will ensure that the same shall at reasonable times be open for inspection by the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, in writing for that purpose appoint;

1.4 discharge and perform all its obligations and covenants as undertaken by it in terms of any of the other Transaction Documents and shall ensure that its obligations under the Transaction Documents shall rank above and prior to all its other present and future obligations, in terms of the Debenture Trust Deed;

1.5 carry on and conduct its municipal functions and operations with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and good governance practices with qualified and experienced officers and personnel and duly and punctually pay any rent, rate, cess, revenue impost, duty, tax, premium, payables and outgoings which become lawfully payable by the Issuer including in respect of the assets of the Issuer or any part thereof;

1.6 promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders and shall be registered on the SEBI Complaints Redress System (SCORES) platform or such other electronic platform or system as may be prescribed from time to time in order to handle investor complaints electronically. The Issuer further undertakes that it shall promptly comply with the suggestions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

1.7 ensure all amounts deposited in the Collection Accounts are transferred to the Escrow Account;

1.8 ensure that the accounts of the Issuer are prepared in accordance with the National Municipal Accounting Manual and that the accounts of the Issuer are audited by the persons appointed by the Issuer, as permissible under the Act;

1.9 ensure that the bank account of the Issuer wherein the proceeds of the Issue have been received and the payment accounts are audited by persons appointed by the Issuer within 90 (Ninety) days of the end of each financial year and the reports generated in respect of such audit shall be promptly shared with the Debenture Trustee;

1.10 the Issuer shall ensure that the payment accounts are maintained with a scheduled commercial bank which has been assigned a credit rating of at least AAA by 2 (Two) rating agencies ("Rating Criteria"). In case, at any point of time, the rating of senior debt of the Bank falls below AAA by any rating agency the Issuer shall, with the written consent of Debenture Trustee, move the funds to any other bank satisfying the rating criteria;

1.11 the Issuer shall create and maintain a reserve to be called the Recovery Expense Fund as per the provisions of and in the manner provided in the SEBI (Debenture Trustee) Regulations, 1993, the SEBI Master Circular on Debenture Trustees and any guidelines and regulations issued by SEBI, as applicable. The Issuer shall submit to the trustee certificate duly certified by the statutory auditors/independent chartered accountant/letter from designated stock exchange certifying creation and the form of such Recovery Expense Fund by the Issuer, as per the Applicable Law. The balance in the Recovery Expense Fund shall be refunded to the Issuer on repayment of obligations to the debenture holders for which a 'No Objection Certificate (NOC)' shall be issued by the debenture trustee(s) to the designated stock exchange. The debenture trustee(s) shall satisfy that there is no 'default' on any other listed debt securities of the Issuer before issuing the said NOC;

1.12 The Issuer shall furnish to the Debenture Trustee all information/ documents required to be submitted to the

Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI Master Circular on Debenture Trustee bearing reference number HO/17/11/12(2)2026-DDHS-POD1/I/22420/2026 dated September 28, 2026;

1.13 The Issuer shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests) half yearly un-audited financial results within 60 (sixty) days of the end of the first half year and the audited financial statements for the financial year (including statutory auditors report, directors' annual report, profit and loss accounts and a balance sheet) by no later than 90 (ninety) days from the end of the relevant financial year or such other period as may be prescribed under the applicable SEBI regulations, as amended from time to time;

1.14 The Issuer shall ensure that the Tax Income (property tax, water tax/charges, conservancy tax, safai/cleaning tax, fire tax, vehicle tax, professional tax), is collected / pooled in the Collection Accounts.

2. Information Covenants

The Issuer hereby covenants with the Debenture Trustee that (except as may be previously agreed in writing by the Debenture Trustee):

2.1 the Issuer shall ensure that the collections from the Tax Income collected by the Issuer shall be transferred on daily basis to the Escrow Account and shall inform to the Debenture Trustee on such transfer being made to the Escrow Account every month. On the last Business Day of the month, the amounts as required are to be transferred to the IPA-III and SFA-III. However, the Issuer, with the prior written consent of the Debenture Trustee, can transfer the Minimum Balance maintained in Escrow Account to the IPA-III and SFA-III on any day prior to the Transfer Date.

2.2 The Issuer shall provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring the covenants of the Issue.

2.3 The Issuer shall submit the following reports/ certification within the timelines mentioned below (as applicable) or within such other timelines as may be prescribed under the applicable laws and regulations, as amended from time to time, wherever applicable:

Reports/Certificates	Timelines for submission requirements by Issuer to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
A statement of value for Debt Service Reserve Account and Upfront FD any other form of security offered	Quarterly basis within 60 days from end of each quarter except last quarter when submission is to be made within 75 days or within such timelines as prescribed under Applicable Law	Quarterly basis within 75 days from end of each quarter or within such timelines as prescribed under Applicable Law. For the last quarter in a financial year, the timeline for submission shall be 90 (ninety) days from the end of the quarter.

2.4 the Issuer shall furnish a report to the Debenture Trustee on a quarterly basis, within 30 (Thirty) days from the end of each quarter, containing the following particulars:

a. *Updated list of names and addresses of the Debenture Holder(s);*
b. *Details of Coupon due but unpaid and reasons for non-payment thereof; and*
c. *Details of payment of Coupon made on the Debentures in the immediately preceding calendar quarter, and*
d. *The number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Issuer and those grievances not yet resolved and the reasons for the same;*

2.5 The Issuer shall make such disclosures to the Stock Exchanges as may be required under the applicable SEBI Regulations, circulars and the listing agreements, as amended from time to time. Further, the Issuer shall furnish a report to the Debenture Trustee and the Rating Agencies on a half- yearly basis within 30 (Thirty) days from the end of each half-year, containing the following particulars:

a. *Certificate from the auditor of the Issuer (appointed in accordance with applicablw law) on the utilisation of the proceeds of the Issue for the execution of the Projects;*
b. *A report containing status of implementation of the ongoing Projects which are being financed by the proceeds of the Issue along with reasons for delay, if any and the amount of utilisation of issue proceeds related to such Projects as stated in the Draft Offer Document;*

c. *details with respect to the development of the Projects along with certifications from the relevant project engineers, as applicable;*
d. *The occurrence of any event which constitutes a Material Adverse Change;*
e. *Any proposal for prepayment of the Debentures, valuation of the Debentures in case of sale/purchase before the Maturity Dates etc;*
f. *Compliance of the Issuer with the financial covenants set out in the Debenture Trust Deed;*
g. *The half yearly returns of the Issuer on the servicing of the Debentures, the credit enhancement facilities(as applicable) and the number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Issuer and those grievances not yet resolved and the reasons for the same (including details of the number of complaints pending at the beginning of the half year, the number of complaints received during the half year, the number of complaints disposed of during the half year and the number of complaints pending at the end of the half year); and*
h. *A certificate issued by the auditor (appointed in accordance with applicable law) certifying that the Issuer is servicing the Debentures timely and on the relevant Due Dates;*
i. *A certificate from the auditor of the Issuer (appointed in accordance with applicable law) certifying the compliance with the covenants of the Debenture Trust Deed*

2.6 the Issuer shall submit to the Debenture Trustee, for every successive period of 1 (One) year from the date of the first credit rating letters from the Rating Agencies, a fresh credit rating letter assigning a credit rating to the Debentures;

2.7 the Issuer shall submit to the Debenture Trustee and the Debenture Holders the soft copies of full annual reports to the Debenture Holders who have registered their e-mail address for such purpose and the hard copy of the full annual reports to those Debenture Holders who request for the same;

2.8 the Issuer shall submit a certificate to the Debenture Trustee and to Stock Exchanges, within 1 (One) Working Day of each Due Date, intimating the status of payment of the Obligations on the relevant Due Date;

2.9 the Issuer shall promptly, upon receiving a written request from the Debenture Trustee in accordance with the SEBI DT Regulations, provide periodical status/performance reports of the respective quarter;

2.10 the Issuer promptly, such other information, document or evidence as may be reasonably requested by the Debenture Trustee or the Debenture Holders in connection with the Debentures and the Transaction Documents, is required under Applicable Laws.

2.11 the Issuer shall provide written notice to the Debenture Trustee and Stock Exchanges, of its intention to raise funds through debt securities (either through a public issue or on private placement basis) prior to the meeting of the standing committee/ general board of the Issuer wherein the proposal to raise funds through new debt securities shall be considered;

2.12 the Issuer shall provide a written intimation to Stock Exchanges of atleast 7 (Seven) Working days (excluding the date of intimation and the Record Date) of the Record Date, specifying the purpose of the Record Date;

2.13 the Issuer shall disclose the balances in the payment accounts and the general fund account(s) of the Issuer along with notes pertaining to transfers made to/from these accounts, to the Debenture Trustee and Stock Exchanges within 45 (Forty-Five) calendar days from end of each financial quarter;

2.14 the Issuer shall submit to the Debenture Trustee and Stock Exchanges, its unaudited financial results and the comparative information for the immediately preceding corresponding half year which have been taken on record by the relevant committee/ general board of the Issuer on a half-yearly basis, forthwith when the same are available but in any event within 60 (Sixty) days from end of first half-year or within such other period as may be prescribed under the applicable SEBI Regulations or Circular, as amended from time to time;

2.15 the Issuer shall submit to the Debenture Trustee and Stock Exchanges, its duly audited annual financial statements along with the annual report of the Issuer and the comparative information for the immediately preceding financial year which have been taken on record by the relevant committee/ general board of the Issuer, forthwith upon completion of such audit and in any event within 90 (Ninety) days from end of the financial year along with audit report. The comparative information required to be submitted by the Issuer and the annual report shall consist of all the details required in terms of Applicable Law (including, without limitation, the circular issued on 'Continuous disclosures and compliance by issuers under SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 by SEBI dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular on Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 issued by SEBI dated November 13, 2019 and bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended from time to time;

2.16 the Issuer shall promptly provide a written notice to the Debenture Trustee on the occurrence of any event

which constitutes a Material Adverse Change;

2.17 the Issuer shall promptly provide a written notice to the Debenture Trustee on any change in the composition of the Issuer;

2.18 the Issuer shall provide written notice to the Debenture Trustee and Stock Exchanges, of all events or information having a bearing on the performance/ operation of the Issuer, material or price sensitive information or any action that shall affect the payment of Coupon or redemption of debt securities including, without limitation, the events set out in the Annexure I to the circular issued by SEBI dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular issued by SEBI dated November 13, 2019 and bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended from time to time, as soon as reasonably possible but in any event no later than 24 (Twenty Four) hours from the occurrence of such event or information;

2.19 in the event that the credit rating assigned by any rating agency is revised due to any reason, the Issuer shall intimate the Debenture Trustee, the NSE and each of the Debenture Holders, in writing of such revision, the reasons for such revision and the steps proposed to be taken for recovering the rating in case of a downgrade of the credit rating, promptly;

2.20 the Issuer shall provide to the Debenture Trustee such information as may be required by the Debenture Trustee for the effective discharge of the duties and obligations of the Debenture Trustee, from time to time; and upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or redemption amount or both, or there is a breach of any covenants, terms or conditions by the Issuer in relation to the Debentures under any Transaction Documents.

2.21 In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges:

a. *the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and*
b. *final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management, if any*

2.22 The Issuer shall, whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of the charged properties *(as defined in the Debenture Trust Deed)* and shall furnish and verify all statements, reports, certificates and information from time to time as reasonably required by the Debenture Trustee in relation to the charged properties and make, furnish and execute all necessary documents for creation and perfection of security.

Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

3. Negative Covenants

At all times until the Final Settlement Date, the Issuer shall not, without the prior written consent of the Debenture Trustee:

3.1 enter into any agreement or commitment of any sort, the terms of which conflicts with the provisions of the Transaction Documents;

3.2 Close the Collection Accounts and/or collect Tax Income in any other account;

3.3 Abolish the Tax Income, levied by the Issuer;

3.4 Undertake or enter into any transaction of merger, de-merger, consolidation, re-organization or compromise with its creditors.