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**REQUEST FOR PROPOSAL  
(RFP)  
(Rupee Term Loan Facility)**

**GREATER HYDERABAD MUNICIPAL CORPORATION**



Greater Hyderabad Municipal Corporation  
CC Complex Tank Bund Road, Lower Tank Bund  
Hyderabad - 500063. Website: [www.ghmc.gov.in](http://www.ghmc.gov.in)  
Phone No. : 040-23225397

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**November 2019**

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## Contents

1	Background.....	3
	Funding Requirement of SRDP .....	4
2	Methodology for raising Rupee Term Loan.....	4
2.1	Stage 1 : Bidding for quantum of Loan commitment and pricing .....	5
2.2	Stage 2: Obtaining Final Sanctions & Documentation .....	6
3	Bidding Process .....	6
3.1	Stage 1: Bidding for Loan commitment and Pricing .....	6
	Request for Proposal (RFP) .....	6
	Bid Evaluation/Price Discovery.....	7
	Shortlisting of Banks.....	8
3.2	Stage 2: Final Sanctions & Documentation .....	8
4	Bidding Timelines.....	9
5	Bid Submission Details.....	9
	Annexures .....	11
	Annexure I – Brief Information Memorandum.....	11
2.2	Project Cost .....	13
2.5	Key Revenue & Expenditure Assumptions:.....	17
	Annexure II – Bid Form.....	19
	Annexure III – Calculation of Average Maturity.....	21
	Annexure IV – Illustration – Price Discovery .....	23

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## 1 Background

Greater Hyderabad Municipal Corporation (GHMC), formed under GHMC Act, 1955, is the Urban Local Body (ULB) of Hyderabad. It is the local government for Hyderabad and undertakes functions related to public health, welfare, safety, regulatory functions, public infrastructure works and other development activities in the city. It is the third level of Government after the Central and State Government. Under GHMC, Hyderabad is divided into six zones and thirty circles that covers 150 municipal wards with 6 zonal commissioners and 30 deputy commissioners.

Among the many initiatives of GoT, at present GHMC is undertaking projects like Strategic Road Development Programme (SRDP).

JnNURM Housing Scheme is funded through government subsidies and GHMC internal accruals. The total project cost of JnNURM housing scheme is Rs. 1088.50 Cr out of which Rs. 326.55 Cr is funded by GHMC and the rest is from government subsidies.

Other than the above, GHMC supports 2 BHK housing scheme, which is a flagship programme of Government of Telengana (GOT), with total project cost of Rs. 8254.96 Cr. This project is completely funded by GOT and GHMC is only the execution agency.

SRDP is a high priority project for GHMC, which comprises skyways, major corridors, major roads and grade separators/flyovers to provide relief to the traffic woes. At present, closely spaced traffic junctions are the major cause of delay in journey. SRDP is planned as a conflict free road network for providing continuous traffic movement with the following objectives:

- To minimize the travel time.
- To increase the average journey speeds.
- To reduce the air pollution levels by minimizing the fuel consumption.
- To improve the connectivity, which will result in the development of commercial and residential complexes.

SRDP works are divided into five phases with a total estimated cost of ~Rs. 25,000 Crore. Presently, GHMC is undertaking Phase I with a total of 24 works, wherein land acquisition is comparatively easy. The total project cost for works under first phase is estimated at Rs. 5,937.08Crore.

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## Funding Requirement of SRDP

The Means of Finance of the SRDP projects are shown below:

Particulars	Amount(Rs. Crore)
GHMC internal accruals	2,437.08
Bonds	1,000.00
Term Loan (RTL)	2,500.00
Total	5,937.08

Accordingly total debt to be raised by GHMC shall be Rs. 3,500 Crore. Bonds are being raised in phases and Rs. 495 Crore have already been raised by GHMC out of total Rs.1,000 Crore proposed bonds. They plan to raise the RTL facility of Rs. 2,500 Crore now against escrowing of the Property Tax and Fees & User Charges.

The primary revenue streams of GHMC include Tax Collections and Fee & User Charges. Tax Collections majorly comprise of Property Tax revenues, Conservancy Tax, Lighting Tax, etc.

Lenders and Bondholders shall have pari-passu charge over the Escrow account where the Property Tax and Fees & User charges are collected.

GHMC has mandated SBI Capital Markets Limited ("SBICAPS") to carry out RTL syndication for the Project through a bid process.

## 2 Methodology for raising Rupee Term Loan

The required Rupee Term Loan is proposed to be tied-up from Indian Banks (Banks/Lenders) through a bidding process in order to discover a competitive pricing through a two stages process:

**Stage 1 : In Principle (IP) Sanction** - To gauge the interest level of Banks and pricing of the RTL that can be obtained, binding bids on the quantum of loan commitment and interest rate would be invited from Banks (Target Banks) fulfilling the following eligibility;

- Networth more than Rs. 10,000 Crore based on balance sheet as on 31/03/2019.  
*Networth is calculated as sum of Capital plus Reserves & Surplus.*
- One year MCLR is less than or equal to 8.50%.

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- Not on Prompt Corrective Action (PCA) list of RBI.
  - Banks will be shortlisted from the bids received, based on the criteria enumerated below in the bid document for the Stage 2 of bidding process.

**Stage 2 : Obtaining Final Sanction** - Approaching the shortlisted Banks from the above mentioned Stage 1 IP Sanction, for final sanctions with common pricing of the Loan discovered during the Stage 1 IP Sanction process.

### **2.1 Stage 1 : Bidding for quantum of Loan commitment and pricing**

In the first stage of the bid process, a Request for Proposal (RFP) along with Brief Information Memorandum (BIM) containing indicative Brief RTL Term Sheet (provided as **Annexure -I**) would be made available to Target Banks.

The bids are proposed to be invited from Target Banks with a minimum commitment of Rs 500 Crore with incremental commitments in steps of Rs. 50 Crore.

Banks would be invited to quote their Rate of Interest and Upfront Fee in the form of binding bid as per the Bid Form attached with the RFP. **Upfront fee is capped at 0.10% of the allocated loan amount.**

Bids received shall be evaluated based on the All-in Cost offered by the Banks. As described below, based on the evaluation of Bids, GHMC would shortlist the Banks to be approached for final sanction in Stage 2.

- **Shortlisting of Banks:** A list of Banks based on the ascending order of All-in Cost would be prepared. From amongst this list, Banks with the lower All-in cost would be shortlisted such that their cumulative commitment is around 1.5 times (i.e. Rs. 3,750 Crore) the required RTL amount of ~Rs. 2,500 Crore with a minimum of 5 banks.
- **Rate of Interest and Upfront Fee:** The rate of interest and upfront fee offered at which the entire quantum of required RTL of ~Rs. 2,500 Crore could be tied-up would be considered as the All -in Cost. This All-in Cost shall be frozen for Stage 2 process and the split between the upfront and interest rate will be determined by GHMC.

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## **2.2 Stage 2: Obtaining Final Sanctions & Documentation**

The Banks shortlisted in Stage-I would be approached for Final Sanctions under bilateral arrangement with the specific All-in Cost as determined through bidding under Stage-1. Shortlisted Banks would also be provided with a Detailed Information Memorandum & Term sheet with relevant details to assist them in their Due Diligence Process.

## **3 Bidding Process**

First Come First Serve (FCFS) methodology would be followed for obtaining Final Sanctions from the banks. Among the shortlisted banks whoever comes first with final sanction at or below the discovered All-in cost and terms as per the term sheet circulated stands a chance to get its allotment finalized. Final Sanctions from banks on a first come first served basis shall be considered till the total requirement of Rs. 2,500 Crore is met. The bank whose final sanction leads to the cumulative sanctioned amount exceeding Rs. 2,500 Crore would only get the unallocated amount remaining within Rs. 2,500 Crore.

GHMC reserves the right to go for a lesser amount of term loan and/or make any suitable changes in the process/ call off the bidding process, without assigning any reasons. However, any such changes would be made known through the GHMC website.

In case, GHMC chooses to reduce the quantum of the loan, Cut-Off All-in Cost will be decided based on the cost at which the revised requirement is met.

Based on the methodology as explained above, the modus operandi for the bidding process shall be as detailed below:

### **3.1 Stage 1: Bidding for Loan commitment and Pricing**

#### **Request for Proposal (RFP)**

- a. This RFP includes the following documents as well :
  - i. Brief Information Memorandum along with indicative Rupee Term Loan Term Sheet (Annexure I)
  - ii. Bid Form (Annexure II)
- b. As per the terms of the RFP, Banks would be required to provide In-principle sanction as per the Bid Submission Form, indicating the following terms:

Bid Terms	Bid Value
Amount in Rs. Crore ( <i>subject to minimum of Rs. 500 Crore with incremental commitments in steps of Rs. 50 Crore</i> )	
Rate of Interest (1 yr SBI MCLR*+ Spread)	
One-time Upfront Fee/Processing Fee (% of RTL amount) <i>with a Cap of 0.10% of allocated Loan amount.</i>	

\* For this purpose 1 year SBI MCLR is 8.00 %

- c. Banks have to submit their Bids on or before 3 pm on December 9<sup>th</sup> 2019.
- d. The Bids not conforming to the formats prescribed or having any deviations would be liable to be rejected at the discretion of GHMC.

#### **Bid Evaluation/Price Discovery**

- a. **Bidders' Merit List:** A Merit List shall be prepared wherein Bids would be sorted in the ascending order of All-in Cost of the RTL Facility over the Average Maturity of **8.44** years (refer Annexure III for calculation of Average Maturity). The following formula would be used to calculate the All-in Cost for the Qualified bids:

$$\left\{ \begin{array}{l} \text{All-in} \\ \text{Cost} \end{array} = \frac{\text{Upfront Fee}}{\text{Average Maturity}} + \text{Rate of Interest} \right\}$$

- b. **Price discovery:** For the purpose of Price discovery, Bidders would be selected from the Bidders' Merit List as follows:
  - i. The All in Cost of the Bid, at which the cumulative amount of RTL Facility commitment by the Bidder as per the Bidder's Merit List, equals or immediately exceeds the RTL Facility amount of Rs. 2,500 Crore shall be the Cut-Off All in Cost. This Cut-Off All-in Cost will be cap applicable for the purpose of obtaining the final sanction by the shortlisted Banks (illustration at Annexure IV).
  - ii. The rate of interest and upfront fee for obtaining the Final Sanctions would be finalized such that the All-in Cost of the RTL Facility does not exceed the Cut-Off All-in Cost thus determined. The split between the upfront and interest rate will be determined by GHMC.

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### Shortlisting of Banks

- a. A List of Shortlisted Banks would be prepared who would be approached with the proposal for Final Sanction under Stage 2. The shortlisting of Banks would be based on the Bidders' Merit List and would be finalized as follows:
  - i. All the Banks in the Bidder's Merit List whose cumulative RTL Facility commitment amount equals or immediately exceeds 1.5 times the Rs. 2,500 crore will be considered as the Shortlisted Banks with a minimum of 5 banks.

### 3.2 Stage 2: Final Sanctions & Documentation

The Shortlisted Banks in Stage 1, as per 2.1, would be approached with the proposal for Final Sanction with the rate of interest and upfront fee as determined in Stage 1. Final allotment would be done on First Come First Serve (FCFS) basis. Final Sanction amount from banks should be at least equal to initial committed amount, as submitted in the Bid without exceeding Cut-Off All-in Cost. Once the bank has submitted a compliant final sanction, no further submission would be entertained.

The process for Final Sanctions and Documentation would include the following steps:

- Detailed Due Diligence by Lenders; address the queries raised by the Lenders
- Meetings/Presentations to Lenders, if required
- Receipt of final Sanctions from Lenders
- Acceptance of Sanctions by GHMC
- Appointment Lenders Legal Counsel (LLC).
- Preparation of the Common Loan Agreement, Other Documents, etc.
- Approval of Pre-Execution version of Loan Documents by GHMC Board/Authorized Representatives and Lenders.
- Execution of the Debt Financing documents & achievement of Financial Closure



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## 4 Bidding Timelines

Actions	Timelines
Circulation of Bid document	25 <sup>th</sup> November, 2019
Raising of queries/clarifications	27 <sup>th</sup> November, 2019
Replies to banks	29 <sup>th</sup> November, 2019
Bid Due Date	9 <sup>th</sup> December, 2019
Shortlisting of Banks	10 <sup>th</sup> December, 2019

The names of the shortlisted banks will be uploaded in the GHMC website and detailed Information Memorandum will be circulated to the shortlisted banks for the final sanction.

GHMC wants to avail the **RTL** facility by **first week of January 2020**.

## 5 Bid Submission Details

- The Bidder is required to submit information in accordance with this Bid Document.
- Language: The Bid and all related correspondence and supporting documents in relation to the Bid Process shall be in English language.
- The Bid, should be valid for a period of 90 days from the last date of bid submission.
- Sealing and Marking of Bids: A Bid is required to be submitted in a single sealed envelope which shall contain Bid Form (attached as Annexure II).
- Envelope used by the Bidder for the purpose of any submission of the Bid should be adequately sealed to prevent any interference/tampering while in transit. GHMC shall assume no responsibility for the delay in submission of the Bid or misplacement or premature disclosure of the contents of the Bid and consequent losses, if any, suffered by the Bidder.
- Bid Form required to be submitted by the Bidder pursuant to the Bid Document shall be signed by an authorized signatory of the Bidder.
- The Bid shall not be submitted by fax or e-mail and it is the responsibility of the Bidder alone to ensure that the Bid Form is delivered within the stipulated date and time. GHMC shall not be responsible for non-receipt of correspondences in relation to the Bid.
- Any queries/clarifications required should be addressed to [cfa.ghmc2016@gmail.com](mailto:cfa.ghmc2016@gmail.com).
- The envelope should bear the following transcript:

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“Financial quote for Rs. 2,500 Crore fund raising program of GHMC”

Name of the Bidder - .....

- Bid should be submitted on or before 3:00 pm on 9th December, 2019 in a box placed at the chamber of Additional Commissioner (Finance & Elections), GHMC, 3<sup>rd</sup> Floor, CC Complex, Tank Bund Road, Lower Tank Bund, Hyderabad.
- Bids shall be opened in presence of participating bank’s representatives who chooses to attend at 4:00 pm on 9th December, 2019 in the chamber of Additional Commissioner (Finance & Elections), GHMC, 3<sup>rd</sup> Floor, CC Complex, Tank Bund Road, Lower Tank Bund, Hyderabad.

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## Annexures

### Annexure I – Brief Information Memorandum

#### 1. Introduction:

GHMC, formed under GHMC Act, 1955, is the Urban Local Body (ULB) of Hyderabad. It is the local government for Hyderabad and undertakes functions related to public health, welfare, safety, regulatory functions, public infrastructure works and other development activities in the city. It is the third level of Government after the Central and State Government.

With the vision to make Hyderabad a world-class smart city, GHMC plans to undertake several infrastructure projects including roads, drainage, housing, etc. for the development of Hyderabad. GHMC is already involved in similar activities like town planning, development of estates, development of housing complexes, parks, urban bio diversities, sports, play grounds, etc.

#### Company Profile:

Name	Greater Hyderabad Municipal Corporation (GHMC)
Constitution	Corporation under GHMC Act, 1955
Registered Office	CC Complex, Tank Bund Road, Lower Tank Bund, Hyderabad
Month and Year of Incorporation	April 2007
Nature of Entity	Urban Local Body. It is the local government for Hyderabad and undertakes functions related to public health, welfare, safety, regulatory functions, public infrastructure works and other development activities in the city.
Jurisdiction	Hyderabad, Rangareddy and Medak
Ministry	Municipal Administration and Urban Development (MAUD)
Areas Catered by the Company	Under GHMC, Hyderabad is divided into six zones and thirty circles that cover 150 municipal wards with 6 zonal commissioners and 30 deputy commissioners.

## Financial Performance:

Details of financial performance of GHMC for past 4 years are given in the table below:

**Table 1: Financial Performance** (Rs. in Crore)

<b>FY ended / As at</b>	<b>Mar'16</b>	<b>Mar'17</b>	<b>Mar'18</b>	<b>Mar'19</b>
<b>Particulars</b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>
Tax Revenue	1,129.32	1,311.06	1,392.66	1,472.02
Fees & User Charges	655.54	877.86	860.54	1,009.29
Other Receipts	596.86	250.81	317.18	398.64
<b>Total Income</b>	<b>2,381.72</b>	<b>2,439.62</b>	<b>2570.38</b>	<b>2,879.95</b>
<b>Total Expenses</b>	<b>2,320.50</b>	<b>2,368.34</b>	<b>2251.92</b>	<b>2,390.44</b>
<b>Gross Surplus of income over expenditure</b>	<b>61.22</b>	<b>71.26</b>	<b>318.45</b>	<b>489.51</b>
<b>Total Reserves &amp; Surplus</b>	<b>5,538.32</b>	<b>5,846.64</b>	<b>6,781.72</b>	<b>10,001.04</b>
Grants, Contributions for specific purpose	1,410.33	1,780.54	2,022.58	1,887.56
Unsecured Loans	69.85	-	297.50	522.50
<b>Total Current Liabilities</b>	<b>1,485.94</b>	<b>1,277.94</b>	<b>1,696.45</b>	<b>2,216.95</b>
<b>Total Fixed Assets</b>	<b>6,315.17</b>	<b>6,728.89</b>	<b>8213.77</b>	<b>12,172.18</b>
Cash & bank Balances	1,471.94	1,370.38	1,505.27	1,355.17
Other Current Assets	715.61	803.72	1,077.07	1,098.57
<b>TOL/TNW</b>	<b>0.22</b>	<b>0.17</b>	<b>0.23</b>	<b>0.23</b>
<b>Current Ratio</b>	<b>1.47</b>	<b>1.70</b>	<b>1.52</b>	<b>1.11</b>

Note: Total Net Worth (TNW) is sum of Reserve & Surplus and Grants, Contributions

During August 2019, India Ratings & Research and CARE Ratings affirmed a rating of IND AA and CARE AA to GHMC's bonds respectively.

## 2. Present Proposal:

### 2.1 Details of SRDP:

#### **Strategic Road Development Programme (SRDP):**

Strategic Road Development Programme (SRDP) is a high priority project for GHMC, which comprises skyways, major corridors, major roads and grade separators/flyovers to provide relief to the traffic woes. At present, closely spaced traffic junctions are the major cause of delay in journey. SRDP is planned as a conflict free road network for providing continuous traffic movement with the following objectives:

- To minimize the travel time.
- To increase the average journey speeds.
- To reduce the air pollution levels by minimizing the fuel consumption.
- To improve the connectivity, which will result in the development of commercial and residential complexes.

## 2.2 Project Cost

SRDP works are divided into five phases with a total estimated cost of ~Rs. 25,000 Crore. Presently, GHMC has undertaken Phase I with a total of 24 works, wherein land acquisition is comparatively easy. The total project cost for works under first phase is estimated at Rs. 5,937.08 Crore.

Component-wise details for SRDP project are given in the table below:

Particulars	Amount (Rs. in Crore)
Land Acquisition	1,559.59
Civil Cost	3,536.13
PMC charges	89.62
Utility shifting	288.28
At-grade works	463.46
<b>Total</b>	<b>5,937.08</b>

Means of Finance for SRDP project is given in the table below:

S. No.	Description	Amount (Rs. Crore)
1	GHMC Contribution	2,437.08
2	Borrowing	3,500.00
	<i>Bonds</i>	<i>1,000.00</i>
	<i>Rupee Term Loan</i>	<i>2,500.00</i>
	<b>Total Outflow</b>	<b>5,937.08</b>

It is proposed to raise term loan of Rs. 2,500 Crore through a bidding process with a tenor of 15 years to part finance the SRDP project.

## 2.3 Proposed escrow mechanism

The primary revenue streams of GHMC include Tax Collections and Fee & User Charges. Tax Collections majorly comprise of Property Tax, Conservancy Tax, Lighting Tax, etc. Fee

& User Charges majorly comprise of Town Planning Fee (TPF). TPF majorly include building permit fee and development charges.

Property Tax Collection and Fees & User charges collection by GHMC over the last five years is provided in the table below:

(Rs. in Crore)

FY ended / As at	Mar'15	Mar'16	Mar'17	Mar'18	Mar'19
Property Tax + Fees & User charges	1,149.45	1,163.73	1,467.84	1,487.23	1,671.70

GHMC shall maintain an Escrow Account with the escrow agent wherein all the collections towards Property Tax and Fees & User charges shall be routed. The funds in the escrow account shall be utilized for servicing the proposed RTL of Rs. 2,500 Crore in pari-passu with Bonds of Rs. 1,000 Crore of which Rs. 495 Crore have already been raised.

## 2.4 Brief Term Sheet

<b>Borrower</b>	Greater Hyderabad Municipal Corporation (GHMC)
<b>Facility and Amount</b>	Rupee Term Loan (RTL) of Rs. 2,500 Crore
<b>Purpose of RTL</b>	Shall be utilized to part fund Strategic Road Development Programme (SRDP), including reimbursement towards a portion of the SRDP capex incurred during the last one year.
<b>Interest Rate (ROI)</b>	SBI's one year MCLR plus [●] bps, payable monthly, on the outstanding loan. The spread will be reset on an annual intervals based on the assessment of the banks and the external rating of the Borrower.  On spread reset date, the Borrower shall have the option to prepay the outstanding RTL without a prepayment penalty within 3 months from the reset date, by advising its intention to prepay within 30 days of such reset.
<b>Upfront fee</b>	[●]
<b>Door to door tenor</b>	Door to door Tenor of 15 years comprising of drawdown period of 3 years, moratorium period on principal repayment of 1 year and repayment period of 11

	years in quarterly installments.
<b>Security</b>	The Facility (together with all interest, additional interest, liquidated damages, fees, prepayment premium, costs, charges, expenses and other monies and all other amounts stipulated as payable by the Borrower in terms of Transaction Documents) shall be secured by the pari-passu with bondholders (Rs. 1000 Crores) right over stream of Property Tax and Fees & User charges revenues by way of escrow of aforementioned revenues.
<b>Escrow Account</b>	<p>The existing escrow account with the current escrow agent, wherein, all cash inflows arising out of Property Tax and Fees &amp; User Charges revenues of the Borrower shall be utilized (pari-passu with bondholders) as per the agreed waterfall mechanism given below :</p> <ol style="list-style-type: none"> <li>a) Payments of interest, charges and other incidental payments, if any, pertaining to RTL and payment of coupons to bond holders;</li> <li>b) Repayment of instalments for the RTL Facility and sinking fund for bond holders;</li> <li>c) Transfer to Debt Service Reserve Account (DSRA);</li> <li>d) Balance to be utilized as per GHMC's discretion.</li> </ol>
<b>Debt Service Reserve Account ('DSRA')</b>	<p>The Borrower shall undertake to maintain a Debt Service Reserve Account ('DSRA') with amount equivalent to cover principal and interest payments due under the Facility for the ensuing 3 months.</p> <p>The Borrower shall have an option to replace DSRA with a bank guarantee from a bank acceptable to the Lenders without recourse to the Security.</p>
<b>Commitment charges</b>	<p>Commitment fee @ 0.25% p.a. on the amount of shortfall in disbursement with respect to quarterly disbursement schedule as provided by the Borrower.</p> <p>Such disbursement schedule may be amended or replaced with prior written notice of 30 days before the beginning of respective quarter by the Borrower and the commitment fee will be calculated on the basis of such revised/replaced drawdown schedule.</p>
<b>Prepayment Charges</b>	<p>The Borrower shall have the right to prepay the Lenders, in part or in full, the outstanding amounts under the Facility.</p> <p>Except as provided below in this clause, the Borrower shall be liable to pay a prepayment penalty @ 0.5% of the prepaid amount.</p> <p>Notwithstanding the above, no pre-payment penalty will be payable for prepayments under any of the following circumstances :</p> <ol style="list-style-type: none"> <li>a) On interest reset date, the Borrower shall have the option to prepay the</li> </ol>

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	<p>outstanding RTL within 3 months from the reset date, by advising its intention to prepay within 30 days of such reset.</p> <ul style="list-style-type: none"><li>b) Prepayment made at the instance of the Lenders;</li><li>c) Prepayment made from internal accruals/budgetary provisions of the Borrower</li></ul>
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## 2.5 Key Revenue & Expenditure Assumptions:

The tax receipts are projected based on CAGR of last 5 years. Fee & user charges though have a higher 5 year CAGR of 10.60% has been considered equivalent to the tax revenue CAGR. Expenditure items viz. establishment expenses, administrative expenses, O&M expenses, other expenses, etc. are projected based on the CAGR recorded over the last five years i.e. FY 2013-14 to 2018-19. The revenue and expenditure assumptions are provided in the table below:

Revenue receipts	Last 5 years CAGR	Y-O-Y Growth assumed FY19 onwards
Tax Revenue	7.73%	7.50%
Fee and user charges	10.60%	7.50%
Other revenue receipts*	-6.86%	7.50%
Revenue expenditure	Last 5 years CAGR	Y-O-Y Growth assumed FY19 onwards
Establishment Expenses	9.87%	10.00%
Admin. Expenses	9.11%	9.00%
O&M Expenses	5.34%	5.50%
Other Expenses	11.35%	11.50%

*\*The other revenue receipts majorly comprise of assigned revenue and compensation. Assigned revenues and compensation is the GHMC's share of surcharges on stamp duty collected on immovable properties by GoT. This constitutes ~12% of total revenue of GHMC in FY 2018-19. Prior to FY2016-17, this revenue was directly credited to GHMC. From FY 2016-17 onwards, GHMC receives this revenue from GoT with delay. This income is considered in the GHMC's books only upon receipt and not on accrual basis. Owing to the aforementioned reasons, the CAGR of other revenue receipts for the last 5 years is negative and last 3 year CAGR is ~26%. Conservatively, we have assumed 7.50% growth rate for this category.*

## 2.6 Projected Financial Highlights are as under:

(Rs. In Crore)

Particulars	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35
<b>Total Income</b>	3,096	3,328	3,578	3,846	4,135	4,445	4,778	5,136	5,522	5,936	6,381	6,859	7,374	7,927	8,521	9,160
<b>Total Expenditure</b>	2,170	2,348	2,541	2,751	2,979	3,228	3,498	3,793	4,115	4,465	4,847	5,263	5,717	6,213	6,754	7,344
<b>Surplus before financing charges and depreciation</b>	925	980	1,037	1,096	1,156	1,217	1,280	1,343	1,407	1,471	1,534	1,596	1,656	1,714	1,767	1,816
<b>Financing Charges</b>	56	122	181	245	303	303	285	267	248	201	166	141	120	99	49	7
<b>Write-off *</b>	-	-	-	327	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net surplus</b>	383	317	283	(131)	113	139	206	273	361	477	569	648	715	801	914	984
<b>Reserves &amp; Surplus</b>	16,150	18,084	10,330	9,653	10,006	10,246	10,552	10,925	11,166	11,508	12,028	12,727	13,492	14,069	14,728	15,712
<i>RTL for SRDP</i>	266	1,277	1,679	2,500	2,453	2,253	2,053	1,840	1,628	1,403	1,178	940	703	465	215	-
<i>HUDCO Loan</i>	118	108	98	88	78	68	58	48	38	28	18	8	-	-	-	-
<i>Municipal Bonds</i>	495	495	495	745	1,000	1,000	1,000	1,000	800	605	505	505	505	255	-	-
<b>Total Long term Borrowings</b>	878	1,879	2,272	3,333	3,530	3,320	3,110	2,888	2,465	2,035	1,700	1,453	1,208	720	215	-
<b>Total Non- Current Assets</b>	8,786	9,664	9,802	10,848	11,432	10,968	10,499	10,024	9,543	9,057	8,565	8,076	7,582	7,083	6,578	6,066
<b>Cash and Bank Balance</b>	1,432	2,047	2,762	3,124	3,015	3,513	4,081	4,712	5,048	5,469	6,155	7,101	8,124	8,736	9,423	10,762
<b>Average DSCR</b>	<b>2.99</b>															
<b>Minimum DSCR</b>	<b>2.01</b>															

\* Write-off due to transfer of JnNURM houses into beneficiary account. There is no actual cash transfer taking place in write-off.

Based on the above projections, the average DSCR works out to a comfortable 2.99.

## Annexure II – Bid Form

(to be filled by authorized signatory of the Bidder & submitted in sealed envelope)

Ref No.: \_\_\_\_\_

Date: \_\_\_\_\_

To:

**Sub : Rupee Term Loan Facility of Rs. 2,500 Crore against escrowing of Property Tax and Fees & User Charges**

Dear Sir,

This is with reference to the tender issued by GHMC on the above subject. We, as per terms and conditions mentioned in the said letter and its enclosures, submit our bid for the subject facility as under:

Amount in Rs. Crore ( <i>subject to minimum of Rs. 500 Crore with incremental commitments in steps of Rs. 50 Crore</i> )	
Rate of Interest (Linked to 1 year SBI MCLR) (% p.a.) [SBI 1 year MCLR + ....bps]	
One-time Upfront Fee/Processing Fee (% of RTL amount) <i>with a Cap of 0.10% of allocated Loan amount.</i>	

1 year SBI MCLR is 8.00 %

We hereby confirm the following:

- 1) We meet the qualification requirements stipulated for the Target Banks as given under Clause 2 above.
- 2) Linkage of our Interest Rate for the Facility to **1 year MCLR of SBI** (prevailing on the last date of Bid submission).
- 3) Upfront fee quoted is **less than or equal to 0.10%** of the allocated Loan amount.
- 4) Rate of Interest will be reset annually.
- 5) Size of our commitment in the RTL Facility is **equal to greater than Rs. 500 Crore with incremental commitments in steps of Rs. 50 Crore.**
- 6) We have read the terms and conditions proposed in the Brief Term Sheet enclosed with the BIM and hereby provide our binding bid and in-principle approval to the term sheet.
- 7) Our bid is **valid till 90 days** from the last date of bid submission.
- 8) On being advised of our shortlisting, we agree to communicate the final sanction as specified under RFP.

We understand that GHMC reserves the right to not consider our bid, without assigning any reason.

Name of Bank (along with Address, phone	Name & Designation of Authorized Signatory	Signature & Stamp of Authorized Signatory
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<b>number and email id)</b>		

### Annexure III – Calculation of Average Maturity

RTL Facility Amount – Rs. 2,500 Crore (A)

(amount in Rs. Crore)

Qtr End	Drawdown	Repayment	Balance	No. of Days Balance with the Borrower	Time Weighted Balance
	B	C	D	E	F=(E*D)/365
Dec-19	0.00	0.00	0.00	92	0.00
Mar-20	265.61	0.00	265.61	91	66.22
Jun-20	257.38	0.00	522.99	91	130.39
Sep-20	241.59	0.00	764.57	92	192.71
Dec-20	248.35	0.00	1012.93	92	255.31
Mar-21	263.74	0.00	1276.66	90	314.79
Jun-21	99.45	0.00	1376.11	91	343.09
Sep-21	97.33	0.00	1473.44	92	371.39
Dec-21	97.75	0.00	1571.19	92	396.03
Mar-22	108.27	0.00	1679.46	90	414.11
Jun-22	339.43	0.00	2018.89	91	503.34
Sep-22	322.54	0.00	2341.43	92	590.17
Dec-22	158.57	0.00	2500.00	92	630.14
Mar-23	0.00	0.00	2500.00	90	616.44
Jun-23	0.00	0.00	2500.00	91	623.29
Sep-23	0.00	0.00	2500.00	92	630.14
Dec-23	0.00	0.00	2500.00	92	630.14
Mar-24	0.00	47.50	2452.50	91	611.45
Jun-24	0.00	30.00	2422.50	91	603.97
Sep-24	0.00	50.00	2372.50	92	598.00
Dec-24	0.00	40.00	2332.50	92	587.92
Mar-25	0.00	80.00	2252.50	90	555.41
Jun-25	0.00	30.00	2222.50	91	554.10
Sep-25	0.00	50.00	2172.50	92	547.59
Dec-25	0.00	40.00	2132.50	92	537.51
Mar-26	0.00	80.00	2052.50	90	506.10
Jun-26	0.00	31.88	2020.63	91	503.77
Sep-26	0.00	53.13	1967.50	92	495.92
Dec-26	0.00	42.50	1925.00	92	485.21
Mar-27	0.00	85.00	1840.00	90	453.70
Jun-27	0.00	31.88	1808.13	91	450.79
Sep-27	0.00	53.13	1755.00	92	442.36
Dec-27	0.00	42.50	1712.50	92	431.64
Mar-28	0.00	85.00	1627.50	91	405.76
Jun-28	0.00	33.75	1593.75	91	397.35
Sep-28	0.00	56.25	1537.50	92	387.53
Dec-28	0.00	45.00	1492.50	92	376.19
Mar-29	0.00	90.00	1402.50	90	345.82

Qtr End	Drawdown	Repayment	Balance	No. of Days Balance with the Borrower	Time Weighted Balance
Jun-29	0.00	33.75	1368.75	91	341.25
Sep-29	0.00	56.25	1312.50	92	330.82
Dec-29	0.00	45.00	1267.50	92	319.48
Mar-30	0.00	90.00	1177.50	90	290.34
Jun-30	0.00	35.63	1141.88	91	284.69
Sep-30	0.00	59.38	1082.50	92	272.85
Dec-30	0.00	47.50	1035.00	92	260.88
Mar-31	0.00	95.00	940.00	90	231.78
Jun-31	0.00	35.63	904.38	91	225.47
Sep-31	0.00	59.38	845.00	92	212.99
Dec-31	0.00	47.50	797.50	92	201.01
Mar-32	0.00	95.00	702.50	91	175.14
Jun-32	0.00	35.63	666.88	91	166.26
Sep-32	0.00	59.38	607.50	92	153.12
Dec-32	0.00	47.50	560.00	92	141.15
Mar-33	0.00	95.00	465.00	90	114.66
Jun-33	0.00	37.50	427.50	91	106.58
Sep-33	0.00	62.50	365.00	92	92.00
Dec-33	0.00	50.00	315.00	92	79.40
Mar-34	0.00	100.00	215.00	90	53.01
Jun-34	0.00	53.75	161.25	91	40.20
Sep-34	0.00	86.00	75.25	92	18.97
Dec-34	0.00	75.25	0.00	92	0.00
<b>Average Maturity (F/A)</b>			<b>8.44</b>		

## Annexure IV – Illustration – Price Discovery

Indicative Bidders' Merit List (in the increasing order of All-in Cost) for required Debt of say Rs. 2,500 Crore.

S. No.	Bank	Amount (Rs. Crore)	Interest Rate Spread	Upfront	All-in Cost
1	B <sub>1</sub>	650	I <sub>1</sub>	U <sub>1</sub>	A <sub>1</sub>
2	B <sub>2</sub>	700	I <sub>2</sub>	U <sub>2</sub>	A <sub>2</sub>
3	B <sub>3</sub>	500	I <sub>3</sub>	U <sub>3</sub>	A <sub>3</sub>
4	B <sub>4</sub>	550	I <sub>4</sub>	U <sub>4</sub>	A <sub>4</sub>
5	B <sub>5</sub>	600	I <sub>5</sub>	U <sub>5</sub>	A <sub>5</sub>
	<b>Sub-Total</b>	<b>3,000</b>			
6	B <sub>6</sub>	550	I <sub>6</sub>	U <sub>6</sub>	A <sub>6</sub>
7	B <sub>7</sub>	800	I <sub>7</sub>	U <sub>7</sub>	A <sub>7</sub>
	<b>Total</b>	<b>4,350</b>			
8	B <sub>8</sub>	500	I <sub>8</sub>	U <sub>8</sub>	A <sub>8</sub>
	.	.	.	.	.
	.	.	.	.	.

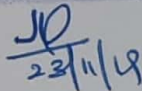
■ All-in Cost for determining Rate of Interest & Upfront Fee

■ Banks Shortlisted for Stage II

Thus, All-in Cost applicable to the Facility would be capped at A<sub>5</sub>, and the Rate of Interest and Upfront Fee shall be determined, accordingly.

Further, since the cumulative quantum sanction by the top 7 Banks satisfies 1.5 times the Facility amount of Rs. 2,500 Crore, the top 7 Banks are shortlisted to be approached during the Stage II, with the proposal for final sanction at Rate of Interest and Upfront Fee determined above, i.e., A<sub>5</sub>.

  
 23/11  
 Commissioner,  
 Greater Hyderabad Municipal Corporation

  
 23/11/19