

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

Note: This Placement Memorandum is strictly for a private placement issue. Nothing in this Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Placement Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus. This Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipient(s) are eligible to apply for the Bonds. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

PLACEMENT MEMORANDUM



TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION

A municipal corporation constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Tiruchirappalli City Municipal Corporation Act, 1994 then applicable act in Tamil Nadu in vide notification of Government of Tamil Nadu numbering G.O. MS. No. 260 dated November 22, 1993;

Head Office: Bharathidasan Road, Cantonment, Tiruchirappalli-620001, Tamil Nadu, India

Contact Person cum Compliance Officer: Meenakshi S

Tel: 0431-2415393; **E-mail:** trichymunibond@gmail.com; **Website:** www.trichycorporation.gov.in

PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO 10,000 (TEN THOUSAND) SECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES (“MUNICIPAL BONDS”/ “BONDS”/ “DEBENTURES”) OF FACE VALUE OF RS. 1 LAKH (RUPEES ONE LAKH ONLY) EACH AT PAR AMOUNTING TO RS. 100 CRORES (RUPEES ONE HUNDRED CRORES ONLY) (“ISSUE”) BY TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION (“ISSUER”)

BACKGROUND

This Placement Memorandum is related to the Bonds to be issued by Tiruchirappalli City Municipal Corporation on a private placement basis and contains relevant information and disclosures required for the purpose of issuance of the Bonds in terms of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time.

GENERAL RISK

Investment in Bonds involves a degree of risk, and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the Placement Memorandum including the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer, this Placement Memorandum and the Issue including the risks involved. Specific attention of investors is invited to Section-IV titled Risk Factors on page no. 19 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Bonds or investor's decision to purchase the Bonds. The Issue of Bonds has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum.

The Issuer confirms that, as of the date hereof, this Placement Memorandum (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue and sale of the Bonds and is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading in any material respect.

LISTING

The Bonds are proposed to be listed on the National Stock Exchange of India Limited (“NSE” / “Stock Exchange”) and NSE shall be the Designated Stock Exchange for the Issue. The Issuer has received an in-principle approval for listing of Bonds from NSE vide their letter having reference no. NSE/LIST/9954 dated December 31, 2025.

CREDIT RATING

The Bonds proposed to be issued by the Tiruchirappalli City Municipal Corporation have been rated by India Ratings & Research Private Limited (“India Ratings”) and CARE Ratings Limited (“CARE”) (collectively referred to as the “Rating Agencies”). India Ratings has vide its letter dated December 16, 2025 assigned a rating of “Provisional IND AA/Stable” as revalidated vide rating letter dated January 20, 2026 and has issued a rating rationale dated December 16, 2025; CARE Ratings Limited has vide its letter dated January 23, 2026 assigned a rating of “Provisional CARE AA-/Stable” and has issued a rating rationale dated January 23, 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 present Bonds. The ratings may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. There are no other ratings, including unaccepted ratings, in relation to the Debentures other than as specified in this Placement Memorandum. For credit rating of Bonds and detailed rationale of the ratings, please refer to Annexure-II.

TRANSACTION ADVISOR CUM MERCHANT BANKER	TRUSTEE	REGISTRAR
 TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED 1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015. Tel: +91 79 66828064 Email: trichybonds@tipsons.com Website: www.tipsons.com Contact Person: Divyani Koshta, AVP Investor Grievance E-mail: igr@tipsons.com SEBI Registration No.: INM000011849 CIN: U74140GJ2010PTC062799	 CATALYST TRUSTEESHIP LIMITED GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune-411038, Maharashtra, India Tel: 022 4922 0555 Fax No.: 022 4922 0505 Contact Person: Mr. Umesh Salvi, Managing Director E-mail: ComplianceCLT-Mumbai@ctltrustee.com Website: www.catalysttrustee.com Investor Grievance Email: grievance@ctltrustee.com SEBI Registration No.: IND000000034 CIN: U74999PN1997PLC110262	 CAMEO CORPORATE SERVICES LIMITED “Subramanian Building”, No.1, Club House Road, Chennai-600002, Tamil Nadu, India Tel: 044 4002 0700; 2846 0390 Email: ipo@cameoindia.com Contact Person: Ms. K. Sreepriya, Executive Vice President & Company Secretary Website: www.cameoindia.com Investor Grievance Email: investor@cameoindia.com SEBI Registration No.: INR000003753 CIN: U67120TN1998PLC041613
ISSUE SCHEDULE		
ISSUE / BID OPENING DATE	ISSUE / BID CLOSING DATE	PAY-IN DATE / DEEMED DATE OF ALLOTMENT
Thursday, February 05, 2026	Thursday, February 05, 2026	Friday, February 06, 2026

The Issuer reserves its sole and absolute right to modify (pre-pone/postpone) the above Issue schedule, including the deemed date of allotment, without giving any reasons or prior notice in accordance with NSE EBP Guidelines.

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SECTION-I: DISCLAIMERS

1. GENERAL DISCLAIMER AND DISCLAIMER OF TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION (“TCMC” OR “CORPORATION” OR “ISSUER”):

THIS PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS AND IS PREPARED IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF 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 (**SEBI MUNICIPAL DEBT REGULATIONS**). THIS PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN GENERAL TO SUBSCRIBE FOR OR OTHERWISE ACQUIRE THE BONDS TO BE ISSUED BY TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION. THIS PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED BY SEBI. THIS ISSUE OF BONDS IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. THIS PLACEMENT MEMORANDUM IS FOR THE EXCLUSIVE USE OF THE ADDRESSEES TO WHOM IT HAS BEEN ADDRESSED AND IT SHOULD NOT BE CIRCULATED OR DISTRIBUTED TO THIRD PARTY(IES). APART FROM THIS PLACEMENT MEMORANDUM, NO OTHER OFFER DOCUMENT HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE BONDS.

THIS PLACEMENT MEMORANDUM IS NOT INTENDED TO FORM THE BASIS OF EVALUATION FOR THE PROSPECTIVE SUBSCRIBERS TO WHOM IT IS ADDRESSED AND WHO ARE WILLING AND ELIGIBLE TO SUBSCRIBE TO THE BONDS ISSUED BY THE ISSUER. THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED TO GIVE GENERAL INFORMATION REGARDING TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION TO PARTIES PROPOSING TO INVEST IN THIS ISSUE OF BONDS AND IT DOES NOT PURPORT TO CONTAIN ALL THE INFORMATION THAT ANY SUCH PARTY MAY REQUIRE. TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION BELIEVES THAT THE INFORMATION CONTAINED IN THIS PLACEMENT MEMORANDUM IS TRUE AND CORRECT AS OF THE DATE HEREOF.

ALL POTENTIAL INVESTORS ARE REQUIRED TO COMPLY WITH THE RELEVANT REGULATIONS/ GUIDELINES APPLICABLE TO THEM FOR INVESTING IN THIS ISSUE. IT IS NOT INTENDED FOR DISTRIBUTION TO ANY OTHER PERSON AND SHOULD NOT BE REPRODUCED BY THE RECIPIENT OR MADE PUBLIC OR ITS CONTENTS BE DISCLOSED TO A THIRD PERSON. NO INVITATION IS BEING MADE TO ANY PERSON OTHER THAN THE INVESTOR TO WHOM THE PLACEMENT MEMORANDUM HAS BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE PLACEMENT MEMORANDUM HAS NOT BEEN SENT BY THE ISSUER MAY BE REJECTED WITHOUT ASSIGNING ANY REASON.

YOU SHALL NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THE PLACEMENT MEMORANDUM TO ANY OTHER PERSON; OR (2) REPRODUCE THE PLACEMENT MEMORANDUM, IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OR COPYING OF THE PLACEMENT MEMORANDUM IN WHOLE OR IN PART OR ANY PUBLIC ANNOUNCEMENT OR ANY ANNOUNCEMENT TO THIRD PARTIES REGARDING THE CONTENTS OF THE PLACEMENT MEMORANDUM IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF APPLICABLE LAWS OF INDIA AND/OR OTHER JURISDICTIONS. THE PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE ISSUER FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE PLACEMENT MEMORANDUM TO REFLECT SUBSEQUENT EVENTS AFTER THE ALLOTMENT AND THUS IT SHOULD NOT BE RELIED UPON WITH RESPECT TO SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER.

NEITHER THE DELIVERY OF THE PLACEMENT MEMORANDUM NOR THE ISSUE OF ANY BONDS MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO

CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE THEREOF.

THIS ISSUE IS A DOMESTIC ISSUE RESTRICTED TO INDIA AND NO STEPS HAVE BEEN TAKEN OR WILL BE TAKEN TO FACILITATE THE ISSUE IN ANY JURISDICTIONS OTHER THAN INDIA. HENCE, THE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE, NOR MAY IT BE USED FOR OR IN CONNECTION WITH, AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PLACEMENT MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE PLACEMENT MEMORANDUM IS NOT INTENDED FOR DISTRIBUTION TO, OR USE BY, ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE DISTRIBUTION OR USE OF SUCH INFORMATION WOULD BE CONTRARY TO LAW OR REGULATION. PERSONS INTO WHOSE POSSESSION THE PLACEMENT MEMORANDUM COME ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. THE PLACEMENT MEMORANDUM IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE ISSUE ON THE STRICT UNDERSTANDING THAT IT IS CONFIDENTIAL AND MAY NOT BE TRANSMITTED TO OTHERS, WHETHER IN ELECTRONIC FORM OR OTHERWISE.

TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION DOES NOT UNDERTAKE TO UPDATE THIS PLACEMENT MEMORANDUM TO REFLECT ANY SUBSEQUENT EVENTS SAVE AND EXCEPT TO THE EXTENT REQUIRED UNDER APPLICABLE LAW AND REGULATIONS AND THUS PROSPECTIVE SUBSCRIBERS MUST CONFIRM THE ACCURACY AND RELEVANCE OF ANY INFORMATION CONTAINED HEREIN WITH TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION. HOWEVER, TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION RESERVES ITS RIGHT FOR PROVIDING THE INFORMATION AT ITS ABSOLUTE DISCRETION. TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE IN ANY ADVERTISEMENT OR ANY OTHER MATERIAL AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK AND RESPONSIBILITY. PROSPECTIVE SUBSCRIBERS MUST MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN BONDS. IT IS THE RESPONSIBILITY OF THE PROSPECTIVE SUBSCRIBERS TO HAVE OBTAINED ALL CONSENTS, APPROVALS OR AUTHORIZATIONS REQUIRED BY THEM TO MAKE AN OFFER TO SUBSCRIBE FOR AND PURCHASE THE BONDS. NOTHING IN THIS PLACEMENT MEMORANDUM SHOULD BE CONSTRUED AS ADVICE OR RECOMMENDATION BY THE ISSUER OR BY THE MERCHANT BANKER/ARRANGER TO THE ISSUE TO SUBSCRIBERS TO THE BONDS. THE PROSPECTIVE SUBSCRIBERS ALSO ACKNOWLEDGE THAT THE MERCHANT BANKER/ ARRANGER TO THE ISSUE DO NOT OWE THE SUBSCRIBERS ANY DUTY OF CARE IN RESPECT OF THIS PRIVATE PLACEMENT OFFER TO SUBSCRIBE FOR THE BONDS. PROSPECTIVE SUBSCRIBERS SHOULD ALSO CONSULT THEIR OWN ADVISORS ON THE IMPLICATIONS OF APPLICATION, ALLOTMENT, SALE, HOLDING, OWNERSHIP AND REDEMPTION OF THESE BONDS AND MATTERS INCIDENTAL THERETO.

THE ISSUER RESERVES THE RIGHT TO WITHDRAW THE PRIVATE PLACEMENT OF THE BONDS ISSUE PRIOR TO THE ISSUE CLOSING DATE(S) IN THE EVENT OF ANY UNFORESEEN DEVELOPMENT ADVERSELY AFFECTING THE ECONOMIC AND REGULATORY ENVIRONMENT OR ANY OTHER FORCE MAJEURE CONDITION INCLUDING ANY CHANGE IN APPLICABLE LAW. IN SUCH AN EVENT, THE ISSUER WILL REFUND THE APPLICATION MONEY, IF ANY, ALONG WITH INTEREST PAYABLE ON SUCH APPLICATION MONEY, IF ANY.

IT IS THE RESPONSIBILITY OF ALLOTTEES OF THESE BONDS TO ALSO ENSURE THAT THEY/ IT WILL TRANSFER THESE BONDS IN STRICT ACCORDANCE WITH THIS PLACEMENT MEMORANDUM AND OTHER APPLICABLE LAWS AND ENSURE THAT

THE SAME DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC.

WE BELIEVE OUR INTERNAL ESTIMATES FOR THE PROJECT COST AND SCHEDULE OF IMPLEMENTATION TO BE REASONABLE, SUCH ESTIMATES MAY NOT HAVE BEEN VERIFIED BY INDEPENDENT SOURCES FOR THE PROJECT AND NEITHER WE NOR THE MERCHANT BANKER CAN ASSURE POTENTIAL INVESTORS AS TO THEIR ACCURACY. NEITHER THE ISSUER, ITS COMMITTEE MEMBERS AND ITS OFFICERS, NOR ANY OF THEIR RESPECTIVE AFFILIATES OR ASSOCIATES, MERCHANT BANKER NOR ANY OF ITS DIRECTORS AND ITS OFFICERS 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. IN ACCORDANCE WITH THE SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, THE ISSUER, THE MERCHANT BANKER WILL ENSURE THAT INVESTORS IN INDIA ARE INFORMED OF MATERIAL DEVELOPMENTS BETWEEN THE DATE OF FILING THE PLACEMENT MEMORANDUM WITH SEBI AND THE ALLOTMENT. THE ISSUER HEREBY DECLARES THAT IT HAS EXERCISED DUE DILIGENCE TO ENSURE COMPLETE COMPLIANCE WITH PRESCRIBED DISCLOSURE NORMS IN THE PLACEMENT MEMORANDUM.

2. DISCLAIMER CLAUSE

ONLY THOSE PERSONS TO WHOM THIS PLACEMENT MEMORANDUM HAS BEEN SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. HOWEVER, AN APPLICATION, EVEN IF COMPLETE IN ALL RESPECTS, IS LIABLE TO BE REJECTED WITHOUT ASSIGNING ANY REASON FOR THE SAME. THE LIST OF DOCUMENTS PROVIDED BELOW IS ONLY INDICATIVE, AND AN INVESTOR IS REQUIRED TO PROVIDE ALL THOSE DOCUMENTS/ AUTHORISATIONS/ INFORMATION WHICH ARE LIKELY TO BE REQUIRED BY THE ISSUER. THE ISSUER MAY BUT IS NOT BOUND TO REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS/ INFORMATION AND CAN ACCEPT OR REJECT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY INVESTORS FALLING IN THE CATEGORIES MENTIONED ABOVE ARE MERELY INDICATIVE AND EACH SUCH INVESTOR IS REQUIRED TO SATISFY ITSELF ABOUT ITS ELIGIBILITY TO INVEST UNDER APPLICABLE LAWS, REGULATIONS AND GUIDELINES. THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ABOVE CATEGORIES OF INVESTORS IS REQUIRED TO CHECK AND COMPLY WITH EXTANT RULES/REGULATIONS/ GUIDELINES, ETC. GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY ANY INVESTOR, NEITHER IS THE ISSUER REQUIRED TO CHECK OR CONFIRM THE SAME.

3. DISCLAIMER CLAUSE OF THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE PLACEMENT MEMORANDUM 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.

4. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA (“SEBI”):

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PLACEMENT MEMORANDUM SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUED TO HAVE BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PLACEMENT MEMORANDUM.

5. DISCLAIMER CLAUSE OF GOVERNMENT OF TAMIL NADU

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PLACEMENT MEMORANDUM SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY GOVERNMENT OF TAMIL NADU. GOVERNMENT OF TAMIL NADU DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROPOSAL FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PLACEMENT MEMORANDUM.

6. DISCLAIMER OF THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN SUBMITTED TO NSE. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID SUBMISSION OR IN-PRINCIPLE APPROVAL GIVEN BY NSE VIDE ITS LETTER REF.: NSE/LIST/9954 DATED DECEMBER 31, 2025 OR HOSTING THE SAME ON THE WEBSITE OF NSE IN TERMS OF SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015 AS AMENDED FROM TIME TO TIME, SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE PRELIMINARY PLACEMENT MEMORANDUM 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 THE PRELIMINARY PLACEMENT MEMORANDUM; 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, 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.

7. DISCLAIMER OF THE RATING AGENCIES:

DISCLAIMER OF INDIA RATINGS AND RESEARCH PRIVATE LIMITED ("IRRPL"/ "INDIA RATINGS")

INDIA RATINGS AND RESEARCH PRIVATE LIMITED ("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.

DISCLAIMER OF CARE RATINGS LIMITED (“CARE”)

THE RATINGS ISSUED BY CARE RATINGS ARE OPINIONS ON THE LIKELIHOOD OF TIMELY PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND ARE NOT RECOMMENDATIONS TO SANCTION, RENEW, DISBURSE, OR RECALL THE CONCERNED BANK FACILITIES OR TO BUY, SELL, OR HOLD ANY SECURITY. THESE RATINGS DO NOT CONVEY SUITABILITY OR PRICE FOR THE INVESTOR AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE WITHIN THE MEANING OF ANY LAW OR REGULATION. THE RATING AGENCY DOES NOT CONSTITUTE AN AUDIT ON THE RATED ENTITY. CARE RATINGS HAS BASED ITS RATINGS/OUTLOOK BASED ON INFORMATION OBTAINED FROM RELIABLE AND CREDIBLE SOURCES. CARE RATINGS DOES NOT, HOWEVER, GUARANTEE THE ACCURACY, ADEQUACY, OR COMPLETENESS OF ANY INFORMATION AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS AND THE RESULTS OBTAINED FROM THE USE OF SUCH INFORMATION.

8. DISCLAIMER OF THE DEBENTURE TRUSTEE:

INVESTORS SHOULD CAREFULLY READ AND NOTE THE CONTENTS OF THE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE MERIT OF THE INVESTMENT IN BONDS AND THE ISSUER. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER PROFESSIONAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN THE BONDS AND SHOULD POSSESS THE APPROPRIATE RESOURCES TO ANALYZE SUCH INVESTMENT AND SUITABILITY OF SUCH INVESTMENT TO SUCH INVESTOR'S PARTICULAR CIRCUMSTANCE. PROSPECTIVE INVESTORS ARE REQUIRED TO MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN SUCH INSTRUMENTS. THE TRUSTEE WOULD ACT AS PER THE PREVALENT SEBI GUIDELINES.

9. DISCLAIMER OF THE MERCHANT BANKER/ARRANGER:

THE ISSUER HAS AUTHORISED THE MERCHANT BANKER/ ARRANGER TO DISTRIBUTE THIS PLACEMENT MEMORANDUM IN CONNECTION WITH THE PLACEMENT OF THE BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS PLACEMENT MEMORANDUM 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 PLACEMENT MEMORANDUM ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE PLACEMENT MEMORANDUM AND THE RISK FACTORS STATED IN SECTION IV RISK FACTORS ON PAGE NO. 19 OF THIS PLACEMENT MEMORANDUM AND RELY ON ITS OWN EXAMINATION OF THE ISSUER AND THE MERITS AND RISKS INVOLVED IN INVESTING IN THE BONDS. THE MERCHANT BANKER/ ARRANGER: (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 MERCHANT BANKER/ ARRANGER NOR ITS 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 MERCHANT BANKER/ARRANGER IS NOT ACTING AND HAVE NOT BEEN ENGAGED TO ACT AS AN UNDERWRITER WITH RESPECT TO THE BONDS. THE MERCHANT BANKER/ARRANGER IS AUTHORISED TO DELIVER COPIES OF THIS PLACEMENT MEMORANDUM ON BEHALF OF THE ISSUER TO POTENTIAL INVESTORS WHICH ARE CONSIDERING PARTICIPATION IN THE ISSUE.

THE ISSUER HAS PREPARED THIS PLACEMENT MEMORANDUM AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS PLACEMENT MEMORANDUM HAS BEEN PROVIDED BY THE ISSUER OR IS FROM PUBLICLY AVAILABLE INFORMATION, THE USE OF WHICH ISN'T REGULATED OR PROHIBITED BY APPLICABLE LAW OR REGULATION RELATING TO INSIDER DEALING OR OTHERWISE AND NOT BEEN INDEPENDENTLY VERIFIED BY THE MERCHANT BANKER/ARRANGER.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS PLACEMENT MEMORANDUM. HOWEVER, THE POTENTIAL INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PLACEMENT MEMORANDUM 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 BONDS. THIS PLACEMENT MEMORANDUM 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 MERCHANT BANKER/ ARRANGER THAT

ANY RECIPIENT PARTICIPATES IN THE ISSUE OR ADVICE OF ANY SORT. IT IS UNDERSTOOD THAT EACH RECIPIENT OF THIS PLACEMENT MEMORANDUM WILL PERFORM ITS OWN INDEPENDENT INVESTIGATION AND CREDIT ANALYSIS OF THE PROPOSED FINANCING AND THE BUSINESS, 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 MERCHANT BANKER/ARRANGER OR ON THIS PLACEMENT MEMORANDUM.

THE MERCHANT BANKER/ARRANGER ARE ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE PLACEMENT MEMORANDUM. THE RECEIPT OF THE PLACEMENT MEMORANDUM BY ANY RECIPIENT IS NOT TO BE CONSTITUTED AS THE GIVING OF INVESTMENT ADVICE BY THE MERCHANT BANKER/ ARRANGER TO THAT RECIPIENT, NOR TO CONSTITUTE SUCH A RECIPIENT A CUSTOMER OF THE MERCHANT BANKER/ ARRANGER. THE MERCHANT BANKER/ ARRANGER IS NOT RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTION AFFORDED TO THE CUSTOMERS OF THE MERCHANT BANKER/ARRANGER NOR FOR PROVIDING ADVICE IN RELATION TO THE BONDS.

EACH RECIPIENT OF THE PLACEMENT MEMORANDUM 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 MERCHANT BANKER/ ARRANGER SHALL NOT BE RESPONSIBLE FOR ANY INFORMATION RECEIVED BY THE RECIPIENT OF THE PLACEMENT MEMORANDUM OTHER THAN THE INFORMATION SET OUT HEREIN.

THIS PLACEMENT MEMORANDUM IS FOR GENERAL INFORMATION PURPOSE ONLY, WITHOUT REGARD TO SPECIFIC OBJECTIVES, SUITABILITY, FINANCIAL SITUATIONS AND NEEDS OF ANY PARTICULAR PERSON. THIS PLACEMENT MEMORANDUM SHOULD NOT BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, PURCHASE OR SUBSCRIBE TO ANY SECURITIES MENTIONED HEREIN.

THIS PLACEMENT MEMORANDUM IS CONFIDENTIAL AND IS MADE AVAILABLE TO POTENTIAL INVESTORS IN THE BONDS ON THE UNDERSTANDING THAT IT IS CONFIDENTIAL. RECIPIENTS ARE NOT ENTITLED TO USE ANY OF THE INFORMATION CONTAINED IN THIS PLACEMENT MEMORANDUM FOR ANY PURPOSE OTHER THAN IN ASSISTING TO DECIDE WHETHER OR NOT TO PARTICIPATE IN THE BONDS. THIS DOCUMENT AND INFORMATION CONTAINED HEREIN OR ANY PART OF IT DOES NOT CONSTITUTE OR PURPORT TO CONSTITUTE INVESTMENT ADVICE IN PUBLICLY ACCESSIBLE MEDIA AND SHOULD NOT BE PRINTED, REPRODUCED, TRANSMITTED, SOLD, DISTRIBUTED OR PUBLISHED BY THE RECIPIENT WITHOUT THE PRIOR WRITTEN APPROVAL FROM THE MERCHANT BANKER/ARRANGER AND THE ISSUER. THIS PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED AND WILL OR MAY NOT APPROVED BY ANY STATUTORY OR REGULATORY AUTHORITIES IN INDIA.

PLEASE NOTE THAT:

TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED HAS BEEN APPOINTED AS TRANSACTION ADVISOR AND MERCHANT BANKER CUM ARRANGER TO THE ISSUE VIDE ENGAGEMENT LETTER DATED APRIL 04, 2024 AND ISSUE AGREEMENT DATED DECEMBER 24, 2025. THE MERCHANT BANKER/ ARRANGER AND/ OR ITS AFFILIATES MAY INVEST, PURCHASE AND HOLD THE SECURITIES OF THE ISSUER AND/ OR OTHER ENTITIES RELATED TO THE ISSUER FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNTS OF THEIR CUSTOMERS AND MAY EXERCISE VOTING RIGHTS OVER.

SUCH SECURITIES AS AVAILABLE UNDER THE RESPECTIVE TRANSACTION DOCUMENTS.

10. DISCLAIMER CLAUSE OF THE TRANSACTION ADVISOR

MERCHANT BANKER HAVE BEEN APPOINTED AS THE TRANSACTION ADVISOR IN RESPECT OF THE ISSUE. THE ROLE OF THE TRANSACTION ADVISOR IS LIMITED TO ADVISING THE ISSUER IN RELATION TO MARKET SCENARIOS, CO-ORDINATION WITH EXTERNAL AGENCIES, LIAISONING WITH CREDIT RATING AGENCY ETC., IN RESPECT OF THE DEBENTURES. IT IS THE RESPONSIBILITY OF THE ISSUER TO OBTAIN ALL NECESSARY APPROVALS FOR THE ISSUANCE OF THE DEBENTURES. THE INVESTORS SHOULD READ THE PLACEMENT MEMORANDUM AND TAKE THEIR OWN INFORMED DECISION FOR INVESTMENT IN THE DEBENTURES AND IN NO WAY IS THE TRANSACTION ADVISORS OR ANY OF ITS DIRECTORS, EMPLOYEES AND OFFICERS RESPONSIBLE FOR ANY INVESTMENT DECISION BY PROSPECTIVE INVESTORS.

11. DISCLAIMER IN RESPECT OF JURISDICTION

ISSUE OF THESE BONDS HAVE BEEN/ WILL BE MADE IN INDIA TO INVESTORS AS SPECIFIED UNDER PARAGRAPH K (a) (ELIGIBLE INVESTORS) OF SECTION IX: ISSUE SPECIFIC INFORMATION ON PAGE NO. 75 OF THIS PLACEMENT MEMORANDUM, WHO HAVE BEEN/ SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THE PLACEMENT MEMORANDUM IS NOT TO BE CONSTRUED OR CONSTITUTED AS AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO BONDS OFFERED HEREBY TO ANY PERSON TO WHOM IT IS NOT SPECIFICALLY ADDRESSED. ANY DISPUTES ARISING OUT OF THE BONDS AND THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUE PROCEEDS AGREEMENT) SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS AT TIRUCHIRAPPALLI. THE ISSUE PROCEEDS 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 THE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE TO THE BONDS HEREIN, IN ANY OTHER JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION.

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.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

THE DEBENTURES WILL BE ISSUED IN DEMATERIALISED FORM ONLY. THE ISSUER HAS MADE ARRANGEMENTS WITH THE DEPOSITORIES FOR THE ISSUE OF THE DEBENTURES IN DEMATERIALISED FORM. THE INVESTOR WILL HAVE TO HOLD THE DEBENTURES AS PER THE PROVISIONS OF THE DEPOSITORIES ACT. THE ISSUER SHALL TAKE NECESSARY STEPS TO CREDIT THE DEBENTURES ALLOTTED TO THE BENEFICIARY ACCOUNT MAINTAINED BY THE INVESTOR WITH ITS DEPOSITORY PARTICIPANT. THE ISSUER WILL MAKE THE ALLOTMENT TO INVESTORS ON THE DEEMED DATE OF ALLOTMENT AFTER VERIFICATION OF THE APPLICATION FORM AND THE ACCOMPANYING DOCUMENTS.

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SECTION-II: FORWARD LOOKING STATEMENTS

Certain statements in this Placement Memorandum that are not statements of historical facts constitute “forward looking statements”. Readers can generally identify forward-looking statements by terminology like “aim”, “anticipate”, “intend”, “believe”, “continue”, “estimate”, “expect”, “may”, “objective”, “plan”, “potential”, “projects”, “pursue”, “shall”, “should”, “will”, “would” or other words or phrases of similar import. Similarly, statements regarding the Issuer’s expected financial position, planned activities and implementation of projects are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements and any other projections contained in this Placement Memorandum (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s actual results, performance and achievements to be materially different from any future results, performance or achievements, expressed or implied, by such forward looking statements or other projections.

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

SECTION-III: DEFINITIONS AND ABBREVIATIONS

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

General Terms

TERM	DESCRIPTION
“TCMC” or “Issuer” or “Corporation” or “Tiruchirappalli City Municipal Corporation” or “Tiruchirappalli City Corporation”	Tiruchirappalli City Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Tiruchirappalli City Municipal Corporation Act, 1994 (“TCMC Act”) as repealed by the Tamil Nadu Urban Local Bodies Act, 1998 (“TNULB Act”) read with Tamil Nadu Urban Local Bodies Rules, 2023 vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 260 dated November 22, 1993 (as confirmed vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 109 dated March 31, 1994)
“we”, “us”, “our”	Unless the context otherwise requires, the Corporation or TCMC.

Issuer related Terms

TERM	DESCRIPTION
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’.
AMRUT Incentive	Pursuant to, issued by the Ministry of Housing and Urban Affairs Government of India (MoHUA), Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB dated April 07, 2025, urban local bodies claiming incentive for the first time, incentive amount of Rs. 13,00,00,000/- (Rs. Thirteen Crores) will be given for every Rs. 100,00,00,000/- (Rupees One Hundred Crores) of bonds issued subject to a maximum of Rs. 26,00,00,000 (Rupees Twenty-Six Crores) per urban local body.
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
Bond Issue Committee	Committee duly formed by the Commissioner vide its letter dated November 20, 2025.
Commissioner	Commissioner, Tiruchirappalli City Municipal Corporation, appointed in terms of the TNULB Act.
Committee Member	Member of the Bond Issue Committee or any other duly constituted committee of the Corporation as mentioned in this Placement Memorandum.
Council	Shall mean the Council of the Corporation as defined under Section 2(10) of the TNULB Act.
EBS	Online E-business Suite
GoT.N.	Government of Tamil Nadu/State Government
GoI	Government of India/ Central Government.
Head Office	Head Office of TCMC at Bharathidasan Road, Cantonment, Tiruchirappalli-620001, Tamil Nadu
MLD	Million Litres per Day
MoHUA	Ministry of Housing and Urban Affairs.

TERM	DESCRIPTION
MoUD	Ministry of Urban Development
TCMC Act/ TCMC Act, 1994	Tiruchirappalli City Municipal Corporation Act, 1994
TNULB Act, 1998 / TNULB Act / the Act	The Tamil Nadu Urban Local Bodies Act, 1998
TNULB Rules/ Rules	The Tamil Nadu Urban Local Bodies Rules, 2023

Issue Related Terms

TERMS	DESCRIPTION
Allotment/Allot/Allotted	The issuance and allotment of the Bonds to the successful Applicants in the Issue.
Allottee	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part.
Applicant/Investor	A person who makes an offer to subscribe to the Bonds pursuant to the terms of the Placement Memorandum and the Application Form.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue.
Auditor of the Issuer/Auditors	Director of the Local Fund Audit/ Local Fund Audit Department appointed by the State Government as per the Section 63 of the Tamil Nadu Urban Local Bodies Act, 1998, for auditing the Water Supply & Underground Drainage Fund, Revenue and Capital Fund & Elementary Education Fund.
Audited Financial Statements*	Refers to audited balance sheet, the income and expenditure statement and the cash flow statement of the Issuer of the Water Supply & Underground Drainage Fund, Revenue and Capital Fund & Elementary Education Fund for the Financial Years ending March 31, 2023 and March 31, 2024 audited by Local Fund Audit, Tiruchirappalli City Municipal Corporation. Audited consolidated financial statements for Financial Year ending on March 31, 2025 which consolidates the financial information of Water Supply & Underground Drainage Fund, Revenue and Capital Fund & Elementary Education Fund audited by External Auditors i.e. R. Thangamaharaja & Co., Chartered Accountants. While the audit is conducted for books of accounts and financial statements of the funds, for the purpose of the Issue, the consolidated Financial Information comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the year ended March 31, 2023 March 31, 2024 (collectively, with the audited consolidated financial statements for the financial year ended March 31, 2025 the “Financial Information”) has been prepared and have been examined by Independent Chartered Accountants to the Issue. <i>Please refer Note on Audited Financial Statements*</i>
AY	Assessment Year
Banker to the Issue	HDFC Bank Limited
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996).
Bid Closing Date/ Issue Closing Date	As is set out in the Issue Schedule above.
Bid Opening Date/ Issue Opening Date	As is set out in the Issue Schedule above.
Bonds/ Municipal Bonds	Up to 10,000 (Ten Thousand) Secured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of Debentures, of face value of Rs. 1 Lakh each, by Tiruchirappalli City Municipal Corporation, proposed to be listed on NSE for the purpose as mentioned in Section VII: Objects of the Issue on page no. 56 of this Placement Memorandum.

TERMS	DESCRIPTION
Bondholder(s)	Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories.
Calendar Year	Each period of twelve (12) months commencing on January 1 and ending on December 31.
CDSL	Central Depository Services (India) Limited.
Continuous disclosures and compliances by listed entities	Continuous disclosures and compliances by listed entities in accordance with 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 and as amended from time to time.
Coupon/ Interest Payment Date	As mentioned in the Summary Term Sheet.
Debenture Trust Deed	Deed to be executed by and between the Debenture Trustee and the Issuer in respect of the Bonds.
Debenture Trustee	Trustee for the Bond Holders, in this case being Catalyst Trusteeship Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune, Maharashtra- 411038.
Debenture Trust Agreement	Agreement dated December 22, 2025 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 Bonds.
Debenture Trust Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
Debt Securities	Non-convertible debt securities which create or acknowledge indebtedness and include debentures, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the Issuer or not but excludes security bonds issued by the Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments.
Deemed Date of Allotment	The date of allotment of the Bonds with effect from which all benefits under the Bonds including interest on the Bonds shall be available to the Bond holder(s). The actual allotment of Bonds (i.e., approval from the Council Resolution or a Committee thereof) may take place on a date other than the Deemed Date of Allotment.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A Depository Participant as defined under the Depositories Act.
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.
Designated Stock Exchange	National Stock Exchange of India Limited / NSE
DP	Depository Participant.
DSRA Amount	The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount.
DSRA Amount Shortfall	The amounts utilised from the Interest Payment Account (being the whole or a portion of the Required DSRA Amount) to fund the shortfall in the Interest Payment Account for the discharge of the Coupon payable on any Coupon Payment Date.
DTAA	Double Taxation Avoidance Agreement
Due Date	Any date or dates on which the Debenture Holder(s) are entitled to any payments in relation to the Bonds, which shall include, without limitation, the Coupon Payment Date(s) and the Maturity Date.
EBP	Electronic Bidding Platform as provided by the Stock Exchange(s) for bidding by Eligible Investors.

TERMS	DESCRIPTION
	NSE electronic book platform is being used for participating in electronic book building mechanism.
Escrow Account	The bank account opened by the Issuer with the Escrow Bank for the deposit of Tax Income, inter alia, property tax, water charges and vacant site tax (VST) charges by the Issuer in the Collection Accounts for onward transfer to the Interest Payment Account and the Sinking Fund Account and for servicing of the Bonds, as per the requirements of (a) 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, which account is operated in the manner and upon the terms and conditions provided for in the Escrow Agreement.
Escrow Agreement	The agreement dated January 30, 2026 entered into by and between Tiruchirappalli City Municipal Corporation, Catalyst Trusteeship Limited and HDFC Bank Limited (in its capacity as the Escrow Bank) with respect to the Escrow Account, the Interest Payment Account and the Sinking Fund Account.
Escrow Bank	HDFC Bank Limited, being the escrow banker for the purposes of opening of Escrow Account, Interest Payment Account and the Sinking Fund Account.
External Auditors	M/s. R. Thangamaharaja & Co., Chartered Accountants being appointed as the External Auditors for the purpose of conducting the audit of the consolidated financial statements of the Issuer for the financial year ended March 31, 2025, in accordance with the Letter No. 36/MA.2/2025-1 Dated January 23, 2025 issued by Municipal Administration and Water Supply Department, Government of Tamil Nadu.
EWS	Economically Weaker Sections
Financial Year/ FY	Period of twelve months beginning from April 1 of a calendar year and ending on March 31 of the subsequent calendar year.
GIR	General Index Registration Number.
GPS	Global Positioning System
GST	Goods and Service Tax
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Independent Chartered Accountants to the Issue	M/s. Arun and Sujatha, Chartered Accountants being appointed as the Independent Chartered Accountants to the Issue for issuance of examination report, statement of tax benefits and other certificates and reports for the purpose of the Issue.
Interest Payment Account /IPA	The bank account opened by the Issuer with the Escrow Bank which shall be (i) the account from which the interest payments on the 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 Escrow Agreement.
Issue Agreement	Agreement dated December 24, 2025 entered between the Issuer and the Merchant Banker/Arranger to the Issue in relation to the Issue.
Issue Proceeds Account	The bank account opened by the Issuer with the Banker to the Issue for proceeds received from the Issue, in the manner and upon the terms and conditions provided for in the Issue Proceeds Agreement.
Issue Proceeds Agreement	The Agreement dated January 30, 2026 executed amongst the Issuer, the Banker to the Issue, Registrar and the Merchant Banker in relation to the operation of the Issue Proceeds Account.
IT	Information Technology

TERMS	DESCRIPTION
Majority Debenture Holders	The Debenture Holders holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Bonds for the time being outstanding.
Merchant Banker/ Arranger and Transaction Advisor to the Issue	Tipsons Consultancy Services Private Limited
Minimum Balance	In any period expiring on the transfer date it shall mean the amount required to be transferred to the Interest Payment Account and Sinking Fund Account at the end of such month on the terms as particularly set out in the Debenture Trust Deed.
MPS	Main Pumping Station
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSECL	NSE Clearing Limited
NSE EBP Guidelines	“Operating Guidelines for NSE Electronic Bidding Platform” as last updated on November 17, 2025 and as amended/modified from time to time. The link for NSE EBP Guidelines as available on NSE website is www.nseindia.com/static/products-services/about-electronic-bidding-platform/operating-guidelines
Objects of the Issue	The objects for which the proceeds of the Issue shall be used by the Issuer, more particularly described in Section VII: Objects of the Issue on page no. 56 of this Placement Memorandum.
O&M	Operation and Maintenance
PAN	Permanent Account Number
Pay-In Date	The date on which the Bond Holders have remitted the subscription monies for the Bonds, as per the terms of this Placement Memorandum.
Permitted Investments	Shall mean: The funds lying credited in the Escrow Account (to the extent of the Minimum Balance), Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof. The Issuer shall ensure that funds lying in the escrow accounts shall be invested in accordance with the SEBI Municipal Debt Regulations and SEBI Circulars issued thereunder and the Tamil Nadu Urban Local Bodies Act, 1998 and Rules made thereunder to the extent applicable. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and the Tamil Nadu Urban Local Bodies Act, 1998 and Rules made thereunder to the extent applicable. The lien shall be created in favour of the Debenture Trustee on all the investments made in terms hereof.
Placement Memorandum / PM	The placement memorandum dated February 02, 2026 being filed with SEBI and Stock Exchange through which this proposed Issue will be made.
PMAY	Pradhan Mantri Awas Yojana
Preliminary Placement Memorandum/PPM	This preliminary placement memorandum dated December 29, 2025 filed with SEBI and NSE.
Project	Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur
Project Consultants	Project Consultant being Vistar AEC Consultants LLP for the Project

TERMS	DESCRIPTION
Project Sustainability Grant Fund Amount / PSGF Amount)	Shall mean a Grant Fund of Government of Tamil Nadu and managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) shall create a term deposit in the name of “Project Sustainability Grant Fund” equivalent of Rs. 10.40 crore as Credit Enhancement Facility under World Bank assisted Tamil Nadu Climate Resilient Urban Development Program and funds available in PSGF under Credit Enhancement Facility. The proceeds of the bond issue should be used for the “Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur” being the Project for which the funds are being raised by the Issuer. The Debenture Trustee (on behalf of bond holders) shall have First & Exclusive charge over the Project Sustainability Grant Fund Amount term deposit created for this bond issue. The said term deposit amount shall be created in the name of PSGF by PSGF with the Trustee Banker / Escrow Banker of the Bond Issue once the date of the issue of bond is finalized but, in any case, no later than one day before the pay-in/allotment of bonds. The said term deposit shall be kept as cash collateral in the form of security for bondholders for servicing of the bonds during the entire tenor of the bonds & lien marked with the Bond / Debenture Trustee. The Escrow Banker (on the instructions of the Bond / Debenture Trustee) will utilize the PSGF Amount (i) in the case of insufficient funds in the Issuer’s Escrow Account / Interest Payment Account / Sinking Fund Account as per timelines indicated under the Structured Payment Mechanism in the Term Sheet and (ii) In case of occurrence of payment default or event of default, the PSGF Amount shall be utilized for meeting all the outstanding interest and principal obligations to the bond holders. In the case of utilization of PSGF Amount, the PSGF Amount utilized shall be recouped by the Issuer within a period of 90 days from the date of utilization. This arrangement will continue till the bond is paid in full to the Bond holders. The PSGF term deposit will be an interest-bearing deposit and PSGF will have charge over the interest income.
Property Tax	Shall mean property tax or any tax levied in place of property tax as per Rule 255 of the Tamil Nadu Urban Local Bodies Rules, 2023.
Record Date	As mentioned in the Summary Term Sheet.
Registrar	Registrar to the Issue, in this case being, Cameo Corporate Services Limited a company incorporated under the Companies Act, 1956 having registered office at Subramanian Building No.1, Club House Road, Chennai, Tamil Nadu- 600002, India.
Required DSRA Amount	An amount equal to three (3) semi-annual interest payments for bonds which is required to be paid by the Issuer in respect of the Bonds to be maintained throughout the tenure of the Bonds in the Interest Payment Account which also complies with the requirements of the debt service reserve amount to be maintained as per 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.
Rs./INR/ ₹	Indian National Rupee
RTGS	Real Time Gross Settlement
SCADA	Supervisory Control and Data Acquisition
SCORES	SEBI Complaints Redress System
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992.

TERMS	DESCRIPTION
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Electronic Book Mechanism Guidelines/SEBI EBP Guidelines	The guidelines issued by SEBI and pertaining to the EBP Platform set out in Chapter VI by SEBI in its Master Circular dated October 15, 2025 bearing reference number SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 titled Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper as may be amended, clarified or updated from time to time.
SEBI Master Circular for Debenture Trustees	SEBI Master Circular for Debenture Trustees bearing reference number SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025, as may be amended, clarified or updated from time to time
SEBI Master Circular/ 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 Municipal Debt Regulations/ SEBI ILMDS	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.
Secured Obligations	All obligations at any time due, owing or incurred by the Issuer to the Debenture Trustee and the Bond Holders in respect of the 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 under the Transaction Document
Security	Shall mean security for the Bonds being issued as set out in the Summary Term Sheet.
Sinking Fund Account / SFA	The bank account 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 Escrow Agreement.
Stock Exchange	National Stock Exchange of India Limited
Structured Payment Mechanism	Shall mean mechanism as set out in the Summary Term Sheet.
STP	Sewerage Treatment Plant
Tax Income	Tax Income shall mean and include the Property Tax, Water Charges and Vacant Site Tax (VST) Charges
TUIFSL	Tamil Nadu Urban Infrastructure Finance Service Limited
TUFIDCO	Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
TDS	Tax Deducted at Source
The Issue/the Offer/ Private Placement	Private Placement of upto 10,000 (ten thousand) secured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures of face value of Rs. 1 Lakh each, for cash, amounting upto Rs. 100 Crore (“ Municipal Bonds ”/ “ Bonds ”/ “ Debentures ”) by Tiruchirappalli City Municipal Corporation, proposed to be listed on NSE.
TNU-ePS	Tamil Nadu Urban Electronic Payment System
Tripartite Agreements	Tripartite agreement amongst the Corporation, Registrar to the Issue, and CDSL dated December 18, 2025 and Tripartite agreement between the Corporation, Registrar to the Issue, and NSDL dated December 19, 2025.
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum, the Placement Memorandum along with all annexures, the Issue Agreement, Registrar and

TERMS	DESCRIPTION
	Transfer Agent Agreement, the Issue Proceeds Agreement, the Debenture Trustee Agreement, the Escrow Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Tripartite Agreements with NSDL and CDSL and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
ULB	Urban Local Body
VST	Vacant Site Tax
‘Working Day’/ ‘Business Day’	‘Working Day’ means all days on which commercial banks in Tiruchirappalli are open for business. 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/DDHSPoD/P/CIR/2025/0000000137, as amended from time to time. If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non- Working Day. If the Redemption Date or Maturity Date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds until but excluding the date of such payment. Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 1961 (if applicable) or any statutory modification or re-enactment thereof for the time being in force.

***Note on the Audited Financial Statements**

As per the Section 63 (1) of the Tamil Nadu Urban Local Bodies Act, 1998, the State Government shall appoint auditors for auditing the accounts of receipt and expenditure of the municipal fund and as per the Tamil Nadu Urban Local Bodies Rules, 2023, all the accounts of the municipality shall be audited by the Director of Local Fund Audit.

The Audited financial statements (comprising of Water Supply & Underground Drainage Fund, Revenue and Capital Fund & Elementary Education Fund) for financial years ended March 31, 2023 & March 31, 2024 have been prepared by the Management of the Issuer and are audited by the Joint Director of Local Fund Audit as per the Tamil Nadu Urban Local Bodies Act, 1998 and Rules made thereunder, pursuant to their Audit Reports dated May 31, 2024 and January 30, 2025 respectively.

As per the Section 63 (2) of the Tamil Nadu Urban Local Bodies Act, 1998, the State Government may for any special reason to be recorded in writing by an order cause the account of municipal to be audited by a qualified auditor for one or more years.

The audit of financial statement (comprising of Water Supply & Underground Drainage Fund, Revenue and Capital Fund & Elementary Education Fund) for the year ended March 31, 2025, by Joint Director of Local Fund Audit /Local Audit Department is under process, and the audit process may not be completed prior to the listing of Bonds.

Therefore, for the purpose of this Issue, Tiruchirappalli City Municipal Corporation, in terms of letter No. 36/MA.2/2025-1 Dated January 23, 2025 received from the Municipal Administration and Water Supply

Department of Government of Tamil Nadu, had appointed the M/s. R. Thangamaharaja & Co., Chartered Accountants vide engagement letter dated August 07, 2025, to consolidate the funds maintain by the Corporation, complete the audit for the financial year ended March 31, 2025 and assist to certify the audited accounts specifically for municipal bond issue purpose.

Accordingly, M/s R. Thangamaharaja & Co., Chartered Accountants have consolidated the fund of the corporation and audited the financial statements for the year ended March 31, 2025 and have issued Audit Report dated August 25, 2025

While the audit for the financial years ended March 31, 2024 and March 31, 2023 has been conducted for books of accounts and financial statements of the funds, for the purpose of the Issue, the consolidated Financial Information (which consolidates the financial information derived from audited financial statements of Revenue and Capital Fund, Water Supply & Drainage Fund and Elementary Education Fund) comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the financial years ended March 31, 2024 and March 31, 2023 have been prepared by M/s. R. Thangamaharaja & Co., Chartered Accountants in terms of the requirements of the proposed Issue.

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SECTION-IV: RISK FACTORS

An investment in the Bonds involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with the Issuer's business or any decision to purchase, own or dispose of the Bonds. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Placement Memorandum before making any investment decision relating to the Bonds.

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

This Placement Memorandum 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 Placement Memorandum.

Unless otherwise indicated, the financial information included herein is based on the Issuer's financial statements as included in paragraph I (Abridged Balance Sheet, Income and Expenditure and Cash Flow Statement for the last three years with major heads) of Section X: Financial Information on page no. 92 of this Placement Memorandum.

Investors are advised to read the following risk factors carefully before making an investment in the 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.

If any of the following stated risks or other risks that are not currently known or are now deemed immaterial actually occur, the Issuer's business, financial conditions, implementation of projects could suffer and, therefore, the value of the Issuer's Bonds could decline and/ or the Issuer's ability to meet its obligations in respect of the Bonds could be affected. Potential investors should perform their own independent investigation of the financial condition and affairs of the Issuer, and their own appraisal of the creditworthiness of the Issuer.

Please note that unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

INTERNAL RISK FACTORS

Projects Risk and Internal Risks

- 1. We intend to utilize the Issue proceeds for the Project which is 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 our operations, reputation and cash flows.**

We intend to utilize the Issue proceeds for Construction of Wholesale and Retail Market at Old Madhurai Road in Panjappur ("**Project**").

The Project is proposed to be financed through Issue proceeds of this Issue and internal accruals/ grants to be received by the Corporation as per the approved funding pattern. There can be no assurance that we will be able to complete these Project within estimated time and cost without any cost overruns.

The Issuer has obtained certificates from Vistar AEC Consultants LLP dated December 29, 2025 and January 21, 2026 regarding the proposed Project details, current status, costs, schedule of implementation, benchmarks of the project etc. There can be no assurance that we will be able to complete the Project within the estimated time and cost without any cost overruns. The work orders have already been issued for implementation of the Project and the work is under process.

Although the Issuer is taking all reasonable steps to ensure timely execution, there can be no assurance despite best efforts of the Issuer, that the proposed Project will be completed as planned or on schedule, and if it is not completed in a timely manner, or at all, our budgeted costs for the Project may be insufficient to meet our proposed capital expenditure requirements towards the Project.

There is also a possibility that the implementation of the Project might get delayed due to various factors including workforce issues, public agitation, non-availability of approvals/ no objection certificates, or delays because of third party contractors and other external factors. In case of any delay due to unforeseen circumstances that are beyond Issuer's control, the cost over-run due to such delay, shall be addressed through the Issuer's internal accruals of the Issuer including grants from GOI/GoT.N. and budgetary support or reallocations, in accordance with applicable laws and approvals.

The Schedule of Implementation of the Project along with the timelines stated therein are indicative based on the current progress of the Project and the Physical Target and Financial Target for activities is as per the certificates dated December 29, 2025 and January 21, 2026 of the Project Consultant for implementation of the Project. There can be no assurance that despite best efforts, the proposed Project will be completed as planned or on schedule, and if it is not completed in a timely manner, or at all, and any delay due to unforeseen circumstances that are beyond Issuer's control could have an adverse impact on our operations, reputation and cash flows.

2. **Any inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required for construction and operation of the Project may have a material adverse effect on our ability to complete the projects on a timely basis or at all. Any failure to successfully complete the Project on a timely basis may have an adverse impact on our reputation, operations and cash flow.**

We may be required to obtain certain approvals and permissions for undertaking the Project. Presently, there are no approvals required to be obtained by the Corporation except Environmental Clearance and Fire NOC which have been obtained and Building Plan approval which is in process of being applied by the Issuer and are required to be obtained before completion of the Project and as disclosed in the Section titled "*Objects of the Issue*" on page no. 56 of this Placement Memorandum. However, in future there may be requirement of other approvals/NOCs for the Project and we undertake to acquire all relevant regulatory approvals for the Project, as and when relevant, to ensure timely implementation and progress of the Project.

Further, the Issuer may be unable to obtain such approvals/consents (if so required) or renew such approvals within the stipulated time. Additionally, any historical or future failure to comply with the terms and conditions of the existing regulatory or statutory approvals may cause the Issuer to lose or become unable to renew such approvals. Any delay in obtaining or renewing approvals, as applicable, in a timely manner may delay the completion of the Project in accordance with the Schedule of Implementation which may in turn adversely impact our reputation, operations and cash flows.

3. **We are involved in number of litigations & adverse decisions in the same may impact our working and operational efficiency.**

We are party to various legal proceedings and have received notices from certain statutory authorities. 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 business, implementation of projects, income and the financial condition of the Issuer. A summary of pending proceedings involving Issuer are as follows:

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

S. No.	Nature	Number of Cases	Amount Involved (Rs. in Crores)
Direct Tax			
1.	E-proceedings	Nil	Nil
2.	TDS*	1	0.001
Indirect Tax			
3.	GST	7	73.68
4.	Property Tax**	5	1.27
Non-Payment of statutory Dues			
5.	VAT Payable	-	0.15
6.	Service Tax Payable		0.07
7.	Payable to CMDA/LPA		2.80
8.	EPF Recoveries Payable		1.83
9.	Library Cess - Payables		31.48
10.	Centage Charges – Payable		5.90

*Source: <https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded>, Status as on February 02, 2026.

** To the extent quantifiable excluding interest and penalty thereon.

- **Criminal Litigations involving the Issuer**

The total number of cases involving pending cases against the Issuer and filed by the Issuer have been disclosed in the section Legal and Other Information. Since the nature of the case is criminal, there is no amount involved.

- **Actions by Regulatory and Statutory Authorities**

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. 110 of the Placement Memorandum.

- **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. 110 of the Placement Memorandum.

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 which are based on the Materiality Policy of the Issuer are set out in “Pending Litigations and Material Developments” of Section-XI Legal and Other Information on page no. 110 of this Placement Memorandum.

4. **Leakage of tax collections may affect volume of collections and inflows which may have an adverse impact on the grants the Issuer receives from GoI/GoT.N. and accumulation of funds for future development, and on the Issuer's future execution capabilities and revenue collections.**

The tax collections 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 pilferage by adopting various reforms towards digitisation of payment of tax and other services including providing facility for online payment of Property Tax through Tamil Nadu Urban Electronic Payment System (TNU-ePS). The Issuer is also integrating Town Planning compliance and Property Tax/Revenue compliance through a common digital platform by leveraging the TNU-ePS portal which will enable filtered, real-time sharing of building permission and completion-related information on newly constructed properties in Tiruchirappalli City with the Revenue Department which is expected to improve identification of new properties for assessment and support timely and efficient revenue collection. However, 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.

5. Our Auditors and External Auditors have highlighted few qualifications/observations/ remarks in their audit reports relating to our audited financial statements

Our Auditors and External Auditors have issued a qualified opinion pursuant to their audit reports dated January 30, 2025 and for FY 2023-24; and May 31, 2024 for FY 2022-23. Further for FY 2024-25 R. Thangamaharaja & Co., Chartered Accountants being the External Auditors appointed by Municipal Administration and Water Supply Department of Government of Tamil Nadu, have issued a qualified opinion pursuant to their audit report dated August 25, 2025 on the consolidated financial statements for FY 2024-25.

The key qualifications/observations highlighted in the Audit Reports for the preceding three financial years are as follows:

Local Fund Audit Qualification – 2022-23

1. Accounts for FY 2022-23 were submitted on 24-04-2024, against the statutory deadline of 30-06-2023. It is Violation of Section 7(1) of Tamil Nadu Local Fund Audit Act, 2014.
2. Tiruchirappalli City Municipal Corporation- Administrative Report for the year 2022-2023 not sent to Govt of Tamil Nadu.
3. Demand Register for the following items of revenues Demand were not properly maintained:
 - a. Annual rent on the "Cable TV wires" carrying in the Electric Posts
 - b. The "Optical Fibre Cable" – "Track rent" details, files, registers and the Demand, collection details are to be maintained properly
4. Advances under supplier advances and other heads amounting to ₹151.91 lakhs remained unsettled for a long period as on 31-03-2023.
5. Capital Project Work-in-Progress amounting to ₹76,520.22 lakhs was shown in the balance sheet. Completed works were not assetised and details were not furnished to audit
6. Contribution payable to Tiruchirappalli Local Planning Authority amounting to ₹270.92 lakhs was not paid during the year 2022-2023
7. Library Cess amounting to ₹240.82 lakhs collected was not remitted to the District Library Authority.
8. Demand, Collection and Balance schedules and connected registers required under Rule 7(a) of the Tamil Nadu Local Fund Audit Act were not annexed and submitted within the prescribed time.
9. Contributory Pension Scheme- Fund –Not Properly maintained in UTIS software:
 - a. As of 31/03/2023, a total of 1172 employees in the Tiruchirappalli Municipal Corporation are availing benefits under the Contributory Pension Scheme. The accounts and records for these employees are being maintained both manually through registers and digitally through the computer system. Steps should be taken to ensure that all these details are maintained exclusively in the computer system.
 - b. In Tiruchirappalli corporation" in the audit period 2022-2023 the details of the amount deducted from the employees and management's contribution amounts were remitted to Govt. accounts, were not produced for audit
10. General Provident fund Accounts were not maintained in computers
11. Grants
 - a. The project implementation details regarding the works carried out with the grant received during the audit year are mentioned as follows. The unspent grant amount at the end of the audit year has been verified as utilized in the subsequent financial year. The works in progress should be completed and properly assetized in accordance with the procedures
 - b. The grant headings in the table with no change in the opening and closing balances (no Receipts or Payments) should be reviewed. If the grants are spendable, they should be

utilized accordingly. If the grants are non-spendable, appropriate actions should be taken to return them to the organization that provided the grants

12. No provision was made in the annual accounts for doubtful collection of tax and non-tax revenues
13. Supporting records for assets, including valuation and depreciation details, were not produced for audit verification
14. Stock verification reports for the audit year were not attached with the annual accounts.
15. Monthly bank reconciliation statements were not produced periodically for audit
16. Audit fees for FY 2021-22 and 2022-23 amounting to ₹1,23,30,472 were not paid and not accounted in the annual accounts
17. Daily BRV/BPV entries were not uploaded in the software, schedules were not attached with annual accounts, and provisions for doubtful collection were not made
18. Actual expenditure exceeded the revised budget estimate for the year 2022-23. No provision for depreciation was made in the revised estimate
19. As on 31-03-2023, property tax assessments were 2,35,778, whereas water connections were only 1,23,231. Commercial and industrial connections were very few
20. Unspent government grant details under Water Supply & Underground Drainage Fund could not be independently confirmed and were referred to Revenue & Capital Fund report.
21. The following advances remained pending and not adjusted for a long period as on 31-03-2023:
 - a. Festival Advance – ₹1,993.90 lakhs
 - b. Other advances under Water Supply & UGD Fund
22. Capital Project Works-in-Progress amounting to ₹53,835.57 lakhs were shown in the balance sheet (WS Fund). Details of works-in-progress were not annexed to the annual accounts. Completed works were not assetised.
23. Advance of ₹314.77 lakhs given to Tamil Nadu Water Supply and Drainage Board remained unadjusted
24. Registers were not properly maintained to verify correctness of rent receivable, lease amounts and government grants
25. Separate accounts were not maintained for scheme works for which utilisation certificates are not required.
26. Year-wise arrear details amounting to ₹5,861.60 lakhs as on 31-03-2023 were not annexed to the annual accounts
27. Time-barred arrears of water charges amounting to ₹714.83 lakhs existed for FY 2022-23. No provision for doubtful collection was made in UTIS software.
28. Time-barred arrears of underground drainage charges amounting to ₹388.39 lakhs existed for FY 2022-23.
29. Repairs and maintenance expenditure during FY 2022-23 increased by ₹909.28 lakhs compared to the previous year.
30. Income tax, sales tax, service tax and labour welfare fund deductions amounting to ₹15.50 lakhs remained unpaid as on 31-03-2023.
31. Audit fees payable under Water Supply & Underground Drainage Fund were outstanding for the year.
32. Serious audit objections amounting to ₹1,98,15,687 were issued under Water Supply & Underground Drainage Fund for FY 2022-23.

Education Fund – FY 2022-2023

1. The revised budget estimate for Education Fund for 2022-2023 was ₹3,056.00 lakhs, whereas the actual collection was ₹1,821.50 lakhs.
2. Ten bank accounts were maintained under Education Fund. Details relating to inactive bank accounts were not submitted to Audit.
3. Provision is required to be made for the balance sum after providing for progressive expenses on the basis of documents under Education Fund account heads.
4. Under “Capital Project Work-in-Progress” in the balance sheet for 2022-2023, amounts were shown. Details of works in progress as on 31-03-2023 were not submitted to Audit. Completed works were not assetised.
5. As per Rule 7(1) of the Tamil Nadu Local Fund Audit Act, annual accounts and connected registers should be submitted before 30 June of the succeeding year. The Education Fund annual accounts (7-digit code) were submitted only on 28-02-2024

6. Lease details, rent on buildings, and Government grant details were not furnished accurately to Audit
7. A separate register was not maintained for expenditures for which utilisation certificates are not required
8. Education tax demand and collection details indicate arrears under Education Fund
9. Operating expenditure during FY 2022-2023 was ₹58.42 lakhs, which was higher than the previous year expenditure of ₹29.39 lakhs
10. Schools maintenance and scavenging expenditure during FY 2022-2023 was higher than the previous year. Related files and registers were required to be produced for audit.

Local Fund Audit Qualification – 2023-24

Revenue & Capital Fund – FY 2023-2024

1. The annual accounts for the year 2023-2024 were received on 31-05-2024, returned for rectification and revised accounts were received only on 04-09-2024, which is beyond the period prescribed under Section 7(a) of the Tamil Nadu Local Fund Audit Act, 2014.
2. Details regarding obtaining Council approval for the Administrative Report and submission of the report to the Government were not furnished to Audit.
3. Demand registers for the following revenue items were not properly maintained:
 - a. Annual rent on Cable TV wires carried in electric posts
 - b. Optical Fibre Cable track rent – demand, collection details, files and registers were not properly maintained
4. Advances shown in the annual accounts could not be reconciled with advance registers of all the five zones and hence the advance figures could not be reconciled by Audit
5. Based on relevant documents, progressive expenditures incurred under Revenue and Capital Fund were not determined and the remaining balance was not classified as asset or liability
6. A sum of ₹49.00 Crore was transferred from Smart City Mission Fund account, and the amount was not recouped as on date. The transfer was made without prior approval and ratification from Government is required. The amount should be recouped to the Smart City Mission Fund account
7. Advances under the following heads remained unsettled for a long period as on 31-03-2024:
 - a. Suppliers Advance – ₹148.31 lakhs
 - b. Other Advances – ₹168.96 lakhs
 - c. Total – ₹317.27 lakhs
8. Under “Capital Project Work-in-Progress”, completed works were not assetised. Steps were not taken to complete the works-in-progress and details were not furnished to Audit.
9. A sum of ₹270.92 lakhs payable to Tiruchirappalli Local Planning Authority was not paid during the year 2023-2024
10. Library Cess amount of ₹7.00 Crores was transferred from Library Cess bank account to Revenue Fund without prior approval. The amount should be transferred back to Library Cess account
11. Demand, Collection and Balance details and schedules for annual accounts were not submitted within the stipulated time
12. Permanent Advance balance of ₹49,332 remained unsettled as on 31-03-2024 under Account Code 460511.
13. Contributory Pension Scheme accounts were maintained both manually and in computer system. Details were not maintained exclusively in UTIS software.
14. Details of amounts deducted and remitted to Government Head were not produced for audit
15. General Provident Fund accounts were maintained in handwritten registers. Revised proposal for interest for the year 2020-21 was not submitted to Audit
16. No provision was made in the annual accounts for doubtful and uncollected tax and non-tax revenues
17. Separate accounts were not maintained for project expenditures where utilisation certificates are not required
18. Schedules of deposits and advances for all five zones were not submitted and hence closing balances could not be audited.

19. Details of assets shown in the annual accounts were not supported by records for audit verification. Total value and depreciation of assets were not certified by the City Engineer.
20. Stock verification reports for the audit year were not attached with the annual accounts.
21. Difference in opening balance carried forward in Canara Bank account was noticed. Differences between trial balance and actual bank balance were not reconciled.
22. Year-wise property tax arrear details of ₹3,444.63 lakhs as on 31-03-2024 were not annexed with annual accounts. Closing balance was not correctly brought forward.
23. Subsidiary registers relating to rent and miscellaneous revenue were not properly maintained and were not produced for audit.
24. Integrated inventory register of vehicles was not produced for audit.
25. Audit fees amounting to ₹1,96,54,899 for the years 2021-22 to 2023-24 were not paid and no provision was made in the annual accounts
26. Defects to be Rectified
 - a. Daily BRV/BPV entries were not uploaded in UTIS software.
 - b. Trial Balance of all five zones was not submitted
 - c. Monthly bank reconciliation statements were not submitted
 - d. Bank scrolls for SNA accounts were not submitted
 - e. No provision made for doubtful and time-barred collections
 - f. Deposit and advance balances could not be ascertained due to non-submission of subsidiary registers
 - g. Fund-wise details of fund transfers were not included in financial statement schedules

Water Supply & Underground Drainage Fund – FY 2023-2024

1. In the revised estimate for the year 2023-2024, no provision was made for depreciation.
2. As on 31-03-2024, property tax assessments were 2,37,328, whereas water connections were only 120575 numbers Commercial and industrial connections were very meagre.
3. The summary of advances in Water Supply & Underground Drainage Fund accounts of the Main Office and five zonal offices were not tallied with the annual account.
4. The following advances were not adjusted and remained pending for a long period as on 31-03-2024:
 - a. Festival Advance – ₹1,126.68 lakhs
 - b. Contractors Advances – pending
 - c. Other Advances – pending
5. Under “Capital Project Work-in-Progress”, completed works were not assetised. Necessary action was not taken to complete the works-in-progress. Details of works-in-progress were not annexed to the accounts for the year 2023-2024
6. Advance of ₹314.77 lakhs given to Tamil Nadu Water Supply and Drainage Board remained unadjusted.
7. Demand, Collection and Balance details and schedules for annual accounts were not annexed in full shape
8. Registers were not properly maintained to verify the correctness of rent receivable, lease amounts and Government grants
9. No separate accounts were maintained for scheme works for which utilisation certificates are not required
10. Year-wise arrear balance of ₹5,116.51 lakhs as on 31-03-2024 was not annexed to the annual accounts
11. Year-wise water charges arrear demand was not maintained. Time-barred arrears for the year 2023-2024 could not be calculated. No provision was made in UTIS software towards doubtful collection
12. Year-wise underground drainage charges arrear demand was not maintained. Time-barred arrears for the year 2023-2024 could not be calculated.
13. Difference of ₹5,96,939 was noticed between trial balance loan opening balance and loan figures, which was required to be rectified
14. Income tax, sales tax, service tax and labour welfare fund deductions amounting to ₹16.66 lakhs remained unpaid as on 31-03-2024

Elementary Education Fund – FY 2023-2024

1. As per Rule 7(1) of the Tamil Nadu Local Fund Audit Act, 2014, the annual accounts along with connected registers are required to be produced to Audit before 30th June of the succeeding financial year. However, the annual accounts (7-digit code) were submitted on 31-05-2024, re-submitted for rectification and the revised accounts were received only on 04-09-2024.
2. Eleven numbers of bank accounts were maintained under Education Fund during 2023-2024. No details about inactive bank accounts were submitted to Audit.
3. In the Balance Sheet for the year 2023-2024 under Assets “Capital Project work-in-progress”, amounts were shown:
 - a. The completed works should be assetised and details are to be submitted to Audit.
 - b. Necessary action shall be taken to complete all the ongoing works
 - c. The details of works-in-progress as on 31-03-2024 shall be submitted to Audit with relevant details
4. There were differences between opening and closing balances in the Trial Balance and the interest schedule relating to investments. The difference should be rectified and submitted to Audit
5. Schools maintenance and scavenging expenditure during 2023-2024 was higher than the previous year. Details of files and registers relating to this expenditure were required to be produced for Audit
6. The audit report Part-II for the year 2023-2024 relating to Main Office and Ward Committees under Revenue & Capital Fund and Water Supply & Underground Drainage Fund were not issued as on date
7. The correctness of lease, rent on buildings and Government grants could not be ascertained accurately, as the registers were not properly maintained and furnished to Audit
8. There is no separate register maintained for the expenditures for which utilisation certificates are not required
9. Operating expenditure during 2023-2024 was higher than the previous year
10. Differences were noticed between balances as per previous year and balances as per UTIS for assets and liabilities under Education Fund.

Audit Qualification – FY 2024-25

1. In respect of the Municipal (General) Fund, the auditor has stated that no comments have been made on the previous year’s figures.
2. In respect of Earmarked Funds, it has been reported that Smart City Fund amounting to ₹61.87 Crores was diverted into the General Fund. Further, the bank balance did not adhere to the Library Cess amount collected and the earmarked fund was utilised for purposes other than those intended. In the absence of complete data, the amount so utilised could not be quantified
3. Under Deposits Received, the auditor has reported that deposits amounting to ₹121.16 Crores are outstanding as per the books of accounts and that the present status of the works relating to such deposits could not be confirmed.
4. Under Other Liabilities (Sundry Creditors), it has been observed that employees’ retirement benefits and leave encashment were not accounted on a real-time basis. No liabilities were reflected in the books of accounts towards employee payables. However, the auditor identified an outstanding amount of ₹6,39,56,181 payable towards employee retirement benefits. The liability towards leave encashment could not be quantified, and the exact amount payable to retiring employees could not be determined due to absence of appropriate data. As a result, liabilities and expenditure were understated
5. With regard to Provisions, the auditor has reported that no provisions were created in the financial statements. Receivables amounting to ₹159.69 Crores were shown without any provision as per the prescribed norms. Cable TV rent recoverable arrears of ₹2,05,37,404 and Optical Fibre Cable track rent recoverable arrears of ₹1,86,54,227 were carried forward from previous years. The provision requirements prescribed under the National Municipal Accounting Manual and Tamil Nadu Municipal Accounting Manual were not followed
6. In respect of Fixed Assets, the auditor has stated that proper asset registers with signatures of competent authorities were not available for verification. Measurement books and completion certificates for additions during the year were not produced. Details of year-end physical verification by competent authorities were not available. Depreciation rates applied were not

aligned with prescribed guidelines. Capital Work-in-Progress registers were not available, and work-wise classification of Capital Work-in-Progress amounting to ₹2,58,625.25 Lakhs was not produced. The balances were carried forward for a long period

7. Under Investments – Other Funds, the auditor has reported that the books of accounts show two heads including a negative balance.
8. In respect of Stocks in Hand (Inventories), it has been reported that inventory amounting to ₹4,24,81,474 has remained unchanged for more than five years and supporting details were not available for verification.
9. Under Sundry Debtors (Receivables), the auditor has reiterated that receivables amounting to ₹159.69 Crores were shown without making provisions as per norms. Cable TV rent and Optical Fibre Cable track rent arrears were carried forward from earlier years. As a result, assets under receivables were overstated
10. In respect of Cash and Bank Balances, it has been reported that a cash balance of ₹41,000 was shown in the books without availability of physical cash details and that opening balance details were not known. Bank reconciliation statements were not available for verification and several unreconciled differences were carried forward from previous years
11. Under Loans, Advances and Deposits, the auditor has stated that advance registers and interest details were not available for verification. Outstanding advances amounting to ₹2,976.64 Lakhs were reflected in the financial statements. An accumulated provision of ₹2,14,000 continued for several years without supporting details.
12. With regard to Other Assets, it has been reported that deposit works amounting to ₹3,14,77,000 were shown without records or present status. Other Asset Control Accounts showed a credit balance of ₹79,50,69,171 without availability of supporting details
13. In respect of Tax Revenue, the auditor has reported that Water Tax and Underground Drainage assessments were not aligned with Property Tax assessments. Demand and collection records for Cable TV wires and Optical Fibre Cable track rent were not properly maintained and no receipts or demands were raised during the year. Advertisement tax was collected despite GST implementation without sufficient justification. Professional Tax assessments were limited to 25,758 and the Professional Tax deducted by the Corporation was not credited to the respective collection account. Debit entries were noticed under income heads without recorded reasons or prior approval. Due to lack of sufficient documents and registers, assessment details could not be verified.
14. Regarding Library Cess, the auditor has reported that an amount of ₹1,900 Lakhs was collected during the year but not remitted to the Local Library Authority
15. In respect of Assigned Revenues, Rental Income, Fees and User Charges, it has been reported that supporting documents, records and cross-department communications were not submitted for audit and exempted or non-GST revenues were not reported in GST returns
16. Under Revenue Grants, Contributions and Subsidies, the auditor has stated that reimbursement of election expenditure was not claimed and grant receipts were not reconciled with bank receipts and books of accounts.
17. With regard to Income from Investments and Interest Earned, dividend income was accounted for but investment details were not available for audit. Interest earned on unspent Smart City Mission grants transferred to Government was wrongly classified under interest income instead of prior period expenses
18. In respect of Other Income, the auditor has reported that ₹23,05,71,601 was accounted as “Deposits Lapsed” without availability of communications or action-taken reports. Further, interest payable to Government of Tamil Nadu and Government of India was wrongly accounted under Other Income
19. Under Establishment Expenses, the auditor has stated that no provision was created for employee retirement benefits. Liabilities towards employee payables were not reflected in the books, although ₹6,39,56,181 was identified as payable towards retirement benefits, resulting in understatement of liabilities and expenditure
20. In respect of Administrative and Operation & Maintenance Expenses, it has been reported that the Corporation failed to deduct tax at source under Section 194Q on electricity bill payments
21. Under Interest and Finance Expenses, the auditor has reported that tax was not deducted under Section 194A on interest paid to TNUIFSL. ASLB-5 relating to borrowing costs was not followed and interest was not capitalised for qualifying assets, resulting in overstatement of expenses and understatement of assets

22. Under Prior Period Items, professional tax arrears amounting to ₹31,14,204 were adjusted as prior period income.
23. The auditor has further reported that several statutory and operational registers were not available for verification, including asset registers, land registers, road and building registers, vehicle registers, litigation registers, contractor and tender registers, OFC registers, library and hospital inventory registers, tools and plant registers and other related records
24. In respect of UTIS software, the auditor has reported deficiencies relating to inadequate user training, absence of system lock after year-end, inconsistent report generation, non-tallying of trial balance, alteration of opening balances and reliance on manual tallying
25. The auditor has reported that several annexures required for audit verification were not available, including fixed asset registers, grants utilisation registers, pending audit observation statements, advances and deposits details, bank reconciliation summaries, contingent liabilities, utilisation certificates and cess transfer details.

We have undertaken and are in the process of undertaking corrective steps, as required, to address the qualifications. The qualifications/observations shall not have a material impact on our Financial Statements and no further restatement of the financial statements is required.

There can be no assurance that our Auditors will not include any further observations in the audited financial statements for the financial year ended March 31, 2025 or will not include further similar comments in the audit reports to our audited financial statements in the future, or that such remarks, if included, will not affect our financial results in future financial years. Investors should consider the above observations while in evaluating our financial condition, results of operations and cash flows. Any such similar observations on our financial statements in the future may affect the trading price of the Bonds.

6. The financial statements for the Financial Year ended March 31, 2025 have not been audited by the Local Fund Audit Department.

As provided under Rule 241 of the Tamil Nadu Urban Local Bodies Rules, 2023, the accounts of the Corporation shall be audited by the Director of Local Fund Audit. The audit of the accounts of the Corporation for the Financial Year ended March 31, 2025 is being undertaken by the Local Fund Audit Department; however, the process may not be completed prior to the listing of these Bonds. Accordingly, the Issuer, in accordance with letter No. 36/MA.2/2025-1 dated January 23, 2025 from Municipal Administration and Water Supply Department, Government of Tamil Nadu has appointed the External Auditors to conduct consolidation of funds and the audit of the financial statements of the Corporation for the Financial Year ended March 31, 2025. The External Auditors have issued a qualified opinion pursuant to their Audit Report dated August 25, 2025, which has been uploaded on the website of the Issuer. The Director of the Local Fund Audit Department in their audit report for the financial year ended March 31, 2025 may include additional observations/qualifications which cannot be determined by the Corporation at the time of filing this Placement Memorandum. Any such observations on our financial statements may affect the trading price of the Bonds.

7. The Corporation has recorded a deficit of income over expenditure in the three preceding financial years.

The Corporation has in the past and may in the future experience a deficit of income over expenditure. The following table sets forth information relating to our income and expenditure for the indicated periods:

(Rs. in Crores)			
Particulars	FY 2025	FY 2024	FY 2023
Total Income	462.70	480.79	359.41
Total Expenditure	498.55	515.28	401.78
Gross surplus/ (deficit) of income over expenditure after prior period items	(35.85)	(34.48)	(42.36)
Less: Prior period items (Net)	(8.08)	0.84	0.32

Less: Transfer to Reserve	0.00	0.00	(45.24)
Net Surplus / (Deficit)	(43.93)	(33.64)	(87.29)
Add: Depreciation	79.43	102.34	93.95
Add: Transfer to reserve added back	0.00	0.00	45.24
Cash Surplus	35.50	68.70	51.90

There is no assurance that the Corporation will not record a deficit of income over expenditure in the succeeding financial years. Deficit of income over expenditure for extended periods, or significant deficit in the short term, could materially impact our ability to conduct our operations and implement our projects. As a result, the operations and financial condition may be adversely affected. Although the Corporation has recorded a deficit of income over expenditure in the past three financial years, the Issuer has generated cash surplus during such period as mentioned in the table above mainly due to non-cash items such as depreciation. In the event of any funding requirement for the Project, including due to delays in receipt of grants or cost overruns, the Issuer intends to utilise funds from government grants and internal accruals / reserves, in accordance with applicable laws and subject to necessary approvals, for the execution of the Project for which the proposed Issue is being made.

Further, the Issuer shall implement a Structured Payment Mechanism, as detailed on page no. 139 (Summary of Term Sheet) of the Placement Memorandum. This mechanism incorporates a clearly defined waterfall structure that ensures timely and prioritized payments of coupon and principal repayments.

8. Our existing financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our operations and reputation.

Our existing financing arrangements impose certain restrictions including to obtain prior consent from our lenders for creation of security interest over our assets and raising further indebtedness. For the purpose of the Issue, we have obtained the necessary consents from our existing lenders, as required under the relevant facility documentations for undertaking the Issue including consequent actions, such as creation of security for the Issue etc.

Further, any breach under our financing agreements even after taking reasonable efforts due to any unforeseen future circumstances that are outside our control, could result in acceleration of our loan repayments or trigger a cross-default under our other financing agreements. In some of our financing agreements, the lender may, at its discretion, terminate or cancel the facility with immediate effect if we default under any other material agreements with any other financing institution, adversely affecting our operations and financial condition. For further details, see Section titled “*Financial Information*” beginning on page no. 92 of this Placement Memorandum.

9. We are dependent on grants and support in the form of budgetary allocation from Central and State Government for Central and State Government projects. Failure to obtain grants or any reduction in funding in the form of grants or budgetary allocation from the government may adversely impact such projects.

The projects undertaken by the Issuer are very capital intensive and any reduction in budgetary allocation of capital, funding or non-receipt of grants by the GoI and/or GoT.N. may materially affect the Issuer’s performance and asset generation capacity. Since grants are one of the 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 our liquidity position. For details of grants received from the State Government please refer to Section-VI titled “*About the Issuer and Capital Structure of the Issuer*” on page no. 46 of this Placement Memorandum. Further, the growth plans of the Issuer are 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 and/or GoT.N. or if there is a downturn in the macroeconomic 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 and may also have an adverse impact on the Projects.

10. The Project for which funds are being raised have not been appraised by any bank or regulatory body or financial institution.

The Project for which funds are proposed to be financed through Bonds, and internal accruals of TCMC, including grants from GoT.N. and have not been appraised by any bank or regulatory body or financial institution. The Project have been approved by Council of the Issuer and the GoT.N. The cost of the Project is based on the details, estimates and assumptions given in Detailed Project Report received for the Project and the related Project Cost approved by the Bond Issue Committee and certified by the Project Consultant vide its certificate dated December 29, 2025. Our budgeted costs for the Project may be insufficient to meet our proposed capital expenditure requirements. Cost of the Project may vary during implementation. Although TCMC would endeavour to complete the Project on time and within the prescribed cost, a funding gap could develop due to cost overruns, which may pose a contingent budgetary risk for TCMC. Any incremental cost of the Project including related to cost overrun arising from delays in implementation shall be borne by Issuer through internal accruals including from grants from State Government.

The non-implementation of the Project as per the schedule of implementation will affect the Issuer's performance and asset generation capacity, receipt of grants from GoT.N. and thereby impacting the operations, cashflow and financial conditions of the Issuer. The schedule of implementation has been provided under Section VII titled "*Objects of the Issue*" on page no. 56 of this Placement Memorandum.

11. We may receive for incentive from Government of India, Ministry of Housing and Urban Affairs under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising funds from Bonds. We cannot assure that we will be able to successfully raise the Bonds and any failure to raise funds through issuance of Bonds in a timely manner may impact our ability to receive incentive from Ministry of Housing and Urban Affairs, Government of India.

The Corporation may receive incentive as per notification number D.O. No. K-14012/01/2022-AMRUT-IIB dated April 07, 2025 from Ministry of Housing and Urban Affairs Government of India under Atal Mission for Rejuvenation and Urban Transmission 2.0 ("AMRUT 2.0") for raising of funds through the proposed Bonds.

AMRUT 2.0 was launched with the objective of making cities 'Aatma Nirbhar' and water secure. Under the said notification for AMRUT 2.0, 15 ULBs will on first come and first served basis will be eligible for incentive of Rs. 13,00,00,000/- (Rupees Thirteen Crores) for every Rs. 100,00,00,000/- (Rupees One Hundred Crores) of bonds, subject to a maximum of Rs. 26,00,00,000 (Rupees Twenty Six Crores) per urban local body.

Further, the grant of incentive under AMRUT 2.0 is subject to the discretion of the Government of India and MoHUA, and the Issuer does not have any vested right to receive such incentive. Any failure to receive the incentive under AMRUT 2.0 will not affect the Issuer's obligation to service the Bonds but may have an impact on the Issuer's overall funding plan and financial flexibility.

12. The combined financial information of the Issuer for FY 2023 and FY 2024 are unaudited and are based on audited financial statements of the funds prepared in accordance with the Act.

As per the Section 63 of the Tamil Nadu Urban Local Bodies Act, 1998, the State Government appoints auditors for auditing the accounts of receipt and expenditure of the municipal fund. The municipal accounts consist of receipts and expenditure under the Water Supply & Underground Drainage Fund, Revenue and Capital Grant Fund & Elementary Education Fund and other fund established for the accounting of receipts and expenditure relating to any specific scheme or project. All the accounts of the municipality are audited by the Director of Local Fund Audit/ Local Fund Audit Department.

While the audit is conducted for books of accounts and financial statements of the funds, for the purpose of the Issue, the combined Financial Information (which consolidates the financial statements derived from audited financial statement of General Fund, Water Supply & Under Ground Drainage Fund & Elementary Education Fund) comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the year ended March 31, 2024 and March 31, 2023 has been prepared based on the audited financial statements of the Issuer and have been examined by M/s. Arun and Sujatha, Chartered Accountants (“**Independent Chartered Accountants to the Issue**”). Reliance on unaudited information should, accordingly, be limited.

Credit Risk

13. The credit ratings assigned to Bonds may be downgraded.

India Ratings and Research Private Limited has vide its letter dated December 16, 2025, assigned a rating of “Provisional IND AA/Stable” as revalidated vide rating letter dated January 20, 2026 and has issued a rating rationale dated December 16, 2025; CARE Ratings Limited has vide its letter dated January 23, 2026, assigned a rating of “Provisional CARE AA-/Stable” and has issued a rating rationale dated January 23, 2026.

Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed here, and other factors that may affect the value of the Bonds. However, if there is a deterioration in our financial performance or position, accumulation of debt or if there are any statutory or regulatory restrictions detrimentally affecting our ability to collect revenues or manage expenditures due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, our credit rating and credit rating assigned to the Bonds may be downgraded. Any downgrading in our credit rating or credit ratings of instruments will result in an enhanced risk to the Bondholders.

The ratings provided by the Rating Agencies may be suspended, withdrawn or revised at any time including without limitation on financial deterioration of the Issuer. Any revision or downgrading in the above credit ratings may lower the value of the Bonds and may also affect the Issuer’s ability to raise further debt. In such cases where the value of the Bonds decreases, potential investors may incur losses on sale of their investment in the secondary market.

Financial Risk including Liquidity Risk

14. The collections for the Tax Income (Tax Income means Property Tax, Water Charges and Vacant Site Tax (VST) Charges) of Issuer may vary in the future that may impact the financial condition of the Issuer.

The total collection of Tax Income (Tax Income means Property Tax, Water Charges and Vacant Site Tax (VST) Charges) has increased from Rs. 123.01 Crores in Financial Year 2022-23 to Rs. 130.57 Crores in the Financial Year 2023-2024 to Rs. 152.25 Crores in the Financial Year 2024-2025. Though the Tax Income have increased in the last three years, however, there can be no assurance that the Tax Income may not decrease in future which will have an impact on the financial condition of the Issuer.

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 Tax Collection” of Section-X titled “*Financial Information*” on page no. 92 of this Placement Memorandum.

15. Financial Risk

The Issuer's ability to pay Coupon accrued on the Bonds and/or the principal amounts 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. The Issuer shall create a structured payment mechanism through which the Tax Income shall be collected with minimum security cover of 1.2 (One point Two) times of the total amount borrowed along with the Coupon thereon and other costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof.

16. The Bonds are secured 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 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 Bonds and/or the principal amounts 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 our reputation and financial condition and our ability to pay interest accrued on the 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 gets collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing.

The Issuer's ability to timely pay interest accrued on the Bonds and/ or the principal amount outstanding from time to time in connection therewith would be subject to various factors, including inter-alia timely completion of the Project, on collecting the Tax Income 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 Bonds. Though Debenture Trustee on behalf of Debenture Holders shall have exclusive first ranking charge over the receivables of Tax Income, the Escrow Account and the account(s) where the Tax Income is collected and/ or pooled by the Issuer, however, in any unforeseen circumstances or reasons beyond the control of the Issuer, there can be no guarantee for timely collection of such receivables of Tax Income and consequently the realizable value of the Security may be lower than the outstanding principal and/ or interest accrued thereon and consequently, the potential investor may not be able to recover on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Bonds.

A minimum-security cover of 1.2 (one decimal two) times of the outstanding Secured Obligations will be maintained during the tenor of Debentures. In the event of any default, Debentures Trustee shall take all steps to ensure redemption of Debentures and enforcement of Security or any other legal recourse available to the Bond Holders in the courts and tribunal at Tiruchirappalli as per the terms of the Transaction Documents and in accordance with the Applicable Law.

To mitigate any potential risk of default, the Issuer shall implement the Structured Payment Mechanism (as set out on page 139 of the Summary of Term Sheet), supported by a Rs. 10.40 crore credit enhancement in the form of an interest-bearing term deposit to be created by the Project Sustainability Grant Fund (a Government of Tamil Nadu grant fund managed by TNUIFSL) under the World Bank assisted Tamil Nadu Climate Resilient Urban Development Program. Further, the Debenture Trustee (for and on behalf of the Bondholders) shall have a first and exclusive charge over such term deposit, which shall be created with the Trustee/Escrow Banker no later than one day prior to pay-in/allotment and maintained as cash collateral with lien marked in favour of the Debenture Trustee for the entire tenor. The Escrow Banker, on the Debenture Trustee's instructions, may drawdown the term deposit to meet coupon and/or principal obligations in case of insufficiency of funds in the designated accounts or upon a payment default/Event of Default, and any amount utilised shall be recouped by the Issuer within 90 days. However, given the nature of the Issuer and of the structure of the payment mechanism, in case of any default by the Issuer, the process to be followed for recovery of investor's monies might be time consuming.

Business Risk

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

The Issuer's operations are dependent on information technology. The Issuer has undertaken various reforms towards digitisation of payment of tax and other services. A 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 Issuer's activities, timely collection of taxes and the Issuer's financial condition.

The 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 the Issuer's business. The Issuer's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Issuer has engaged various private sectors entities for enabling the digitalization. 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 the Issuer's control, including a disruption of electrical or communications services. Further, 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 the Issuer's operations and future performance could be materially and adversely affected.

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

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

The Issuer enters 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 of the Issuer.

19. If we are unable to protect our trademarks, others may be able to use our trademarks and tradenames to compete more effectively. Also, we may breach third-party intellectual property rights.

Our logo  is not registered with the Trademarks Registry. We will not be able to avail legal protections under the trade mark or prevent unauthorised use of such trademarks by third parties. Our efforts to protect our intellectual property or proprietary information and the measures we take to identify potential infringement of our intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. Any such misappropriation or duplication of our name, registered/ official addresses, corporate logos or other intellectual property or proprietary information may disrupt our operations, distract management and employees, reduce revenues and increase expenses. In addition, we may also become subject to infringement claims. Even if claims against us are not meritorious, any legal, arbitral or administrative proceedings that we may be required to initiate or defend in this regard may be time-consuming, costly and harmful to our reputation, and there is no assurance that such proceedings will ultimately be determined in our 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 our brand in Indian markets.

Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition and results of operations.

We may be subject to claims by third-parties, both inside and outside India, if we breach their intellectual property rights by using slogans, 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. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third-parties.

Any legal proceedings that result in a finding that we 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) or our communication practices, public representations or official identify, any of

which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

20. 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 our 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. Recently, 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 consolidated and replace or subsume existing labour laws into a unified framework with the objective to simplify and modernize labour regulations. However, the rules under the abovementioned codes are yet to be notified by the Central Government and by the State Government.

The Issuer, from time to time, for certain activities, appoints independent contractors who in turn may engage on-site contract labour for performance of certain activities. The spread of the Covid-19 virus and the measures taken by the Government of India and Government of Tamil Nadu including lockdown and curfew have had a negative impact on the movement and activities of contract labour.

Such disruptions may negatively impact the activities of execution agencies, including civil contractors and other vendors engaged by the Issuer, and may result in delays in implementation of projects of the Issuer. Further, in certain circumstances, the Issuer may be held statutorily or contractually liable for payment of wages, compensation or damages arising from accidents or losses involving such contract labour, notwithstanding that such labour is not directly employed by the Issuer. Any such liability or disruption may adversely affect the Issuer's financial position and operations.

21. The Issuer has certain contingent liabilities, the materialisation of which may adversely affect the Issuer's financial condition.

The Issuer, in the ordinary course of its business, 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, individually or collectively, 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. As on the date of this Placement Memorandum, there are ongoing civil cases against the Issuer. The outcomes of these cases are remote and the financial implications are not ascertainable. In the event, any of these contingent liabilities materialise, the Issuer's financial condition may be adversely affected. For details of non-payment of statutory dues of the Issuer, please refer to paragraph A "*Contingent Liabilities of the Issuer*" of Section XI titled "*Legal and Other Information*" on page no. 110 of this Placement Memorandum.

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

We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees or third parties, which could harm our results of operations and financial position. We may do cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees or third parties. Our 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 our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

EXTERNAL RISK FACTORS

General Risk

- 23. 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.

- 24. Political Scenario prevailing in India might risk our business.**

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 Project and other projects undertaken by the Issuer.

- 25. Changes in Government Policies may affect the collection of revenue of the Issuer and may also affect the management of the expenditure.**

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

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

The Issuer is subject to changes in Indian laws, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the operations of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

- 27. Legality of purchase**

Potential investors of the Bonds will be responsible for the lawfulness of the acquisition of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it. The Issuer does not make any representation or warranty as to the eligibility of any investor to invest in the Bonds under applicable laws.

- 28. The secondary market for the Bonds may be less liquid.**

The Bonds may be less liquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Bonds, it is not likely to provide significant liquidity. Potential investors may have to hold the Bonds until redemption to realise any value.

Further, the market price of the 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) our 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. Potential investors may have to hold the Bond until redemption to realise any value.

29. Tax/Accounting considerations and Legal considerations.

Special tax/accounting considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.

Further, sale of Bonds by any Bonds Holder may give rise to tax liability. The returns received by the investors from Debentures issued by the Issuer in the form of interest and the gains on the sale/transfer of the Debentures may be subject to tax liabilities under the Income Tax Act, 1961. For details of possible tax benefits available to the Issuer and NCD Holders under the applicable laws in India, as discussed in Section-VIII titled “*Tax Benefits*” on page no. 63 of this Placement Memorandum.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or investments in the Bonds.

30. Accounting considerations.

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine the implications of this investment.

31. External factors like natural calamities, pandemics, protest, riots, terrorism etc. may affect our 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 we are scaling up our 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 TCMC due to additional cost burden for retrieving the city back to normalcy.

32. Decentralization with respect to Municipal Corporations

TCMC has legislative and administrative control over its operating revenues, expenditures and capital plans, as permitted under the relevant Act. Nevertheless, changes in State and Central Government revenue sources and regulatory frameworks could have an effect on the credit profile of TCMC (positive and negative), should those changes result in devolution of power, of revenues or of spending mandates.

Additionally, being a government organization, TCMC is subject to regulations by Indian governmental authorities. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect TCMC.

33. 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 Project 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 Project through other sources which may lead to a delay in the completion of the Project. 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 Project. Please refer to paragraph J (Capital structure relating to Project for which funds are proposed to be mobilised) of *Section-VI titled "About the Issuer and Capital Structure of the Issuer"* on page no. 46 of this Placement Memorandum.

Risk in relation to the Bonds

34. The Issuer shall do all necessary actions for listing of the bond in timely manner, however there is no assurance that the Bonds issued pursuant to this Issue will be listed on NSE in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the Bonds issued pursuant to the Issue will not be granted until after the 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 Bonds on NSE for reasons unforeseen. While the Issuer shall ensure compliance with the provisions related to the timelines for listing of securities as specified in Chapter VII of Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, however, if permission to deal in and if an official quotation of the Bonds is not granted by NSE, our Corporation will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Placement Memorandum.

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

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

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

36. There may be Nil or partial allotment to investors in case of oversubscription of the Issue.

In case the Issue is oversubscribed the allotments will be made to the applicants on yield-time priority/ pro-rata basis in line with the SEBI EBP Guidelines and the investors may not receive allotment to the full extent of their application size or any allotment at all. Accordingly, the investors may get partial allotment in case of oversubscription of the Issue, depending on their bids on the EBP Platform, in accordance with SEBI EBP Guidelines.

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

The Bonds are proposed to be listed on the SEBI EBP Guidelines. Subsequently, we will be required to comply with various applicable rules and regulations, including the SEBI circulars issued on continuous disclosures and compliances for our Bonds.

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

i) **Name of the Issuer:** Tiruchirappalli City Municipal Corporation

ii) **Head Office of the Issuer:**
Bharathidasan Salai, Cantonment,
Tiruchirappalli-620001, Tamil Nadu, India
Ph: 0431-2415393
Email id: trichymunibond@gmail.com
Website: www.trichycorporation.gov.in

iii) **Other Offices of the Issuer*:**

Zonal Offices

a. **ZONAL OFFICE 1**

14, Gandhi Road, Srirangam, Tiruchirappalli – 620 006

b. **ZONAL OFFICE 2**

Madurai Road, Corporation Lorry Shed Campus, Palakkarai, Tiruchirappalli – 620 008

c. **ZONAL OFFICE 3**

Jeganathapuram, Tanjore Road, Ariyamangalam, Tiruchirappalli – 620 010

d. **ZONAL OFFICE 4**

No.5, TVS Tollgate, Circuit House Road, Tiruchirappalli – 620 020

e. **ZONAL OFFICE 5**

No.10, Vayalur Road, Near Govt Hospital, Tiruchirappalli – 620 017

** Note: The addresses for the zonal offices of the Issuer have been certified by the Commissioner vide its letter dated November 20, 2025.*

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

Not applicable, as the Issuer is a Municipal Corporation.

C. Details of Mayor/Deputy Mayor

Sl. No.	Name	Designation	Date of Appointment
1.	Shri. M. Anbazhagan	Mayor	March 04, 2022
2.	Smt. Dhivya Govintharaj	Deputy Mayor	March 04, 2022

D. Details of Commissioner/Deputy Commissioners

Sl. No.	Designation	Name of the Officer	Date of Appointment for the Designation
1.	Commissioner	Shri Madhubalan Lingam, IAS	June 27, 2025
2.	Deputy Commissioner	Shri Balu K	August 8, 2024
3.	Deputy Commissioner	Shri Vinoth R	September 22, 2025

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

As per Section 36 of the TNULB Act, 1998 read with Chapter III Rule 108 of the TNULB Rules, 2023, the Issuer has a 6 (six) Standing Committees, the Members of which shall be elected by and from among the elected Councillors of the ward in the manner prescribed in the TNULB Rules, 2023.

The details of the Standing Committee as per aforesaid are given below:

Standing Committee

The Standing Committee comprises of members appointed with a minimum of six Councillors and with a maximum of fifteen Councillors. The term of the members of the Standing Committee is for 5 (five) from appointment provided that they hold the office until they cease to be the elected members of the council.

The members of the Committee appoint one of its members to be the Chairperson of the Committee. The quorum for any business to be transacted at any meeting of the Standing Committee is 1/3rd (one-third) of the total number of the members of the committee. The Standing Committee shall decide the matters by the majority of the members present and who have right to vote at the meeting and in case of equality of votes, the Chairperson of the committee or the presiding member may exercise a casting vote.

Presently the Issuer has following Standing Committees relating to Taxation / Finance /Accounts/ Audit/ Infrastructure:

- 1) Taxation and Finance Committee
- 2) Accounts Committee
- 3) Town Planning Committee

The present members of the above committees are as follows:

1) Taxation and Finance Committee:

Name and Designation	Date of Appointment/Resignation	Member of the Committee since (in case of resignation)	Remarks
Chairman			
T. Muthu Selvam	April 29, 2022	-	-
Members			
S. Kalaimani	April 29, 2022	-	-
Vijaya Jayaraj	April 29, 2022	-	-
C. Thangalakshmi	April 29, 2022	-	-
T. Shanmugapriya	April 29, 2022	-	-
K. Suresh Kumar	April 29, 2022	-	-
K. Rajasekar	April 29, 2022	-	-
B. Geetha	April 29, 2022	-	-
P. Jaffer Ali	April 29, 2022	-	-

2) Accounts Committee:

Name and Designation	Date of Appointment/Resignation	Member of the Committee since (in case of resignation)	Remarks
Chairman			
V. Leela	April 29, 2022	-	-

Name and Designation	Date of Appointment/Resignation	Member of the Committee since (in case of resignation)	Remarks
Members			
K. Lakshmi Devi	April 29, 2022	-	-
N. Pankajam Mathivanan	April 29, 2022	-	-
N. Prabhakaran	April 29, 2022	-	-
L.I.C. K.Sankar	April 29, 2022	-	-
P. Sopiya Vimalarani	April 29, 2022	-	-
G. Kathija	April 29, 2022	-	-
M. Tajudeen	April 29, 2022	-	-
L. Rex	April 29, 2022	-	-

3) Town Planning Committee:

Name and Designation	Date of Appointment/Resignation	Member of the Committee since (in case of resignation)	Remarks
Chairman			
E.M. Dharmaraj	April 29, 2022	-	-
Members			
K. Panner Selvan	April 29, 2022	-	-
H. Mumtaj Begam	April 29, 2022	-	-
S. Vijayalakshmi	April 29, 2022	-	-
Faise Ahamed	April 29, 2022	-	-
K. Karthikeyan	April 29, 2022	-	-
M. Sheetha Lakshmi	April 29, 2022	-	-
J. Kalaiselvi	April 29, 2022	-	-
K. Suba	April 29, 2022	-	-

Bond Issue Committee

The Issuer has formed the Bond Issue Committee vide Commissioner Letter dated November 20, 2025 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 Madhubalan Lingam Commissioner	November 20, 2025	-	-
Members			
Shri Sivapatham P The Executive Engineer (Planning) & City Engineer (Additional Charge)	November 20, 2025	-	-
Shri Kandasamy Shanmugam Balasubramanian The Executive Engineer	November 20, 2025	-	-
Smt. Meenakshi S The Accounts Officer and Assistant Commissioner (Accounts-Additional Incharge)	November 20, 2025	-	-

Name and Designation	Date of Appointment/Resignation	Member of the Committee since (in case of resignation)	Remarks
Shri. P. Sivasankar The Revenue Officer and Assistant Commissioner (Revenue-Additional Incharge)	November 20, 2025	-	-
Shri. Velan The Superintendent	November 20, 2025	-	-

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/ Official In-charge of dealing with Investor Grievances related to Municipal Bonds and also the Chief Accounts and Finance Officer or equivalent of the Issuer

Meenakshi S,
The Accounts Officer and Assistant Commissioner (Accounts-Additional Incharge)
Account Department,
Bharathidasan Road, Cantonment,
Tiruchirappalli-620001, Tamil Nadu, India
Ph. No.: 0431-2415393,
Email: trichymunibond@gmail.com
Mob. No.: +91-9791483029
Email (Investor Grievance): trichymunibond@gmail.com

The responsibility of Meenakshi S as Compliance Officer and in-charge of investor grievances shall be till she has her designation as The Accounts Officer and Assistant Commissioner (Accounts-Additional Incharge) in TCMC and in case of her transfer / retirement / recuse, TCMC shall immediately handover the responsibility of Compliance Officer to any other official of the same cadre holding her post.

H. Arranger

The Merchant Banker to the Issue is also the Arranger. The details are set out below:

TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED

1st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi,
Ahmedabad - 380015.

Tel: +91 79 66828064

Email: trichybonds@tipsons.com

Website: www.tipsons.com

Contact Person: Divyani Koshta

Investor Grievance E-mail: igr@tipsons.com

SEBI Registration No.: INM000011849

CIN: U74140GJ2010PTC062799

J. Debenture Trustee of the Issue

CATALYST TRUSTEESHIP LIMITED

GDA House, First Floor, Plot No. 85 S. No. 94 & 95,
Bhusari Colony (Right), Kothrud, Pune -411038, Maharashtra, India

Tel: 022 4922 0555

Fax No.: 022 4922 0505

Contact Person: Mr. Umesh Salvi, Managing Director
E-mail: ComplianceCLT-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com
Investor Grievance Email: grievance@ctltrustee.com
SEBI Registration No.: IND000000034
CIN: U74999PN1997PLC110262

K. Registrar to the Issue:

CAMEO CORPORATE SERVICES LIMITED

“Subramanian Building”, No.1, Club House Road,
Chennai 600002, Tamil Nadu, India

Tel: 044 4002 0700; 2846 0390

Email: ipo@cameoindia.com

Contact Person: Ms. K. Sreepriya, Executive Vice President & Company Secretary

Website: www.cameoindia.com

Investor Grievance Email: investor@cameoindia.com

SEBI Registration No.: INR000003753

CIN: U67120TN1998PLC041613

L. Credit Rating Agencies for the Issue:

INDIA RATINGS AND RESEARCH PRIVATE LIMITED

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex,
Bandra (E), Mumbai-400 051

Tel: 022-40001700

Fax: 022-40001701

Contact Person: Mr. Amal Raj Lipton

E-mail: infogrp@indiaratings.co.in

Website: www.indiaratings.co.in

SEBI Registration No.: IN/CRA/002/1999

CIN: U67100MH1995FTC140049

CARE RATINGS LIMITED

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),
Mumbai 400 022

Tel: 022-6754 3456

Fax: 022-6754 3457

Contact Person: Mr Thirunavukkarasu M

E-mail: Thirunavukkarasu.M@careedge.in

Website: www.careratings.com

SEBI Registration No.: IN/CRA/004/1999

CIN: L67190MH1993PLC071691

M. Auditor of the Issuer:

In accordance with Section 63 of the Tamil Nadu Urban Local Bodies Act, 1998, the State Government appoints auditors for auditing the accounts of receipt and expenditure of the municipal fund. Such auditors shall be deemed to be “public servants” as per the definition provided under Section 2(28) of Bhartiya Nyaya Sanhita, 2023. All the accounts of the Issuer have been audited by the Director of Local Fund Audit/ Local Audit Department.

Independent Chartered Accountants to the Issue:

Arun and Sujatha, Chartered Accountants

“Akshayam”, 4th Floor, Old No:4/1, New No:153-B, Sugavaneswara Street, Salem-636004

Tel: +91 9842712336

Contact Person: Mr. CA A V Arun, Partner

E-mail: asaudit2006@gmail.com

Firm Registration No.: 011415S
Membership Number: 214530

- 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.

Lead Manager	Not Applicable as the Issue is on a private placement basis.
Merchant Banker	TIPSONS CONSULTANCY SERVICES PRIVATE LIMITED 1 st Floor, Sheraton House, Opposite Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015. Tel: +91 79 66828064 Email: trichybonds@tipsons.com Website: www.tipsons.com Contact Person: Divyani Koshta Investor Grievance E-mail: igr@tipsons.com SEBI Registration No.: INM000011849 CIN: U74140GJ2010PTC062799
Registrar to the Issue	CAMEO CORPORATE SERVICES LIMITED “Subramanian Building”, No.1, Club House Road, Chennai 600002, Tamil Nadu, India Tel: 044 4002 0700; 2846 0390 Email: ipo@cameoindia.com Contact Person: Ms. K. Sreepriya, Executive Vice President & Company Secretary Compliance Officer: Mr. R. D. Ramasamy, Director E-mail: rdr@cameoindia.com Website: www.cameoindia.com Investor Grievance Email: investor@cameoindia.com SEBI Registration No.: INR000003753 CIN: U67120TN1998PLC041613
Banker to the Issue	HDFC Bank Limited FIG- OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042 Tel: 022-30752927 / 28 / 14 Email: siddharth.jadhav@hdfc.bank.in, eric.bacha@hdfc.bank.in, sachin.gawade@hdfc.bank.in Contact Person: Siddharth Jadhav/ Eric Bacha/ Sachin Gawade E-mail (Compliance Officer): sebicomplaints@hdfc.bank.in Website: www.hdfc.bank.in Investor Grievance Email: sebicomplaints@hdfc.bank.in SEBI Registration No.: INB100000063 CIN: L65920MH1994PLC080618
Escrow Bank	HDFC Bank Limited 5G, Lawson Road, Ground Floor, Bus Plaza, Cantonment, Trichy-620001, Tamil Nadu Tel: 9842499881 Email: Prakash.balasubramanian@hdfc.bank.in Contact Person: Prakash Balasubramanian Website: www.hdfc.bank.in CIN: L65920MH1994PLC080618
Brokers to the Issue	Not applicable as the Issue is on a private placement basis.
Syndicate Members	Not applicable as the Issue is on a private placement basis.

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.

Company Secretary to the Issuer	Not Applicable
Legal Advisor to the Issuer	 Zenith India Lawyers, D-49, Sushant Lok-III, Sector 57, Gurugram-122 003 Ph: +91 124 4240681 Facsimile: N/A E-mail: tccmunibonds@zilawyers.com Website: www.zilawyers.com
Underwriter to the Issuer	Not Applicable as the Issue is on a private placement basis.
Bankers to the Issuer*	Not Applicable

** As on December 31, 2025, the Issuer has outstanding loan from TUFIDCO and TUFISL. The details of the same are given in Section-X titled “Financial Information” on page no. 92.*

P. Debenture Trustee to the Issue

In accordance with the provisions of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, TCMC has appointed Catalyst Trusteeship Limited to act as Debenture Trustee (“**Debenture Trustee**”) for and on behalf of the holder(s) of the Bonds.

A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Debenture Trustee for the current issue of Bonds and in all communications sent pursuant to the Issue as **Annexure IV**.

TCMC hereby undertakes that the rights of the Bondholders will be protected as per the governing Act, agreement/deed executed/to be executed between TCMC 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 TCMC in relation to any rights or interests of the holder(s) of the Bonds; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI Municipal Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustee or TCMC for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Debenture Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds.

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

Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

Q. Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible. The Issuer endeavors to resolve the investor's grievance within 30 days of its receipt. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to trichymunibond@gmail.com. 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, interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer and Officer In-Charge of dealing with investor grievances in relation to the municipal bonds are given at point G of this Section-V titled "*General Information*" at page no. 41 in this Placement Memorandum. The Corporation is registered with the SCORES platform (SCORES ID: comt00677) of SEBI for the convenience of the investors for filing of any complaint.

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

A. About the Issuer

The Tiruchirappalli City Municipal Corporation is the chief municipal body of Tiruchirappalli City. Presently, Shri. M. Anbazhagan is the Mayor and Shri. Madhubalan Lingam, I.A.S., is the Commissioner of the Issuer.

Tiruchirappalli City Municipal Corporation is responsible for the civic infrastructure and administration of the City of Tiruchirappalli in the State of Tamil Nadu, India. The Corporation of the City has set the goal to utilise its potential for enhancing quality of life for the citizens by providing equal access to the best quality physical infrastructure and social infrastructure with focus on enhancing economy, protecting the ecology and preserving the identity and culture of the Tiruchirappalli City.

a. About Tiruchirappalli

Tiruchirappalli City is the fourth largest city in the State of Tamil Nadu and located on the banks of River Cauvery. The renowned Sri Ranganathaswamy Temple at Srirangam and Thayumana Swamigal Temple at Rock Fort are located in this City. The Issuer was constituted as a City Municipal Corporation in the year 1993 vide G.O.M.s. No. 260 dated November 22, 1993 (as confirmed vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 109 dated March 31, 1994). Tiruchirappalli City is an educational centre in the state of Tamil Nadu, and houses nationally recognised institutions such as National Institute of Technology (NIT), Indian Institute of Management (IIM) National Law Universities (NLU), and Indian Institute of Information Technology (IIIT) Srirangam.

b. Constitution of the Issuer

Tiruchirappalli City Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Tiruchirappalli City Municipal Corporation Act, 1994 (“TCMC Act”) as repealed by the Tamil Nadu Urban Local Bodies Act, 1998 (“TNULB Act”) read with Tamil Nadu Urban Local Bodies Rules, 2023 vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 260 dated November 22, 1993 (as confirmed vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 109 dated March 31, 1994)

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, 1961, which defines the term ‘public sector company’ under Section 2(36A) 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 36 of the TNULB Act, the municipal authorities charged with carrying out the provisions of the Act for each city are:

- a) a Council,
- b) a Chairperson,
- c) Standing Committee,
- d) Wards Committee, and
- e) a Commissioner

In accordance with the TNULB Act, the Corporation consists of Councillors chosen by direct election. The term of office of the councillors shall be five years on and from the date notified by the Tamil Nadu State Election Commission for assumption of such office as councillor. The term of the councillors shall be co-extensive with the duration of the Corporation. The corporation shall at its first meeting elect a Mayor and a Deputy Mayor from amongst the councillors. The term of both the Mayor and Deputy Mayor shall be of five years. The Corporation can appoint special committees out of its own body to carry out specific works assigned to it. Wards committees are formed by the State Government for municipalities having population of more

than 3 Lakhs contiguous wards with powers/functions as notified by the Council. The Commissioner is to be appointed by the State Government.

d. Elected representatives in TCMC

TCMC area for administrative purposes is divided into five zones (Zone I, Zone II, Zone III, Zone IV and Zone V). The political wing is an elected body of Councillors headed by a Mayor. TCMC has 65 election wards. Each election ward is represented by a Councillor. Thus, the total number of Municipal Councillors is 65. The general election is held once in five years and the Mayor's tenure is maximum of five years.

Under the TNULB Act, 1998, the powers are vested with the Council, which is supreme. The corporation has statutory and non-statutory functional committees for setting the obligatory and discretionary functions. The Standing Committee has 9 members and is headed by a Chairperson elected from amongst its Councillors. The Council under the TNULB Act 1998 also enjoys sanctioning powers.

e. Administrative Cadre in TCMC

The Administrative wing of TCMC works under the command of the Commissioner who heads a team of officials comprising of Deputy Commissioner/s, Assistant Commissioner/s and other officials like City Engineer, Executive Engineer, Accounts Officer and ward officers who administer their respective domains. Each administrative ward is headed by the Assistant Commissioner who is responsible for efficient and smooth functioning of revenue collection, sanitation and implementation of certain government schemes. The administrative wing is responsible general administration and supervision of all the development works in the city, maintenance of infrastructure, collection of taxes, preparation of development plans and budgets, etc.

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 the Tiruchirappalli city.

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

- (i) construction and maintenance of roads, culverts and drains which are under the municipality and those transferred by the Government to the municipality;
- (ii) execution and maintenance of water supply schemes required for domestic, industrial or commercial purposes, except in the municipality where there is a separate authority to which such functions are assigned;
- (iii) protection of water bodies vested with municipalities, public ponds and fountains;
- (iv) maintenance of sewerage and drainage schemes and septage management except in the municipality where there is a separate authority to which such functions are assigned;
- (v) control of stray dogs;
- (vi) control of vector including mosquito;
- (vii) regulation of sale of meat, fish and other perishable food items and sale of other consumer items;
- (viii) regulation of trades or trade practices;
- (ix) licensing of eating establishment;
- (x) disposal of unclaimed corpses or carcasses of animals;
- (xi) establishment of public comfort stations, latrine and bathing places;
- (xii) construction and maintenance of parks, gardens, play grounds, traffic islands in the urban areas;
- (xiii) opening and maintenance of public burial and burning grounds and crematoria;
- (xiv) registration of births and deaths;
- (xv) installation of street lights and their maintenance;
- (xvi) providing parking places for vehicles including taxis and autorickshaws;

- (xvii) public health matters including vaccination and inoculation;
- (xviii) maintenance of public markets, shops, shopping complexes, bus stands, bus shelters, rest houses, public toilets and community toilets;
- (xix) solid waste management, liquid waste and used water management;
- (xx) prevention or removal of obstructions and projections in or upon streets, bridges and other public places;
- (xxi) numbering and naming of streets;
- (xxii) regulation of hoardings, digital banners, placards and advertisements put up for public view on public or private land;
- (xxiii) civic reception to persons of distinction;
- (xxiv) organisation of fairs and exhibitions and regulation of private fairs and exhibitions.
- (xxv) selection and approval of works under municipal fund and allocation of contribution from municipal fund to specified schemes; and
- (xxvi) any other duty or function assigned to the municipalities by the Government.

f. Achievements

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

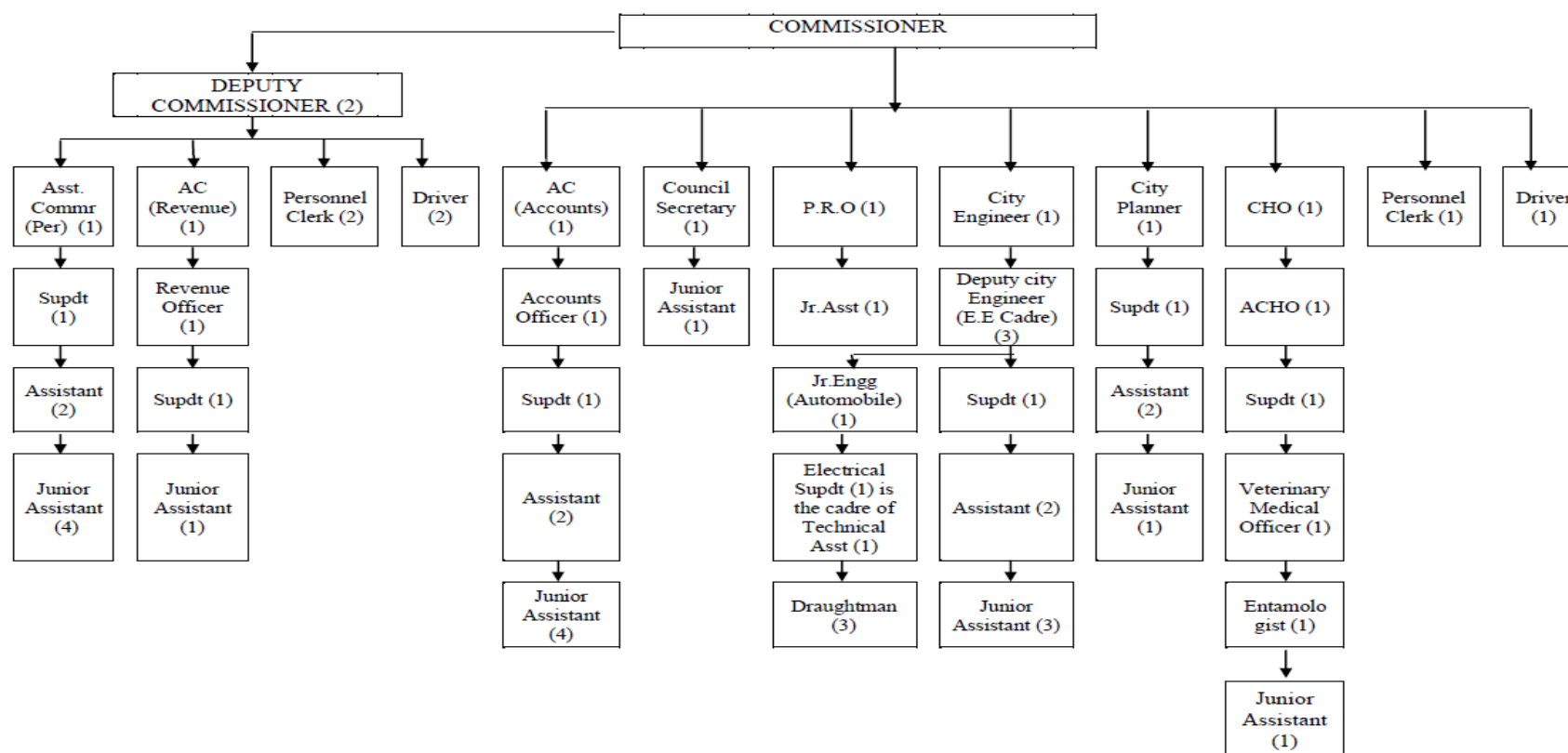
Sr. No.	Name of Award / Appreciation	Purpose Achievement	Year	Name of Ministry /Institution/Organization
1.	Swachh City Award	Clean City within Tamil Nadu (Population> 1,00,000) All India Rank 491	2023	Swachh Survekshan 2023
2.	Clean City Award	Best Performance Award (Intercity Competition on over all Cleanliness)	2022	Municipal Administration & Water Supply Department
3.	Hon'ble Chief Minister's Award	Best Corporation	2023	Government of Tamil Nadu

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

The Issuer is a Municipal Corporation and as per TNULB 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 as set out below:



D. Shareholding pattern of the issuer along with top 10 shareholders of the issuer, 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.

Approval for the Issue	
1.	Municipal Administration and Water Supply (MC.5) Department, Government of Tamil Nadu vide its G.O. (D) No. 267 dated May 06, 2025, had approved the bond issuance by Issuer for issuing Taxable Bonds in form of Debentures up to Rs. 100 crores (Rupees One Hundred Crores Only).
2.	Council Resolution No. 488 dated July 24, 2024 in relation to issue of bonds and authorizing Commissioner to execute all activities required for this Issue.
3.	Council Resolution No. 11 dated February 26, 2025 in relation to issue of bonds and authorizing Commissioner to execute all activities required for this Issue.
4.	Commissioner Letter dated November 20, 2025 constituting the Bond Issue Committee and certifying the list of members of the Bond Issue Committee.
5.	Resolution of the Bond Issue Committee dated December 29, 2025 approving the Project.
6.	Resolution of the Bond Issue Committee dated December 29, 2025 approving the Preliminary Placement Memorandum.
7.	Resolution of the Bond Issue Committee dated January 23, 2026 approving the updated Preliminary Placement Memorandum.
8.	Resolution of the Bond Issue Committee dated February 02, 2026 approving the Placement Memorandum.

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

The resolution for allotment of Bonds shall be passed after the bidding on EBP Platform of NSE.

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 TNULB Act, 1998 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.

The Issuer has not undergone any reorganization or reconstruction in the last 1 (one) year. Save and except 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 the following projects:

1. Underground Sewerage Scheme to added areas of Tiruchirappalli Corporation under Amrut 2.0 – Phase – III

TCMC is undertaking an assessment of demand and gaps in the existing sewerage system and proposing techno-economically viable solutions for its comprehensive improvement, including development of an effective operation and maintenance (O&M) framework, preparation of preliminary cost estimates, and formulation of an implementation strategy. The project covers supplying, laying, testing, and commissioning of sewer networks in omitted, extended, and left-out areas across Srirangam Zone and Tiruchirappalli City (Zones 5 to 14), along with associated lifting stations, pumping stations, pumping mains, and sewage treatment plants at Kelakalkandarkottai and

Panjapur. The scope includes a complete sewerage system comprising collection networks, trunk mains, house sewer connections, manholes, sewage treatment works, pump houses, and related equipment such as sewer cleaning machinery, pumps, and motors.

2. Construction of Sewage Treatment Plant of 100 MLD capacity under AMRUT 2.0 Tranche

TCMC is in the process of construction (designing, engineering, building, commissioning, operating, and maintaining) a wastewater treatment plant with a capacity of 100 MLD at Panjappur under the scheme of AMRUT 2.0. The plant will treat raw sewage water using Sequential Batch Reactor (SBR) technology and will include a tertiary ultra-filtration facility to recycle 10 MLD of treated effluent. The recycled water will be utilized for the Integrated Bus Terminal at Panjappur.

3. Providing Underground Sewerage Scheme to Phase-IV In Tiruchirappalli City Corporation under AMRUT 2.0 Scheme

The Corporation proposes to implement the Underground Sewerage System project under Phase IV to achieve prescribed Urban Sanitation Service Benchmarks and expand consumer coverage at improved service levels. The scope of this phase includes construction of 143.648 km of sewer collection pipelines using DWC/HDPE pipes with 5,872 manholes, provision of 16,500 house service connections (14,850 domestic and 1,650 non-domestic), and development of sewage pumping infrastructure comprising 9 sewage pumping stations and 14 lift stations. The project also includes laying of 35.61 km of CI pumping mains for conveying sewage from the proposed pumping and lift stations to the MPS and STP, execution of highway, NH/SH, and other crossing works, and comprehensive road restoration.

4. Providing 24x7 water supply to the pilot water zones including operation and Maintenance for 5 Years under AMRUT 2.0

The Corporation proposes to upgrade the citywide water distribution network by remodelling it into a 24x7 supply system with District Metered Area (DMA) arrangements to enable effective monitoring and reduction of water losses. The project area, adjoining the Smart City ABD area, covers Wards 51 to 57, comprising 7 wards and 11 distribution zones. The scope includes development of a Hydraulic Network Model (HNM) incorporating all pipelines of 100 mm diameter and above, based on available data and supplemented by necessary site investigations. The HNM will be developed using a Digital Elevation Model (DEM) of the city with 5 m contour intervals provided by the Corporation, with AutoCAD or equivalent software for drawings and WaterGEMS or equivalent software for hydraulic modelling.

5. Construction of Srirangam Bus stand at Tiruchirappalli

TCMC is undertaking initiatives to decongest bus stops and streets near the temple entrance in Srirangam to benefit local residents as well as the large floating population of pilgrims and tourists, while easing traffic movement, improving travel convenience for all users, and supporting local commercial activities. The project includes the development of high-quality waiting areas, modern toilet facilities, and integrated hospital services, along with the design of dedicated spaces to ensure seamless transportation and improved urban mobility in the central city. Its scope covers planning and implementation of public toilets, water supply with storage and distribution systems, wastewater collection and conveyance, stormwater drainage and rainwater harvesting, pumping systems and accessories, and solid waste management infrastructure.

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

S. No.	Project Name	Project Cost (Rs. In Cr)		Project Cost share (Rs. in Crores)						Grants Received (Rs. in Crores)	
		Approved	Awarded	G.O.I	G.O. T.N.	Aided (KFW/World Bank/TUFIDCO /TNUIFSL)		ULB (TCM C)	Total	G.O.I	G.O.T.N.
						Loans	Grant				
1	Underground Sewerage System to the added areas of Tiruchirappalli Corporation under Amrut 2.0 – Phase – III*	425.72	425.72	132.06	52.82	119.96	54.69	66.19	425.72	132.06	52.82
2	Construction of Sewage Treatment Plant of 100 MLD capacity under AMRUT 2.0 Tranche II **	233.87	283.89	71.35	64.86	48.83* *	48.83* *	50.02	283.89	53.91	26.95
3	Providing Underground Sewerage Scheme to Phase-IV In Tiruchirappalli City Corporation under AMRUT 2.0 Scheme***	230.61	297.47	73.06	66.42	45.57	45.56	66.86	297.47	8.82	8.15
4	Providing 24x7 water supply to the pilot water zones including operation and Maintenance for 5 Years under AMRUT 2.0****	38.49	38.49	11.54	10.39	16.56	-	-	38.49	6.13	6.95
5	Construction of Srirangan Bus stand at Tiruchirappalli*****	11.10	11.10	-	7.77	-	-	3.33	11.10	-	6.99

Notes:

* Details given as per Administration Sanction vide Government Order No. (D) 43, dated 26th March 2020 of Municipal Administration & Water Supply (MA.2) Department, & Revised cost approved by the Government Order No. G.O (Ms) No.195 dated 20th December 2024 of Municipal Administration & Water Supply (MA.2) Department.

- ** Details given as per Administration Sanction vide the Government Order No.G.O.(Ms) No.54 dated 02nd May 2023 of Municipal Administration & Water Supply (MA.2) Department, & The Government Order No. G.O.(Ms.) No.36 dated 06th March 2024 of Municipal Administration & Water Supply (MA.2). As per the Work order RoC No.:9025/2023/E7(main) dt.25.06.2024 the work has been awarded for Rs.283.89 Crore which included the O&M cost of Rs.57.54 crore.*
- *** Details given as per Administration Sanction vide the Government Order No.G.O.(Ms) No.125 dated 02nd September 2023 of Municipal Administration & Water Supply (MA.2) Department, & The Government Order No.G.O.(Ms.) No.36 dated 06th March 2024 of Municipal Administration & Water Supply (MA.2). Work allotted for Rs.235.06cr as per the Work order No.RoC No.8543/2024/E7(Main) dated 21.10.2024 which is included O&M and EHS amounts.*
- **** Details given as per Administration Sanction vide the Government Order No.G.O.(Ms) No.148 dated 22nd November 2023 of Municipal Administration & Water Supply (MA.2) Department, & The Government Order No.G.O.(Ms.) No.71 dated 20th May 2024 of Municipal Administration & Water Supply (MA.2). Work allotted for Rs.38.49cr as per the Work order No. RoC No. E4/8662/2024/(Main) dated 15th October, 2024.*
- ***** Details given as per Administration Sanction vide the Government Order No.G.O.(D) No.562 dated 26th September 2023 of Municipal Administration & Water Supply (MC.5) Department. The work has been awarded for Rs.10.55 Crore (Rs. 8.90 Crore plus GST 1.60 Crore) as per the Work Order RoC No.10198/2023/E8(Main) dated 30.01.2024 but as per Agreement value noted as Rs.11.10 Crore which is included the MWF – 1% + EB Caution deposits + Land scaping works + PMC& Design -1%+ Contingencies.*

J. CAPITAL STRUCTURE RELATING TO PROJECT WHICH FUNDS ARE PROPOSED TO BE MOBILIZED:

The funds to be raised for the Project for Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur from the following sources:

S. No.	Description	Total Amount (Rs. in Crores)
1.	TCMC Contribution (including GoI/GoT.N. grants and internal accruals)	136.00
2.	External Borrowing (Bonds)	100.00
	Total Outflow	236.00

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

(Rs. in Crores)

Notification/Circular Details	Funding Pattern*			
	Infrastructure and Amenities Fund	Grant of funding from GoT.N. (Capital Grant Fund 2025-26)	ULB (TCMC)	Funds from Municipal Bonds
G.O. (D) No. 267 from Municipal Administration and Water Supply (MC. 5) Department	120.00	8.00	8.00	100.00

*The cost for Project is as approved by the resolution of the Council dated February 26, 2025 and the resolution of Bond Issue Committee dated December 29, 2025. The Project Cost (inclusive of GST) is as per DPR issued by the Project Consultant and as certified by its certificate dated December 29, 2025 and which may vary during implementation. Any incremental cost due to delays or any reason shall be borne by TCMC.

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

Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur:

(Rs. in Crores)

Particulars	Infrastructure and Amenities Fund	Grant of funding from GoT.N. (Capital Grant Fund 2025-26)
Capital Grant Proposed for the Project	120.00	8.00
Capital Grant Received for the Project*	0.00	0.00

*There are no grants received till date for the Project.

L. DETAILS OF STATE FINANCE COMMISSION GRANT RECEIVED ON ANNUAL BASIS:

Particulars	Gross Amount Received (Rs. in Crores)
Financial Year 2024-25	137.56
Financial Year 2023-24	131.41
Financial Year 2022-23	93.08

In addition to State Finance Commission Grants received by the Issuer, as mentioned for the last three years in table above, the revenue grants received and spent during the last three years by the Issuer is set out below:

Particulars	Financial Year (Rs. in Crores)		
	2022-2023	2023-2024	2024-2025
Revenue Grants Received*	14.12	20.82	15.88
Revenue Grants Spent**	14.12	20.82	15.88

Note: The Issuer has not received any refundable grants.

** Revenue Grants received include duties on transfer of properties received from Government of Tamil Nadu.*

*** Grant-wise earmarking or utilisation tracking is not followed by the Issuer*

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SECTION-VII: OBJECTS OF THE ISSUE

- 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.:**

The proceeds of the Issue are being earmarked for the following project:

“Construction of Wholesale and Retail Market at Old Madurai Road, Panjappur”.

The Corporation has proposed to construct an integrated transport hub at Panjapur having a new Bus Terminus, MUFC, Truck Terminal, Roads and other infrastructure and market complex. One of the components of the integrated transport hub is the market complex.

The proposed area spanning 22 acres will facilitate the farmers to market their produce. With its regional connectivity well established by road connectivity to Madurai, Dindigul, Pudukottai, Thanjavur, Karur and Chennai districts via the upcoming semi-ring roads, it is expected to turn into a hub for wholesale/retail vegetable and fruit sales market.

The proposed Project consists of wholesale/retail building (2 nos) built up area of 27,343.10 sq.m of 840 shops with office space. The other building blocks consists of 7 nos Grain shops built up area of 5723.20 sq.m of 149 shops, 1 No mandi (1345 sq.m), 1 No restaurant (693sq.m), 4 external toilet blocks (848sq.m), vending space (850 nos) along with landscaping, external development and street lighting. The total cost of the Project is estimated to be 236.00 Crores.

Need for the Project

1. The two existing vegetable markets in and around Tiruchirappalli City are inadequate to handle its wholesale and export needs. The old Gandhi Market serves as a hub of vegetable and fruit vendors in the central districts of Tiruchirappalli. Over the years, as the three-acre market became inadequate to handle the crowd and started affecting public mobility on Thanjavur Main Road, East Boulevard Road and Sub Jail Road.
2. Since there is road connectivity to Madurai, Dindigul, Pudukottai, Thanjavur, Karur and Chennai districts via the upcoming semi-ring roads, it would be easy for the farmers as well as the vendors to reach the proposed market which would certainly turn as a hub for wholesale vegetable and fruit sales.
3. As the new bus stand and truck terminal would be very close to the proposed market, traders from other districts will also be interested.

- B. Details of location, plant and machinery, technology, process etc. for Project as stated below:**

Location	The Project site location is in the south western part of the Trichy near to the National Highway-38 (Trichy - Chennai highway) on one side and Korai River on the other side of Panjappur village.
Plant & Machinery/ Components	Construction of Wholesale and Retail Market at Old Madurai Road Panjappur involve the utilization of a diverse range of plants and machinery to ensure efficient and precise execution. Below is a list of machinery to be used in relation to the construction of wholesale and retail market: • Excavator (Heavy type): These machines are essential for digging and excavating the foundation and trenches required for the building. • Hydraulic piling rig: These piling rigs is essential for drilling the earth for pile foundation. • Concrete Batching Plants: The Batching plants are used to produce large quantities of concrete with specified mix designs, ensuring the structural integrity of the buildings. • Concrete Pump Trucks: Used to pump and place concrete in hard-to-reach areas, ensuring proper filling and consolidation.

	• Formwork Systems: To mould and shape the concrete during construction, formwork systems are employed for creating walls, slabs, and other structural elements. • Rebar Cutters and Benders: Essential for cutting and bending reinforcing steel bars to the required specifications for structural reinforcement. • Vibratory Roller: Vibratory compactors help in achieving proper compaction of soil and backfill materials around the foundation of the building and road work. • Ajax Self loaders: Used to mix concrete batches on-site, ensuring a consistent and quality mix for construction. • Crane: Mobile and crawler cranes are employed for lifting and placing heavy components during various stages of construction. • Earthmoving Equipment (Bulldozers, Loaders): Used for moving and levelling earth during site preparation and construction. • Surveying Instruments: Precision instruments such as total stations and GPS systems are used for accurate layout and alignment of the building structures. • Concrete Vibrators: Ensure proper consolidation of concrete to eliminate air voids and enhance structural strength. The coordinated deployment of the aforementioned plant and machinery is essential for the efficient and timely execution of the construction works. In addition to the equipment listed above, other plant and machinery may also be required depending on site conditions, construction methodology, and project requirements.
Process and Technology	1. Site Selection and Surveying: • Process: Initial site selection involves evaluating factors such as easy transport, adequate area for market building and traffic less movement. • Technology: Surveying instruments such as total stations and GPS are used for accurate site measurements and data collection. 2. Design and Planning: • Process: Engineers develop detailed structural and architectural plans considering commercial demand, design calculations, and safety standards. • Technology: Computer-Aided Design (CAD) software is commonly used for creating detailed blueprints, and ETABS software aids in designing the structure. 3. Excavation and Foundation Construction: • Process: Site preparation involves excavation for regular foundation and pile rig drilling for pile foundation. • Technology: Earthmoving equipment, including excavators and bulldozers, is utilized for efficient excavation. Hydraulic pile rig machine used for drilling earth. 4. Reinforcement and Formwork: • Process: Reinforcement bars are cut and bent according to design specifications. Formwork is erected to mould and shape the concrete. • Technology: Rebar cutters and benders, along with advanced formwork systems, enhance precision and efficiency. 5. Concrete Placement: • Process: High-quality concrete is mixed and poured into the formwork to create the structural components. • Technology: Concrete batching plants and transit mixers ensure consistent and quality concrete mixes, while concrete pumps facilitate precise placement. 6. Curing and Quality Control: • Process: Proper curing methods are employed to enhance concrete strength. Quality control measures are implemented throughout the construction process. • Technology: Temperature and moisture sensors, along with non-destructive testing methods, contribute to quality assurance.

	7. Finishing work:
	• Process: The process of finishing consists of plastering and painting the masonry wall, flooring the surface with different stone and tiles, and fixing doors and windows to achieve high-quality finishing and easy maintenance. • Technology: Construction accuracy and efficiency are enhanced by the use of levelling machines and stone cutting machines.
	8. Plumbing and Fire safety work:
	• Process: Supplying and delivering all the necessary pipes and materials for connecting building to the water system, making sure everything is provided for an effective and smooth water distribution setup in market and toilet buildings as well as the necessary pipes, sprinklers and hydrant systems used to ensure fire safety.
	9. Hydro Testing: Conducting hydrostatic testing on pipes to assess their structural integrity, durability, and leak resistance, a meticulous process involving pressurizing the pipes with water to verify their performance under various conditions.
	10. Electrical work:
	• Process: Supplying and installing top-quality wires and fixtures, as well as connecting them to the power supply system • Technology: Electrical safety technologies include devices like circuit breakers, surge protectors, and ground fault circuit interrupters (GFCIs). These devices help protect against electrical shock, fires, and other hazards.
	11. Landscaping and Surrounding Infrastructure:
	• Process: Landscaping is performed around the parking, and surrounding infrastructure is developed. • Technology: Advanced landscaping techniques and civil engineering technologies contribute to the aesthetic and functional aspects of the project.
The successful construction of Wholesale and Retail market involves the integration of these processes and technologies to ensure seamless functioning.	

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

The activity-wise project cost for the Project is given below:

Sr. No.	Particulars	Amount (In Crores)*
1. Civil work		
A	Primary Market & Grain shops	142.74
B	Toilet block 4 nos.	2.67
C	Restaurant Building	1.48
D	Mandi Block	2.51
E	External Development (road, parking, drain, sump & compound wall)	23.44
2. Service work (Public Health Engineering, Fire, Electrical & Security system)		18.09
Sub Total		190.93
Addition for GST at 18%		34.37
Provision of Labor Welfare Fund @ 1%		1.91
Centage Charge @ 2.5%		4.77

Provision for EB Caution Deposit and Transformer	0.05
Contingencies and Petty Supervision Charges < 2.5%	3.97
TOTAL COST	236.00

**The cost of the Project has been approved by the resolution of the Council dated February 26, 2025 and the resolution of the Bond Issue Committee dated December 29, 2025. The Project Cost (inclusive of GST) is as per the Detailed Project Report (DPR) issued by the Project Consultant and certified vide its certificate dated December 29, 2025. The work on the Project is currently under progress, as certified by the Project Consultant vide its certificates dated December 29, 2025 and January 21, 2026 and the same may vary during the course of implementation. In the event the Project is expected to be delayed, any incremental cost arising due to delays or for any other reason shall be borne by TCMC.*

D. Issuer is implementing the project in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented, shall be separately given.

Not Applicable, as the Project is being executed in single phase only.

E. 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 are presented in the table below:

Funding Pattern (Rs. in Crore)*				Total
Infrastructure and Amenities Fund	Fund from Municipal Corporation (Bonds)**	Urban Local Body Share	Capital Grant Fund (2025-26)	
120.00	100.00	8.00	8.00	236.00

** The Funding Pattern for the Project has been approved by the Government of Tamil Nadu as per Administrative Sanction vide G.O. No. 267 from Municipal Administration & Water Supply (MC.5) Department dated May 06, 2025.*

*** The Council of the Corporation vide resolution no.488 dated July 24, 2024 and resolution no. 11 dated February 26, 2025 has approved to raise funds through Issuance of Municipal Bonds.*

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

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F. Schedule of implementation of the Project:

Activity	Estimated Date of Completion*	Physical Target (%)*	Financial Target (%)*
Project Construction			
Civil Work			
Site Clearance and Gravel filling	Completed		
Structural Foundation (Upto plinth level)	March 25, 2026	20.96%	20.96%
Structural Framing	June 18, 2026	59.48%	59.48%
Finishing and Miscellaneous work	September 16, 2026	82.59%	82.59%
Road work			
Laying subgrade	November 15, 2026	85.87%	85.87%
White toping and signage fixing	January 09, 2027	89.81%	89.81%
PHE & Fire safety work			
Pipe installation & fixture fitting	February 23, 2027	92.69%	92.69%
Testing and commissioning	March 15, 2027	93.20%	93.20%
Electrical work			
Wiring and Installation	April 29, 2027	98.38%	98.38%
Testing and commissioning	May 24, 2027	99.29%	99.29%
Construction of Compound wall			
Foundation and wall construction	July 03, 2027	99.82%	99.82%
Finishing	July 27, 2027	100%	100%

**The above estimated date of completion, as well as the physical and financial targets, are indicative in nature and may vary based on the actual progress and completion of the work.*

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

Activity	Duration (in Days)	Estimated Date of Start*	Estimated Date of Completion*
Civil work			
Site Clearance and Gravel filling	-	Completed	
Structural Foundation (Up to plinth level)	196	September 11, 2025	March 25, 2026
Structural Framing	160	January 09, 2026	June 18, 2026
Finishing and Miscellaneous work	90	June 18, 2026	September 16, 2026
Road work			
Laying subgrade	60	September 16, 2026	November 15, 2026
White toping and signage fixing	55	November 15, 2026	January 09, 2027
Public Health Engineering & Fire safety work			
Pipe installation & fixture fitting	45	January 09, 2027	February 23, 2027
Testing and commissioning	20	February 23, 2027	March 15, 2027
Electrical work			
Wiring and Installation	45	March 15, 2027	April 29, 2027
Testing and commissioning	25	April 29, 2027	May 24, 2027
Construction of Compound wall			
Foundation and wall construction	40	May 24, 2027	July 03, 2027
Finishing	25	July 03, 2027	July 27, 2027

**The above estimated date of start and completion, are indicative in nature and may vary based on the actual progress and completion of the work.*

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

The Project has been approved technically by the competent authority office of Directorate of Municipal Administration (DMA) in Chennai vide No.18484/2023/D01 dated March 21, 2023 and approved by the Government of Tamil Nadu through Administrative Sanction from Municipal Administration and Water Supply (MC.5) Department vide its G.O. (D) No. 267 dated May 06, 2025.

Details and status of regulatory approvals/NOCs/permits/ /consents required to be obtained by the Issuer for implementation of the Project are as below:

S. No	Description of Approval/ Arrangement and Name of the Authority / Agency	Status of Approval
1.	Environmental Clearance for Whole Sale and Retail Market from State Environment Impact Assessment Authority (SEIAA), Ministry of Environment, Forest and Climate Change	Received on August 22, 2025
2.	Fire License for Whole Sale and Retail Market from Fire and Rescue Services Department	December 27, 2025*
3.	Approval for Building Plan –Technical Concurrence for Public Building (“Whole Sale and Retail Market”) by Joint Director, District Town & Country Planning Office, Trichy	The Issuer is in process of applying for approval of Building Plan

*Fire NOC is downloaded by the Issuer from Tamil Nadu Single Window Portal on January 02, 2026.

Other than the approvals mentioned above, there are no other regulatory approvals required to be obtained by the Corporation for implementation of the Project.

I. The current completion status of the Project is as follows:

The tendering process of the in relation to the project of “Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur” (“Project”) has completed and the Project has been awarded to M/s RR Thulasi Builders India Pvt. Ltd., Erode (JV) M/s. SR United Infra Developers, vide order no. E1/3242/2024 (Main) dated July 28, 2025 (“Work Order”). As per the Agreement executed by the Issuer with the contractor the Project is scheduled to be completed within 24 months from the date of the issue of notice to proceed for work (Work Order). The work on the Project is currently underway.

The current completion status of the Project is as follows:

Project Construction	Physical target (%)	Financial target (%)
	9.57	10.59

J. Expenses of the Issue

Expenses of the issue along with a break-up for each item of expense, including details of the fees payable to/for separately as under (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size):

Expenses Head	Amount (in Rs.) (Excluding Taxes)*	Percentage of total issue expenses	Percentage of total issue size
Fees to Merchant Banker(s) (including commissions, if any)	1,00,000.00	2.47%	0.01%
Brokerage, selling commission and upload fees	0.00	0.00%	0.00%
Fees to the Registrar to the Issue	12,500.00	0.31%	0.00%
Fees to the Legal Advisor to the Issue	4,95,000.00	12.23%	0.05%
Advertising and marketing expenses (including road shows and investors meet)	0.00	0.00%	0.00%
Regulators including stock exchange	1,05,000.00	2.59%	0.01%
Printing and distribution of issue stationery	0.00	0.00%	0.00%
Others, if any (fees of Rating Agencies, Debenture Trustee, Depositories, SEBI filing fees, REF deposit etc.)	33,35,551.00	82.40%	0.33%
Total (exclusive of taxes)	40,48,051.00	100.00%	0.40%

**Indicative amounts.*

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 through the internal accruals of the Issuer.

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SECTION-VIII: TAX BENEFITS

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

To,

Tiruchirappalli City Municipal Corporation,
Bharathidasan Road, Cantonment,
Tiruchirappalli-620001, Tamil Nadu, India

Dear Sir/Madam,

Sub: STATEMENT OF SPECIAL TAX BENEFITS (UNDER DIRECT AND INDIRECT TAX LAWS) AVAILABLE TO TIRUCHIRAPALLI CITY MUNICIPAL CORPORATION (THE “CORPORATION”/ “ISSUER”/ “TCMC”) AND ITS INVESTORS 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 (SEBI ILMDS REGULATIONS) FOR THE PROPOSED ISSUE BY TIRUCHIRAPALLI CITY MUNICIPAL CORPORATION OF UP TO 10,000 (TEN THOUSAND) SECURED, NON-CONVERTIBLE, NON-CUMULATIVE, LISTED, RATED, REDEEMABLE, TAXABLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES (“MUNICIPAL BONDS” / “BONDS”/ “DEBENTURES”) OF FACE VALUE OF RS. 1 LAKH (RUPEES ONE LAKH ONLY) EACH AT PAR AMOUNTING UP TO RS. 100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ON A PRIVATE PLACEMENT BASIS (“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, M/s. Arun and Sujatha, Chartered Accountants, refer to the proposed Issue by Tiruchirappalli City Municipal Corporation (the “**Issuer**”) and enclose the statement of special tax benefits available to the Issuer and Investors under the Income Tax Act, 1961 (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, 1961 (the “**Act**”) and Income Tax Rules, 1962 including amended up to Finance Act, 2024 and other amendments applicable as on the date of this Statement as applicable for the financial year 2025-2026, for inclusion in the Preliminary Placement Memorandum and Placement Memorandum which are proposed to be filed by the Issuer with the Stock Exchanges, 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 Preliminary Placement Memorandum and Placement Memorandum 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 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 of the Issuer 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 **Tipsons Consultancy Services Private Limited** (the “**Permitted Recipients**”). We further consent to the above details being included for the records to be maintained by the Merchant Bankers in connection with the Issue and in accordance with the provisions of the applicable laws.

For M/s. Arun and Sujatha, Chartered Accountants

Name: CA A V Arun
Designation: Partners
Membership No.: 214530
Firm's Registration No.: 011415S
UDIN: 25214530MAYUC4385
Place: Salem
Date: 29-12-2025

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, 1961, 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, 1961 ("IT Act")

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

In accordance with the provisions of the Income-tax Act, 1961, surcharge and health & education cess shall be added to the rate of tax, wherever applicable.

Benefits to the Issuer

The Income of the Issuer from specified sources are exempted under Section 10(20) of the IT Act.

"the income of a local authority which is chargeable under the head "Income from house property", "Capital gains" or "Income from other sources" or from a trade or business carried on by it which accrues or arises from the supply of a commodity or service (not being water or electricity) within its own jurisdictional area or from the supply of water or electricity within or outside its own jurisdictional area.

Explanation. —For the purposes of this clause, the expression "local authority" means—

- (i) Panchayat as referred to in clause (d) of article 243 of the Constitution; or*
- (ii) Municipality as referred to in clause (e) of article 243P of the Constitution; or*
- (iii) Municipal Committee and District Board, legally entitled to, or entrusted by the Government with, the control or management of a Municipal or local fund; or*
- (iv) Cantonment Board as defined in section 3 of the Cantonments Act, 1924 (2 of 1924);"*

As per the provisions of Section 10(20) of the IT Act read with the other relevant provisions of the IT Act and the Income Tax Rules, 1962 and as per the information and explanations given to us,

"Proceeds received by the Issuer on issuance of the Debentures constitute capital receipts and do not give rise to taxable income under the Income-tax Act, 1961."

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 of municipal bond are not exempt under Chapter IV of IT Act.

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

Tax deduction at source concession to the Foreign Portfolio Investors (“FPIs”)

“Section 194LD concessional rate may not be applicable to municipal bonds unless specifically notified by the Central Government. In absence of such notification, interest income of FPIs shall be governed by Section 195/115AD read with applicable DTAA provisions.”

Section 194LD of the IT Act reads as under:

“(1) Any person who is responsible for paying to a person being a Foreign Institutional Investor or a Qualified Foreign Investor, any income by way of interest referred to in sub-section (2), shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.

(2) The income by way of interest referred to in sub-section (1) shall be the interest payable,—

- (a) on or after the 1st day of June, 2013 but before the 1st day of July, 2023 in respect of the investment made by the payee in—
 - (i) a rupee denominated bond of an Indian company; or*
 - (ii) a Government security;**

- (b) on or after the 1st day of April, 2020 but before the 1st day of July, 2023 in respect of the investment made by the payee in municipal debt securities:*

Provided that the rate of interest in respect of bond referred to in sub-clause (i) of clause (a) shall not exceed the rate as the Central Government may, by notification in the Official Gazette, specify.

Explanation.—For the purpose of this section,—

- (a) "Foreign Institutional Investor" shall have the meaning assigned to it in clause (a) of the Explanation to Section 115AD;*
- (b) "Government security" shall have the meaning assigned to it in clause (b) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);*
- (ba) "municipal debt securities" shall have the meaning assigned to it in clause (m) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992);*
- (c) "Qualified Foreign Investor" shall have the meaning assigned to it in the Circular No. Cir/IMD/DF/14/2011, dated the 9th August, 2011, as amended from time to time, issued by the Securities and Exchange Board of India, under section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).*

“Section 194LD provides for a concessional withholding tax rate of 5% on interest payable to Foreign Portfolio Investors in respect of municipal debt securities for interest payable on or after 1 April 2020 and before 1 July 2023. Since the proposed municipal bond issue entails interest payments beyond the said period and in the absence of any legislative extension, the concessional rate under Section 194LD is not applicable. Accordingly, interest income of FPIs would be governed by Section 195 read with Section 115AD and applicable DTAA provisions.”

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 193 of the IT Act. 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 aforesaid 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 193 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. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), 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. 13.
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 197(1) of the IT Act; and that a valid certificate is filed by the NCD Holder with the Company 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 197A (1A) of the IT Act in the prescribed Form 15G 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 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, 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 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) 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 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) 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) Interest payable to Life Insurance Corporation and General Insurance Corporation and any other insurers are exempted from deductions of tax at source under Section 193 of the IT Act;
 - f) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);
 - g) 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 197(1) of the IT Act; and that a valid certificate is filed with the Issuer 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 197A(1A) of the IT Act in the prescribed Form 15G 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 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, 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 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) 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 193 of the IT Act,	Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) 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 15H which can be given by individuals who are of the age of 60 years or more Form 15G which can 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.13.

2	Non-residents- (Other than FIIs/FPIs)	For Non-deduction or lower deduction of tax at source u/s 195 of the IT Act	A certificate under section 197 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.13.)
3	Life Insurance Corporation of India	Clause vi of Proviso to Section 193	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 193	Copy of Registration certificate Copy of shareholding pattern
5	Any Insurer (like SBI Life Insurance, Max Life Insurance etc.)	Clause viii of Proviso to Section 193	Copy of Registration certificate issued by IRDA
6	Mutual Funds	Section 196(iv) read with Section 10(23D)	Copy of Registration certificate issued by SEBI / RBI and notification issued by Central Government
7	Government, RBI and corporation established under Central / State Act whose income is exempt from tax	Section 196(i),(ii) and (iii)	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 10(25) and 10(25A) and CBDT Circular - 18/2017	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 10(25) and 10(25A)
9	New Pension System Trust	Section 10(44) read with Section 196(iii) and CBDT Circular - 18/2017	Relevant Registration certificate issued to NPS Trust under section Indian Trusts Act, 1882
10	Other entities like Local authority, Regimental Funds, IRDA etc.	Section 10(20) etc. read with CBDT Circular - 18/2017	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 197A(1F)	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/instrument specific regulations

The Bonds are proposed to be issued in accordance with SEBI Municipal Debt Regulations and relevant circulars of SEBI, as amended from time to time.

The TNULB Act provides borrowing powers to TCMC. The proposed issue is being made pursuant to Section 66 of the TNULB Act, 1998 read with Rule 237 of the TNULB Rules, 2023 and is subject to the provisions of the TNULB Act, the terms of this Placement Memorandum and other terms and conditions as may be incorporated in the Transaction Documents. The Issuer has obtained approval for the Issue of bonds as mentioned under Section-VI titled “*About the Issuer and Capital Structure of the Issuer*” on page no. 46.

Section 66 of the TNULB Act provides that the Corporation:

- (1) with the previous sanction of the Government, from time to time and in pursuance of any resolution passed at a special meeting, borrow any sum of money, subject to the revenue generation of the project, financial viability and repayment capacity of the municipality
 - (i) by way of debentures by raising loans from any Scheduled or Nationalised Bank or from any other Financial Institutions or Agencies as may be approved by the Government in this behalf, on the security of all or any of the taxes, duties, fees and dues authorised by or under this Act, for the purposes as may be determined by the Government;
 - (ii) by way of raising loan from the public by issue of bonds for incurring specific items of capital expenditure.
- (2) The amount of loan, the rate of interest and the terms including the date of flotation, the time and method of repayments and the like shall be subject to the approval of the Government.
- (3) When any sum of money has been borrowed under sub-section (1), no portion thereof shall without the previous sanction of the Government, be applied to any purpose other than that for which it was borrowed.

Further Rule 237 of the TNULB Rules, 2023 provides for debentures and sinking fund as follows:

- (1) The council may, by a resolution passed at a special meeting, raise loan by way of debentures, issue bonds or otherwise on the security of all or any of the taxes and fees for the construction of works or to pay any debt or loan due to be paid by the municipality:

Provided that no loan shall be raised without the previous sanction of the Government. The amount of the loan, rate of interest including the date of flotation of loan, the time, the method of repayment and the like shall be subject to the approval of the Government.
- (2) The Commissioner after the resolution is passed by the council under sub-rule (1), shall apply for the sanction of the Government through the Director.
- (3) When any sum of money has been borrowed under sub-rule (1), no portion of any loan shall be applied to any purpose other than that for which it was borrowed.
- (4) The municipality shall maintain sinking funds for the repayment of loan or for debentures and bonds issued and shall remit the installment amount into such sinking funds for repayment within such period as may be fixed by the Government.
- (5) The borrowing of money by way of loans or debentures or bonds or otherwise and the maintenance of sinking fund shall be in accordance with any instructions as may be issued from time to time by the Government.

- (6) Notwithstanding anything contained in this rule, the borrowing powers of the municipality shall be limited to the extent of the sum payable annually for interest and for the maintenance of the sinking funds for repayment of any sums borrowed, and shall not, except with the express sanction of the Government, exceed twelve and a half per cent of the annual value of buildings and lands as determined under Chapter VI of the Act.

Also, in accordance with Section 68 of the TNULB Act, every loan raised by the Corporation under Section 66 of the TNULB Act shall be repaid by the maintenance and investment of sinking fund as follows:

- (1) The municipality shall maintain sinking fund for the repayment of money borrowed on debentures issued and shall pay by quarterly instalments into such sinking fund and such sum as will be sufficient for the payment within the period fixed for the loan of all monies borrowed on debentures issued.
- (2) All monies paid into the sinking fund shall be invested and applied by the Commissioner in such manner as may be prescribed.

B. Rating and detailed Rating Rationale.

For rating rationale and credit rating letters of India Ratings and Research Private Limited and CARE Ratings Limited, please refer to **Annexure II**.

C. Other Confirmations

- a. The Issuer is eligible to raise funds under its constitution documents and in terms of the TNULB Act;
- b. The accounts of the Issuer are prepared in accordance with the State Municipal Accounting Manual;
- c. The Issuer has not defaulted in the repayment of loans obtained from banks or financial institutions during the preceding three hundred and sixty five days;
- d. No order or direction of restraint, prohibition or debarment by Securities and Exchange Board of India, ("SEBI") is in force against the Issuer or members of the Bond Issue Committee from accessing the securities markets;
- e. The Issuer or members of the Bond Issue Committee are not named in the list of the willful defaulters;
- f. None of the members of the Bond Issue Committee have been declared as a fugitive economic offender(s).

D. Credit Enhancement Mechanisms, if any.

Please refer to **Annexure-I** for Structured Payment Mechanism.

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

The Bonds are proposed to be listed on the National Stock Exchange of India Limited (NSE). NSE shall be the designated stock exchange. The Issuer has received in-principle approval from NSE having reference no. NSE/LIST/9954 on December 31, 2025.

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

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

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

1% per annum over the Coupon Rate will be payable by the Issuer for the period of delay between the Deemed Date of Allotment and the date of listing, in accordance with the timeline under applicable law.

H. Debenture Redemption Reserve/Sinking Fund

As per SEBI Municipal Debt Regulations and 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 read with the SEBI circular dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019 and TNULB Act and rules framed thereunder, the Issuer is required to create Sinking Fund for due repayment of principal. 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 Preliminary Placement Memorandum.

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

1. We would like to disclose to all the stakeholders including but not limited to potential investors that, TCMC has appointed Tipsons Consultancy Services Private Limited as Transaction Advisor and Merchant Banker cum Arranger to the Issue vide work order dated April 04, 2024 and Issue Agreement dated December 24, 2025;
2. We further would like to disclose that lead managers/ merchant bankers/ arrangers either directly or through its affiliates or its associates or its subsidiaries may invest in the proposed issue through EBP mechanism in transparent manner;
3. EBP mechanism is adopted to ensure fair, objective, and unbiased opportunity to all investors.

J. Deduction of Tax at Source on interest on Bonds

1. Interest on Bonds being issued pursuant to this Issue is subject to deduction of income tax under the provisions of the Income Tax Act, 1961 ("IT Act") or any other statutory modification or re-enactment thereof, as applicable. Bond Holders desirous of claiming non-deduction or lower deduction of tax at source under applicable laws, as the case may be, shall be required to submit the declaration/ certificates as per format prescribed under applicable laws with the Issuer and the RTA at the below mentioned address at least 15 (Fifteen) calendar days prior to the relevant Record Date for payment of interest on the Bonds:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Tiruchirappalli City Municipal Corporation	Cameo Corporate Services Limited
Correspondence Address	Bharathidasan Road, Cantonment, Tiruchirappalli-620001, Tamil Nadu, India	Subramanian Building No.1, Club House Road, Chennai, Tamil Nadu-600002, India
Contact Person	Ms. Meenakshi S	Ms. K. Sreepriya
Designation	Accounts Officer and Assistant Commissioner Accounts	Executive Vice President and Company Secretary
E-mail ID	trichymunibond@gmail.com	ipo@cameoindia.com
Tel. No.	0431-2415393	044 4002 0700
Fax No.	NA	NA
Link for online submission	NA	NA

2. In case of non-receipt of such prescribed declaration/ certificate from the Debenture Holders claiming

non- deduction or lower deduction of tax at source under applicable laws, on or prior to the relevant Record Date, the Issuer shall make TDS deductions in accordance with the prescribed rates prior to credit of interest on Bonds.

3. Income Tax is deductible at source at the rate of 10% on interest on Bonds held by resident Indians in accordance with Section 193 of the IT Act. In cases where interest is to be paid to an Individual or Hindu Undivided Family (“HUF”) (being the Debenture Holder) is less than Rs. 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 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.
4. In case of Debenture Holder who is a resident Individual or resident HUF claiming non-deduction or lower deduction of tax at source under section 193 of the IT Act, as the case may be, the Debenture Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Debenture Holders (other than companies and firms), 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. 13.
5. 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 197(1) of the IT Act; and that a valid certificate is filed by the Debenture Holder with the Company 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 197A(1A) of the IT Act in the prescribed Form 15G 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 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, 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 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) 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 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) 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) For any Bonds held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on Bonds may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD applicable in respect of municipal bonds in India on or after April 1, 2020 and before the first day of July, 2023 provided such rate does not exceed the rate as may be notified by the Government. Since the proposed municipal bond issue entails interest payments beyond the said period and in the absence of any legislative extension, section 194LD is not applicable, Accordingly, the interest income

earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D 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 193 of the IT Act;
- g) Interest payable to entities falling under the list of entities exempted from TDS by the circular no. 18/2017 by Central Board of Direct Taxes (whose income is unconditionally exempt under Section 10 of the IT Act and who are also statutorily not required to file return of income as per Section 139 of the IT Act);
- h) Any other specific exemption available to any other category of investors under the IT Act.
- i) In case(s) where the Bond 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 Bonds, the Issuer shall not be liable to refund the applicable amount of tax deducted at source and the Debenture Holders would be required to directly take up with the tax authorities for refund, if any.

K. Issue Procedure

(a) Eligible Investors

The following categories of investors, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("Eligible Investors"):

1. All QIBs and / or;
2. any non-QIB Investors specifically mapped by the Issuer on NSE EBP Platform;

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the NSE EBP Guidelines and SEBI EBP Guidelines) specifically mapped by the Issuer on the NSE EBP Platform are also eligible to bid/apply/invest for this Issue.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures and the Issuer, is not in any way, directly or indirectly, responsible for any statutory or regulatory breach by any investor, nor shall the Issuer be required to check or confirm the same.

The Placement Memorandum will be issued to the successful Eligible Investors, who are required to complete and submit the Application Form to the Issuer in order to accept the offer of Debentures. No person other than the successful Eligible Investors to whom the Placement Memorandum has been issued by the Issuer may apply for the Issue through the Application Forms received by them. Any application from a person other than those specifically addressed will be invalid.

Hosting of the Preliminary Placement Memorandum / Placement Memorandum on the websites of the NSE and SEBI should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Municipal Debt Regulations read with the NSE EBP Guidelines.

(b) Application Process

Only Eligible Investors as given hereunder may apply for the Debentures. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Placement Memorandum. No application can be made for a fraction of a Debenture.

The Issue set up shall be done by the Issuer in accordance with the NSE EBP Guidelines and SEBI EBP Guidelines.

Eligible Investors are required to register on the EBP, the link for which shall be available at <https://www.nse-ebp.com/ebp/rest/login>. All the registered Eligible Investors are required to update the necessary bank account details and demat details before participating in the bidding process on the NSE EBP Platform.

In order to be able to bid under the NSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to the documentation related to ‘know your customer’) in accordance with the SEBI EBP Guidelines and NSE EBP Guidelines. Eligible Investors should refer the operating guidelines for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of NSE. The details of the Issue shall be entered on the NSE EBP Platform by the Issuer at least 3 (three) Working Days prior to the Issue Opening Date, in accordance with the SEBI EBP Guidelines. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer’s bidding announcement on the NSE EBP Platform, at least 1 (one) Working Day before the start of the Issue Opening Date.

The Issue will open on the ‘Issue Opening Date’ and close on the ‘Issue Closing Date’ as stated herein (“**Issue Period**”). The subscription to the Bonds shall be made by the Eligible Investors through the electronic book mechanism by placing bids on the NSE EBP Platform as prescribed by SEBI during the Issue Period. Bids need to be submitted by issue closing time or such extended time as decided by the Issuer on the NSE EBP Platform. Some of the key parameters in terms of the extant SEBI EBP Guidelines on issuance of debt securities on private placement basis through an electronic book mechanism are as follows:

Details of size of the Issue and green shoe portion, if any	Private Placement of secured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures of face value of Rs. 1 Lakh each, for cash, amounting upto Rs. 100 crore (“ Municipal Bonds ”/ “ Bonds ”/ “ Debentures ”) by Tiruchirappalli City Municipal Corporation, proposed to be listed on NSE.
Interest rate parameter	Fixed Coupon
Issue Opening Date	February 05, 2026
Issue Closing Date	February 05, 2026
Minimum Bid Lot	10 Bonds of face value Rs. One Lakh each and in multiples of 1 Bond of face value Rs. One Lakh each
Manner of bidding in the Issue	Closed Bidding on the NSE EBP Platform in line with the NSE EBP Guidelines
Manner of allotment in the Issue	Uniform yield allotment
Manner of settlement in the Issue	Through the Clearing Corporation of NSE i.e. NSE Clearing Limited (NSECL)
Settlement Cycle	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Closing Date

(c) Bids by the Arrangers

Only the Arrangers mapped by the Issuer on the NSE EBP Platform shall be entitled to bid on behalf of Eligible Investors in the capacity of an arranger. Multiple bids by the Arrangers are permitted provided that each bid is on behalf of different Investors.

The Arrangers are allowed to bid on a proprietary, client and consolidated basis. At the time of bidding, the Arrangers are required to disclose the following details to the NSE EBP Platform:

Whether the bid is proprietary bid or is being entered on behalf of an Eligible Investor or is a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.

For consolidated bids, the Arrangers shall disclose breakup between proprietary bid and bid(s) made on behalf of Eligible Investors.

For bids entered on behalf of Eligible Investors, the Arrangers shall disclose the following:

- i. Names of such Eligible Investors;
- ii. Category of the Eligible Investors (i.e. QIB or non-QIB); and
- iii. Quantum of bid of each Eligible Investor

Provided that the Arrangers shall not be allowed to bid on behalf of any Eligible Investor if the bid amount for a series of the Debentures exceeds 5% (five percent) of the base issue size of the Debentures or Rs. 100 Crore, whichever is lower (or such revised limits as may be specified in the SEBI EBP Guidelines from time to time).

(d) Modification or cancellation of the bids

Modification or cancellation of the bids shall be allowed i.e. bidder can cancel or modify the bids made in an issue, subject to the following:

- a. such cancellation/ modification in the bids can be made only during the bidding period;
- b. no cancellation of bids shall be permitted in the last 10 minutes of the bidding period; and
- c. in the last 10 minutes of the bidding period, only revision allowed would be for:
 - i. downward revision of coupon/ spread or upward modification of price; and/ or
 - ii. Upward revision in terms of the bid size.

NSE in accordance with applicable law and EBP Guidelines reserves the right to cancel any bids placed by the Bidder or any transaction, if found in contravention of applicable law, or when requested/directed by any competent legal authority(ies), or if found that occurrence of material events have bearing on the performance/ operations of the Issuer or an informed appraisal of the status/position of the Issuer by Bidder/its client.

After the end of the bidding window, the Issuer has the option to:

- Withdraw the Issue; or
- Accept the Issue

In case the Issuer does not accept or withdraws the issue before the specified deadline, then the issue will be withdrawn by the system as per the NSE EBP guidelines.

(e) Allocation and Settlement:

The allotment of valid applications received on the latest by the time of close of bidding window shall be done on 'uniform yield allotment' basis in the following manner:

- (i) all bids shall be arranged in accordance with "yield time priority" basis and the allotment shall be done at the cut-off rate determined in the bidding process. The allotment and settlement value shall be based on the face value.
- (ii) where two or more bids have the same yield coupon and time, then allotment shall be done on "pro-rata" basis.

Post completion of the bidding process and closure of the Issue, the Issuer will accept and upload the provisional allocation on the NSE-EBP Platform. Post receipt of investor details, the Issuer may freeze the allocation on the NSE EBP Platform.

Eligible Investors whose bids have been accepted by the Issuer (“**Successful Bidders**”) shall make pay-in of subscription monies in respect of the Bonds towards the allocation made to them, into the bank account of NSE, on the Pay-In Date and before the pay-in cut-off time in accordance with the NSE and SEBI EBP Guidelines, the details of which will be displayed on NSE EBP Platform. The fund pay-in by the successful bidders will be made only from the bank account(s), which have been provided/updated on the NSE EBP Platform. All transfers/RTGS must be made payable to the designated bank accounts of NSE Clearing Limited, details of which accounts are as set out below:

Beneficiary Name	NSE Clearing Limited
Clearing House Bank	HDFC Bank Ltd
IFSC	HDFC0000060
Bank account number	Will be available on NSE EBP Platform post bidding and will be shared on mail post allocation for making the payment

It may be noted that payment by any other means shall not be accepted. The Issuer assumes no responsibility for any delayed receipts / non-receipt of RTGS payments or any applications lost in mail or in transit or any failure of electronic fund transfer.

Any amount received from third party accounts or from accounts not specified in the EBP may lead to cancellation of bid and no allotment will be made against such payments and the funds shall be refunded. Further, pay-in received from any other bank account may consequently lead to debarment of the bidder from accessing the NSE EBP Platform for 30 (thirty) days or as may be provided under NSE EBP Guidelines.

Upon the transfer of funds into the account of NSE by the Successful Bidders, the Issuer shall confirm its decision to proceed with the allotment of the Bonds in favour of the Successful Bidders to the clearing corporation(s), Depository(ies), Registrar and the NSE EBP Platform. The Issuer shall initiate the requisite corporate action for allotment of Debentures and credit of allocated Debentures into the relevant demats account of the Successful Bidders through the Registrar. The Registrar shall provide corporate action file along with all requisite documents to the Depositories and intimate the NSE EBP of the aforesaid actions.

Upon the Depositories confirming the allotment of the Bonds and the credit of allocated Debentures into the demat account of the Successful Bidders to NSE EBP, the subscription monies in respect of the Bonds from the aforesaid account of the clearing corporation shall be released into the Issue Proceeds Account, as intimated by the Issuer to NSE EBP in accordance with applicable regulations/notifications and guidelines issued by SEBI from time to time. The details of the Issuer’s Issue Proceeds Account are as provided herein below:

Beneficiary Name	Tiruchirappalli City Municipal Corporation
Bank Account Name and No.	TCMC ISSUE PROCEEDS ACCOUNT 2026 99986103151725
IFSC Code	HDFC0001271
Bank Name	HDFC Bank Limited
Branch Address	Cantonment, Williams Road Tiruchirappalli – 620 001

It must be noted that all pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties may be applicable as specified by the NSE and SEBI EBP Guidelines.

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, price quoted during bidding, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance

with the SEBI Master Circular and SEBI & NSE EBP Guidelines. The NSE EBP shall upload such data, as provided by the Issuer, on its website to make it available to the eligible participants.

All benefits relating to Debentures will be available to the Investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. In case if the issue closing date of Debentures is changed (preponed/ postponed), the Deemed Date of Allotment of Debentures may also be changed (preponed/ postponed) by the Issuer.

(f) Application Forms

Applications for the Bonds must be made in the Application Form and must be completed in block letters in English by the Eligible Investors. Application Forms must be accompanied by payment details. The full amount of the Face Value/ Issue Price allotted has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

Application Forms should be duly completed in all respects. The name of the Applicant's bank, type of account and account number must be duly filled by the Applicant. All Application Forms duly completed should be scanned clearly and emailed to the Issuer along with all the relevant documents on or before the Pay-In Date and forthwith followed by the original Application Form shall be submitted at the Head Office of the Issuer which is located at Bharathidasan Road, Cantonment, Tiruchirappalli-620001, Tamil Nadu but no later than 10 (ten) days from the Issue Closing Date. The Issuer will not be responsible in any manner for any delayed receipts / non-receipt of Application Forms for any reason whatsoever.

Documents to be provided by successful bidders:

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

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

(g) Withdrawal of Issue

The Issuer may, at its discretion, withdraw the issue process on the conditions set out under the NSE EBP Guidelines; provided that the Issuer shall accept or withdraw the issue on the NSE electronic book provider platform in accordance with NSE EBP Guidelines as prevailing on the date of the bid. If the Issuer has withdrawn the Issue, and the cut-off yield of the Issue is higher than the estimated cut-off yield disclosed to the NSE EBP Platform, the estimated cut-off yield shall be mandatorily disclosed by the NSE EBP Platform to the Eligible Investors. The expression 'estimated cut off yield' means yield so estimated by the Issuer, prior to opening of issue on the NSE EBP Platform. The disclosure of estimated cut off yield by NSE EBP Platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.

(h) Continuous Listing Conditions

The Issuer shall comply with the conditions of listing specified in Schedule V of the SEBI Municipal Debt Regulations including continuous disclosure and other requirements as specified by SEBI from time to time, including the SEBI Circular dated June 19, 2017 and bearing reference no. CIR/MD/DF1/60/2017 read with the SEBI Circular date November 13, 2019 bearing reference no.

SEBI/HO/DDHS/CIR/P/134/2019 and as amended from time to time, the applicable provisions of the SEBI Master Circular, SEBI Debenture Trustee Master Circular.

The Issuer shall comply with the provisions of Chapter VI of the SEBI Municipal Debt Regulations including the provisions in relation to continuous listing conditions; accounting and audit; and trading and reporting of municipal debt securities.

(i) Trading and reporting of municipal debt securities

The information in respect of the Issue such as Issuer details, Bond details, Ratings, rating migration, coupon, buyback etc. shall be reported to a common database as may be required and specified by SEBI.

(j) Fictitious Application

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

(k) Procedure for Applying for Dematerialised Facility

- a. The applicant must have at least one beneficiary account with any of the DP's of NSDL/ CDSL prior to making the application.
- b. The applicant must necessarily fill in the details (including the beneficiary account number and DP – ID) appearing in the Application Form under the heading “Details for Issue of Debentures in Electronic/Dematerialised Form”.
- c. Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- d. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- e. If incomplete/incorrect details are given under the heading “Details for Issue of Debentures in Electronic/Dematerialised Form” in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- f. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- g. The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as at the end of the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

(a) Depository Arrangements

The Issuer has appointed Cameo Corporate Services Limited as the Registrar to the present Bond Issue. The Issuer has entered into necessary depository arrangements with NSDL and CDSL for

dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made there under. In this context, the Issuer has entered two tripartite agreements as under:

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

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

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

(b) List of Beneficiaries

The Issuer shall request the Depository(ies) to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

(c) Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorised signatories of the investor and the tax exemption certificate/document of the investor, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with the memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorised signatories must also be lodged along with the submission of the completed Application Form.

(d) Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- i. SEBI registration certificate;
- ii. Resolution authorising investment and containing operating instructions;
- iii. Specimen signature of authorised signatories.

(e) Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s).

(f) Credit of Bonds

The allotment of Bonds will be in terms of the timelines stipulated under SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 dated October 15, 2025. The Bonds will be credited in dematerialized form within the timelines prescribed under the SEBI Master Circular.

(g) Refunds

In case the Issuer fails to obtain listing or trading permission from NSE where the Bonds are proposed to be listed, it shall refund the entire monies received within seven days of receipt of intimation from NSE rejecting the application for listing of Bonds, 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 percent) per annum till such refund is made.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the registrar shall upon receiving instructions in relation to the same from the Issuer repay the monies to the extent of such excess, if any.

(h) PAN Number

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

(i) Alterations to the Issue

The Issuer reserves its sole and absolute right to modify the Issue Opening Date, Issue Closing Date, Pay-In Date and Deemed Date of Allotment. In the event of any change in the Issue Schedule including the Deemed Date of Allotment, the Issuer shall notify the Stock Exchanges about such change. In such a case, recipients of this Disclosure Document shall be intimated the revised time schedule by the Issuer. In case the Issue Closing Date/ Pay-In Date is/ are changed, the Deemed Date of Allotment and the Redemption Schedule may also be changes by the Issuer in accordance with the tenure of the Debentures at its sole and absolute discretion.

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

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant’s bank, type of account and account number must be filled in the Application Form.

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

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

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

(k) Issue of Bond Certificate(s)

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

(l) Market Lot

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

(m) Trading of Bonds

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

(n) Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. Attention of the investors is drawn to para K (a) “*Eligible Investors*” of this Section-IX on page no. 75 of this Placement Memorandum. The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or the transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as at the end of the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer’s DP account to his DP.

(o) Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/ ECS/ NEFT/ fund transfer/ RTGS to those Debenture Holder(s) whose names appear on the register of debenture holders maintained by the R&T Agent as at the end of the Record Date. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. If permitted, the Issuer may transfer payments required to be made in any relation by electronic fund transfer/ RTGS to the bank account of the Debenture Holder(s) for redemption payments.

(p) Sharing of Information

The Issuer may, at its option, but subject to Applicable Laws, use on its own, as well as exchange, 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 and neither the Issuer nor its affiliates nor their agents shall be liable for use of the aforesaid information.

(q) Modification of Debentures

Any amendment to the terms and conditions of the Debentures or the Transaction Documents will require the consent of the Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders.

(r) Right to accept or reject applications

The Issuer reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof in accordance with the regulatory provisions and EBP Guidelines. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. No interest shall be payable on any application

money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of debt security applied for is less than the minimum application size;
- b. Bank account details not given;
- c. Details for issue of Debt Securities in electronic/ dematerialized form not given;
- d. PAN/GIR and IT Circle/Ward/District not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted; and
- f. In the event, if any Debt Securities applied for are not allotted in full, the excess application monies of such Debt Securities will be refunded, as may be permitted.

(s) Trustee for the Debentures

The Issuer has appointed Catalyst Trusteeship Limited to act as the trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intend to enter into the debenture trust deed inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture 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 Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer pro tanto to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to timely payment of Coupon and repayment of principal and they will take necessary action, subject to and in accordance with the debenture trust deed, at the cost of the Issuer. The Issuer shall not utilize the proceeds of the Issue till the debenture trust deed is executed. The Debenture Trust Deed shall more specifically set out rights and remedies of the Debenture Holders and the manner of enforcement thereof. The Debenture Trustee shall carry out its duties and perform its functions in terms of the SEBI Municipal Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trust Deed and the Placement Memorandum/ Placement Memorandum, with due care, diligence and loyalty. The debenture trustee shall monitor the Escrow Account and shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall supervise the implementation of the obligations cast in terms of provisions of the SEBI Municipal Debt Regulations.

(t) Interest on Application Money

The Pay-in Date shall be the Deemed Date of Allotment; hence interest on application money shall not be applicable.

(u) Interest on the Bonds

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

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

(v) Computation of Interest

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

(w) Record Date

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

(x) Put & Call Option

Neither the Bondholder(s) shall have any right to exercise Put Option nor the Issuer shall have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the respective Redemption Date.

(y) Redemption

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

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

(z) Roll-Over of Bonds issued:

Roll-Over of Bonds shall be made in accordance with the provisions of SEBI Municipal Debt Regulations.

(aa) Day Count Convention

Actual/ Actual

(bb) Additional Covenants

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

(cc) Settlement/ Payment on redemption

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

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

The Issuer's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Issuer

will not be liable to pay any interest or compensation from the Redemption Date. On the Issuer's dispatching/crediting the amount to the Beneficiary(ies) as specified above in respect of the Bonds, the liability of the Issuer shall stand extinguished.

(dd) List of Beneficial Owners

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

(ee) Succession

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

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

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

(ff) Force Majeure

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

(gg) Acknowledgements

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

(hh) Signatures

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

(ii) Nomination Facility

As per extant provisions of law, only individuals holding the Bonds as Sole/Joint holder of Bond can nominate, in the prescribed manner, a person to whom his/ their Bonds shall vest in the event of his/ their death. Non-individuals including holders of Power of Attorney cannot nominate.

(jj) Right of Bondholder(s)

Though the Corporation does not have any shareholders, it is clarified that at any point of time a bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first. Besides, the Bonds shall be subject to the terms of this Placement

Memorandum and other terms and conditions as may be incorporated in the Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

(kk) Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders.

(ll) Notices

All notices required to be given by the Issuer or by the Trustee to the Bondholders shall be deemed to have been given if sent by registered post/speed or through email or other electronic media to the of Bondholders or as allowed under the applicable law.

(mm) Joint-Holders

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

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

(nn) Disputes & Governing Law

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

(oo) Procedure for deciding and adjusting payment dates.

If the date of payment of interest/redemption of principal does not fall on a Working Day, the payment of interest/principal shall be made in accordance 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 any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non- Working Day.

If the Redemption Date of the Debentures falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the debentures.

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

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

Not Applicable as the Issuer has not Issued any municipal debt securities in the past 5 years.

M. Terms of payments and procedure and time schedule for Allotment and Issue of Municipal Debt Securities

The allocation to the applicants and/or rejections of the applications shall be made in compliance with the provisions prescribed by SEBI and NSE being electronic book provider (EBP) platform. However, in case of successful accepted applications the Deemed Date of Allotment would be the Pay-In Date itself.

N. Details of Escrow Payment Mechanism for the repayment of The Interest/Principal.

The Bonds are backed by a structured payment mechanism to ensure timely payment of interest and principal. Please refer to Structured Payment Mechanism on page no. 139 of this Placement Memorandum.

O. 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.

P. Disclosures in accordance with SEBI Master Circular for Debenture Trustees referencing SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025

Terms and Conditions of Debenture Trustee Agreement

i. Fees charged by Debenture Trustee

The Debenture Trustee has agreed for an acceptance fee amounting to Rs. 30,000 (plus the applicable taxes) and annual service charges of Rs. 30,000 (plus the applicable taxes) for the services as agreed in terms of the offer.

ii. Terms of carrying out Due Diligence-

- a. As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, 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 debt securities 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.
- b. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets.
- c. The Issuer shall provide all assistance to the Debenture Trustee to enable verification from any authority as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third-party security provider are registered / disclosed.
- d. 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.

- e. In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, inter alia, the following terms and conditions:
 - i. The Issuer undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the SEBI ILMDS Regulations and the Debenture Trust Deed on a regular basis, including without limitation the documents, as may be applicable;
 - ii. The Debenture Trustee 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 Bonds.
- f. 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. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out-of-pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.
- g. The Debenture Trustee shall obtain the following certificates from an empaneled agency as a part of due diligence:
 - (i) Security Cover Certificate
 - (ii) Valuation of Security
 - (iii) Any other document as may be required for concluding the due diligence
- h. Pursuant to the Regulation 13 of the SEBI Debenture Trustee Regulations and other applicable rules and regulations: The Issuer undertakes to comply with all regulations, guidelines of other regulatory authorities in respect of allotment of debentures/bonds till redemption. The time limit within which the Security for debentures/bonds shall be created or the agreement shall be executed in accordance with provisions as prescribed by any regulatory authority as applicable.
- i. The Debenture Trustee shall perform its duties and obligations with due care, diligence and in the best interest of the Debenture holders, and exercise its rights and discretions in accordance with the prior written instructions / directions from the Debenture Holders in accordance with the terms of the Debenture Trust Deed, and shall further conduct itself and comply with the provisions of all applicable law (including without limitation, the Debenture Trustee Regulations, SEBI ILMDS Regulations).
- iii. **Events of Default (including manner of voting/conditions of joining Inter Creditor Agreements)**
 - a. Subject to the terms of the Debenture Trust Deed, the Debenture Trustee, at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of a special resolution, passed at a meeting of the Debenture Holders, (subject to being indemnified and/or secured by the Debenture Holders to its satisfaction), give notice to the Issuer specifying that the Bonds and/or any particular options of Bonds, 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 occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the Debenture Trust Deed.
 - b. In accordance with the Chapter X: Breach of Covenants, Default and Remedies of Master Circular for Debenture Trustees for post the occurrence of a “default”, the consent of the Debenture Holders for entering into an inter-creditor agreement (the “ICA”) / 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 Bond 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.

- c. SEBI Master Circular for Debenture Trustees, defines 'default' as 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.
- d. 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 abovementioned SEBI Master Circular for Debenture Trustees.

e. **Process of Due Diligence to be carried out by the Debenture Trustee**

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI ILMDS Regulations, the SEBI Debenture Trustee Master Circular and circulars issued by SEBI from time to time.

f. **Other Information**

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.

CATALYST TRUSTEE COMPANY LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE 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:

- 1. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.
- 2. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).
- 3. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.
- 4. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN PLACEMENT MEMORANDUM AND ALL DISCLOSURES MADE IN THIS PLACEMENT MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.
- 5. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), PLACEMENT MEMORANDUM.
- 6. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN

FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE
FILING OF LISTING APPLICATION.

WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE
DEBT SECURITIES.

SECTION-X: FINANCIAL INFORMATION

I. Following details as per the financial statements for past 3 years in tabular format:

EXAMINATION REPORT ON FINANCIAL INFORMATION

To,

Tiruchirappalli City Municipal Corporation,
Bharathidasan Road, Cantonment,
Tiruchirappalli-620001, Tamil Nadu, India

Dear Sirs,

We have examined the Financial Information comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 (collectively, the **“Financial Information”**) of **Tiruchirappalli City Municipal Corporation** (the **“Issuer”**) as annexed to this report for the purpose of inclusion in the Preliminary Placement Memorandum and the Placement Memorandum to be filed by the Issuer with the Securities and Exchange Board of India (**“SEBI”**) and the stock exchange(s) where the Debentures are proposed to be listed (**“Stock Exchanges”**) for private placement by the Issuer of up to 10,000 (Ten Thousand) secured, non-convertible, rated, listed, redeemable, taxable municipal bonds in the nature of debentures (**“Municipal Bonds”** / **“Bonds”**/ **“Debentures”**) of the face value of Rs. 1 lakh (Rupees One Lakh) each, for cash, aggregating up to an Issue size of Rs. 100 Crores (Rupees One Hundred Crores only) (**“Issue”**) by Tiruchirappalli City Municipal Corporation (**“Issuer”**).

The financial statements of Tiruchirappalli City Municipal Corporation (comprising of General Fund, Water Supply & Drainage Fund and Elementary Education Fund) have been prepared by the Management of the Issuer and are audited by the Joint Director of Local Fund Audit as the Auditing has been entrusted to Local Fund Audit Department as per Tamilnadu District Municipalities Act 1920, G.O.No.93 Finance department Dated : 28-03-2003, and as per Section 3 (1&2) of Tamilnadu Local Fund Audit Act (Refer :G.O.No.240 Finance (LFAD) Department Dated: 24.08.2016 and Act No.24/2014/ Rule,11) For financial years ended March 31, 2023 & March 31, 2024, the audit of financial statements have been completed by Deputy Director of Local Fund Audit/Local Audit Department pursuant to their Audit Reports dated 31st May 2024 and 30th January 2025 respectively. While the audit for the financial years ended March 31, 2024 and March 31, 2023 has been conducted for books of accounts and financial statements of the funds, for the purpose of the Issue, the consolidated Financial Information (which consolidates the financial information derived from audited financial statements of General Fund, Water Supply & Drainage Fund & Elementary Education Fund) comprising the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the financial years ended March 31, 2024 and March 31, 2023 have been prepared by us in terms of the requirements of the proposed Issue.

Further, the audit of financial statements for the financial year ended March 31, 2025 by Deputy Director of Local Fund Audit/Local Audit Department is under process, and the audit process may not be completed prior to the listing of Bonds. Therefore, for the purpose of this Issue, Tiruchirappalli City Municipal Corporation, appointed M/s. R. Thangamaharaja & Co., Chartered Accountants as External Auditor to conduct the audit of the consolidated financial statements for the financial year ended March 31, 2025 refer Roc No.10385/2025/B1 (Main) dated 7th August 2025 and the External audit report has been submitted on 25th August 2025.

Further the Issuer appointed our firm to Examine the Financial Statement and appointed to examine and report on the Financial Information for the limited purpose of the Issue vide Letter No. Roc No. E1/9272/2024(M) dated 5th December 2024. Accordingly, we have examined and consolidated the Financial Statements (comprising of Revenue and Capital Fund, Water Supply & Under Ground Drainage Fund & Elementary Education Fund).

The Financial Information is comprising of Abridged Balance Sheets, Income & Expenditure Statements and Cash Flow Statements for the financial years ended March 31, 2023, March 31, 2024, and March 31, 2025 (collectively “Financial Information”)

The Financial Information has been prepared by the Management of the Issuer in connection with its proposed Issue prepared in terms of the requirements of the proposed Issue and prepared in terms of the requirement of:

- 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 State Municipal Accounts Manual;
- c) The Tiruchirappalli City Municipal Corporation Act, 1994 (“**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 Financial Information has been sourced from

- a. by Local Fund Audit department dated 30th Jan 2025 (FY2023 – 2024), and by Local Fund Audit Department dated 31st May 2024 (FY 2022 – 2023) on the financial statements of the Issuer as on and for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023.
- b. With respect to the financial year ended March 31, 2025, the statutory audit of the financial statements by the Department of Local Fund Audit is under process as on the date of this report. Accordingly, for the purpose of this Examination Report and the proposed Issue, we have relied upon the audited consolidated financial statements for the financial year ended March 31, 2025 issued by the External Auditor of the Issuer.

Management Responsibility

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.

Auditors Responsibility

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 5th December 2024 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

Based on our examination and according to the above-mentioned State Municipal Accounts Manual, we report that:

- 01. The Financial Information comprising the Abridged Balance Sheet, the Income and Expenditure Statements and Cash Flow Statements for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 (collectively, the “**Financial Information**”) is accurately extracted from the

audited financial statements of the corporation for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023. Based on available records and confirmations provided by the Issuer, no charge or security has been created, the Loans have been shown as Secured Loan in the Audited Financials Statement, has been regrouped under Unsecured Loans as the Issuer has not provided any security for the said loans.

02. This Examination Report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Department of Local Fund Audit & External Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
03. We have not performed any procedures to update, revise, or reconsider the Financial Information for the financial year ended March 31, 2025 for any matters that may arise pursuant to the completion of the statutory audit by the Department of Local Fund Audit or for any subsequent events occurring after the date of this report. Any modification, observation, or qualification, if any, that may be issued by the statutory auditor in their audit report for the financial year ended March 31, 2025 is outside the scope of our examination, and we do not accept any responsibility to reflect or comment upon the same in this report.
04. 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 the Merchant Banker, Legal Counsel, SEBI, the stock exchanges or any other statutory/regulatory authority, as may be required. Further this Report along with its annexures may be used for inclusion in the Preliminary Placement Memorandum and in the Placement Memorandum (draft of otherwise) and can be relied upon by the Tipsons Consultancy Services Private Limited (“Merchant Banker”) and Zenith India Lawyers (“Legal Advisor to the Issue”) for the purposes of the Issue.

For M/s. Arun and Sujatha, Chartered Accountants
(Firm’s Registration No.: 011415S)

Authorized Signatory
Name: CA A V Arun
Designation: Partner
Membership No.: 214530
UDIN: 25214530PFJWYP5545

Place: Salem
Date: 29-12-2025

A. ABRIDGED BALANCE SHEET
(Rs. in Crores)

Particulars	Financial Year		
	2022-23	2023-24	2024-25
	Restated Audited	Restated Audited	Restated Audited
<u>LIABILITIES</u>			
Reserves and Surplus			
Municipal (General) Fund #1	265.66	232.01	188.08
Earmarked Funds	173.54	183.02	196.55
Reserves	0.00	0.00	0.00
Total Reserves & Surplus - (A)	439.20	415.03	384.63
Non - Current Liabilities / Loans	0.00	0.00	0.00
Grants, Contribution for specific Purposes	2,200.83	2,639.95	2,901.02
Secured Loans	0.00	0.00	0.00
Unsecured Loans #2	198.73	331.85	466.29
Total Loans - (B)	2,399.56	2,971.80	3,367.31
Current Liabilities & Provisions			
Deposits Received	106.73	135.82	146.12
Deposit Works	0.00	0.00	0.00
Other Liabilities	33.62	47.69	62.86
Provisions	0.00	0.00	0.00
Total Current Liabilities & Provisions - (C)	140.35	183.51	208.98
TOTAL LIABILITIES - (A+ B + C)	2,979.10	3,570.34	3,960.93
<u>ASSETS</u>			
Fixed Assets			
Gross Block of Assets	1,708.38	1,899.66	2,048.27
Less : Accumulated Depreciation	905.13	1,007.47	1,101.39
Net Block of Assets	803.25	892.18	946.88
Capital Work in Progress	1,320.30	2,082.66	2,586.25

Total Fixed Assets - (D)	2,123.55	2,974.84	3,533.13
Investments	0.00	0.00	0.00
Investments - General Fund	171.61	191.55	48.22
Investments - Other Funds	(114.33)	(138.33)	(8.02)
Total Investments - (E) #3	57.28	53.22	40.20
Current Assets, Loans and Advances			
Stock in Hand (Inventories)	4.25	4.25	4.25
Sundry Debtors (Receivables) #4	176.67	159.02	159.69
Less: Accumulated prov. against debts	0.00	0.00	0.00
Pre-paid Expenses	0.00	0.00	0.00
Cash and Bank Balances	602.05	428.10	252.23
Loans, advances and Deposits (Net) #5	43.91	22.26	29.79
Total Current Assets, Loans & Advances - (F)	826.88	613.63	445.95
Other Assets - (G) #6	(28.61)	(71.36)	(58.36)
Misc. Expenses (to the extent not written off) - (H)	0.00	0.00	0.00
TOTAL ASSETS - (D+ E+F+G+H)	2,979.10	3,570.33	3,960.93

Notes:

#1. The decrease in general funds is on account of Excess of expenditure over revenue in the income and expenditure statement.

#2. Loans have been shown as Secured Loan in the Audited Financials Statement, has been regrouped under Unsecured Loans as the Issuer has not provided any security for the said loans.

#3. The sharp decline in investments under the General Fund during FY 2024-25 is attributable to the redemption of investments undertaken to meet funding requirements for infrastructure development projects, including construction of the new Bus Terminal, markets, and other civic infrastructure. Accordingly, investment balances reduced as funds were deployed towards capital expenditure

#4. Sundry debtors declined during FY 2023-24 due to strengthening of collection mechanisms, improved billing controls, and enhanced follow-up procedures. As a result, receivables were realised more efficiently despite an increase in revenue. During FY 2024-25, sundry debtors remained broadly stable, reflecting sustained collection efficiency aligned with higher revenue levels

#5. Loans, advances and deposits primarily comprise advances given to suppliers and contractors. During FY 2023-24, these advances were substantially recovered through adjustment against bills submitted and payments made to such parties upon completion of work. Consequently, the balance under loans and advances declined significantly during the year.

#6. The balance under this head represents Other Asset Control Accounts, which are internal control accounts maintained between the Head Office and its five Zonal Offices.

The negative balances arise due to timing differences and pending inter-office reconciliations. These balances are internal in nature and do not represent external receivables or liabilities. The accounts are under reconciliation and are subject to reconciliation and adjustment in subsequent periods.

B. INCOME AND EXPENDITURE STATEMENT*(Rs. in Crores)*

Major Head of Accounts	Financial Year		
Particulars	2022-23	2023-24	2024-25
	Restated Audited	Restated Audited	Restated Audited
<u>INCOME</u>			
Tax Revenue	123.01	130.57	152.25
Assigned Revenues & Compensations #7	15.64	21.77	17.17
Rental Income from Municipal Properties #8	21.63	20.34	21.77
Fees & User Charges	83.48	91.98	99.39
Sales & Hire Charges	1.10	1.15	1.54
Revenue Grants, Contributions & Subsidies	93.08	131.41	137.56
Income from Investments #9	8.38	2.52	2.92
Interest Earned #10	(7.90)	7.17	1.97
Other Incomes #11	21.00	73.88	28.13
TOTAL INCOME - A	359.41	480.79	462.70
<u>EXPENDITURES</u>			
Establishment Expenses #12	188.33	238.78	250.59
Administrative Expenses #13	15.41	22.45	14.30
Operations & Maintenance #14	96.73	114.41	102.91
Interest & Finance Expenses #15	15.96	24.82	24.84
Programme Expenses #16	1.88	0.47	2.65
Revenue Grants, Contributions & Subsidies	4.03	12.00	9.31
Provision & Write off	0.00	0.00	0.00
Miscellaneous Expenses	0.00	0.00	0.00
Depreciation #17	79.43	102.34	93.95
TOTAL EXPENDITURE - B	401.78	515.28	498.55
Gross Surplus / (Deficit) of Income over Expenditure before prior period Items	(42.36)	(34.48)	(35.85)
Add : Prior Period Items (Net)	0.32	0.84	(8.08)
Gross Surplus / (Deficit) of Income over Expenditure after prior period Items	(42.05)	(33.64)	(43.93)
Less : Exceptional Items	0.00	0.00	0.00

Net Surplus / (Deficit) after Exceptional Items	(42.05)	(33.64)	(43.93)
Less : Transfer to Reserve Funds #18	45.24	0.00	0.00
Net Surplus / (Deficit)	(87.29)	(33.64)	(43.93)

Notes:

#7. Assigned revenues and compensations are received pursuant to State Government devolution, based on recommendations of the State Finance Commission. Variations during FY 2024-25 are primarily attributable to the timing and quantum of releases made by the Government during the year. As these revenues are policy-driven and release-based, year-on-year fluctuations are inherent in nature and are not within the direct control of the Issuer.

#8. During FY 2023-24, maintenance activities were undertaken in respect of certain buildings, which temporarily impacted their occupiability. Consequently, rental income witnessed a marginal decline during the year, following which it improved upon completion of the maintenance works.

#9. Pursuant to directions received from the Government of India vide GOI Notification / Direction No. B1/8271/2022 (main) dated 2nd February 2022,, the Corporation closed the investments created out of unspent Smart City funds during FY 2022-23. Consequently, income from investments substantially declined during the period.

#10. Pursuant to directions from the Government of India vide GOI Notification / Direction No. B1/8271/2022 (main) dated 2nd February 2022, interest on investments made out of unspent Smart City funds, amounting to ₹17.45 crore, was refunded during FY 2022-23, against interest income of ₹9.58 crore earned during the year, resulting in negative net interest income of (7.90) crores

#11. During June 2023, the Corporation received a special grant of ₹37.60 crore from the Government of Tamil Nadu for the pre-closure of the loan availed from TNUIFSL. The grant has been wrongly accounted for under the head "Other Income." Consequently, Other Income reflects a sharp increase during the year

#12. The increase in establishment is primarily attributable to salary revisions, statutory employee benefits including retirement benefits and normal increments during the year. The expenditure is revenue in nature and incurred in the ordinary course of municipal operations.

#13. Completion and approval of major DPR works in FY 2023-24 resulted in a substantial reduction in professional fees and printing expenses during FY 2024-25.

#14. Major repairs and maintenance works were undertaken and completed during FY 2023-24, which temporarily impacted the usability of certain properties. Upon completion of the works, operations and maintenance (O&M) expenses declined in FY 2024-25

#15. The increase in finance cost during FY 2023-24 is attributable to the availing of fresh loans aggregating ₹181 crore for infrastructure development and is commensurate with the expansion in the Corporation's capital expenditure. Moreover, Additional borrowings of ₹134 crore were availed during FY 2024-25. Interest servicing commences from FY 2025-26 as per sanction terms; hence no incremental interest has been recognized in FY 2024-25

#16. Programme expenses mainly relate to election expenditures incurred during the conduct of municipal elections and are therefore non-recurring and event-driven.

#17. Although the gross block increased during FY 2024-25, depreciation declined as major asset additions were capitalised in the month of March and, in line with the State Municipal Accounting Manual, depreciation on such assets is charged only from the subsequent year.

#18. During FY 2022-23, neither any real transfer of amount nor creation of reserves occurred. An inadvertent accounting entry was passed under accounting head "Contribution to Capital Fund", which was subsequently reversed and corrected in the succeeding years.

C. CASH FLOW STATEMENT**(Rs. in Crores)**

Particulars	Financial Year		
	2022-23	2023-24	2024-25
	Restated Audited	Restated Audited	Restated Audited
A. Cash Flow from Operating Activities			
Surplus/(Deficit) from Income & Expenditure A/c	(87.29)	(33.64)	(43.93)
Add: Non-cash & Non-operating items	0.00	0.00	0.00
Depreciation	79.43	102.34	93.95
Provisions/Write-offs	0.00	0.00	0.00
Interest/Dividend Income (–)	(0.48)	(9.68)	(4.89)
Profit/Loss on Disposal of Assets	0.00	0.00	0.00
Operating Surplus before Working Capital Changes	(8.34)	59.01	45.13
Adjustments for Working Capital Changes	0.00	0.00	0.00
(Increase)/Decrease in Inventories	0.00	0.00	0.00
(Increase)/Decrease in Receivables	5.13	17.65	-0.67
Increase/(Decrease) in Payables	23.05	43.16	25.48
Increase/(Decrease) in Provisions	0.00	0.00	0.00
Net Cash from Operating Activities #19	19.84	119.82	69.94
B. Cash Flow from Investing Activities			
Changes in the Fixed Assets (–)	(689.75)	(953.63)	(652.24)
Changes in the Investments (–)	133.70	4.06	13.02
Changes in Loans and Deposits	11.18	21.65	(7.53)
Movement in Other Assets (Net)	28.61	42.75	(13.00)
Net Cash from Investing Activities	(516.27)	(885.17)	(659.74)
C. Cash Flow from Financing Activities			

Loans Raised (New Loan- Old Loan repayment)	21.67	133.12	134.45
Interest Income (+)	0.48	9.68	4.89
Grants/Funds Received for Capital Purposes (+) #20	751.05	39.12	261.07
Grants/Funds Received for Earmarked (+)	45.24	9.48	13.53
Other Borrowings (Net)			
Net Cash from Financing Activities	818.44	591.40	413.93
Net Increase/(Decrease) in Cash & Cash Equivalents	322.01	(173.95)	(175.87)
Add: Opening Cash & Bank Balances	280.04	602.05	428.10
Closing Cash & Bank Balances	602.05	428.10	252.23

Notes

#19. Operating cash flows are significantly influenced by depreciation and working capital movements and may not represent recurring operating surplus.

#20. Capital expenditure is substantially funded through government grants, the timing of which is policy-driven

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

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

www.trichycorporation.gov.in/auditedfinancialstatement#top

E. COPY OF BUDGET DOCUMENTS FOR PREVIOUS THREE YEARS

The summary of budget of the Issuer for previous three financial years FY 2022-2023, FY 2023-2024, FY 2024-2025 and the current year FY 2025-26 are annexed herewith as **Annexure VI**.

For complete budget documents for previous three financial years FY 2022-2023, FY 2023-2024, FY 2024-2025 and the current FY 2025-26 please refer to the link below:

www.trichycorporation.gov.in/budgetdetails#top

F. FINANCIAL PARAMETERS

(Rs. in Crores)

Key Financial Figures	Financial Year		
	2022-23	2023-24	2024-25
	Audited	Audited	Audited
Revenue Income - A	359.41	480.79	462.70
Revenue Expenditure (Excluding Interest) * – B	385.50	489.61	481.79
Operating Revenue Surplus C = A – B	(26.09)	(8.82)	(19.09)
Interest Expense – D	15.96	24.82	24.84
Principal Repayment (Outside Sinking Fund) - E	2.54	47.99	27.60
Contribution to Sinking Fund	-	-	-
Revenue Surplus - F = C – D **	(42.05)	(33.64)	(43.93)
Capital Income - G	798.33	672.87	462.09
Capital Expense*** - H	513.71	915.51	687.98
Capital Surplus I = G - H	284.63	(242.65)	(225.89)
Overall Surplus J = F + I	242.58	(276.29)	(269.82)
Deposits and Advances (net) ****	43.91	22.26	29.79
Initial Cash / Bank Balance	280.04	602.05	428.10
Change in Cash / Bank Balance	322.01	(173.95)	(175.87)
Final Cash / Bank Balance	602.05	428.10	252.23
Loan repayment from Sinking Fund	-	-	-
Initial Sinking Fund Balance	-	-	-
Change in Sinking Fund	-	-	-
Final Sinking Fund Balance	-	-	-
Total Debt	198.73	331.85	466.29
Ratio of Total Expenditure / Total Revenue = (B+D)/A*100	111.70%	107.00%	109.49%
Cash Surplus / Total Revenue = (F + Dep.) / A*100	10.40%	14.29%	10.81%
Ratio of Debt Service / Total Revenue	2.88	1.28	1.43

Notes:

*Revenue expenses include the Prior period items

**While Revenue Surplus reflects the overall fiscal position including grants, Operating Revenue Surplus is considered.

***This includes amount spent for Capital Work in Progress & Fixed assets created from all funds

****Loans, advances & deposits given by the issuer.

II. Details of top 5 revenue sources for the previous three years

The details of the top 5 revenue sources for Financial Year 2022-2023, Financial Year 2023-2024 and Financial Year 2024-2025 based on the Audited Financial Statements.

(Rs. in Crores)

Revenue Receipts Type	Financial Year		
	2022-23	2023-24	2024-25
	Actual	Actual	Actual
Property Tax and Vacant Site Tax (VST) Charges	46.78	49.81	58.46
Water Tax	44.16	46.95	55.50
Water Charges*	26.34	27.51	28.50
Building License	11.80	11.74	21.82
Education Tax	15.79	16.75	19.82

*Classified under the head Fees and User Charges

III. Details of property tax collection

The details of the property tax collection for Financial Year 2022-23, Financial Year 2023-24 and Financial Year 2024-25 based on the Audited Financial Statements of the Issuer:

(Rs. in Crores)

Particulars	Demand Raised			Collection			Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Arrears	Current	Total		
2022-2023	30.74	46.78	77.52	11.82	36.14	47.96	62%	77%
2023-2024	25.98	49.81	75.79	11.38	41.01	52.39	69%	82%
2024-2025	36.49	58.46	94.95	13.28	46.66	59.94	63%	80%

*Note: Property Tax include Vacant Site Tax (VST) Charges are given in the above table

IV. 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

TCMC has implemented an online Grievance Redressal Mechanism through its website at www.tccts.com/public/Newgrievance.aspx and a Whatsapp group titled “TCMC WhatsApp Compliant” to efficiently manage citizen complaints by facilitating simple complaint registration, status monitoring and timely resolution of complaints from citizens.

Field officers have been empowered to resolve the grievances during inspections with supporting documents and photographs. This mechanism enables easy registration of complaints, real-time tracking and automated escalation mechanisms, ensuring transparency, responsibility, and prompt redressal at every stage of the grievance process.

(ii) Water Supply Reforms

TCMC draws perennial water supply from the Cauvery and Coleroon rivers. The entire water supply system is continuously monitored through a Supervisory Control and Data Acquisition (SCADA) system, which integrates all Water Supply Service Reservoirs and enables automated operation (on/off control) and real-time monitoring of overhead tanks.

TCMC has also provided facility for online payment of Property Tax which can be accessed through turbanepay.tn.gov.in/WS_PaymentDetails.aspx#

(iii) Solid waste management (SWM) reforms

(i) Waste Collection and Transportation System:

TCMC has strengthened its solid waste collection and transportation system with a focus on comprehensive door-to-door collection, effective source segregation and timely transfer of waste to processing facilities. Collection vehicles are fitted with GPS for real-time tracking, supported by walkie-talkie communication and CCTV surveillance for improved coordination and monitoring. The system is supported through route mapping and rationalised deployment of the existing fleet, behavioural and safety training for drivers, and a responsive maintenance mechanism to minimise downtime. To enhance coverage and service levels, TCMC has engaged additional vehicles and manpower, introduced dedicated night operations where required, and implemented separate collection arrangements for commercial waste, to facilitate efficient and uninterrupted service delivery.

b. Deployment of Segregation Supervisors and Workforce Management:

To enhance source segregation at the household level, segregation supervisors have been deployed along with each collection vehicle (Tata Ace/BOV). Contingency arrangements have been made to address staff absenteeism among drivers, sanitation workers, and supervisors, thereby maintaining continuity of operations. In addition, structured duty scheduling and time management systems have been adopted to improve workforce productivity and accountability.

c. Awareness Generation and Public Participation:

TCMC has implemented widespread awareness initiatives to encourage source segregation and prevent open dumping practices. Actions initiated include serving notices to residents and commercial entities, circulating awareness messages through print media.

TCMC has established a comprehensive monitoring mechanism through the Integrated Command Control Centre (ICCC). Daily sanitation operations commencing from 6:00 a.m. are closely tracked using GPS-fitted waste collection vehicles, walkie-talkie communication systems, and CCTV surveillance. Clearly defined route plans facilitate systematic waste collection and transportation, while continuous supervision helps curb unauthorized roadside dumping.

(iv) Property Tax Reforms:

With the efforts made by the issuer, the total collection of Property Tax which is one of the main sources of revenue has increased from Rs. 36.14 Crores in FY 2022-23 and to Rs. 41.07 Crores in FY 2023-24 and stands at Rs. 46.66 Crores in FY 2024-25.

TCMC has also provided facility for online payment of Property Tax which can be accessed through turbanepay.tn.gov.in/PT_CPPaymentDetails.aspx#.

Linking of building permission: The procedure for property tax assessment is initiated upon issuance of a building permission by the Town Planning Department. TCMC is integrating Town Planning compliance and Property Tax/Revenue compliance through a common digital platform, leveraging the Tamil Nadu Urban Electronic Payment System (TNU-ePS) to enable filtered, real-time sharing of building permission and completion-related information on newly constructed properties in Tiruchirappalli City with the Revenue Department. This integration is expected to improve identification of new properties for assessment and support timely and efficient revenue collection.

Incentivisation: People are being given 5% discount on the net property tax payable, if they remit taxes within the due time as envisaged under Rule 268(2) of Tamil Nadu Urban Local Bodies Rules, 2023.

(v) Double Entry Accounting

TCMC has been following Double Entry Accounting System as prescribed in the Accounting Manual for Urban Local Bodies in Tamil Nadu even since 2000 and the following steps have been implemented towards double entry accounting system by way of improvements in the back-office system.

- to provide adequate civic services on a timely basis to its citizen, with a view to provide better financial management, improved governance, accountability and transparency of management.
- All receipts & payments are being managed through a dedicated software which stores all supporting documentation in digitized mode through Urban tree information system' a common portal operated state wide for operating the account of all urban local bodies in Tamil Nadu.
- Recording, classifying and summarizing transactions on day-to-day basis to ensure timely preparation of financial information and reports for efficient analysis and decisions
- TCMC is maintaining accounting sheets/ancillary documents/vouchers etc in digitized form.

V. DETAILS OF ISSUER'S OUTSTANDING BORROWING

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

As on December 31, 2025, there are outstanding secured borrowings of Rs. Nil and outstanding unsecured borrowings of Rs. 474.72* Crores.

b. Details of Secured Loan Facilities:

<i>(Rs. in Crores)</i>						
Sr. No.	Lender's Name	Type of Facility	Loan Amount Sanctioned (in Crores)	Principal Amount Outstanding as on December 31, 2025	Repayment Date/ Schedule	Security
NIL						

c. Details of Unsecured Loan Facilities:

<i>(Rs. In Crores)</i>						
Sr. No	Lender Name	Type of Facility	Amount Sanctioned	Tranche Wise Disbursement	Outstanding as on December 31, 2025	Repayment Date / Schedule
1	TNUIFSL	Term Loan	111.25	25.00	21.63	1st August & 1st February/ Half yearly instalments starting on August 1, 2020, and ending on February 1, 2040
				18.30	15.83	1st January & 1st July / Half yearly instalments starting on July 1, 2021 and ending on July 1, 2040

				20.00	17.60	1st July & 1st January / Half yearly instalments starting on July 1, 2021 and ending on January 1, 2041
				20.00	17.89	1st September & 1st March / Half yearly instalments starting on September 1, 2021 and ending on March 1, 2041
				5.00	4.54	1st June & 1st December / Half yearly instalments starting on June1, 2022 and ending on December 1, 2041
				5.00	4.61	1st November & 1st May / Half yearly instalments starting on November 1, 2022 and ending on May 1, 2042
2	TNUIFSL	Term Loan	37.84	6.00	5.75	1st April & 1st October / Half yearly instalments starting on April 1, 2024 and ending on October 1, 2043
				4.00	3.83	1st April & 1st October / Half yearly instalments starting on April 1, 2024 and ending on October 1, 2043
				4.00	3.83	1st April & 1st October / Half yearly instalments starting on April 1, 2024 and ending on October 1, 2043
				4.00	3.83	1st May & 1st October / Half yearly instalments starting on May 1, 2024 and ending on October 1, 2043
				6.00	5.75	1st April & 1st October / Half yearly instalments starting on April 1, 2024 and ending on October 1, 2043
				8.00	7.66	1st April & 1st October / Half yearly instalments starting on April 1, 2024 and ending on October 1, 2043
				1.12	1.10	Half yearly instalments starting on March 1, 2025 and ending on September 1, 2044
				1.53	1.51	Half yearly instalments starting on June1, 2025 and ending on December 1, 2044
				3.19	3.16	Half yearly instalments starting on October 1, 2025 and ending on April 1, 2045
3	TNUIFSL	Term Loan	119.96	3.50	3.43	1st June & 1st December / Half yearly instalments starting on June 1, 2025 and ending on December 1, 2044
				10.00	9.80	1st April & 1st October / Half yearly instalments starting on April 1, 2025, and ending on October 1, 2044

				6.32	6.19	1st April & 1st October / Half yearly instalments starting on April 1, 2025 and ending on October 1, 2044
				5.00	4.95	1st August & 1st February/ Half yearly instalments starting on August 1, 2025 and ending on February 1, 2045
				7.50	7.35	1st April & 1st October / Half yearly instalments starting on April 1, 2025 and ending on October 1, 2044
				3.15	3.09	1st June & 1st December / Half yearly instalments starting on June 1, 2025 and ending on December 1, 2044
				4.02	3.98	1st December & 1st June / Half yearly instalments starting on June 1, 2025 and ending on December 1, 2044
				0.96	0.95	1st March & 1st September / Half yearly instalments starting on September 1, 2025 and ending on March 1, 2045
				2.74	2.68	Half yearly instalments starting on April 1, 2025 and ending on October 1, 2044
				1.68	1.64	Half yearly instalments starting on July 1, 2025 and ending on January 1, 2045
				1.23	1.22	Half yearly instalments starting on October 1, 2025 and ending on April 1, 2045
				3.86	3.82	Half yearly instalments starting on October 1, 2025 and ending on April 1, 2045
	TUFIDCO			70.00	64.75	Quarterly instalments starting on March 31, 2025 and ending on December 31, 2034
4	TNUIFSL	Term Loan	45.57	10.21	10.21	1st September & 1st March / Half yearly instalments starting on September 1, 2025 and ending on March 1, 2045
5	TNUIFSL	Term Loan	27.00	5.00	3.24	1st July & 1st January / Half yearly instalments starting on July 1, 2024 and ending on January 1, 2029
				2.00	1.48	1st October & 1st April / Half yearly instalments starting on October 1, 2024 and ending on April 1, 2029
				8.74	5.24	1st January & 1st July / Half yearly instalments starting on October 1, 2025 and ending on April 1, 2029

6	TUFIDCO	Term Loan	159.98	159.98	125.89	Quarterly instalments starting on March 31, 2024 and ending on December 31, 2033
7	TUFIDCO	Term Loan	71.28	71.28	64.15	Quarterly instalments starting on March 31, 2024 and ending on December 31, 2033
8	TUFIDCO	Term Loan	13.97	12.57	7.92	Quarterly instalments starting on December 31, 2023 and ending March 31, 2029
9	TUFIDCO	Term Loan	12.00	9.00	9.00	Quarterly instalments starting on September 30, 2025, and ending on December 31, 2035
10	TNUIFSL	Term Loan	16.56	0.00	0.00	The loan amount has not yet been disbursed; accordingly, the maturity period and instalment schedule are presently not defined.
11	TNUIFSL	Term Loan	48.83	6.56	6.56	1st July & 1st January / Half yearly instalments starting on July 1, 2025 and ending on January 1, 2043
				4.00	4.00	1st July & 1st January / Half yearly instalments starting on July 1, 2025, and ending on January 1, 2043
				4.12	4.12	Loan received September 2025; statement not received
12	HUDCO	Term Loan	-	-	0.54	Refer Notes**
		Total	664.24	544.56	474.72	

Notes:

*The aforesaid loans have been shown as Secured Loan in the Audited Financials Statement, has been regrouped here under Unsecured Loans as the Issuer has not provided any security for the said loans.

**The adjoining local bodies, such as Thiruverumbur Village Panchayath, Ellakudi Village Panchayath, Melakalkandr Kottai Village Panchyaths were merged with TCMC during 2011-12 and the area was extended. In the Accounts of Thiruverumbur Town Panchayath this HUDCO figure also came. Hence, the Issuer have incorporated the figure in our records (Account Code No.3303001). There was no communication regarding this and no instruction was so far received to delete this item. Hence, the Issuer continuing with the figures. But there was no loan demand either from HUDCO or from Government so far.

d. Details of NCDs/Bonds (as on December 31, 2025):

Not Applicable, as the Issuer has not issued any debentures.

e. List of Top 10 Debenture Holders

Not Applicable, as the Issuer has not issued any debentures.

f. Details of Commercial Paper

Not Applicable, as 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;**

NIL

VI. Sufficient revenue generation and resources for timely servicing and redemption

The Bonds issued under this Placement Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism all funds deposited whether on account of Tax Income shall be transferred to a separate no-lien Escrow Account for debt servicing. Please refer to detailed Structured Payment Mechanism on page no. 139 of this Placement Memorandum.

In order to ensure timely servicing and redemption, the Issuer shall establish 2 (Two) accounts solely for the purpose of servicing the debt. The Interest Payment Account shall be established with a deposit such that at any point of time the Interest Payment Account holds an amount equivalent to three (3) semi-annual interest payments for bonds. To ensure adequacy of funds for redemption of the Bonds, a Sinking Fund Account shall be opened where amounts shall be deposited for redemption of the principal amounts of the Debentures. There is sufficient revenue generation/collection from Tax Income which shall be collected for timely servicing and redemption. The total cash flows from Tax Income during the last 3 (Three) Financial Years is approximately Rs. 152.25 Crores (Financial Year 2024-2025), Rs. 130.57 Crores (Financial Year 2023-2024) and Rs. 123.01 Crores (Financial Year 2022-2023).

VII. Issue Estimated Scenarios of Asset Liability Mis-matches

As there is sufficient tax collection, there does not seem to be any scenario of asset liability mismatch. With respect to the repayment of debt and revenue generation, the Debentures are to be paid from Tax Income (Tax Income shall mean property tax, water charges and Vacant Site Tax (VST) charges) of the Issuer. The current collections are sufficient to ensure the redemption of the Debentures. The structured payment mechanism as provided in this Placement Memorandum shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further Tax Income (Tax Income shall mean property tax, water charges and Vacant Site Tax (VST) charges) 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 December 29, 2025 has adopted a materiality policy for disclosure of litigation in relation to the Issuer according to which other litigation involving the Issuer which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the projects which are being funded by the proceeds of the Debentures, which litigation has been disclosed herein below.

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 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.

- a. the potential financial liability/monetary claim by or against Municipal Corporation in any such pending matter(s) is in excess of 0.025% of total income as per the audited financial statements of the Issuer for the FY 2024-25, i.e., Rs. 0.12 Crores;
- 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 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 0.025% of total income as per the audited financial statements of the Issuer for the FY 2024-25, i.e., Rs. 0.12 Crores.

A. CONTINGENT LIABILITIES OF THE ISSUER

As per the Auditors report dated 25th August 2025 issued by M/s. R. Thangamaharaja & Co, Chartered Accountants, for the FY 24-25, there have been no identified contingent liabilities disclosed in the notes to the financial statements of the issuer

The Corporation may face claims, disputes, or demands in the ordinary course of business that are currently not reliably measurable, and hence no provision has been recognised at this stage. Such matters are monitored continuously, and contingent liabilities are disclosed only where an outflow is not remote and estimation are practicable, with non-disclosure when such disclosure would seriously prejudice the Corporation's position as permitted by the standards. Based on management's assessment as of the reporting date, no contingent liability requires recognition and no disclosure is necessary beyond this policy, as the likelihood of material outflow is assessed.

LITIGATIONS INVOLVING THE ISSUER

B. LITIGATIONS AGAINST THE ISSUER

a. CRIMINAL LITIGATIONS

Nil

i. WILLFUL DEFAULTER

The Issuer is not a willful defaulter.

ii. WILFUL DEFAULTER STATUS OF BOND ISSUE COMMITTEE MEMBERS

None of the members of the Bond Issue Committee have been declared as willful defaulters.

iii. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

- Environment related Litigation

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
1.	Tribunal on its own motion SUO MOTU vs. Tiruchirappalli City Municipal Corporation (through Commissioner) & others including Tamil Nadu Pollution Control Board, Central Pollution Control Board	O.A. NO. 40/2025 (SZ)	National Green Tribunal, Southern Zone, Chennai	An environmental suo motu case (O.A. NO. 40/2025 (SZ)) has been initiated by the National Green Tribunal, with the Principal Bench in New Delhi being currently heard by the Southern Zone Bench in Chennai (the 'Tribunal') under case number O.A. No. 40/2025 (SZ). issuing the memo of parties regarding the matter. The primary parties includes Tiruchirappalli City Municipal Corporation, the Tamil Nadu Pollution Control Board, and the Central Pollution Control Board & Others (the 'Respondents'). The proceedings were initiated based on a news item titled <i>"Age-old channels have become open drains for discharging raw sewage in Tiruchi"</i> published in <i>The Hindu</i> on December 25, 2024. As per the case details, once-functional irrigation canals in Tiruchirappalli have been converted into open drains for the discharge of raw sewage from numerous households and commercial establishments. Residents attribute this environmental degradation to the absence of a sufficient underground sewer network and the lack of punitive action by authorities against violators. The case seeks to address the failure of existing measures to check pollution along these canal banks. The matter is currently pending before the National Green Tribunal, Southern Zone, Chennai for disposal.	Not Applicable	Pending

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

Direct Tax*

- *E-proceedings*

Nil

- *Outstanding Demand*

Nil

Source- <https://eportal.incometax.gov.in/iec/foservices/#!/login>. Status as on February 02, 2026.

Indirect Tax*

- *Tax Deducted at Source*

Number of Cases	Amount Involved (Rs. in Crores)
1	0.001

* Source: <https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded>. Status as on February 02, 2026

- *Goods and Services Tax*

[Intentionally Left Blank]

Assessment Year	Description	Amount Involved (in Crores)	Current Status
2018 - 2019	The Tiruchirappalli City Municipal Corporation (“the Corporation”) is subject to a GST adjudication order issued in Form GST DRC-07 (ZD330925372412C) dated 26 September 2025 for FY 2018-19 pursuant to a surprise inspection conducted by the State Tax Intelligence authorities. The order determines an aggregate demand of ₹16.11 crore comprising tax of ₹5.10 crore, interest of ₹5.91 crore (computed up to 26 September 2025), and penalty of ₹5.10 crore levied under Section 74 of the CGST/TNGST Acts The Corporation has challenged the said order before the Madurai Bench of the Madras High Court by filing W.P. (MD) No. 34093 of 2025. The Hon’ble High Court, by order dated 01 December 2025, has granted an interim stay on the operation of the impugned GST order, and the matter is pending adjudication.	16.11	The Hon’ble Madras High Court has granted an interim stay on the operation of the impugned GST order, and the matter is pending adjudication.
2019 – 2020	A demand under Form GST DRC-07 dated September 26, 2025 has been issued by the Goods and Services Tax Department for FY 2019-20, aggregating to ₹16.64 crore (comprising tax of ₹5.59 crore, interest of ₹5.47 crore and penalty ₹5.59 crore). The demand arises from alleged suppression / non-declaration of taxable turnover and related matters adjudicated under Section 74 of the CGST/TNGST Act, 2017. The demand is currently pending resolution, and the Corporation is evaluating appropriate remedies in accordance with law.	16.64	Pending
2020 - 2021	As on the reporting date, a demand under FORM GST DRC-07 dated 20.11.2025 has been issued by the Goods and Services Tax Department for FY 2020-21, aggregating to ₹9.90 crore (comprising tax ₹3.50 crore, interest ₹2.89 crore and penalty ₹3.50 crore), adjudicated under Section 74 of the CGST/TNGST Act, 2017 on grounds including alleged suppression of turnover. The demand is pending resolution. The Corporation is examining the order and evaluating appropriate legal remedies.	9.90	Pending
2021 - 2022	As on the reporting date, a demand under FORM GST DRC-07 dated 20.11.2025 has been issued by the Goods and Services Tax Department for FY 2021-22, aggregating to ₹10.76 crore (comprising tax ₹4.07 crore, interest ₹2.63 crore and penalty ₹4.07 crore), adjudicated under Section 74 of the CGST/TNGST Act, 2017 on grounds including alleged suppression of taxable turnover. The demand is pending resolution. The Corporation is examining the order and evaluating appropriate remedies in accordance with applicable law.	10.76	Pending

2022 2023	-	As on the reporting date, a demand under FORM GST DRC-07 dated 20.11.2025 has been issued by the Goods and Services Tax Department, Tamil Nadu for FY 2022-23, aggregating to ₹11.33 crore (comprising tax ₹4.60 crore, interest ₹2.14 crore and penalty ₹4.60 crore), adjudicated under Section 74 of the CGST/TNGST Act, 2017 on grounds including alleged suppression of taxable turnover and related matters. The demand is pending resolution. The Corporation is examining the order and evaluating appropriate remedies in accordance with applicable law	11.33	Pending
2023 2024	-	As on the reporting date, a demand under FORM GST DRC-07 dated 20.11.2025 has been issued by the Goods and Services Tax Department, Tamil Nadu for FY 2023-24, aggregating to ₹8.78 crore (comprising tax ₹3.84 crore, interest ₹1.10 crore and penalty ₹3.84 crore), adjudicated under Section 74 of the CGST/TNGST Act, 2017 on grounds including alleged suppression of taxable turnover and related matters. The demand is pending resolution. The Corporation is examining the order and evaluating appropriate remedies in accordance with applicable law.	8.78	Pending
2024 2025	-	As on the reporting date, a demand under FORM GST DRC-07 dated 20.11.2025 has been issued by the Goods and Services Tax Department, Tamil Nadu for FY 2024-25, aggregating to ₹0.16 crore (comprising tax ₹0.077 crore, interest ₹0.008 crore and penalty ₹0.077 crore), adjudicated under Section 74A of the CGST / TNGST Act, 2017, primarily on account of excess input tax credit claimed under IGST. The demand is pending resolution. The Corporation is examining the order and evaluating appropriate remedies in accordance with applicable law	0.16	Pending

- *Property Tax*

S. No.	Nature	Number of Cases	Amount Involved (Rs. in Crores)*
Property Tax			
1)	Property Tax*	5	1.27

* To the extent quantifiable excluding interest and penalty thereon.

vi. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER:

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
1.	Minor Jagathees age 8 Years represented by Natural Guardian his father M. Raja Vs. The Commissioner,	MCOP/05/2025	Special Sub Court MCOP cases, Establishment, Tiruchirappalli, in the Court of Thiru. A.	A motor accident compensation claim is filed under Sections 140 and 166 of the Motor Vehicles Act in M.C.O.P. No. 5 of 2025 before the Motor Accident Claims Tribunal, Tiruchirappalli. The Petitioner is Minor Jagathees (8 years), represented by his father M. Raja and the Respondents are Tiruchirappalli City Municipal	0.10	Pending

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
	Tiruchirappalli City Municipal Corporation and United India Insurance Company Limited		Mummoorthy Special Sub Judge (MCOP Cases), Tiruchirappalli, Tiruchirappalli.	Corporation (vehicle owner) and United India Insurance Company Ltd. (Insurer). As per the matter on June 02, 2024, at about 11.00 a.m., a TATA Goods Carrier Tipper (TN 45 BS 5293), driven rashly and negligently, hit the minor while he was standing near his house. He sustained a crush injury to the right elbow and multiple injuries, underwent surgery, and was treated at Apollo Hospital, Trichy, from June 02, 2024 to June 04, 2024. The Petitioner incurred substantial medical and incidental expenses and suffered functional disability of the right hand affecting daily activities and schooling. An FIR in Crime No. 99/2024 under Sections 279 and 337 IPC was registered against the driver. As the vehicle was insured with the Insurer, both Respondents are jointly and severally liable. The Petitioner seeks compensation of Rs. 0.10 Crores. The matter is pending for disposal.		
2.	(i) Mr. Rajendran (63 years), (ii) Mrs. Muthulakshmi (47 years), (iii) Mr. Arunkumar (25 years) and (iv) Ms. Jayalakshmi (19 years) being the legal heirs of Mr. Anandharaj Vs. The Commissioner, Tiruchirappalli City Municipal Corporation	MCOP/539/2025	Special District Court MCOP cases, Tiruchirappalli, in the Court of Tmt. R. Nanthini, M.L., Special District Judge (MCOP Cases), Tiruchirappalli, Tiruchirappalli.	A motor accident compensation claim petition under Section 166 of the Motor Vehicles Act, 1988, being M.C.O.P. No. 539 of 2025, has been filed before the Motor Accident Claims Tribunal, Tiruchirappalli (Special District Court – MCOP cases) by (i) Mr. Rajendran (63 years), (ii) Mrs. Muthulakshmi (47 years), (iii) Mr. Arunkumar (25 years) and (iv) Ms. Jayalakshmi (19 years) (legal heirs) seeking compensation for the death of Mr. Anandharaj (31 years) against Tiruchirappalli City Municipal Corporation (owner of the vehicle) and United India Insurance Company Limited (Insurer). As per the claim petition, the accident occurred on February 18, 2025 at about 02:00 hours (midnight) near Jenne Plaza on the	2.00	Pending

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
	and United India Insurance Company Limited			road from Trichy Railway Junction to Head Post Office Main Road, involving a Mini Lorry bearing registration no. TN 45 CB 9781 and the deceased's motorcycle TN 45 BH 8689. The deceased is stated to have sustained fatal injuries (head and chest) and was declared dead on the way to G.H., Trichy, and a case has been registered as Crime No. 43/2025 at Trichy Traffic South Investigation Wing Police Station. The Petitioners have claimed compensation of Rs. 2.00 Crores (as prayed, with interest/costs) and the matter is stated to be pending.		
3.	Subaya Constructions Company Ltd. vs. Tiruchirappalli City Municipal Corporation (mentions the name of the Corporation as Tiruchirappalli City Corporation)	Agreement No. 02/2018-19	Arbitral Tribunal of Sole Arbitrator	An arbitration proceeding is pending between Subaya Constructions Company Ltd. (Claimant) and Tiruchirappalli City Municipal Corporation (Respondent) before an Arbitral Tribunal presided over by a sole arbitrator (Shri/Er. K. Sekar), arising out of Agreement No. 02/2018-19 dated January 09, 2019 for works relating to the Underground Sewerage System/Sewerage Collection System in the extended areas of Trichy City (Package I). The Respondent has filed its statement of defence disputing the claims (including allegations relating to delay in handing over sites/permissions, milestones and progress) and seeks dismissal, while the Claimant has also moved for interim relief/declaration including that the balance value of work as on November 16, 2023 was about Rs. 30 crores and that extensions of time should not be treated as poor progress (also referring to alleged adverse statements made to Salem Corporation impacting its tenders). The matter is pending for Arbitral/Interim Award.	30.00	Pending

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
4.	M. Gobinath vs. The Commissioner, Tiruchirappalli City Municipal Corporation & Ors.	O.S. No. 87/2024	Principal District Court, Tiruchirappalli	A suit for declaration and mandatory injunction (O.S. No. 87 of 2024) has been filed by M. Gobinath (“Plaintiff”) before the Principal District Court, Tiruchirappalli, against the Commissioner, Tiruchirappalli City Municipal Corporation (Corporation), the Director of Town and Country Planning, and others (“Respondents”). The Plaintiff claims absolute ownership over Plot Nos. 17 and 18 in the “Nagappa Nagar” layout formed in 1971, having purchased the same in 2009. Building plan approval granted in 2014 by the Assistant Commissioner (Ponmalai Zone) was later cancelled by the Corporation. The Plaintiff alleges that a defunct “Nagappa Nagar Welfare Association” falsely claimed the plots were reserved for public purpose and orchestrated interference after demands for money were refused, including replacing the original 1971 layout plan with a fabricated one. Relying on High Court orders in W.P. Nos. 10673 of 2020 and 9112 of 2023, which directed enquiries and observed that land reserved but not acquired is deemed released, the Plaintiff contends that the authorities failed to restore the approval. The present suit seeks declarations of ownership and validity of the 1971 layout plan, and a mandatory injunction to restore the building approval. The suit is valued at Rs. 0.13 Crores and is pending before the Principal District Court, Tiruchirappalli.	0.13	Pending
5.	V.M.E. Yacoob vs. The Commissioner, Tiruchirappalli City Municipal	W.P.(MD) No. 31107 of 2025	High Court of Judicature at Madras, Madurai Bench	A writ petition (W.P.(MD) No. 31107 of 2025) has been filed by V.M.E. Yacoob (“Petitioner”) before the Madurai Bench of the Madras High Court, inter alia, challenging the proceedings/notice dated September 3, 2025 and the	1.63	Pending

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
	Corporation & Ors. (petition mentions the name of the Corporation as Tiruchirappalli City Corporation)			consequential notice dated September 23, 2025 as issued by Tiruchirappalli City Municipal Corporation & Ors. (“ Respondent ”) and seeking, among other reliefs, removal of the “lock and seal” from Shop No. 350 (measuring about 3080 sq. ft.) and refixation of fair rent after affording an opportunity of hearing. The Respondent have opposed the petition on the ground of maintainability, contending that the Petitioner lacks locus standi as the original lease for Shop No. 350 stands in another person’s name and there is no privity of contract with the Petitioner; they have also stated that rent has been determined at Rs. 59 per sq. ft. from April 01, 2021 to March 31, 2024 and Rs. 68 per sq. ft. from April 01, 2024, and that arrears (after adjustment) are Rs. 1.63 Crores. The matter is pending for disposal.		
6.	A.P. Rajkumar vs. The Commissioner, Tiruchirappalli City Municipal Corporation & Ors. (petition mentions the name of the Corporation as Tiruchirappalli City Corporation)	W.P.(MD) No. 31106 of 2025	High Court of Judicature at Madras, Madurai Bench	A writ petition in the nature of Certiorarified Mandamus, W.P.(MD) No. 31106 of 2025, has been filed by A.P. Rajkumar (“ Petitioner ”) before the Madras High Court, Madurai Bench against Tiruchirappalli City Municipal Corporation & Ors. (“ Respondents ”), inter alia challenging the Corporation’s proceedings/notices and seeking removal of “lock and seal” in respect of Shop No. 351, Melapuliward Road, Tiruchirappalli, and refixation of fair rent after due hearing; as per the Respondent’s stand, the original lease for Shop No. 351 (about 7,150 sq. ft.) stands in the name of one Mr. Pitchai Pillai and the petitioner is stated to be only an unauthorised sub-lessee/occupant of about 3,575 sq. ft. with no privity of contract, and therefore lacks locus standi. It is further stated that, pursuant to prior litigation and an enquiry	3.57	Pending

Sr. No.	Name of the Parties	Case Number	Authority	Brief Facts of the Case	Amount Involved (in Crores)	Present Status
				process, the Corporation issued notices for enquiry in July 2025 and finalised rent at Rs. 59 per sq. ft. for April 01, 2021 to March 31, 2024 and Rs. 68 per sq. ft. from April 01, 2024 and alleges arrears aggregating to Rs. 3.57 Crores (after adjustments) and that the petitioner is liable to eviction. The matter is pending before the Madras High Court, Madurai Bench.		
7.	H.H. The Prince of Arcot Endowments Vs. Tiruchirappalli City Municipal Corporation (mentions the name of the Corporation as Tiruchirappalli City Corporation)	SA(MD)/377/2020	High Court of Judicature at Madras, Madurai Bench	The matter pertains to properties situated within the limits of the Tiruchirappalli City Municipal Corporation (“ Respondent ”) as owned by H.H. The Prince of Arcot Endowments (“the Petitioner ”). As per the matter property tax was assessed on these properties by the Respondent Corporation. The Petitioner filed O.S. No. 1327 of 2004 before the Additional District Munsiff Court, Tiruchirappalli, seeking a declaration that the suit properties were exempt from payment of property tax under Section 123(a) and (b) of the Tiruchirappalli City Municipal Corporation Act, 1994, along with a consequential permanent injunction restraining the Corporation from assessing or collecting property tax. After trial, the said suit was dismissed vide order dated February 11, 2024 and the Petitioner had filed an appeal A.S. No. 174/2014 before the Principal Subordinate Judge, Tiruchirappalli which was dismissed vide order dated January 31, 2020 on merits and confirmed the findings of the trial court. Aggrieved by the aforesaid disposal, the present second appeal has been filed by the Petitioner in the High Court of Judicature Madras, Madurai Bench. The matter is pending for disposal	0.96	Pending

C. LITIGATIONS BY THE ISSUER

i. CRIMINAL LITIGATIONS

NIL

ii. DISCIPLINARY ACTIONS INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGE(S) DURING THE PAST 5 (FIVE) FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

NIL

iii. TAXATION MATTERS

NIL

iv. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

NIL

D. LITIGATIONS INVOLVING THE MEMBERS OF THE BOND ISSUE COMMITTEE

LITIGATIONS AGAINST THE MEMBERS OF THE BOND ISSUE COMMITTEE

There are no cases pending against 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 which are being funded by the proceeds of the Debentures.

LITIGATIONS BY THE MEMBERS OF THE BOND ISSUE COMMITTEE

There are no cases pending by 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 which are being funded by the proceeds of the Debentures.

E. OUTSTANDING DUES TO CREDITORS

Based on Materiality Policy of the Issuer, as on December 31, 2025 except as disclosed below, our Issuer does not have any 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 Material Creditors and SSI/MSME creditors are not disclosed in this Placement Memorandum.

Particulars	Outstanding (Rs. in Crores)
Total Outstanding dues to Material Creditors	12.256
Total Outstanding dues creditors other than Material Creditors	0.001
Grand Total	12.257

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link:

<https://www.trichycorporation.gov.in/wh-assets/tccdetaiils/materialcreditors/31122025.pdf>

F. MATERIAL DEVELOPMENTS SINCE DATE OF THE LAST AUDITED BALANCE SHEET

The Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer, the Issuer has not undergone any reorganization or reconstruction of management in the last 1 (one) year.

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 and Contracts are as provided in the Section-XV titled “*Material Contracts and Agreements*” on page no. 149 of this Placement Memorandum.

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 for any information disclosed in this Placement Memorandum, 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 Municipal Bonds or an investors’ decision to invest or continue to invest in the Municipal Bonds to be issued by the Issuer.

I. DETAILS OF NON-PAYMENT OF STATUTORY DUES

As per the certificate dated January 23, 2026 received from the Independent Chartered Accountants to the Issue, following statutory dues are payable by the Corporation:

Head / Particulars	Due Amount (Rs. in crore)	Reasons (if any specific)
VAT Payable	0.15	Liability pertaining to earlier periods; pending for a prolonged duration.
Service Tax Payable	0.07	Liability relating to pre-GST period; pending for a prolonged duration.
Payable to CMDA/LPA	2.80	Amount payable towards statutory development / planning authority charges; pending settlement
EPF Recoveries Payable	1.83	Statutory deductions recovered but not yet remitted remains pending as at the reporting date.
Library cess - Payables	31.48	Statutory cess outstanding for more than 24 months; accumulated arrears pending reconciliation and remittance
Centage Charges – Payable	5.90	Payable towards centage charges relating to works executed; pending settlement
Total	42.23	

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

K. DISCIPLINARY ACTION, IF ANY, TAKEN BY SEBI OR ANY FINANCIAL SECTOR REGULATORY AUTHORITY AGAINST THE ISSUER, MERCHANT BANKER, DEBENTURE TRUSTEE ETC., DURING THE LAST 5 (FIVE) YEARS

i. Against the Issuer

NIL

ii. Against the Debenture Trustee

SEBI/Regulatory Authority	Details of pending disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI	SEBI passed an order on 28.02.2024 relating to historical lapses of Milestone Trusteeship (merged into Catalyst in May 2022) under AIF transactions. SEBI Appellate Tribunal (SAT), by order dated 28.11.2025, set aside the market-access restriction and reduced the restricting accepting new AIF transactions from 12 months to 6-months. On 05.12.2025, SAT stayed this restriction for 6 weeks. On 17.12.2025, Catalyst has filed civil appeal before Hon'ble Supreme Court in the matter. Existing and already accepted mandates of AIF transactions and also all other trusteeship transactions remain fully unaffected.

iii. Against the Merchant Bankers

SEBI/Regulatory Authority	Details of pending disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
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 Agency

India Ratings and Research Private Limited

SEBI/Regulatory Authority	Details of pending disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI/SAT	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 November 19, 2025, directed the appeals to be listed for hearing next in February 23-25, 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 Hindustan Cleanenergy Limited. The

	payment towards the same was done by India Ratings on 18 December 2023 and the matter stands closed.
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CARE Ratings Limited

SEBI/Regulatory Authority	Details of pending disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
SEBI/SAT	Nil

v. Against the Registrar

Nil

SECTION-XII: GOVERNMENT APPROVALS

The Issuer is a municipal corporation incorporated under the TCMC Act and have 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 Placement Memorandum.

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:

There are no specific approvals which are material and necessary for carrying on the business of the Issuer. The Issuer has required registrations as listed below:

Sr. No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number ("PAN")*	AAALC1539Q	Income Tax Department, Government of India	November 22, 1993	One Time Registration
2.	GST Registration Certificate ("GST") under the Central Good and Services Tax Act, 2017*	33AAALC1539 Q1Z1	Government of India	April 23, 2018	One Time Registration
3.	GST Registration Certificate ("GST") under the Central Good and Services Tax Act, 2017**	33AAALA1018 N1ZJ	Government of India	August 02, 2018	One Time Registration
4.	GST Registration Certificate ("GST") under the Central Good and Services Tax Act, 2017***	33AAALA1016 C1Z8	Government of India	August 02, 2018	One Time Registration
5.	GST Registration Certificate ("GST") under the Central Good and Services Tax Act, 2017****	33AAALW054 9E1Z6	Government of India	December 15, 2022	One Time Registration
6.	GST Registration Certificate ("GST") under the Central Good and Services Tax Act, 2017*****	33AAALT0968 Q2ZC	Government of India	December 20, 2023	One Time Registration
7.	GST Registration Certificate ("GST") under the Central Good	33AAALA1017 D1Z5	Government of India	April 23, 2018	One Time Registration

	and Services Tax Act, 2017*****				
8.	Tax deduction Account Number (“TAN”)	CHET05181B	Income Tax Department, Government of India	Not Available	One Time Registration
9.	Registration under Employees’ Provident Fund	CBTRY008164 3000	Employees Provident Fund Organisation	July 03, 2017	One Time Registration
10.	Legal Entity Identifier Number*	894500Q58G0D EHP6D259	Legal Entity Identifier India Limited	February 07, 2025	February 07, 2026

** Approval/certificate is in the name of Commissioner Tiruchirappalli City Municipal Corporation. For PAN an application for name change to Tiruchirappalli City Municipal Corporation has been filed and for LEI the same will be applied once the PAN has been updated.*

** Approval/certificate is in the name of Commissioner Tiruchirappalli City Municipal Corporation*

*** Approval/certificate is in the name of Asst Commissioner Srirangam Zone*

**** Approval/certificate is in the name of Asst Commissioner Ariyamangalam Zone*

***** Approval/certificate is in the name of Ward Committee - III Tiruchirappalli City Municipal Corporation*

****** Approval/certificate is in the name of Assistant Commissioner Ward Committee IV*

****** Approval/certificate is in the name of Asst Commissioner K Abhishekapuram Zone*

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 H “Details and status of the regulatory approval (if required)” of Section-VII titled “Objects of the Issue” on page no. 61 of this Placement Memorandum.

SECTION-XIII: UNDERTAKINGS BY THE ISSUER



Tiruchirappalli City Municipal Corporation
Bharathidasan Road, Cantonment,
Tiruchirappalli – 620 001
Email Id: tccacctsmain@gmail.com
Phone: 0431-2415393-396

UNDERTAKINGS BY THE ISSUER

Tiruchirappalli City Municipal Corporation (the “**Issuer**”) hereby agrees and undertakes:

1. that it shall submit the documents disclosed in the Placement Memorandum to the Debenture Trustee in electronic form (soft copy).
2. that the complaints received in respect of the Issue shall be attended by the Issuer expeditiously and satisfactorily.
3. that 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. that the Placement Memorandum contains true, fair and adequate information to enable investor to make well informed decision regarding their investment in proposed Issue and a declaration to this effect issued by the Mayor and by the Commissioner has been annexed to the Placement Memorandum.
5. that the Placement Memorandum 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 statement.
6. that the Placement Memorandum contains all material disclosures which are true, correct and adequate to enable the applicants to take an informed investment decision.
7. that all monies received out of the Issue shall be transferred to a separate bank account.
8. that it has complied and shall comply with the applicable law including but not limited to Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015.

For Tiruchirappalli City Municipal Corporation

Name: Madhubalan Lingam, I.A.S.
Designation: Commissioner

Place: Tiruchirappalli

Date: 02.02.2026.



SECTION-XIV: TERM SHEET

SUMMARY OF OFFER

A. Primary business of the Issuer:

Tiruchirappalli City Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Tiruchirappalli City Municipal Corporation Act, 1994 (“TCMC Act”) as repealed by the Tamil Nadu Urban Local Bodies Act, 1998 (“**TNULB Act**”) read with Tamil Nadu Urban Local Bodies Rules, 2023 vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 260 dated November 22, 1993 (as confirmed vide notification of Municipal Administration and Water Supply Department, Government of Tamil Nadu numbering G.O. MS. No. 109 dated March 31, 1994). In accordance with Section 37 of the TNULB Act, the Corporation shall consist of such number of elected members as may be notified from time to time.

Size of the Issue:

Secured, Non-Convertible, Listed, Rated, Redeemable, Taxable bonds in the nature of debentures of the face value of Rs. 1,00,000/- (Rupees One Lakh only) each, for cash, amounting upto 100 Crore (Rupees One Hundred Crores only).

B. Object of the Issue:

The proceeds of the Issue are to be deployed in the below mentioned projects and the total project cost is provided herein below:

(Rs. in Crores)		
Sr. No.	Object	Total Cost
1.	Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur	236.00

C. Audit Qualifications along with the financial statements.

Following are the auditor qualifications/remarks on the financial statements:

Our Auditors and External Auditors have issued a qualified opinion pursuant to their audit reports dated January 30, 2025 and for F.Y. 2023-24; and May 31, 2024 for FY 2022-23. Further for F.Y. 2024-25 R. Thangamaharaja & Co., Chartered Accountants being the External Auditors appointed by Municipal Administration and Water Supply Department of Government of Tamil Nadu, have issued a qualified opinion pursuant to their audit report dated August 25, 2025 on the consolidated financial statements for FY 2024-25.

The key qualifications/observations highlighted in the Audit Reports for the preceding three financial years are as follows:

Local Fund Audit Qualification – 2022-23

- Accounts for FY 2022-23 were submitted on 24-04-2024, against the statutory deadline of 30-06-2023. It is Violation of Section 7(1) of Tamil Nadu Local Fund Audit Act, 2014.
- Tiruchirappalli City Municipal Corporation- Administrative Report for the year 2022-2023 not sent to Govt of Tamil Nadu.
- Demand Register for the following items of revenues Demand were not properly maintained:
 - Annual rent on the “Cable TV wires” carrying in the Electric Posts
 - The “Optical Fibre Cable” – “Track rent” details, files, registers and the Demand, collection details are to be maintained properly
- Advances under supplier advances and other heads amounting to ₹151.91 lakhs remained unsettled for a long period as on 31-03-2023.
- Capital Project Work-in-Progress amounting to ₹76,520.22 lakhs was shown in the balance sheet. Completed works were not assetised and details were not furnished to audit
- Contribution payable to Tiruchirappalli Local Planning Authority amounting to ₹270.92 lakhs was not paid during the year 2022-2023

7. Library Cess amounting to ₹240.82 lakhs collected was not remitted to the District Library Authority.
8. Demand, Collection and Balance schedules and connected registers required under Rule 7(a) of the Tamil Nadu Local Fund Audit Act were not annexed and submitted within the prescribed time.
9. Contributory Pension Scheme- Fund –Not Properly maintained in UTIS software:
 - a. As of 31/03/2023, a total of 1172 employees in the Tiruchirappalli Municipal Corporation are availing benefits under the Contributory Pension Scheme. The accounts and records for these employees are being maintained both manually through registers and digitally through the computer system. Steps should be taken to ensure that all these details are maintained exclusively in the computer system.
 - b. In Tiruchirappalli corporation” in the audit period 2022-2023 the details of the amount deducted from the employees and management’s contribution amounts were remitted to Govt. accounts, were not produced for audit
10. General Provident fund Accounts were not maintained in computers
11. Grants
 - a. The project implementation details regarding the works carried out with the grant received during the audit year are mentioned as follows. The unspent grant amount at the end of the audit year has been verified as utilized in the subsequent financial year. The works in progress should be completed and properly assetized in accordance with the procedures
 - b. The grant headings in the table with no change in the opening and closing balances (no Receipts or Payments) should be reviewed. If the grants are spendable, they should be utilized accordingly. If the grants are non-spendable, appropriate actions should be taken to return them to the organization that provided the grants
12. No provision was made in the annual accounts for doubtful collection of tax and non-tax revenues
13. Supporting records for assets, including valuation and depreciation details, were not produced for audit verification
14. Stock verification reports for the audit year were not attached with the annual accounts.
15. Monthly bank reconciliation statements were not produced periodically for audit
16. Audit fees for FY 2021-22 and 2022-23 amounting to ₹1,23,30,472 were not paid and not accounted in the annual accounts
17. Daily BRV/BPV entries were not uploaded in the software, schedules were not attached with annual accounts, and provisions for doubtful collection were not made
18. Actual expenditure exceeded the revised budget estimate for the year 2022-23. No provision for depreciation was made in the revised estimate
19. As on 31-03-2023, property tax assessments were 2,35,778, whereas water connections were only 1,23,231. Commercial and industrial connections were very few
20. Unspent government grant details under Water Supply & Underground Drainage Fund could not be independently confirmed and were referred to Revenue & Capital Fund report.
21. The following advances remained pending and not adjusted for a long period as on 31-03-2023:
 - a. Festival Advance – ₹1,993.90 lakhs
 - b. Other advances under Water Supply & UGD Fund
22. Capital Project Works-in-Progress amounting to ₹53,835.57 lakhs were shown in the balance sheet (WS Fund). Details of works-in-progress were not annexed to the annual accounts. Completed works were not assetised.
23. Advance of ₹314.77 lakhs given to Tamil Nadu Water Supply and Drainage Board remained unadjusted
24. Registers were not properly maintained to verify correctness of rent receivable, lease amounts and government grants
25. Separate accounts were not maintained for scheme works for which utilisation certificates are not required.
26. Year-wise arrear details amounting to ₹5,861.60 lakhs as on 31-03-2023 were not annexed to the annual accounts
27. Time-barred arrears of water charges amounting to ₹714.83 lakhs existed for FY 2022-23. No provision for doubtful collection was made in UTIS software.

28. Time-barred arrears of underground drainage charges amounting to ₹388.39 lakhs existed for FY 2022-23.
29. Repairs and maintenance expenditure during FY 2022-23 increased by ₹909.28 lakhs compared to the previous year.
30. Income tax, sales tax, service tax and labour welfare fund deductions amounting to ₹15.50 lakhs remained unpaid as on 31-03-2023.
31. Audit fees payable under Water Supply & Underground Drainage Fund were outstanding for the year.
32. Serious audit objections amounting to ₹1,98,15,687 were issued under Water Supply & Underground Drainage Fund for FY 2022-23.

Education Fund – FY 2022-2023

11. The revised budget estimate for Education Fund for 2022-2023 was ₹3,056.00 lakhs, whereas the actual collection was ₹1,821.50 lakhs.
12. Ten bank accounts were maintained under Education Fund. Details relating to inactive bank accounts were not submitted to Audit.
13. Provision is required to be made for the balance sum after providing for progressive expenses on the basis of documents under Education Fund account heads.
14. Under “Capital Project Work-in-Progress” in the balance sheet for 2022-2023, amounts were shown. Details of works in progress as on 31-03-2023 were not submitted to Audit. Completed works were not assetised.
15. As per Rule 7(1) of the Tamil Nadu Local Fund Audit Act, annual accounts and connected registers should be submitted before 30 June of the succeeding year. The Education Fund annual accounts (7-digit code) were submitted only on 28-02-2024
16. Lease details, rent on buildings, and Government grant details were not furnished accurately to Audit
17. A separate register was not maintained for expenditures for which utilisation certificates are not required
18. Education tax demand and collection details indicate arrears under Education Fund
19. Operating expenditure during FY 2022-2023 was ₹58.42 lakhs, which was higher than the previous year expenditure of ₹29.39 lakhs
20. Schools maintenance and scavenging expenditure during FY 2022-2023 was higher than the previous year. Related files and registers were required to be produced for audit.

Local Fund Audit Qualification – 2023-24

Revenue & Capital Fund – FY 2023-2024

1. The annual accounts for the year 2023-2024 were received on 31-05-2024, returned for rectification and revised accounts were received only on 04-09-2024, which is beyond the period prescribed under Section 7(a) of the Tamil Nadu Local Fund Audit Act, 2014.
2. Details regarding obtaining Council approval for the Administrative Report and submission of the report to the Government were not furnished to Audit.
3. Demand registers for the following revenue items were not properly maintained:
 - a. Annual rent on Cable TV wires carried in electric posts
 - b. Optical Fibre Cable track rent – demand, collection details, files and registers were not properly maintained
4. Advances shown in the annual accounts could not be reconciled with advance registers of all the five zones and hence the advance figures could not be reconciled by Audit
5. Based on relevant documents, progressive expenditures incurred under Revenue and Capital Fund were not determined and the remaining balance was not classified as asset or liability
6. A sum of ₹49.00 Crore was transferred from Smart City Mission Fund account, and the amount was not recouped as on date. The transfer was made without prior approval and ratification from Government is required. The amount should be recouped to the Smart City Mission Fund account
7. Advances under the following heads remained unsettled for a long period as on 31-03-2024:
 - d. Suppliers Advance – ₹148.31 lakhs

- e. Other Advances – ₹168.96 lakhs
 - f. Total – ₹317.27 lakhs
8. Under “Capital Project Work-in-Progress”, completed works were not assetised. Steps were not taken to complete the works-in-progress and details were not furnished to Audit.
 9. A sum of ₹270.92 lakhs payable to Tiruchirappalli Local Planning Authority was not paid during the year 2023-2024
 10. Library Cess amount of ₹7.00 Crores was transferred from Library Cess bank account to Revenue Fund without prior approval. The amount should be transferred back to Library Cess account
 11. Demand, Collection and Balance details and schedules for annual accounts were not submitted within the stipulated time
 12. Permanent Advance balance of ₹49,332 remained unsettled as on 31-03-2024 under Account Code 460511.
 13. Contributory Pension Scheme accounts were maintained both manually and in computer system. Details were not maintained exclusively in UTIS software.
 14. Details of amounts deducted and remitted to Government Head were not produced for audit
 15. General Provident Fund accounts were maintained in handwritten registers. Revised proposal for interest for the year 2020-21 was not submitted to Audit
 16. No provision was made in the annual accounts for doubtful and uncollected tax and non-tax revenues
 17. Separate accounts were not maintained for project expenditures where utilisation certificates are not required
 18. Schedules of deposits and advances for all five zones were not submitted and hence closing balances could not be audited.
 19. Details of assets shown in the annual accounts were not supported by records for audit verification. Total value and depreciation of assets were not certified by the City Engineer.
 20. Stock verification reports for the audit year were not attached with the annual accounts.
 21. Difference in opening balance carried forward in Canara Bank account was noticed. Differences between trial balance and actual bank balance were not reconciled.
 22. Year-wise property tax arrear details of ₹3,444.63 lakhs as on 31-03-2024 were not annexed with annual accounts. Closing balance was not correctly brought forward.
 23. Subsidiary registers relating to rent and miscellaneous revenue were not properly maintained and were not produced for audit.
 24. Integrated inventory register of vehicles was not produced for audit.
 25. Audit fees amounting to ₹1,96,54,899 for the years 2021-22 to 2023-24 were not paid and no provision was made in the annual accounts
 26. Defects to be Rectified
 - h. Daily BRV/BPV entries were not uploaded in UTIS software.
 - i. Trial Balance of all five zones was not submitted
 - j. Monthly bank reconciliation statements were not submitted
 - k. Bank scrolls for SNA accounts were not submitted
 - l. No provision made for doubtful and time-barred collections
 - m. Deposit and advance balances could not be ascertained due to non-submission of subsidiary registers
 - n. Fund-wise details of fund transfers were not included in financial statement schedules

Water Supply & Underground Drainage Fund – FY 2023-2024

1. In the revised estimate for the year 2023-2024, no provision was made for depreciation.
2. As on 31-03-2024, property tax assessments were 2,37,328, whereas water connections were only 120575 numbers Commercial and industrial connections were very meagre.
3. The summary of advances in Water Supply & Underground Drainage Fund accounts of the Main Office and five zonal offices were not tallied with the annual account.
4. The following advances were not adjusted and remained pending for a long period as on 31-03-2024:
 - d. Festival Advance – ₹1,126.68 lakhs
 - e. Contractors Advances – pending

- f. Other Advances – pending
5. Under “Capital Project Work-in-Progress”, completed works were not assetised. Necessary action was not taken to complete the works-in-progress. Details of works-in-progress were not annexed to the accounts for the year 2023-2024
6. Advance of ₹314.77 lakhs given to Tamil Nadu Water Supply and Drainage Board remained unadjusted.
7. Demand, Collection and Balance details and schedules for annual accounts were not annexed in full shape
8. Registers were not properly maintained to verify the correctness of rent receivable, lease amounts and Government grants
9. No separate accounts were maintained for scheme works for which utilisation certificates are not required
10. Year-wise arrear balance of ₹5,116.51 lakhs as on 31-03-2024 was not annexed to the annual accounts
11. Year-wise water charges arrear demand was not maintained. Time-barred arrears for the year 2023-2024 could not be calculated. No provision was made in UTIS software towards doubtful collection
12. Year-wise underground drainage charges arrear demand was not maintained. Time-barred arrears for the year 2023-2024 could not be calculated.
13. Difference of ₹5,96,939 was noticed between trial balance loan opening balance and loan figures, which was required to be rectified
14. Income tax, sales tax, service tax and labour welfare fund deductions amounting to ₹16.66 lakhs remained unpaid as on 31-03-2024

Elementary Education Fund – FY 2023-2024

1. As per Rule 7(1) of the Tamil Nadu Local Fund Audit Act, 2014, the annual accounts along with connected registers are required to be produced to Audit before 30th June of the succeeding financial year. However, the annual accounts (7-digit code) were submitted on 31-05-2024, re-submitted for rectification and the revised accounts were received only on 04-09-2024.
2. Eleven numbers of bank accounts were maintained under Education Fund during 2023-2024. No details about inactive bank accounts were submitted to Audit.
3. In the Balance Sheet for the year 2023-2024 under Assets “Capital Project work-in-progress”, amounts were shown:
 - d. The completed works should be assetised and details are to be submitted to Audit.
 - e. Necessary action shall be taken to complete all the ongoing works
 - f. The details of works-in-progress as on 31-03-2024 shall be submitted to Audit with relevant details
4. There were differences between opening and closing balances in the Trial Balance and the interest schedule relating to investments. The difference should be rectified and submitted to Audit
5. Schools maintenance and scavenging expenditure during 2023-2024 was higher than the previous year. Details of files and registers relating to this expenditure were required to be produced for Audit
6. The audit report Part-II for the year 2023-2024 relating to Main Office and Ward Committees under Revenue & Capital Fund and Water Supply & Underground Drainage Fund were not issued as on date
7. The correctness of lease, rent on buildings and Government grants could not be ascertained accurately, as the registers were not properly maintained and furnished to Audit
8. There is no separate register maintained for the expenditures for which utilisation certificates are not required
9. Operating expenditure during 2023-2024 was higher than the previous year
10. Differences were noticed between balances as per previous year and balances as per UTIS for assets and liabilities under Education Fund.

Audit Qualification – FY 2024-25

1. In respect of the Municipal (General) Fund, the auditor has stated that no comments have been made on the previous year's figures.
2. In respect of Earmarked Funds, it has been reported that Smart City Fund amounting to ₹61.87 Crores was diverted into the General Fund. Further, the bank balance did not adhere to the Library Cess amount collected and the earmarked fund was utilised for purposes other than those intended. In the absence of complete data, the amount so utilised could not be quantified
3. Under Deposits Received, the auditor has reported that deposits amounting to ₹121.16 Crores are outstanding as per the books of accounts and that the present status of the works relating to such deposits could not be confirmed.
4. Under Other Liabilities (Sundry Creditors), it has been observed that employees' retirement benefits and leave encashment were not accounted on a real-time basis. No liabilities were reflected in the books of accounts towards employee payables. However, the auditor identified an outstanding amount of ₹6,39,56,181 payable towards employee retirement benefits. The liability towards leave encashment could not be quantified, and the exact amount payable to retiring employees could not be determined due to absence of appropriate data. As a result, liabilities and expenditure were understated
5. With regard to Provisions, the auditor has reported that no provisions were created in the financial statements. Receivables amounting to ₹159.69 Crores were shown without any provision as per the prescribed norms. Cable TV rent recoverable arrears of ₹2,05,37,404 and Optical Fibre Cable track rent recoverable arrears of ₹1,86,54,227 were carried forward from previous years. The provision requirements prescribed under the National Municipal Accounting Manual and Tamil Nadu Municipal Accounting Manual were not followed
6. In respect of Fixed Assets, the auditor has stated that proper asset registers with signatures of competent authorities were not available for verification. Measurement books and completion certificates for additions during the year were not produced. Details of year-end physical verification by competent authorities were not available. Depreciation rates applied were not aligned with prescribed guidelines. Capital Work-in-Progress registers were not available, and work-wise classification of Capital Work-in-Progress amounting to ₹2,58,625.25 Lakhs was not produced. The balances were carried forward for a long period
7. Under Investments – Other Funds, the auditor has reported that the books of accounts show two heads including a negative balance.
8. In respect of Stocks in Hand (Inventories), it has been reported that inventory amounting to ₹4,24,81,474 has remained unchanged for more than five years and supporting details were not available for verification.
9. Under Sundry Debtors (Receivables), the auditor has reiterated that receivables amounting to ₹159.69 Crores were shown without making provisions as per norms. Cable TV rent and Optical Fibre Cable track rent arrears were carried forward from earlier years. As a result, assets under receivables were overstated
10. In respect of Cash and Bank Balances, it has been reported that a cash balance of ₹41,000 was shown in the books without availability of physical cash details and that opening balance details were not known. Bank reconciliation statements were not available for verification and several unreconciled differences were carried forward from previous years
11. Under Loans, Advances and Deposits, the auditor has stated that advance registers and interest details were not available for verification. Outstanding advances amounting to ₹2,976.64 Lakhs were reflected in the financial statements. An accumulated provision of ₹2,14,000 continued for several years without supporting details.
12. With regard to Other Assets, it has been reported that deposit works amounting to ₹3,14,77,000 were shown without records or present status. Other Asset Control Accounts showed a credit balance of ₹79,50,69,171 without availability of supporting details
13. In respect of Tax Revenue, the auditor has reported that Water Tax and Underground Drainage assessments were not aligned with Property Tax assessments. Demand and collection records for Cable TV wires and Optical Fibre Cable track rent were not properly maintained and no receipts or demands were raised during the year. Advertisement tax was collected despite GST implementation without sufficient justification. Professional Tax assessments were limited to 25,758 and the Professional Tax deducted by the Corporation was not credited to the respective collection account. Debit entries were noticed under

income heads without recorded reasons or prior approval. Due to lack of sufficient documents and registers, assessment details could not be verified.

14. Regarding Library Cess, the auditor has reported that an amount of ₹1,900 Lakhs was collected during the year but not remitted to the Local Library Authority
15. In respect of Assigned Revenues, Rental Income, Fees and User Charges, it has been reported that supporting documents, records and cross-department communications were not submitted for audit and exempted or non-GST revenues were not reported in GST returns
16. Under Revenue Grants, Contributions and Subsidies, the auditor has stated that reimbursement of election expenditure was not claimed and grant receipts were not reconciled with bank receipts and books of accounts.
17. With regard to Income from Investments and Interest Earned, dividend income was accounted for but investment details were not available for audit. Interest earned on unspent Smart City Mission grants transferred to Government was wrongly classified under interest income instead of prior period expenses
18. In respect of Other Income, the auditor has reported that ₹23,05,71,601 was accounted as “Deposits Lapsed” without availability of communications or action-taken reports. Further, interest payable to Government of Tamil Nadu and Government of India was wrongly accounted under Other Income
19. Under Establishment Expenses, the auditor has stated that no provision was created for employee retirement benefits. Liabilities towards employee payables were not reflected in the books, although ₹6,39,56,181 was identified as payable towards retirement benefits, resulting in understatement of liabilities and expenditure
20. In respect of Administrative and Operation & Maintenance Expenses, it has been reported that the Corporation failed to deduct tax at source under Section 194Q on electricity bill payments
21. Under Interest and Finance Expenses, the auditor has reported that tax was not deducted under Section 194A on interest paid to TNUISL. ASLB-5 relating to borrowing costs was not followed and interest was not capitalised for qualifying assets, resulting in overstatement of expenses and understatement of assets
22. Under Prior Period Items, professional tax arrears amounting to ₹31,14,204 were adjusted as prior period income.
23. The auditor has further reported that several statutory and operational registers were not available for verification, including asset registers, land registers, road and building registers, vehicle registers, litigation registers, contractor and tender registers, OFC registers, library and hospital inventory registers, tools and plant registers and other related records
24. In respect of UTIS software, the auditor has reported deficiencies relating to inadequate user training, absence of system lock after year-end, inconsistent report generation, non-tallying of trial balance, alteration of opening balances and reliance on manual tallying.
25. The auditor has reported that several annexures required for audit verification were not available, including fixed asset registers, grants utilisation registers, pending audit observation statements, advances and deposits details, bank reconciliation summaries, contingent liabilities, utilisation certificates and cess transfer details.

D. Summary table of pending litigation

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

S. No.	Nature	Number of Cases	Amount Involved (Rs in Crores)
Direct Tax			
1.	E-proceedings	Nil	Nil
2.	TDS*	1	0.001
Indirect Tax			
3.	GST	7	73.68
4.	Property Tax**	5	1.27
Non-Payment of statutory Dues			
5.	VAT Payable	-	0.15
6.	Service Tax Payable		0.07
7.	Payable to CMDA/LPA		2.80

8.	EPF Recoveries Payable		1.83
9.	Library Cess - Payables		31.48
10.	Centage Charges – Payable		5.90

* Source: <https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded>. Status as on February 02, 2026.

** To the extent quantifiable excluding interest and penalty thereon.

2. Criminal Litigations involving the Issuer

The total number of cases involving pending cases against the Issuer and filed by the Issuer have been disclosed in Section-XI- Legal and Other Information. Since the nature of the case is criminal, there is no amount involved.

3. Actions by Regulatory and Statutory Authorities

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. 110 of this Placement Memorandum.

4. 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. 110 of this Placement Memorandum.

For the details of litigation proceedings, please refer the “Section-XI- Legal and Other Information” on page no. 110 of this Placement Memorandum.

E. Risk Factors

For Risk Factor please refer to section titled “Risk Factors” beginning on page no. 19 of this Placement Memorandum.

F. Summary of Contingent Liabilities

For details of Contingent Liabilities please refer to “Section-XI- Legal and Other Information” beginning on page no. 110 of this Placement Memorandum.

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 of Term Sheet of Section XIV (Summary Term Sheet) on page no. 139 of this Placement Memorandum.

Summary Term Sheet

Security Name	[●]% TCMC Bonds 2036
Issuer	Tiruchirappalli City Municipal Corporation (“TCMC” / “The Corporation”)
Type of Instrument	Secured, non-convertible, listed rated, redeemable, taxable, municipal bonds in the nature of debentures (hereinafter referred to as “Bonds”/ “Municipal Bonds” / “Debentures”)
Seniority	Senior (to clarify, the claims of the Bond Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Private Placement 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	All QIBs and any non-QIB Investors specifically mapped by the Issuer on the NSE– EBP (Electronic Book Provider) Platform are eligible to bid / invest / apply for this Issue. All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The Bonds are proposed to be listed on NSE. The Bonds shall be listed within 3 (three) trading days from the Issue Closing Date. In case of delay in listing beyond 3 trading days from the Issue Closing Date, the Issuer shall pay to the Debenture Holder’s penal interest of @ 1% per annum over and above the coupon rate for the period of delay from the date of allotment to the date of listing.
Rating of the Instrument	India Ratings and Research Private Limited has assigned a rating of ‘Provisional IND AA/Stable’ dated December 16, 2025 as revalidated vide rating letter dated January 20, 2026 and issued rating rationale dated December 16, 2025 and CARE Ratings Limited has assigned a rating of “Provisional CARE AA-/Stable” dated January 23, 2026 and issued rating rationale dated January 23, 2026.
Issue Size	Rs.100 Crores
Base Issue Size	Rs.100 Crores
Option to retain over subscription	Not Applicable
Anchor Portion	Not Applicable
Objects of the issue	The proceeds of the bonds will be utilized for incurring capital expenditure in respect of Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur, by the Issuer.
Details of the utilization of the proceeds	The proceeds of the Issue shall be utilized for the Project. The details of the Projects along with the details/ status of any prior requisite approvals required, if any for such Project have been detailed in the Section titled ‘Objects of the Issue’ on page no. 56. The proceeds of the Issue will be utilized for bonafide purposes in the normal course of business of the Issuer. However, the Issuer shall not use the Issue proceeds towards investment in capital markets and real estate or any other purpose ineligible for bank finance in terms of the extant regulations of the Reserve Bank of India.
Coupon rate	[●]; (To be finalized subsequent to bidding on electronic bidding platform of NSE)
Taxable/Tax free	Taxable

Step up / Step Down coupon rate	Not Applicable
Coupon payment frequency	Semi-Annual
Coupon payment dates	The dates on which interest/coupon on the NCDs shall fall due for payment (Refer to Annexure-V- Illustration of Bond Cash Flow)
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count Basis	Actual/ Actual
Interest on Application Money	The Pay-in Date shall be the Deemed Date of Allotment; hence interest on application money shall not be applicable.
Tenor	10 years
Redemption Type	Staggered Redemption Semi-Annually after a moratorium of 5 years and 10% redemption every half-year from the end of 5 Years & 6 months till the redemption of Bonds i.e. at end of 10th Year.
Redemption Date/ Maturity Date	February 06, 2036 First redemption will be at the end of 5 year & 6 months (10% of the Issue Size) from the deemed date of allotment and equal redemption of 10% of the Issue Size every half year thereafter till the redemption.
Redemption Amount	10% of the Principal Bond value, payable every year, starting from the end of 5 year 6 months. 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	Rs. 1,00,000 (Rupees One Lakh only) per Bond
Discount at which security is issued and the effective yield as a result of such discount	Not applicable
Put Option Date	Not applicable
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	Rs. 1,00,000 (Rupees One Lakh only) per Bond (At Par)
Minimum Application size	Minimum 10 Bonds of face value Rs. One Lakh each and in multiples of 1 Bond of face value Rs. One Lakh each thereafter
Issue Timing	
1.Issue Opening Date	February 05, 2026
2.Issue Closing Date	February 05, 2026
3.Pay-in Date	February 06, 2026
4.Deemed Date of Allotment	February 06, 2026
Issuance mode of the Instrument	Dematerialised form only
Trading mode of the Instrument	Bonds will be traded in dematerialised form only
Settlement mode of the Instrument	Through the Clearing Corporation of NSE i.e. NSE Clearing Limited (NSECL)
Depository	NSDL and CDSL
Business/ Working Day Convention	‘Working Day’ means all days on which commercial banks in Tiruchirappalli are open for business. 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 any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds. In other words, the subsequent coupon payment date(s) would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non- Working Day. If the Redemption Date or Maturity Date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds until but excluding the date of such payment. Payment of coupon/interest will be subject to the deduction of tax as per Income Tax Act, 1961 (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 in connection with the Bonds or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant part of Redemption 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 Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Bond Issuance Committee of the Corporation to the Stock Exchange, will be deemed as the Record Date. In case of Redemption Date/ Maturity Date of any part of the Principal Repayment, the trading in the Bonds 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 principal amount of the Debentures to be issued with all the Coupon due on the Debentures, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof has been secured by way of: (a) exclusive first ranking floating charge over present and future receivables of Tax Income (Tax Income means the property tax, water charges and Vacant Site Tax (VST) charges) on the Account(s) where the Property tax, water charges and VST charges is being collected (Collection Account) with minimum security cover of 1.2 (One point Two) times of the total amount borrowed along with the

	Coupon thereon and other costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof (“Minimum Security Cover”); (b) First and exclusive charge over the Escrow Account and the account(s) where the property tax, water charges and VST charges is being collected and/ or pooled by Tiruchirappalli City Municipal Corporation for an amount equivalent to at least 1.5 (One point Five) times the borrowed amount in each year to the extent of the property tax, water charges and VST charges - is being collected (Collection Account(s)) or pooled in each of such accounts; (c) First and exclusive charge over the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account being opened for the Issue, the funds lying in each such account and any investment(s) made from these account(s); (d) First and exclusive charge over the investments made in terms of under the head of term ‘Permitted Investments’ below. (e) First & Exclusive charge over the Project Sustainability Grant Fund (PSGF Amount) term deposit created for this bond issue. The creation of such security by the Issuer shall be sufficient compliance of the Issuer's obligation to create security. Security Creation Timelines (a) The Security shall be created prior to making the listing application for the Bonds with the Stock Exchange(s). (b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, the Bonds shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the Bonds, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents. The Issuer shall, till any of the Debentures are outstanding, maintain the Minimum Security Cover.
Project Sustainability Grant Fund Amount (PSGF Amount)	Project Sustainability Grant Fund, a Grant Fund of Government of Tamil Nadu and managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) (hereinafter referred as “PSGF”) shall create a term deposit in the name of “Project Sustainability Grant Fund” equivalent of Rs. 10.40 Crores (“PSGF Amount”) as Credit Enhancement Facility under World Bank assisted Tamil Nadu Climate Resilient Urban Development Program and funds available in PSGF under Credit Enhancement Facility. The proceeds of the bond issue should be used for the

	Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur Project of the Issuer. The Debenture Trustee (on behalf of bond holders) shall have First & Exclusive charge over the Project Sustainability Grant Fund (PSGF Amount) term deposit created for this bond issue. The said term deposit amount shall be created in the name of PSGF by PSGF with the Trustee Banker / Escrow Banker of the Bond Issue once the date of the issue of bond is finalized but, in any case, no later than one day before the pay-in/allotment of bonds. The said term deposit shall be kept as cash collateral in the form of security for bondholders for servicing of the bonds during the entire tenor of the bonds & lien marked with the Bond / Debenture Trustee. The Escrow Banker (on the instructions of the Bond / Debenture Trustee) will utilize the PSGF Amount (i) in the case of insufficient funds in the Issuer's Escrow Account / Interest Payment Account / Sinking Fund Account as per timelines indicated under the Structured Payment Mechanism in the Term Sheet and (ii) In case of occurrence of payment default or event of default, the PSGF Amount shall be utilized for meeting all the outstanding interest and principal obligations to the bond holders. In the case of utilization of PSGF Amount, the PSGF Amount utilized shall be recouped by the Issuer within a period of 90 days from the date of utilization. This arrangement will continue till the bond is paid in full to the Bond holders. The PSGF term deposit will be an interest-bearing deposit and PSGF will have charge over the interest income.
Structured Payment Mechanism	1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the Debentures for the exclusive benefit of the Debenture Holders: a) Escrow Account b) Interest Payment Account c) Sinking Fund Account 2. The Issuer shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the Tax Income (Tax Income means property tax, water charges and Vacant Site Tax (VST) charges) collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first and exclusive charge over the Escrow Account and the account(s) where Tax Income (Tax Income means Property tax, water charges and Vacant Site Tax (VST) charges) gets collected and/ or pooled by the Issuer. 3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) 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. DSRA amount shall be an amount equivalent to the Interest servicing obligation for 3 semi-annual servicing would need to be maintained throughout the tenor of the bonds by the Issuer as DSRA in the Interest Payment Account. This

	amount so calculated would need to be deposited at least one day prior to the date of pay-in. The DSRA would be in the form of cash or cash equivalent (investment in Permitted Instruments and would remain escrowed in favour of the Debenture Trustee) throughout the tenure of the Bonds. In the event of any utilisation from the DSRA Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below. Further, as the interest liability would progressively come down after the peak, the Issuer would be permitted to take out the excess DSRA progressively with prior approval of the Debenture Trustee, subject to: (i) no unresolved breach of any covenant or event of default, (ii) no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account. 4. The Sinking Fund Account is an account from which the principal redemptions of the Bonds will be made. 5. The funds lying in the Escrow Account shall be used in the following priority: a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and the sinking fund account as per the interest payment and sinking fund mechanism defined below; b) Thereafter, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last Business Day of any monthly period) shall be the amount to be transferred to the Interest Payment Account and Sinking Fund Account on the Transfer Date. c) The Minimum Balance would be the sum of: i. 20% of next semi-annual interest payment (which would be transferred to IPA once the Minimum Balance for that month is achieved) and ii. 1% of the issued amount (which would be transferred to SFA once the Minimum Balance for that month is achieved) However, on the last day of the month, if there is a shortfall in Minimum Balance then the entire amount available in Escrow Account would be transferred firstly to IPA and then balance available to SFA. a) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account; b) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) of the Issuer in accordance with the directions of the Issuer from time to time, after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount), or Sinking Fund Account, no transfer to the general fund
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	account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account as per the priority mentioned above in which there is a shortfall. On a monthly basis, on each Transfer Date, the Minimum Balance maintained as indicated above shall be transferred to the Interest Payment Account and Sinking Fund Account. The Issuer, with the prior written consent of Trustee, can transfer the Minimum Balance maintained in Escrow Account to the Interest Payment Account and the Sinking Fund Account on any day prior to the Transfer Date. It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in Interest Payment Account (including the required DSRA amount) PSGF Account and Sinking Fund Account, the obligation of the Issuer to fund the Interest Payment Account and Sinking Fund Account to the extent of the Minimum Balance no later than the monthly Transfer Date shall continue until the Final Settlement Date. 6. The following amounts will be required to be transferred to the Interest Payment Account and the Sinking Fund Account from the Escrow Account as mentioned above each on half-yearly basis (Each half year here means each period of 6 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '6 month block') on first priority basis: a. Interest payment Account (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 as follows:- (i) 1st half year - from 1st to 5th Month (ii) 2nd half year - from 7th to 11th Month b. Sinking Fund Account (SFA) –Issue Size of the Debentures (Rs 100.00 Crore) shall be divided into 20 parts and each part (Rs. 5.00 Crore) shall be transferred to SFA in each of the half years starting from 1st year to 10th year. Further, this one part (Rs 5.00 Crore) to be transferred to SFA in each of the half years shall be sub-divided into 5 sub-parts and each sub-part (Rs. 1.00 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 5 months of each half-year i.e. 1st to 5th month of first half year and 7th to 11th month of second half year and so on. Accordingly, 5% of Issue Size shall be transferred each half-year for 20 half years during 10 years in accordance with the above. Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer. 7. The funds lying in the above-mentioned account(s) shall be utilised in the following manner:
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- a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose, Project Sustainability Grant Fund (PSFG) amount shall be utilised first and still any shortfall persist, then the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.
- b) The DSRA Amount lying in the Interest Payment Account, can be used to meet (i) any shortfall in the Interest Payment Account for the Coupon payment to be made on any Coupon Payment Date; and thereafter (ii) can be used to meet any shortfall at the time of final redemption date (up to the excess DSRA amount). However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except at the time of final redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account except at the time of actual payment of Coupon on the Debentures.
- c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the Bonds on the respective Redemption Dates.
- d) The funds lying in the Sinking Fund Account shall be used only to redeem the Debentures.
- e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilised for any purpose other than as mentioned in paragraph (a) to (d) above.
- f) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).
- g) The Debenture Trustee, on behalf of the Debenture Holders shall have a first ranking charge over the Escrow Account and the account(s) where the Tax Income (tax income shall mean property tax, water charges and Vacant Site Tax (VST) charges) that are being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), Sinking Fund Account.

Permitted Investments

- 8. The funds lying credited in the Escrow Account (to the extent of the Minimum Balance), Interest Payment Account (including the

DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof. 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 The Tamil Nadu Urban Local Bodies Act, 1998 and rules made thereunder to the extent applicable.

9. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and The Tamil Nadu Urban Local Bodies Act, 1998 and rules made thereunder to the extent applicable. The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof.
10. Any actual interest income earned and received on the Permitted Investment(s) shall be utilizable by the Issuer, in accordance with the terms set out in the Transaction Documents, only: (a) with the prior approval of the Debenture Trustee; and (b) if there is no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.
11. The Escrow Account, Interest Payment Account (including the Required DSRA Amount), Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ by two rating agencies throughout the tenor of the Debentures ("Bank"). In case, at any point of time, the rating of senior debt of the Bank falls below AA+ 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.
12. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer for such period as may be specified by the Debenture Trustee but not greater than 12 (Twelve) months in any case till such time as the Debentures are redeemed. The Issuer shall share copies of all such reports with the Rating Agencies. The Issuer and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Interest Payment Mechanism

The Debenture Trustee shall check the amount lying to the credit of Interest Payment Account (which is over and above the Required DSRA Amount) at 25 (Twenty Five) days prior to the Coupon Payment Date (T-25 days).

In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate the Issuer of the shortfall and the Issuer shall make good the short fall in the Interest Payment Account prior to the date falling 15 (Fifteen) days prior to the Coupon Payment Date (T- 15 days).

Further, the amounts lying or credited in the escrow account shall

	flow into the interest payment account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 14 (Fourteen) days prior to the Coupon Payment Date (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the PSGF Amount 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 10 (ten) days prior to the Interest Payment Date (T-10 days). Further, immediately after the PSGF Amount utilization, the amounts lying or credited in the escrow account shall flow for the PSGF Amount replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required PSGF Amount is replenished. In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 9 (Nine) days prior to the Coupon Payment Date (T-9 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the DSRA Amount 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 8 (Eight) days prior to the Interest Payment Date (T-8 days). The Coupon shall be paid by the Issuer on the Coupon Payment Date (T). 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 7 (Seven) days prior to the relevant Coupon Payment Date (T-7), 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+8). Further, immediately after the DSRA utilization, 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. Further, In the event of any utilization from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish the same within a period of 90 days from the date of utilization. This arrangement shall continue till the bonds are paid in full to the Bond holders. It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in interest payment account (including the required DSRA amount), the obligation of the Issuer to fund the interest payment account and
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	sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date. Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicing. If any over dues on account of past servicing's from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice. In any of the milestone days mentioned in the T-Structure above happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action. <u>Principal Repayment (Sinking Fund) Mechanism</u> The Debenture Trustee shall check the balance in the Sinking Fund Account prior to the end of each 6 month block and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:- The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account at 30 (Thirty) days prior to the end of each 6 month block. In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 6 month block (T-15 days). Further, in case of shortfall on T-30 days, the amounts lying or credited in the escrow account shall flow into the Sinking Fund Account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall still persists in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 6 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Escrow Bank to utilise the PSGF Amount to the extent of the shortfall in the Sinking Fund Account on or prior to the date falling 10 (ten) days prior to the end of each 6 Month Block (T-10 days). Further, immediately after the PSGF Amount utilization, the amounts lying or credited in the escrow account shall flow for the PSGF Amount replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required PSGF Amount is replenished. In case of shortfall still persists in the Sinking Fund Account at 9 (Nine) days prior to the end of each 6 month block (T-9 days), the Debenture Trustee shall issue a final notice to the issuer. On the issuance of such notice, the issuer shall remit the funds to fund the shortfall into the Sinking Fund Account prior to the end of each 6 Month Block (T). Also, DSRA Amount can be used to meet any shortfall at the time of final redemption date (up to the excess DSRA amount). Any surplus amounts available in the Interest Payment Account after
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	making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) can be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the Bonds on the respective Redemption Dates. Further, in the event of any utilization from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish the same within a period of 90 days from the date of utilization. This arrangement shall continue till the bonds are paid in full to the Bond holders. It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in Sinking Fund Account, the obligation of the Issuer to fund the Interest Payment Account and Sinking Fund Account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date. The redemption shall be made by the Issuer on the relevant Redemption Dates. The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount), Sinking Fund Account.
Financial Covenants	1. The Issuer shall, at all times till the Debentures are outstanding, ensure that the total amounts collected in the Escrow Account in any financial year shall be at least 2 (Two) times of the Annual Payments Amount. For the purpose of this term sheet, the term 'Annual Payments' shall, in respect of any financial year, mean the aggregate of: (a) the Coupon payable in such year (in relation to the present bond issue and any further borrowings); and (b) the portion of principal amount of the Debentures which are required to be deposited by the Issuer into the Sinking Fund Account in such financial year (in relation to the present bond issue and any further borrowings), in terms hereof. (c) Principal Repayment amount (in relation to the further borrowings where sinking fund is not created), in terms hereof. So long as the Eligibility Conditions are met, the Issuer shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the Escrow Account, provided that it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property and mortgaged property without the express prior written consent of the debenture trustee. For the purpose of this term sheet, the term 'Eligibility Conditions' shall mean the following conditions: (a) the Annual Payments Ratio is maintained by the Issuer; (b) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount) and/or the Sinking Fund Account which has not been made good by the Issuer in terms of the Transaction Documents; (c) no Event of Default has occurred.

	2. Other financial covenants as defined in the Transaction Documents
Transaction Documents	The Documents executed in relation to, or which are relevant to the Issue including: 1. Preliminary Placement Memorandum, 2. the Placement Memorandum, 3. the Issue Agreement, 4. the Registrar & Transfer Agent Agreement, 5. the Issue Proceeds Agreement, 6. the Debenture Trustee Agreement & the Debenture Trust Deed, 7. the Escrow Agreement, 8. the Deed of Hypothecation 9. Tripartite Agreements with NSDL & CDSL and 10. 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 Guidelines in this regard: 1. State Government Approval/Order. 2. Council / BIC resolution for the Issue 3. Creation of DSRA 4. Rating letters from credit rating agency (“Rating Agency”) not being more than one month old from the Issue Opening Date; 5. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s); 6. Letter from NSE conveying its in-principal approval for listing of the Debentures; 7. Other conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.
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. Execution of Debenture Trustee Deed 2. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the NSE-EBP operational guidelines; 3. Listing of the Debentures within 3 (Three) trading days from the Issue Closing Date; 4. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable; 5. Other conditions subsequent as set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.
Events of Default	As is more particularly set out in the Debenture Trust Deed including the followings: 1. Default in payment of interest and/or principal redemption. 2. Delay in Listing during the tenure of bonds and more particularly defined in 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 as per Chapter IV

	SEBI Master Circular for Debenture Trustees bearing reference number SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025, as amended from time to time. The Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As per 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) trading days from the Issue Closing Date, the Issuer shall pay penal interest of at least 1% p.a. (One percent per annum) which shall be paid over and above the Coupon Rate for the period of delay (i. e. from the date of allotment to the date of listing). (d) Other provisions as set out in the Transaction Documents.
Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform Yield Allotment
Settlement Cycle	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+1day, where T is the Issue Closing Date
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, and the Debenture Trust Deed.
Governing Law and Jurisdiction	The Debentures and the Transaction Documents (other than the Issue Proceeds 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 Tiruchirappalli. The Issue Proceeds 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 Tiruchirappalli.

SECTION XV: MATERIAL CONTRACTS AND AGREEMENTS

The material contracts and agreements 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 and agreements together with the copies of the below mentioned 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.

A. Material Contracts and Agreements

- a. Copy of Tripartite Agreement dated December 18, 2025 amongst CDSL, the Issuer and the Registrar to the Issue.
- b. Copy of Tripartite Agreement amongst NSDL dated December 19, 2025, the Issuer and the Registrar to the Issue.
- c. Debenture Trustee Agreement dated December 22, 2025 executed between the Issuer and the Debenture Trustee.
- d. Issue Agreement dated December 24, 2025 executed between the Issuer and the Merchant Banker/Arranger to the Issue.
- e. Registrar Agreement dated December 18, 2025 executed between the Issuer and the Registrar and to the Issue.
- f. Debenture Trust Deed dated [●] executed between the Issuer and the Debenture Trustee.
- g. Escrow Agreement dated January 30, 2026 executed amongst the Issuer, the Debenture Trustee and the Banker to the Issue.
- h. Deed of Hypothecation dated [●] executed amongst the Issuer and the Debenture Trustee.
- i. Issue Proceeds Agreement dated January 30, 2026 executed amongst the Issuer, the Merchant Banker, Registrar and the Banker to the Issue.

B. Material Documents

- a) Copy of Tiruchirappalli City Municipal Corporation Act, 1994.
- b) Copy of Tamil Nadu Urban Local Bodies Act, 1998.
- c) Copy of Tamil Nadu Urban Local Bodies Rules, 2023.
- d) Municipal Administration and Water Supply (MC.5) Department, Government of Tamil Nadu vide its order no. G.O. (D) No. 267 dated May 06, 2025 approving the issuance of Debentures.
- e) Copy of the Resolution of the Council dated July 24, 2024 and February 26, 2025 approving the issuance of bonds and delegating powers for Commissioner, Tiruchirappalli City Municipal Corporation.
- f) Copy of Commissioner Letter dated November 20, 2025 constituting the Bond Issue Committee and certifying the list of members of the Bond Issue Committee.
- g) Copy of Sanction of Credit Enhancement Facility Letter dated February 27, 2024 issued by Project Sustainability Grant Fund (Fund Manager for Tamil Nadu Urban Infrastructure Financial Services Limited) for an amount of Rs. 10.40 Crore.
- h) Copy of the resolution of the Bond Issue Committee dated December 29, 2025 approving the proposed Bonds Issue.
- i) Copy of the resolution of Bond Issue Committee dated December 29, 2025 appointing December 29, 2025 as Compliance Officer.
- j) Consents of the Merchant Banker, Debenture Trustee, Credit Rating Agency, Registrar to the Issue, Legal Advisor, External Auditors, Independent Chartered Accountants to the Issue, members of Bond Issue Committee to include their names in the Preliminary Placement Memorandum.
- k) Copy of the resolution of the Bond Issue Committee dated December 29, 2025 approving the Materiality Policy.
- l) Examination report dated December 29, 2025 issued by the Independent Chartered Accountants to the Issue.
- m) Statement of tax benefits dated December 29, 2025, issued by the Independent Chartered Accountants to the Issue.
- n) Rating letter dated December 16, 2025 as revalidated vide rating letter dated January 20, 2025 and rating rationale dated December 16, 2025, issued by India Ratings and Research Private Limited.

- o) Rating letter dated January 23, 2026 and rating rationale dated January 23, 2026, issued by CARE Ratings Limited.
- p) Copy of the resolution of the Bond Issue Committee dated December 29, 2025 approving the Preliminary Placement Memorandum.
- q) Copy of the resolution of the Bond Issue Committee dated January 23, 2026 approving the updated Preliminary Placement Memorandum.
- r) Certificates dated December 29, 2025 and January 21, 2026 issued by Vistar AEC Consultants LLP, Project Consultant for the Project who have also prepared Detailed Project Report for the Project.
- s) Notification no. D.O. No. K-14012/01/2022-AMRUT-IIB dated April 07, 2025.
- t) Due diligence certificates dated December 29, 2025 and February 02, 2026 filed by the Merchant Banker with SEBI in relation to the Preliminary Placement Memorandum.
- u) Due Diligence Certificate from the Debenture Trustee in relation to the Issue.
- v) In-principle approval of the NSE dated December 31, 2025 bearing reference number NSE/LIST/9954.
- w) Observation Letter from SEBI bearing reference no. HO/17/19/11(1)2026-DDHS-RAC I/1858/2026 dated January 05, 2026
- x) Copy of the resolution of the Bond Issue Committee dated February 02, 2026 approving the Placement Memorandum.

SECTION-XVI: DECLARATION

MADHUBALAN LINGAM, IAS
Commissioner



Tiruchirappalli City Municipal Corporation
Bharathidasan Road, Cantonment,
Tiruchirappalli – 620 001
Website: www.trichycorporation.gov.in
Email Id: tcacctsmain@gmail.com
Phone: 0431 – 2415393-396
0431 - 2412860

Declaration

I, Shri Madhubalan Lingam, I.A.S., Commissioner of Tiruchirappalli City Municipal Corporation (the “Issuer”) hereby declare and confirm that:

1. The Placement Memorandum 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 Placement Memorandum contains full disclosures 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 15th July 2015, as amended and other applicable SEBI circulars.
3. The Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.
4. To the best of my knowledge and belief, this Placement Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Placement Memorandum also does not contain any false or misleading statement.
5. No responsibility for the statements made otherwise than in the Placement Memorandum 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 own risk.

For Tiruchirappalli City Municipal Corporation

A handwritten signature in black ink, appearing to read "Madhubalan Lingam".

Name: Madhubalan Lingam, I.A.S.
Designation: Commissioner
Date: 02.02.2026.



M. ANBAZHAGAN., M.A

Hon'ble Mayor

Tiruchirappalli City Municipal Corporation

Tamil Nadu



Office : 0431-241517

Cell : 94431 56220

Email : mayortcc@gmail.com

Declaration

I, M. Anbazhagan, Mayor of Tiruchirappalli City Municipal Corporation (the “**Issuer**”) hereby declare and confirm that:

1. The Placement Memorandum 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 Placement Memorandum contains full disclosures 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 15th July 2015, as amended and other applicable SEBI circulars.
3. The Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.
4. To the best of my knowledge and belief, this Placement Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Placement Memorandum also does not contain any false or misleading statement.
5. No responsibility for the statements made otherwise than in the Placement Memorandum 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 own risk.

For Tiruchirappalli City Municipal Corporation

Name: M. Anbazhagan

Designation: Mayor

Date: 02.02.2026.



ANNEXURE-I

Structured Payment Mechanism

1. The Issuer shall open the following accounts for servicing the Coupon and principal amount of the Debentures for the exclusive benefit of the Debenture Holders:
 - a) Escrow Account
 - b) Interest Payment Account
 - c) Sinking Fund Account
2. The Issuer shall set up the separate no-lien Escrow Account and the funds lying in account(s) in which the Tax Income (Tax Income means property tax, water charges and Vacant Site Tax (VST) charges) collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis. Debenture Holders/ Debenture Trustee on behalf of Debenture Holders shall have first and exclusive charge over the Escrow Account and the account(s) where Tax Income (Tax Income means Property tax, water charges and Vacant Site Tax (VST) charges) gets collected and/ or pooled by the Issuer.
3. The Interest Payment Account is an account from which the interest payments on the Debentures will be serviced and the Required DSRA Amount (as hereinafter defined) 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.

DSRA amount shall be an amount equivalent to the Interest servicing obligation for 3 semi- annual servicing would need to be maintained throughout the tenor of the bonds by the Issuer as DSRA in the Interest Payment Account. This amount so calculated would need to be deposited at least one day prior to the date of pay-in. The DSRA would be in the form of cash or cash equivalent (investment in Permitted Instruments and would remain escrowed in favour of the Debenture Trustee) throughout the tenure of the Bonds. In the event of any utilisation from the DSRA Amount, the Issuer shall be obliged to replenish the same as per the Interest Payment Mechanism below.

Further, as the interest liability would progressively come down after the peak, the Issuer would be permitted to take out the excess DSRA progressively with prior approval of the Debenture Trustee, subject to: (i) no unresolved breach of any covenant or event of default, (ii) no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.

4. The Sinking Fund Account is an account from which the principal redemptions of the Bonds will be made.
5. The funds lying in the Escrow Account shall be used in the following priority:
 - a) The funds should be first utilized to fund any shortfall in required DSRA amount (in case of utilization of the DSRA amount), Interest payment account and the sinking fund account as per the interest payment and sinking fund mechanism defined below;
 - b) Thereafter, the funds should be first utilized to accumulate the Minimum Balance in Escrow Account. The Minimum Balance to be maintained in any monthly period expiring on the Transfer Date (Transfer date here means last Business Day of any monthly period) shall be the amount to be transferred to the Interest Payment Account and Sinking Fund Account on the Transfer Date.
 - c) The Minimum Balance would be the sum of:
 - i. 20% of next semi-annual interest payment (which would be transferred to IPA once the Minimum Balance for that month is achieved) and
 - ii. 1% of the issued amount (which would be transferred to SFA once the Minimum Balance for that month is achieved)

However, on the last day of the month, if there is a shortfall in Minimum Balance then the entire amount available in Escrow Account would be transferred firstly to IPA and then balance available to SFA.

- a) The Minimum Balance shall not be used for any purpose other than transfer to the Interest Payment Account

and Sinking Fund Account;

- b) The surplus funds, if any, after first accumulating the Minimum Balance can thereafter be transferred to the general fund account(s) of the Issuer in accordance with the directions of the Issuer from time to time, after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period provided however that, in case of a shortfall in any of the Interest Payment Account (including towards maintenance of the Required DSRA Amount), or Sinking Fund Account, no transfer to the general fund account(s) shall be effected and the surplus funds shall first be utilised towards funding the relevant account as per the priority mentioned above in which there is a shortfall.

On a monthly basis, on each Transfer Date, the Minimum Balance maintained as indicated above shall be transferred to the Interest Payment Account and Sinking Fund Account. The Issuer, with the prior written consent of Trustee, can transfer the Minimum Balance maintained in Escrow Account to the Interest Payment Account and the Sinking Fund Account on any day prior to the Transfer Date.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in Interest Payment Account (including the required DSRA amount) PSGF Account and Sinking Fund Account, the obligation of the Issuer to fund the Interest Payment Account and Sinking Fund Account to the extent of the Minimum Balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

6. The following amounts will be required to be transferred to the Interest Payment Account and the Sinking Fund Account from the Escrow Account as mentioned above each on half-yearly basis (Each half year here means each period of 6 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '6 month block') on first priority basis:
- a. Interest payment Account (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 as follows:-
 - (i) 1st half year - from 1st to 5th Month
 - (ii) 2nd half year - from 7th to 11th Month
 - b. Sinking Fund Account (SFA) – Issue Size of the Debentures (Rs 100.00 Crore) shall be divided into 20 parts and each part (Rs. 5.00 Crore) shall be transferred to SFA in each of the half years starting from 1st year to 10th year.

Further, this one part (Rs 5.00 Crore) to be transferred to SFA in each of the half years shall be sub-divided into 5 sub-parts and each sub-part (Rs. 1.00 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 5 months of each half-year i.e. 1st to 5th month of first half year and 7th to 11th month of second half year and so on. Accordingly, 5% of Issue Size shall be transferred each half-year for 20 half years during 10 years in accordance with the above.

Any shortfall in the funds available in the Escrow Account to complete the aforesaid transfers to the above account(s) shall be made good by the Issuer by transfer from other account(s) of the Issuer.

7. The funds lying in the above-mentioned account(s) shall be utilised in the following manner:
- a) The funds lying in the Interest Payment Account (apart from the DSRA Amount) will be first utilized for meeting the Coupon payment to the Debenture Holders. In the event that the balance in the Interest Payment Account (apart from the DSRA Amount) is not sufficient for this purpose, Project Sustainability Grant Fund (PSFG) amount shall be utilised first and still any shortfall persist, then the DSRA Amount can be utilized for meeting such shortfall in the Interest Payment Account for making the Coupon payment to the Debenture Holders.
 - b) The DSRA Amount lying in the Interest Payment Account, can be used to meet (i) any shortfall in the Interest Payment Account for the Coupon payment to be made on any Coupon Payment Date; and

- thereafter (ii) can be used to meet any shortfall at the time of final redemption date (up to the excess DSRA amount). However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except at the time of final redemption; and (b) to meet any shortfall in the amounts to be transferred to the Interest Payment Account except at the time of actual payment of Coupon on the Debentures.
- c) Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) should be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the Bonds on the respective Redemption Dates.
 - d) The funds lying in the Sinking Fund Account shall be used only to redeem the Debentures.
 - e) Any funds lying in the above account(s) can be used for making Permitted Investments. However, the funds (including investment(s)) shall not, without the approval of the Debenture Trustees, be utilised for any purpose other than as mentioned in paragraph (a) to (d) above.
 - f) Any surplus funds lying in the above account(s) after the Debentures have been redeemed in full and all dues to the Debenture Holders have been paid can be transferred to the Escrow Account on the written instructions of the Debenture Trustee (acting on the instructions of the Issuer).
 - g) The Debenture Trustee, on behalf of the Debenture Holders shall have a first ranking charge over the Escrow Account and the account(s) where the Tax Income (tax income shall mean property tax, water charges and Vacant Site Tax (VST) charges) that are being collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), Sinking Fund Account.
8. The funds lying credited in the Escrow Account (to the extent of the Minimum Balance), Interest Payment Account (including the DSRA Amount) can be kept in fixed deposits with any scheduled commercial bank with a dual rating of AA+ or above. However, the conditions of the fixed deposits shall not restrict premature withdrawal from the fixed deposit. The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof. 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 The Tamil Nadu Urban Local Bodies Act, 2023 to the extent applicable.
 9. The funds lying to the credit of Sinking Fund Account can be deposited in such instruments which may be permitted both in terms of the SEBI Circulars and The Tamil Nadu Urban Local Bodies Act, 2023. The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof.
 10. Any actual interest income earned and received on the Permitted Investment(s) shall be utilizable by the Issuer, in accordance with the terms set out in the Transaction Documents, only: (a) with the prior approval of the Debenture Trustee; and (b) if there is no shortfall in any of the Interest Payment Account (including the Required DSRA Amount) or the Sinking Fund Account.
 11. The Escrow Account, Interest Payment Account (including the Required DSRA Amount), Sinking Fund Account shall be maintained with a scheduled commercial bank rated at least AA+ by two rating agencies throughout the tenor of the Debentures ("Bank"). In case, at any point of time, the rating of senior debt of the Bank falls below AA+ 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.
 12. The Bank shall share statement(s) of these account(s) with Debenture Trustee and the Issuer for such period as may be specified by the Debenture Trustee but not greater than 12 (Twelve) months in any case till such time as the Debentures are redeemed. The Issuer shall share copies of all such reports with the Rating Agencies. The Issuer and Debenture Trustee shall keep the Rating Agencies informed in case of change in the Bank.

Interest Payment Mechanism

The Debenture Trustee shall check the amount lying to the credit of Interest Payment Account (which is over and above the Required DSRA Amount) at 25 (Twenty Five) days prior to the Coupon Payment Date (T-25 days).

In case of any shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount), the Debenture Trustee shall intimate the Issuer of the shortfall and the Issuer shall make good the short fall in the Interest Payment Account prior to the date falling 15 (Fifteen) days prior to the Coupon Payment Date (T- 15 days).

Further, the amounts lying or credited in the escrow account shall flow into the interest payment account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded.

In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 14 (Fourteen) days prior to the Coupon Payment Date (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the PSGF Amount 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 10 (ten) days prior to the Interest Payment Date (T-10 days).

Further, immediately after the PSGF Amount utilization, the amounts lying or credited in the escrow account shall flow for the PSGF Amount replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required PSGF Amount is replenished.

In case of shortfall in the amount required to make payment of Coupon on the Coupon Payment Date in the Interest Payment Account (calculated on the basis of the amounts available in addition to the Required DSRA Amount) at 9 (Nine) days prior to the Coupon Payment Date (T-9 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Bank to utilise the DSRA Amount 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 8 (Eight) days prior to the Interest Payment Date (T-8 days). The Coupon shall be paid by the Issuer on the Coupon Payment Date (T).

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 7 (Seven) days prior to the relevant Coupon Payment Date (T-7), 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+8).

Further, immediately after the DSRA utilization, 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.

Further, In the event of any utilization from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish the same within a period of 90 days from the date of utilization. This arrangement shall continue till the bonds are paid in full to the Bond holders.

It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in interest payment account (including the required DSRA amount), the obligation of the Issuer to fund the interest payment account and sinking fund account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

Further, such notice(s) would continue to get served if required, as per the same timelines for subsequent and future servicing. If any over dues on account of past servicing's from the DSRA Amount continues to remain and the Required DSRA Amount continues to remain un-replenished, then such overdue amount would be added in the subsequent notice.

In any of the milestone days mentioned in the T-Structure above happens to not be a Business Day, the immediately preceding Business Day would be the deemed date for execution of the relevant action.

Principal Repayment (Sinking Fund) Mechanism

The Debenture Trustee shall check the balance in the Sinking Fund Account prior to the end of each 6 month block and in case of any Sinking Fund mismatch it shall be replenished as per the following mechanism:-

The Debenture Trustee shall check the amount lying to the credit of Sinking Fund Account at 30 (Thirty) days prior to the end of each 6 month block. In case of any Sinking Fund mismatch, the Debenture Trustee shall intimate Issuer of the shortfall and Issuer shall make good the Sinking Fund mismatch 15 (Fifteen) days prior to the end of each 6 month block (T-15 days).

Further, in case of shortfall on T-30 days, the amounts lying or credited in the escrow account shall flow into the Sinking Fund Account for funding the shortfall and shall not be transferred by the Issuer to the general fund account(s) till the time the shortfall is funded. In case of shortfall still persists in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 6 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the Escrow Bank to utilise the PSGF Amount to the extent of the shortfall in the Sinking Fund Account on or prior to the date falling 10 (ten) days prior to the end of each 6 Month Block (T-10 days).

Further, immediately after the PSGF Amount utilization, the amounts lying or credited in the escrow account shall flow for the PSGF Amount replenishment and shall not be transferred by the Issuer to the general fund account(s) till the time the required PSGF Amount is replenished.

In case of shortfall still persists in the Sinking Fund Account at 9 (Nine) days prior to the end of each 6 month block (T-9 days), the Debenture Trustee shall issue a final notice to the issuer. On the issuance of such notice, the issuer shall remit the funds to fund the shortfall into the Sinking Fund Account prior to the end of each 6 Month Block (T).

Also, DSRA Amount can be used to meet any shortfall at the time of final redemption date (up to the excess DSRA amount).

Any surplus amounts available in the Interest Payment Account after making the Coupon payment to Debenture Holders (which is over and above the Required DSRA Amount) can be used to make good any shortfall in contribution to Sinking Fund Account to the extent required for redemption of the Bonds on the respective Redemption Dates.

Further, in the event of any utilization from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish the same within a period of 90 days from the date of utilization. This arrangement shall continue till the bonds are paid in full to the Bond holders. It is hereby clarified that, notwithstanding the appropriation of any amount from the Escrow Account to fund the shortfall in Sinking Fund Account, the obligation of the Issuer to fund the Interest Payment Account and Sinking Fund Account to the extent of the minimum balance no later than the monthly Transfer Date shall continue until the Final Settlement Date.

The redemption shall be made by the Issuer on the relevant Redemption Dates.

The Debenture Trustee shall keep the Rating Agencies informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount), Sinking Fund Account.

ANNEXURE-II

To,
L. Madhubalan, I.A.S.,
Commissioner
Tiruchirappalli City Municipal Corporation
Bharathidasan Road, Cantonment, Tiruchirappalli – 620 001
Tamil Nadu, India

December 16, 2025

Dear Sir/Madam,

Re: Rating Letter for NCD of TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION

India Ratings and Research (Ind-Ra) has rated Tiruchirappalli City Municipal Corporation's (TCMC) proposed municipal bonds as follows:

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed municipal bonds*,#	INR1,000	Provisional IND AA/Stable	Assigned

* The rating is provisional and contingent upon the execution of certain documents and/occurrence of certain steps.

interest payable half yearly

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.

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

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

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

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

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

L. Madhubalan, I.A.S.,
Commissioner
Tiruchirappalli City Municipal Corporation
Bharathidasan Road, Cantonment, Tiruchirappalli – 620 001
Tamil Nadu, India

January 20, 2026

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION

This is in reference to the rating action commentary released on 16 December 2025.

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of Tiruchirappalli City Municipal Corporation's (TCMC)

Instrument Type	Size of Issue (million)	Rating/Outlook
Proposed Municipal Bond*	INR1,000	Provisional IND AA/Stable

*The rating is provisional and contingent upon execution of certain documents and/occurrence of certain steps.

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.

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

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

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

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

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

India Ratings Assigns Tiruchirappalli City Municipal Corporation's Proposed Municipal Bonds 'Provisional IND AA'/Stable

Dec 16, 2025 | Urban Local Bodies

India Ratings and Research (Ind-Ra) has rated Tiruchirappalli City Municipal Corporation's (TCMC) proposed municipal bonds as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed municipal bonds*,#	-	-	-	INR1,000	Provisional IND AA/Stable	Assigned

* 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 the Securities and Exchange Board of India's (SEBI) Master Circular.

interest payable half yearly

Analytical Approach

Ind-Ra has taken a standalone view of TCMC while assigning the rating.

Detailed Rationale of the Rating Action

The rating reflects TCMC's moderate operational and financial performance of during FY21-FY25 and better service delivery than other urban local bodies in the jurisdiction, which Ind-Ra expects to continue in the near to medium term. The nature of the proposed escrowed assets and adequate debt service coverage during the bond tenor also supports the rating. The rating also considers the stable performance of assets that are escrowed (tax income (property tax, water charges and vacant site tax)) and the enforceable nature of these collections by the corporation.

Ind-Ra assesses the structured payment mechanism of the bond as strong, which is backed by an escrow account, interest payment account (IPA), and a sinking fund account (SFA), and is monitored by the trustee.

Ind-Ra also takes comfort from the one-time credit enhancement facility of INR104 million provided by Project Sustainability Grant Fund (PSGF). The government of Tamil Nadu (GoTN) has created PSGF, which is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL). These lien-marked funds will be kept as cash collateral in the form of security for bondholders for servicing bonds during the tenor. As per the draft structured payment mechanism, TCMC can utilise these funds in case of a shortfall in the funds in IPA/SFA as per timelines to meet the debt service obligation of bonds on the due date.

The proposed bond rating does not have the 'CE' suffix, as the credit enhancement provided by the GoTN is in the form of a one-time grant and is not recurring in nature. The GoTN will not replenish the credit enhancement if TCMC utilises the same. In case PSGF is utilised for the replenishment of funds in IPA/SFA, TCMC has to replenish the PSGF amount from its own cash flow.

The rating also factors in the legal aspects of the proposed structured payment mechanism, which will be monitored by the debenture trustee (DT). As per the draft term sheet for proposed bonds, TCMC shall set up a separate no-lien escrow account and the funds lying in account(s), in which the tax income (property tax, water charges, and vacant site tax), collected by TCMC, shall be transferred for debt servicing. TCMC will maintain a debt service reserve account (DSRA) in IPA with the required amount equivalent to three semi-annual interest payment requirements (initial DSRA will be created one day before the pay in date). IPA will be funded with the required amount, equivalent to semi-annual interest instalments on a monthly basis, in addition to DSRA. The half-yearly interest amount will be divided into five equal parts, with each part transferred to IPA every month for five months from the month of issuance/interest payment for the next interest payment. As per the draft term sheet, the non-convertible debentures will be issued at a fixed rate of interest, which mitigates the interest rate risk.

The rating also factors in TCMC's moderate coverage of debt service obligations (interest payment plus principal payment) which Ind-Ra expects to remain above 1.2x in the near term.

List of Key Rating Drivers

Strengths

- Structured debt servicing mechanism monitored by trustee
- Escrowed revenue likely to be adequate
- Dependence on own revenue sources
- Adequate revenue surplus
- Moderate collection efficiency of taxes
- Adequate capital utilisation
- Better civic services delivery, although some scope for improvement

Weaknesses

- High debt service obligations

Detailed Description of Key Rating Drivers

Structured Debt Servicing Mechanism Monitored by Trustee: The proposed bond's structured payment mechanism is strong, backed by upfront cash collateral (a grant fund of the GoTN and managed by TNUIFSL), an escrow account, and a DSRA with three semi-annual interest payments. The initial DSRA has to be created one day before the pay-in date.

An upfront cash collateral of INR104 million in the form of term deposits, provided by PSGF, will be maintained throughout the bond tenor. The GoTN has created PSGF, which is managed by TNUIFSL. The cash collateral will be created as term deposits with the escrow banker once the date of bond issuance is finalised, but not later than one day before the pay-in/allotment of bonds. Ind-Ra also takes comfort from the credit enhancement facility of INR104 million, in lien marked funds, which will be kept as cash collateral in the form of additional security for bondholders for bond servicing during the tenor. As per the draft structured payment mechanism, TCMC can utilise these funds in case of shortfall in the funds in IPA/SFA as per timelines to meet the debt service obligation of bonds on the due date.

Any shortfall in the funds available in the escrow account for maintaining the monthly minimum balance to complete the aforesaid transfers to the IPA/SFA account(s) shall be made good by TCMC by transfer from its other account(s).

As per the draft term sheet for the proposed bonds, the three semi-annual requirements of interest payments will always be maintained as DSRA in IPA and proportionate amount (10% of total issue size) in SFA. TCMC shall set up a separate no-lien escrow account, and the funds lying in account(s), in which the tax income (property tax, water charges, and vacant site tax), collected by TCMC, shall be transferred for debt servicing. IPA will be funded with the required amount equivalent to semi-annual interest instalments in addition to DSRA and the half-yearly interest amount shall be divided into five equal parts, with each part transferred to IPA every month for the first five months.

In case of any shortfalls in the amount required to pay the coupon on the coupon payment date in IPA, 14 days prior to the coupon payment date, the trustee shall trigger the payment mechanism and instruct the bank to utilise the PSGF amount to cover the shortfall by 10 days prior to the interest payment date. Furthermore, In the event of any utilisation from the PSGF amount, DT will issue a notice in writing to TCMC to replenish the same within 90 days from the date of utilisation. This arrangement shall continue until the bonds are paid in full to the bond holders.

In case of any shortfalls in the amount required to pay coupon on the coupon payment date in IPA, nine days prior to the utilisation, the amounts lying or credited in the escrow account shall flow into IPA for DSRA replenishment, and TCMC shall make good the DSRA amount shortfall within the next 15 days (T+8).

In case of sinking fund mechanism, DT shall check the amount lying to the credit of SFA at 30 days prior to the end of each six-month block, as per draft term sheet. In case of any sinking fund mismatch, DT shall intimate TCMC of the shortfall, and TCMC shall make good the sinking fund mismatch 14 days prior to the end of each six-month block. In case a shortfall persists in SFA at 14 days prior to the end of each six-month block, DT shall trigger the payment mechanism and shall instruct the escrow bank to utilise the PSGF amount to cover the shortfall in SFA 10 days prior to the end of each six-month block. Furthermore, in the event of any utilisation from the PSGF amount, DT would issue a notice in writing to TCMC to replenish the same within a period of 90 days from the date of utilisation. This arrangement shall continue till the bonds are paid in full to the bond holders.

DT, on behalf of debenture holders, shall have the first and exclusive charge over the escrow account and the account(s) where the tax income (property tax, water charges, and vacant site tax) is collected and/or pooled by TCMC. DT will monitor all accounts, and no amount can be withdrawn from these accounts without DT's approval.

Escrowed Revenue Likely to be Adequate: Ind-Ra expects TCMC's escrowed tax income (property tax, water charges, and vacant site tax) receivables to provide adequate coverage for its proposed debt service obligations during the bond tenor. TCMC's tax income (property tax, water charges, and vacant site tax) will be escrowed into the escrow account and should be first utilised to fund any shortfall in the required DSRA amount (in the event of DSRA amount utilisation), PSGF amount (if the PSGF amount is utilised), IPA, and SFA as per the interest payment and sinking fund mechanism. The funds should then be utilised to accumulate the minimum balance in the escrow account. The minimum balance shall be the amount to be transferred to IPA and SFA on the transfer date (last day of any monthly period). TCMC's escrowed tax income (property tax, water charges, and vacant site tax) grew at 39.43% CAGR over FY21-FY25. The tax income increased 3.13% yoy to INR1,882.33 million in FY25 (FY24: INR1,825.14 million). TCMC has collected INR1,328.05 million tax income during April-October 2025. These funds are adequate for funding requirements for interest payment and SFA for INR1,000 million bonds.

Dependence on Own Revenue Sources: Ind-Ra expects TCMC's reliance on its own revenue to sustain in the medium term. The corporation has the ability to generate adequate revenue from its own sources to fund its revenue expenditure. Tax and non-tax revenue constituted 29% and 28%, respectively, on an average, of the total revenue income over FY21-FY25. The corporation's own revenues (tax and non-tax) grew at 15.26% CAGR during FY21-FY25. Own revenue/total revenue income ratio stood 66.56% in FY25 (FY24: 68.14%). The share of assigned revenue and grants in the total revenue income averaged around 32% during FY21-FY25, indicating a moderate dependence on grants and a higher dependence on own income sources to meet its revenue expenditure requirements.

Adequate Revenue Surplus: Ind-Ra believes TCMC will maintain a surplus revenue balance over the medium term, led by stable tax collections and receipt of grants and contributions. It consistently reported revenue surplus (before depreciation) during FY22-FY25. The revenue surplus (before depreciation) declined slightly to INR580.97 million in FY25 (FY24: INR678.55 million) due to a fall in miscellaneous income. The corporation received additional revenue grants in FY24 which were incorrectly booked as miscellaneous income, and these were not received in FY25. The corporation reported operating margin (revenue surplus margin before interest and depreciation) of above 14.23% during FY22-FY25 and it was 17.92% in FY25.

Moderate Collection Efficiency of Taxes: The total number of assessed properties grew moderate at a 1.81% CAGR over FY21-FY25. In FY25, the corporation had a total number of assessed properties of 0.26 million, with residential properties accounting for the highest share at 81%, followed by commercial buildings and others at 19%. The property tax collection efficiency on overall demand (arrears and current dues) reduced to 77% in FY25 (FY24: 79%) and current demand reduced to 87% (89%). However, the property tax collection efficiency on overall and current demand remained healthy above 71% and 84%, respectively, during FY23-FY25.

Adequate Capital Utilisation: Ind-Ra expects capital utilisation ratio to remain adequate above 1x in the medium term. The proportion of capital expenditure in the total expenditure was 57.07% in FY25 (FY24: 67.66%). The capital utilisation (capital expenditure/capital income) increased gradually over the period and stood strong above 1.36x during FY24-FY25 (average during FY21-FY25 was 0.94x), as the corporation undertook developmental works, such as several water supply and sewerage works under the AMRUT scheme.

Better Civic Services Delivery, Although Some Scope for Improvement: TCMC has a better service delivery outcome than other urban local bodies of similar size and scale. TCMC's service delivery levels for water supply (95%), sewerage coverage (70%) and solid waste collection (98%) remained strong in FY25, against the benchmark levels of 100% for each. The per capita supply of water stood at 126 litres per capita per day in FY25, against the benchmark of 135 litres per capita per day. However, TCMC's performance was less than adequate in areas such as continuity of water supply (FY25: 2 hours against benchmark of 24 hours per day).

TCMC has undertaken several works in the areas of water supply, sanitation, and sewerage under the Atal Mission for Rejuvenation and Urban Transformation Scheme, which Ind-Ra believes would further improve civic services delivery in the medium term. TCMC undertook these capital works from its own revenue sources combined with grants and loans from both state and central government. The proposed municipal bonds would further help improve the services delivery.

High Debt Service Obligations: TCMC has taken debt to undertake several projects to improve service delivery for its citizens. As a result, its debt and debt service obligations are high. However, its debt service coverage ratio (DSCR) is likely to remain comfortable in the near to medium term. The corporation has availed loans in the past from the state government, Tamil Nadu Urban Finance and Infrastructure development Corporation Ltd, and Tamil Nadu Urban Infrastructure Financial Services Limited for various infrastructural development projects in the city. TCMC's debt service requirements are likely to be about INR657 million and INR891 million in FY26 and FY27, respectively. Ind-Ra expects TCMC to service the same comfortably from its revenue surplus. TCMC's DSCR rose to 1.58x in FY25 (FY24: 1.27x), due to a fall in debt service obligations. TCMC's debt service obligations/total revenue also reduced to 11.33% in FY25 (FY24: 15.14%).

Liquidity

Adequate: TCMC's liquidity position is supported by capital grants to fund capex, sizeable cash and bank balances including fixed deposits investments (as on 30 September 2025: INR3,762.85 million; FY25: INR2,924.31 million), and unencumbered investments position. The corporation's sustained revenue surplus also supports its liquidity profile. TCMC's debt servicing requirement pertaining to bonds of INR1,000 million will be backed by way of an escrow of receivables from tax income (property tax, water charges, and vacant site tax). TCMC escrowed tax income (property tax, water charges, and vacant site tax) grew at a 39.43% CAGR over FY21-FY25. The tax income increased 3.13% yoy to INR1,882.33 million in FY25 (FY24: INR1,825.14 million) and amounted to INR1,328.05 million during April-October 2025. These funds are adequate for funding requirements for interest payments and SFA for the INR1,000 million bonds.

Rating Sensitivities

Positive: Events that may collectively lead to a positive rating action are:

- the property tax current collection efficiency increasing to or exceeding 90%, on a sustained basis, and
- the DSCR exceeding 2.0x, on sustained basis.

Negative: Events that may, individually or collectively, lead to a negative rating action are:

- a breach of financial covenants and a deviation from the structured payment mechanism,
- a sustained unanticipated increase in the debt levels resulting in DSCR falling below 1.2x,
- a sustained higher dependence on grants and/or deterioration in the revenue,
- the property tax current collection efficiency falling below 55% on a sustained basis, and
- a sustained failure or breach to comply with SEBI's listing requirements with regard to timely disclosure.

Disclosures for Provisional Rating

1) RATING THAT WOULD HAVE BEEN ASSIGNED IN THE ABSENCE OF THE PENDING STEPS/ DOCUMENTATION

Ind-Ra would have assigned 'IND A' in the absence of the pending steps/documentation.

2) PENDING STEPS/ DOCUMENTATION CONSIDERED WHILE THE ASSIGNING PROVISIONAL RATING AND RISKS ASSOCIATED WITH THE PROVISIONAL NATURE OF THE CREDIT RATING:

Sr. No.	Pending documentation/steps considered while assigning provisional rating	Risks associated with the provisional nature of the credit rating in the absence of completed documentation/steps
1.	Final term sheet	Weaker structure and monitoring; risks to timeliness of payment; lower protection to investors.
2.	Final information memorandum along with all annexures	
3.	Final debenture trustee agreement	
4.	Final escrow agreement	
5.	Final debenture trust deed	
6.	Statement of interest payment account showing required DSRA amount (three semi-annual interest instalment), one day prior to the pay-in date	Pending funding of DSRA may increase vulnerability to cashflow mismatches and a risk of timely debt servicing.
7.	Statement of PSGF creation showing INR104 million	

* 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

Bond Usage: TCMC proposes to utilise the bond proceeds to finance the construction of an integrated wholesale and retail market at Old Madurai Road in Panjapur, Tiruchirappalli (Tamil Nadu). The estimated construction cost of the project of INR2,360 million is to be met through a bond issuance of INR1,000 million, GoTN share of INR1,280 million, and internal accruals of the ULB to the tune of INR80 million.

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 TCMC, 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

TCMC is an urban local body for the city of Tiruchirappalli in the Tiruchirappalli district of Tamil Nadu, India. Tiruchirappalli was founded as a municipality in 1866 and upgraded to a municipal corporation in 1994. The city was divided into five administrative zones and 65 wards for effective administration. The corporation is responsible for certain obligatory and

discretionary services such as supply of portable water, sewerage, solid waste management, primary education services, health and medical services, street lighting, and city centres across the city, to facilitate delivery of municipal services to its citizens.

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Key Financial Indicators

Particulars (INR million)	FY25	FY24
Revenue income	4,626.97	4,807.91
Revenue expenditure	4,046.00	4,129.36
Revenue surplus/(deficit) before depreciation	580.97	678.55
DSCR (x)	1.58	1.27
Debt payment/revenue income (%)	11.33	15.14
Source: TCMC, Ind-Ra		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (million)	Rating
Proposed municipal bonds	Long-term	INR1,000	Provisional IND AA/Stable

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

ANNEXURE - I

INSTRUMENT’S FINANCIAL COVENANTS

TCMC shall, at all times till the debentures are outstanding, ensure that the total amount collected in the escrow account in any financial year shall be at least 2x the annual payments amount. For the purpose of this term sheet, the term ‘annual payments’ shall, in respect of any financial year, mean the aggregate of: (a) the coupon payable in such year (in relation to the present bond issue and any further borrowings); (b) the portion of principal amount of the debentures which are required to be deposited by TCMC into SFA in such financial year (in relation to the present bond issue and any further borrowings); and (c) the principal repayment amount (in relation to the further borrowings where sinking fund is not created), in terms hereof.

So long as the eligibility conditions are met, TCMC shall be entitled to raise further financial indebtedness based on its cash flows including the cash flows through the escrow account, provided that it is clarified that nothing in this provision should be construed to permit the creation of any encumbrance over the hypothecated property without the express prior written consent of DT.

For the purpose of this term sheet, the term ‘eligibility conditions’ shall mean the following conditions:

- (a) the annual payments ratio is maintained by TCMC,
- (b) there is no shortfall in the contribution to the escrow account, IPA (including towards maintenance of the required DSRA amount), SFA which has not been made good by TCMC in terms of the transaction documents, and
- (c) no event of default has occurred.

Annexure – II

Draft Structured Payment Mechanism for Proposed Bonds

1. TCMC shall open the following accounts for servicing the coupon and principal amount of the debentures for the exclusive benefit of the debenture holders:

- a) Escrow account
- b) IPA
- c) SFA

2. TCMC shall set up a separate no-lien escrow account and the funds lying in account(s) in which the tax income (tax income means property tax, water charges, and vacant site tax) is collected and/ or pooled by TCMC shall be transferred to the escrow account for debt servicing on daily basis. The debenture holders/DT on behalf of debenture holders shall have the first and exclusive charge over the escrow account and the account(s) where the tax income is collected and/or pooled by TCMC.

3. IPA is an account from which interest payments on the debentures will be serviced. Also, the required DSRA amount will be maintained as per the requirements in 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 13 November 2019, bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019.

4. SFA is an account from which the principal redemptions of STRPPs/NCDs will be made.

Escrow Mechanism

5. The funds lying in the escrow account shall be used in the following priority:

a) The funds should be first utilised to fund any shortfall in the required DSRA amount (in case of utilisation of the DSRA amount), PSGF amount (in case of utilisation of the PSGF amount), IPA, and SFA as per the interest payment and sinking fund mechanism defined.

b) The funds should be then utilised to accumulate the minimum balance in escrow account. The minimum balance to be maintained in any monthly period expiring on the transfer date (transfer date here means last date of any monthly period) shall be the amount to be transferred to IPA and SFA on the transfer date.

c) The minimum balance shall not be used for any purpose other than transfer to IPA and SFA.

d) The surplus funds, if any, after first accumulating the minimum balance, can thereafter be transferred to the general fund account(s) in accordance with the directions of TCMC from time to time, after DT gives a one-time written instruction providing for such transfer for such monthly period. However, in case of a shortfall in any of the IPA (including towards maintenance of the required DSRA amount), PSGF amount (in case of utilisation of the PSGF amount) or SFA, no transfer to the general fund account(s) shall be effected, and the surplus funds shall first be utilised towards funding the relevant account in which there is a shortfall.

On a monthly basis, on each transfer date, the minimum balance maintained as indicated above shall be transferred to IPA and SFA.

IPA: The half-yearly interest amount shall be divided into five equal parts and each part shall be transferred to IPA every month for five months. Accordingly, 20% of the half yearly coupon payment (along with any further interest payable as per the terms of the issuance and any shortfall in earlier contribution) shall be transferred to IPA each month as follows:

- (i) 1st half year - from 1st to 5th month
- (ii) 2nd half year - from 7th to 11th month

SFA: The total issue size of the debentures (INR1,000 million) shall be divided into 20 parts and each part (INR50 billion) shall be transferred to SFA in each of the half years starting from 1st to 10th year.

Any shortfall in the funds available in the escrow account to complete the aforesaid transfers to the above account(s) shall be made good by TCMC by transfer from its other account(s).

PSGF Amount and its Replenishment

The GoTN shall create a grant fund, PSGF, in the form of a term deposit for INR104 million (PSGF amount) as a one-time credit enhancement facility under World Bank-assisted Tamil Nadu Climate Resilient Urban Development Program, with funds available in PSGF under the credit enhancement facility.

The bond issue proceeds should be used for the construction of an integrated wholesale and retail market at Old Madurai Road in Panjapur, Tiruchirappalli (Tamil Nadu).

The said term deposit amount shall be created in the name of PSGF by PSGF with the trustee banker/escrow banker of the bond issue once the date of the issue of bond is finalised but, in any case, no later than one day before the pay-in/allotment of bonds.

In the case of the PSGF amount is utilised, TCMC shall recoup the same within a period of 90 days from the date of utilisation. This arrangement will continue till the bond is paid in full to the bond holders.

The escrow banker (on the instructions of the bond/DT) will utilise the PSGF amount

- if there are insufficient funds in TCMC’s escrow account/IPA/SFA as per the timelines indicated under the structured payment mechanism in the term sheet, and
- if there is a payment default or event of default, to meet all the outstanding interest and principal obligations to the bond holders.

DT (on behalf of the bond holders) shall have the first and exclusive charge over the PSGF amount, term deposit created for this bond issue.

Interest Payment Mechanism (T-interest payment date)	
Trigger date	Action
T-25	DT shall check the amount lying to the credit of IPA (which is over and above the required DSRA amount) at 25 days prior to the coupon payment date (T-25 days). In case of any shortfall in the amount required to make payment of coupon on the coupon payment date in IPA (calculated based on the amounts available in addition to the required DSRA amount), DT shall intimate TCMC of the shortfall, and TCMC shall make good the shortfall 15 days prior to the coupon payment date (T-15 days). The amounts lying or credited in the escrow account shall flow into IPA for funding the shortfall and shall not be transferred by TCMC to the general fund account(s) till the time the shortfall is funded.
T-14	In case of a shortfall in the amount required to make payment of coupon on the coupon payment date in IPA (calculated on the basis of the amounts available in addition to the required DSRA amount) 14 days prior to the coupon payment date (T-14 days), DT shall trigger the payment mechanism and shall instruct the bank to utilise the PSGF amount to cover the shortfall 10 days prior to the interest payment date (T-10 days). Furthermore, immediately after the PSGF amount utilisation, the amounts lying or credited in the escrow account shall flow for the PSGF amount replenishment and shall not be transferred by TCMC to the general fund account(s) till the time the required PSGF amount is replenished.
T-9	In case of shortfall in the amount required to make payment of coupon on the coupon payment date in IPA (calculated on the basis of the amounts available in addition to the required DSRA amount) nine days prior to the coupon payment date (T-9 days), DT shall trigger the payment mechanism. The trustee shall instruct the bank to utilise the DSRA amount to the extent of the shortfall in the amount eight days prior to the interest payment date (T-8 days).
T-7	In case the DSRA amount (or part thereof) is utilised to fund the shortfall in the amount required to make payment of the coupon in respect of any coupon payment date, immediately after DT has instructed the bank to utilise the DSRA amount as above and in any event prior to seven days of the relevant coupon payment date (T-7 days), DT would issue a final notice in writing to TCMC. On the issuance of such notice, TCMC shall make good the DSRA amount shortfall within the next 15 days (T+8 days). Furthermore, 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 TCMC to the general fund account(s) till the time the required DSRA amount is replenished.
T	The coupon shall be paid by TCMC on the coupon payment date.
Source: TCMC	

DSRA and PSGF replenishment

In case the DSRA amount (or part thereof) is utilised to fund the shortfall in the amount required to make payment of the coupon in respect of any coupon payment date, immediately after DT has instructed the bank to utilise the DSRA amount as above and in any event prior to seven days of the relevant coupon payment date (T-7 days), DT would issue a final notice in writing to TCMC. On the issuance of such notice, TCMC shall make good the DSRA amount shortfall within next 15 days (T+8 days). Moreover, immediately after the DSRA utilisation, the amounts lying or credited in the escrow account shall flow into the IPA for DSRA replenishment and shall not be transferred by TCMC to the general fund account(s) till the time the required DSRA amount is replenished.

Also, In the event of any utilisation from the PSGF amount, DT would issue a notice in writing to TCMC to replenish the same within of 90 days from the date of utilisation. This arrangement shall continue till the bonds are paid in full to the bond holders.

Principal Repayment (Sinking Fund) Mechanism

Trigger date	Action
T-30	DT shall check the amount lying to the credit of SFA at 30 days prior to the end of each six-month block. In case of any sinking fund mismatch, DT shall intimate TCMC of the shortfall and TCMC shall make good the sinking fund mismatch 15 days prior to the end of each six-month block (T-15 days).

T-14	Furthermore, in case of a shortfall on T-30 days, the amounts lying or credited in the escrow account shall flow into SFA for funding the shortfall and shall not be transferred by TCMC to the general fund account(s) till the time the shortfall is funded. In case of the shortfall still persists in SFA at 14 days prior to the end of each six-month block (T-14 days), DT shall trigger the payment mechanism and instruct the escrow bank to utilise the PSGF amount to the extent of the shortfall 10 days prior to the end of each six-month block (T-10 days). In addition, immediately after the PSGF amount utilisation, the amounts lying or credited in the escrow account shall flow for the PSGF amount replenishment and shall not be transferred by TCMC to the general fund account(s) till the time the required PSGF amount is replenished. Furthermore, in the event of any utilisation from the PSGF amount, DT would issue a notice in writing to TCMC to replenish the same within 90 days from the date of utilisation. This arrangement shall continue till the bonds are paid in full to the bond holders.
T-9	In case the shortfall still persists in in the SFA at nine days prior to the end of each six-month block (T-9 days), DT shall issue a final notice to TCMC. On the issuance of such notice, TCMC shall remit the funds to fund the shortfall into SFA prior to the end of each six-month block (T).
T	Last date to fund the shortfall in SFA in each six-month block
Source: TCMC	

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Local and State Government Rating Criteria

The Rating Process

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No. CARE/HRO/RL/2025-26/1719

Shri L. Madhubalan, I.A.S
Commissioner
Tiruchirappalli City Municipal Corporation
1, Triuchirappalli Municipal Corporation,
Bharathidasan Street, Cantonment
Trichy
Tamil Nadu 620001



January 23, 2026

Confidential

Dear Sir,

Credit rating for proposed bond issue

Please refer to your request for rating of proposed bond issue of Rs.100 crore for your corporation. The proposed bond would have tenure of 10 years with equal semi-annual repayments starting from the end of 5 years and six months from the date of issue.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (₹ crore)	Rating ¹	Rating Action
1.	Bonds	100.00	Provisional CARE AA-; Stable	Assigned

Rating in the absence of the pending steps/documents	CARE A-
--	---------

- Further, the above rating is provisional and will be confirmed once the Company submits copies of relevant executed documents, to the satisfaction of CARE Ratings Ltd. CARE Ratings Ltd. shall issue the final rating letter, press release and rating report at the time of confirmation of the rating.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is January 22, 2026).
- In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Ltd.'s publications.

CARE Ratings Limited

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Hyderabad - 500 029
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Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in

CIN-L67190MH1993PLC071691

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
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7. [Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.]
8. [The press release and rating report for the rating will be communicated to you separately.]
9. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
10. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
11. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
12. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
13. Our ratings are **not** recommendations to buy, sell or hold any securities.
14. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,



CARE Ratings Limited

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CIN-L67190MH1993PLC071691

Tiruchirappalli City Municipal Corporation

January 23, 2026

A-23

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Bonds	100.00	Provisional CARE AA-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rating in the absence of pending steps/ documents	CARE A-
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Rationale and key rating drivers

The rating assigned to proposed bond of Tiruchirappalli City Municipal Corporation (TCMC) factor in the Trustee-administered structured payment mechanism (SPM) for bond through creation of an escrow account for property tax, water charges and vacant site tax collections, with priority to service proposed bonds ahead of other debt, and stipulated reserves in the form of debt service reserve account (DSRA), interest payment account (IPA) and sinking fund account (SFA). The rating also takes comfort from payment security guarantee fund (PSGF) of ₹10.40 crore (covering one semi-annual coupon), which can be used to replenish shortfall in the IPA/SFA. The PSGF is a non-lapsable fund created by the Government of Tamil Nadu (GoTN) to provide grants for implementing urban infrastructure projects in Tamil Nadu and is managed by Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL). This PSGF will be lien marked and kept as collateral as security for bondholders for servicing bonds in the tenor.

TCMC has proposed borrowing in the form of bond issuance, and comfort is derived from the 2x coverage (of annual debt servicing) stipulated in the structured payment mechanism and TCMC's cashflows comfortably covering it. The structure also stipulates routing the designated revenue collection in the escrow account 1.5x of outstanding bonds annually.

The rating factors in TCMC's importance to Tamil Nadu as fourth largest municipal corporation in the state. Tiruchirappalli (Trichy) is fourth largest city in Tamil Nadu and is a key economic hub and a vital centre for major public sector companies and the agriculture sector, making it strategically important to the state. This is reflected by timely receipt of revenue grants and capital grants from GoTN. The rating also factors in the satisfactory service delivery track record parameters.

The rating also factors in the corporation's satisfactory financial profile with consistent growth in revenue receipts (RR) reported y-o-y, with strong collection efficiency and adequate own revenue share (67%). Led by increase in property tax and State Finance Commission grants, TCMC's revenue receipts grew at a compound annual growth rate (CAGR) of 13% from ₹248 crore in FY21 (FY refers to period April 01 to March 31) to ₹463 crore in FY25.

However, the rating is constrained by TCMC's limited autonomy in levying taxes, its dependence on state government grants, a relatively modest economic base and high debt level. Given the growth and expansion of the corporation area, capex requirements are on an increasing trend and the ability of the corporation to manage the same while maintaining its financial position will be important from the credit perspective.

This rating is provisional and will be confirmed once the company submits following documents to the satisfaction of CARE Ratings Limited (CareEdge Ratings):

- a. Transaction documents including debenture trust deed.
- b. Escrow agreement.
- c. Final Information memorandum.
- d. Fixed deposit (FD) statement for upfront PSGF creation.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the size of the corporation with a sustained revenue surplus.

Negative factors

- De-growth in revenue surplus on a sustained basis.
- Significant increase in debt levels, impacting the liquidity profile.
- Non-adherence to the SPM per the debenture trust deed (DTD) with reduction in escrowed revenue coverage for bonds below 1.5x on a sustained basis.
- Non-maintenance of the stipulated DSRA/sinking fund and PSGF balances.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach:

Standalone, including trustee-monitored structured payment mechanism involving escrow of property tax, water charges and vacant site tax revenue with priority towards debt servicing of bonds, creation of IPA and SPA and DSRA provision for three semi-annual interest payments. **A-24**

Outlook: Stable

TCMC is expected to maintain a comfortable financial profile with steady growth in revenue receipts, consistent revenue surplus generation, and a comfortable liquidity position.

Detailed description of key rating drivers:

Key strengths

Trustee-monitored SPM

The bond issuance is backed by Trustee administered SPM. Under the SPM, Issuer shall set up separate no-lien escrow account and the funds lying in account(s) in which the property tax, water charges and vacant site tax charges gets collected and/ or pooled by the Issuer shall be transferred to the escrow account for debt servicing on a daily basis. The debenture trustee, on behalf of debenture holders, will have the first and exclusive charge in the escrow account and accounts where the property tax, water charges and vacant site tax are collected and pooled by the Issuer.

Salient features of the SPM include:

- i. The funds should be first utilised to fund shortfall in required DSRA amount (in case of utilisation of the DSRA amount), IPA and the SFA per the interest payment and sinking fund.
- ii. Thereafter, funds should be utilised to accumulate minimum balance in escrow account. The minimum balance to be maintained in any monthly period, expiring on the transfer date shall be the amount to be transferred to the IPA and SFA on the transfer date
- iii. IPA - Half-yearly interest amount shall be divided into five equal parts, and each part shall be transferred to IPA every month for five months. Accordingly, 20% of the half yearly coupon payment (and further interest payable (by whatsoever name called) per terms of the issuance and shortfall in earlier contribution) shall be transferred to IPA each month:
 - o for the 1st half-year, from the 1st to the 5th month.
 - o for the 2nd half-year, from the 6th to the 10th month.
- iv. SFA - Total issue size of debentures (₹100 crore) divided into 20 equal parts of ₹5 crore, each shall be transferred SFA in each of half years starting from the 1st to 10th year. Each half year transfer of ₹5 crore shall be subdivided into five equal sub-parts of ₹1 crore, which shall be transferred to the SFA every month for the first five months of each half-year. Accordingly, 5% of the total issue size shall be transferred annually over 20 half years. In the event of shortfall in funds available in the escrow account to complete these transfers, the Issuer shall make good the deficit by transferring funds from other account(s) of the Issuer.
- v. The surplus funds, after first accumulating the minimum balance can thereafter be transferred to the general fund account(s), after a one-time written instruction providing for such transfer is given by the Debenture Trustee for such monthly period.

Total amounts collected in the escrow account shall be 2x of monthly debt servicing and at least 1.5x of the bond issue in any financial year.

PSGF is a grant fund of GoTN and managed by TNUIFSL, which will create a term deposit in the name of PSGF equivalent to ₹10.4 crore with the Trustee Banker / Escrow Banker of the municipal bond issue of the Corporation as Credit Enhancement Facility under World Bank assisted Tamil Nadu Resilient Urban Development Program (TNCRUDEP) for the issuance of the municipal bond ("PSGF Amount"). The debenture trustee on behalf of bondholders will have first and exclusive charge over the Project Sustainability Grant Fund (PSGF Amount) term deposit created for this bond issue.

The debenture trustee on behalf of bondholders will have first and exclusive charge over the PSGF FD, IPA (including the DSRA Amount) and SFA opened for the Issue, funds lying in each account and investments made from these accounts. No amount can be withdrawn from these accounts without the approval of the debenture trustee.

The SPM also stipulates T minus structure (T = bond payment date) for servicing interest and principal repayment.

Satisfactory financial performance with healthy share of own revenue

The corporation reported a CAGR of 13% in revenue from FY21-FY25 (from ₹248 crore in FY21 to ₹463 crore in FY25). The own revenue share has been comfortable at ~ 67% of overall revenue receipts in FY25 (68% for FY24). It also stood at an average of 67% for the last five years. TCMC's own revenue mainly comes from tax revenue of ₹152 crore (33%), service fees and charges of ₹123 crore (27%) and other income of ₹33 crore (7%).

The corporation reported an adjusted revenue surplus (adjusting for incremental debtors) from FY21-FY25. Adjusted revenue surplus in FY25 stood at ₹55 crore compared to ₹88 crore in FY24. The reduction was due to one-time high income, considering ₹37.60 crore received in FY24. Revenue surplus/revenue receipts has been 10-14% for three years; FY23-25.

The property tax collection efficiency on a current basis stood at ~98% in FY25 and for the last three years has been an average of 105%. The corporation has been undertaking measures to improve property tax collection such as drone surveys, GIS mapping and offering discounts for early payments.

Satisfactory operational track record

TCMC has satisfactory service level benchmarks with scope for improvement. About 95% of the population has access to piped water supply. The present per capita water supply is 126 litres per person capita per day (LPCD) against the target of 135 LPCD. Sewerage coverage is 100% and the solid waste coverage is 98%. Existing underground sewerage system covers ~80% of the municipal limits with 373 km of sewer collection system.

Key weaknesses

Modest economic base

Despite being the fourth-largest city in Tamil Nadu, TCMC exhibits a moderate economic base, contributing ~4% to state gross domestic product (GDP). The city's economy significantly depends on public sector undertakings such as Bharat Heavy Electronics Limited, High Energy Projectile Factory and Ordnance Factory, which limits diversification and exposes the local economy to sector-specific risks. Consequently, overall scale of municipal operations remain moderate, reflecting limited economic depth and a narrow revenue-generating base.

Relatively high debt levels

TCMC has a total debt outstanding of ₹483 crore on September 30, 2025. Loans taken by the corporation are for infrastructural projects undertaken by the corporation. External borrowings of TCMC include loans from Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and TNUIFSL. The corporation has proposed bond issuance of ₹100 crore for the vegetable market project at Panjappur. Despite rising debt levels, debt coverage metrics have been complemented by revenue growth, continuity of which shall be an important factor from a credit perspective. TCMC's debt-to-revenue receipts ratio stood at 1.01x on March 31, 2025.

Limited autonomy in levying taxes and dependence on state government for capex.

TCMC has limited autonomy in levying and revising taxes, as major fiscal decisions are governed by the policy framework of GoTN. The corporation's power to introduce new taxes or revise existing rates, such as property tax or user charges, is subject to state-level approvals and guidelines. This restricts TCMC's flexibility in augmenting its revenue base in response to rising expenditure needs or inflationary pressures. However, the GoTN mandates incremental property tax by 6% on an annual basis which is expected to support the revenue profile.

Capex for the corporation depends on the state government, as it is mostly funded from state government grants.

Liquidity: Adequate

TCMC's liquidity position is adequate, supported by a revenue surplus and cash balances of ₹292 crore on March 31, 2025, against loan repayments of ₹41 crore due in FY26. Repayment of the proposed bond will start from the fourth year of the deemed date of allotment, providing near-term flexibility. TCMC will maintain a DSRA and a sinking fund in the form of fixed deposits for the proposed bonds, further strengthening liquidity. For existing loans, repayments are serviced through State Finance Commission (SFC) grants and cashflows of the corporation. CareEdge Ratings expects TCMC's liquidity profile to remain comfortable in the medium term, aided by structured payment mechanisms and stable revenue receipts.

Assumptions/Covenants:

- DSRA of three semi-annual coupon payments have to be maintained.
- Total tax amounts collected in the escrow account in a financial year will be at least 1.5x the amount of borrowed amount.
- The Issuer shall maintain minimum annual escrow collections of at least 2x the annual payments during the bond tenure.
- Interest payment and principal repayment mechanism.

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Date	Event	Measure if a shortfall occurs
Interest Payment Account		
T-25	Trustees will check the amount in the interest payment account.	Intimate TCMC to make good for the shortfall in the interest payment account 15 days before the coupon payment date.
T-14	Trustees shall re-check the amount in interest payment account	Trustees will trigger the payment mechanism, and the bank will be instructed to utilise the PSGF amount to the extent of shortfall in the amount required to make the coupon payment prior to 10 days before the coupon payment date.
T-9	Trustees shall re-check the amount in interest payment account	Trustees will trigger the payment mechanism, and the bank will be instructed to transfer the shortfall amount from DSRA to the interest payment account eight days before the coupon payment date. TCMC shall make good the DSRA Amount Shortfall within next 15 days (T+8).
T	TCMC shall pay the interest on the due date.	-
Sinking Fund Account		
T-30	Trustees shall check credit in the sinking fund account	Intimate TCMC (and GoTN shall be informed by marking a copy to GoTN) of the shortfall and TCMC shall make good the shortfall before the date falling 15 days before the end of each 6-month block (T-15 days).
T-14	Trustee shall trigger the payment mechanism and issue notice to the issuer and inform Govt. of TN by marking a copy of the notice.	The Escrow banker is issued notice for blocking the collection of funds being received in escrow account till such time the shortfall is not met. In case of shortfall, the trustee shall trigger the payment mechanism and shall instruct the Escrow Bank to utilise the PSGF Amount to the extent of the shortfall on or prior to the date falling 10 (ten) days prior to the end of each six Month Block (T-10 days).
T-9	Trustees shall re-check the amount in sinking fund account	If the shortfall continues to persist at nine days before the end of each 6-month block (T-9 days), the Trustee shall issue a final notice to the Issuer. Upon receipt of such notice, the Issuer shall fund the shortfall in the SFA before the end of the 6-month block.
T	TCMC shall pay the redemption amount on the due date.	-

In the event of any utilisation from the PSGF Amount, the Debenture Trustee would issue a notice in writing to the Issuer to replenish it within 90 days from the date of utilisation. This arrangement shall continue till bonds are paid in full to bondholders.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Assignment of Provisional Ratings](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Urban Infrastructure Projects](#)

Validity of provisional rating:

Provisional rating shall be converted into a final rating after receipt of transaction documents duly executed/ completion of mentioned steps within 90 days from the instrument's date of issuance. An extension of 90 days may be granted on a case-to-case basis in line with CareEdge Ratings' Policy on Assignment of Provisional Ratings.

Risks associated with provisional nature of credit rating:

When a rating is assigned pending execution of certain critical documents or steps to be taken, it is a 'Provisional' rating indicated by prefixing 'Provisional' before the rating symbol. On execution of critical documents to the satisfaction of CareEdge Ratings, the final rating is assigned. In absence of documents/ completion of steps or where such documents deviate significantly from those considered, provisional rating will be reviewed in line with the Policy on Assignment of Provisional Ratings.

About the company and industry

Industry classification

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Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Public services	Urban local bodies

TCMC is the civic body governing Trichy, Tamil Nadu. Established as a municipality in 1866, it was upgraded to a corporation in 1994. Covering 167.23 sq. km, TCMC oversees urban planning, sanitation, water supply, roads, and public health. Trichy is a major educational and industrial hub, and has a rich cultural and historical legacy, with landmarks such as Rockfort and Srirangam Temple. The corporation focuses on infrastructure development, smart city initiatives, and sustainable urban governance. It is divided into 65 wards, each represented by elected councillors, with an appointed commissioner managing day-to-day administration.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Reported revenue receipts	481	463	355
Reported revenue surplus	68	58	128
Revenue surplus/deficit**	88	55	38
Revenue surplus/Revenue receipts (%)**	17.64	11.93	14.48
Own revenue/Revenue receipts (%)	68.16	66.56	74.74

**Adjusted for incremental debtors and excluding depreciation

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Bonds (Proposed)	-	-	-	_*	100.00	Provisional CARE AA-; Stable

*proposed bond is for 10 years with repayment commencing post five and half years from date of allotment

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Bonds	LT	100.00	Provisional CARE AA-; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated**A-28**

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds	Simple

Annexure-5: Lender details: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Rajashree Murkute Senior Director CARE Ratings Limited Phone: +91-22-6837 4474 E-mail: rajashree.murkute@careedge.in Puja Jalan Director CARE Ratings Limited Phone: +91-40-4002 0131 E-mail: puja.jalan@careedge.in Tej Kiran Ghattamaneni Associate Director CARE Ratings Limited Phone: +91-40-4002 0131 E-mail: tej.kiran@careedge.in
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About us:

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**ABSTRACT**

Tiruchirappalli Corporation – Construction of wholesale and retail market at Panjappur in Tiruchirappalli Corporation at a cost of Rs.236.00 crore – Administrative sanction and permission for mobilization of funds upto Rs.100.00 crore through issuance of Municipal bonds - Accorded - Orders - Issued.

Municipal Administration and Water Supply (MC.5) Department**G.O. (D) No.267****Dated. 06.05.2025****திருவள்ளூர்வராண்டு 2056****விசுவாவசு, சித்திரை - 23****Read:**

1. G.O(D)No.497, Municipal Administration and Water Supply, (MC-2) Department, dated 28.12.2021.
2. Minutes of the 22nd State Infrastructure and Amenities Promotion Committee meeting held on 06.12.2024 vide Agenda item No.5
3. From the Director of Municipal administration, letter Roc.No.13354/2024/TP-1, dated 17.12.2024.
4. From the Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited, Letter No. TUFIDCO/AMRUT 2.0/AM(M)/2022, dated 21.01.2025.

***********ORDER:**

The Hon'blè Minister for Finance and Human Resources Management has made the following announcement in the Revised Budget, 2021-2022:

"An integrated bus stand cum commercial centre will be established in Tiruchirappalli with the financial assistance of Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO)".

2. Accordingly, in the Government Order first read above, 'in-Principle' approval has been accorded for the construction of integrated bus stand and other infrastructure facilities at Panjappur in Tiruchirappalli City Municipal Corporation.

3. The project on Construction of wholesale and retail market at Panjappur in Tiruchirappalli Corporation at an estimated cost of Rs.236.00 crore with a request to sanction a sum of Rs.150.00 crore under Infrastructure and Amenities fund was placed before the State Infrastructure and Amenities Promotion Committee at its 22nd meeting held on 06.12.2024. The Committee resolved to sanction a sum of Rs.120.00 crore under Infrastructure and Amenities fund and advised to meet the remaining cost of the project from other sources of funds, as per the minutes of the meeting 2nd read above.

4. The Director of Municipal Administration in his proposal 3rd read above has requested the Government to accord administrative and financial sanction for the above project with the following funding pattern:

(Rs. in crore)

Funding Pattern				Total
Infrastructure and Amenities fund	Funds from Municipal (Corporation) Bonds	Urban Local Body share	Capital Grant Fund (2025-26)	
120.00	100.00	8.00	8.00	236.00

5. The Council of Tiruchirappalli City Municipal Corporation through its resolution No.488, dated 24.07.2024 has accorded necessary permission to raise Rs.100.00 crore through municipal bond for the above project.

6. In this connection, it may be stated that rule 237 of the Tamil Nadu Urban Local Bodies Rules, 2023 framed under the Tamil Nadu Urban Local Bodies Act, 1998 contains provisions relating to debentures and sinking fund.

7. The Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited has therefore stated that considering the above, the Corporation has sought the approval of the Government on the following for going ahead with the issuance of Municipal Bonds for a sum of Rs.100.00 crore:

- Approval for funding through Bonds for the partial financing of the project "Construction of Wholesale and Retail Market at Old Madurai Road at Panjappur at an estimated Cost of Rs.236.00 crore" at Tiruchirappalli City Corporation.
- Approval for borrowing of Rs.100.00 crore through issuance of Municipal Bonds by Tiruchirappalli City Corporation and for servicing/repaying the debt through internal resources.
- Approval for creation of appropriate Escrow Mechanism, Interest Payment Mechanism, Sinking Fund Mechanism (Debenture Redemption Reserve), Debt Service Reserve Amount, etc. as required in due course.
- Authorization for Corporation Commissioner and /or any member of the Bond Issue Committee formed for the purpose of the bond issue and also for deciding and entering into and signing of various agreements, deeds, relevant documents, bond allotment, meeting the listing requirements, ring fencing of appropriate revenue resources and the appropriate escrow mechanism in favour of Bond Trustee, pay stamp duty as per the applicable Acts, laws and regulations, delegation of above powers to a senior official from the bond committee as decided by the Corporation Commissioner and to meet all other requirements/ appointments, related to pre and post bond issue process.

8. The Director of Municipal Administration and the Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) have requested permission of the Government for issuance of Municipal Bonds for a sum of Rs.100.00 crore

for partial financing of the above project.

9. The Government, after careful examination, have decided to accept the proposal of the Director of Municipal Administration and accord administrative sanction for construction of wholesale and retail market at Panjappur in Tiruchirappalli Corporation at a cost of Rs.236.00 crore, with the funding pattern of Rs.120 crore under Infrastructure and Amenities fund; Rs.100 crore from Corporation funds; and Rs.8.00 crore each from Urban Local Body share and Capital Grant Fund 2025-26, subject to the following conditions:

- (a) The allotment of space in the proposed market at Panjappur shall not be resulting in any transfer of ownership.
- (b) Suitable model of leasing the land may be developed.
- (c) Government shall be able to resume the land in future whenever required.

10. The Government have also decided to accept the proposal of the Director of Municipal Administration and the Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited requesting necessary permission of the Government for mobilization of funds to the tune of Rs.100.00 crore by the Tiruchirappalli Corporation through issuance of Municipal bonds for partial financing of the above project and the matters connected therewith, as specified at para 7 above and order accordingly.

11. This order issues with the concurrence of the Finance Department vide its U.O.No.5234(e)/Finance (Infra.III)/2024-44, dated 05.03.2025 and U.O.No307(e)/Finance(Infra.III)/2025-15, dated 05.03.2025.

(BY ORDER OF THE GOVERNOR)

D. KARTHIKEYAN

PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Municipal Administration, Chennai – 600 028.

The Managing Director, Tamil Nadu Finance and Infrastructure Development Corporation Limited, Chennai – 35.

The Commissioner, Tiruchirappalli Corporation.

The Accountant General (A&E), Chennai-600 018.

The Director of Local Fund Audit, Chennai – 600 035.

Copy to

The Hon'ble Chief Minister's Office, Chennai-600 009.

The Special Personal Assistant to Hon'ble Minister
(Municipal Administration), Chennai – 600 009.

The Special Personal Assistant to Hon'ble Minister
(Finance and ECC), Chennai – 600 009.

The Principal Private Secretary to the Principal Secretary to Government,
Municipal Administration and Water Supply Department, Chennai – 600 009.

The Finance (Infra.III) Department, Chennai-600 009.

The Municipal Administration and Water Supply (OP-II)
Department, Chennai – 600 009.

// FORWARDED BY ORDER //



DEPUTY SECRETARY TO GOVERNMENT

True Copy of Tiruchirappalli City Corporation Municipal Council
Resolution No.488 Dated.24-07-2024.

It has been instructed to identify suitable projects and prepare Detailed Project Report for that Project and take necessary action to fund the Project through Municipal Bonds as per AMRUT 2.0 guidelines and as per the letter Dt.28-02-2024 of the Department of Expenditure, Ministry of Finance, Government of India, New Delhi in the letter Dt.29-02-2024 of the Director of Municipal Administration, Chennai.

Review Meetings were conducted in this regard by the TUFIDCO, Chennai on 21-05-2024, 23-05-2024 and 28-05-2024 and necessary instructions were given to identify suitable project and prepare Detailed Project Report for that Project and send the same to them in their DO letter No.TUFIDCO/AMRUT 2.0/AM(M)2022 Dt.03-05-2024 and Dt.27-05-2024. Accordingly, Detailed Project Report was prepared for the Project Cost of Rs.236.00 Crore to construct Integrated Whole-Sale and Retail Vegetable Market @ Old Madurai Road, Panchappur and allot Rs.136.00 Crore under Infrastructure and Amenities Fund and permit to mobilize Rs.100.00 Crore through Municipal Bonds in this Office letter Dt.08-06-2024. The Director of Municipal Administration, Chennai in the letter Roc No.16393/2024/AMRUT-1 Dt.10-06-2024 also given recommendation to TUFIDCO to permit Tiruchirappalli City Municipal Corporation to mobilize funds through Municipal Bonds.

TUFIDCO has appointed M/s.Trust Investment Advisors Private Ltd as Transaction Advisor-cum- Merchant Banker – TA cum MB) in their letter Roc No.TUFIDCO/AMRUT 2.0/M(M)2022 Dt.14-03-2024. By this appointment of Transaction Advisor cum Merchant Banker – TA cm MB, Municipal Bonds and Integrated Municipal Bonds can be mobilized to the tune of Rs. 100.00 Crore.

It has been stated that a sum of 0.10% on the Mobilised amount of Rs.100.00 Crores shall be paid towards fee for Transaction Advisor cum Merchant Banker.

Hence, subject is placed before the Council to mobilize funds through Municipal Bonds to finance the Remunerative Project of Construction of Integrated Wholesale and Retail Vegetable Market at Old Madurai Road, Panchappur at an outlay of Rs.236.00 Crore.

Office Note :

1. Council can give approval. Government Approval to be obtained.
2. Approval may also be given to mobilize funds of Rs.100.00 Crore through Municipal Bonds in view of the necessity of the Project.
3. Approval may be given to the Commissioner to delegate powers to the Accounts Officer, to execute all the necessary to mobilize Municipal Bonds and to give redressal to the grievances of investors.
4. Approval may be given to the Commissioner to do the necessary for mobilization of Municipal Bonds to the tune of Rs.100.00 Crore and to give provision in the Revised Budget for the year 2024-25.

File No :E1/3268/2024(Main)

Resolution : Resolved to approve the Office Note with correction in the name of Transaction Advisor Cum Merchant Banker from M/s.Trust Investment Advisors Private Ltd to M/s.Tipsons Consultancy Services Pvt Ltd.

(Sd.) Mu. Anbalagan,
 Hon'ble Mayor,
 Tiruchirappalli City Municipal Corporation.

//True Copy//

For Commissioner,
 Tiruchirappalli City Municipal Corporation

[Signature]
 24/7/2024

No.11 Dated.26-02-2025

In the letter Roc No.16393/2024/AMRUT-1 Dated.10-06-2024 of the Director of Municipal Administration, to TUFIDCO recommending to mobilise funds to the tune of Rs.100.00 Crores out of Rs.236.00 Crores estimated cost for the project of Construction of integrated vegetable market at Panjapur in Tiruchirappalli City Municipal Corporation.

Sanction has been given in the Council Resolution No.488 Dt.24-07-2024 to execute the above Project and to mobilise funds through Municipal Bonds.

The Director of Municipal Administration, Chennai in the letter Roc No.13354/2024/TP-1 Dated.17-12-2024 has recommended to the State Government to give Administrative Sanction to execute the project with the following funding pattern:

Sl.No	Fund Details	Amount (Rs. in Crore)
1	Infrastructure and Amenities Fund	120.00
2	Capital Grant Fund 2025-26	8.00
3	Municipal Bond	100.00
4	Corporation Contribution	8.00
	Total	236.00

Proposal has been sent to the Director of Municipal Administration in this office letter Roc No.E1/3268/2024(Main) Dated.06-01-2025 to obtain the approval for the above Project from the Government.

Works are underway to compile documents to mobilise funds for Rs.100.00 Crore through Municipal Bonds.

The following intermediaries have been engaged to do the following works for Municipal Bonds.

Sl. No.	Assignment with regard to Municipal Bonds	Details of the intermediaries
1.	Transaction Advisor cum Merchant Banker	Tipsons Consultancy Services Private Limited
2.	Debenture Trustee	Catalyst Trusteeship Limited
3.	Legal Council	Zenith India Lawyers
4.	Registrar Services	Cameo Corporate Services Limited
5.	Stock Exchange	National Stock Exchange of India Limited
6.	Chartered Accountants	CA Arun & Sujatha, Salem.

The following is to be done in order to mobilize funds through Municipal Bonds in the Capital Market as per Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations 2015 as amended.

Tiruchirappalli City Municipal Corporation may issue secured/unsecured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures (hereinafter referred to as "Bonds") on a Private Placement basis for an amount aggregating up to Rs.100 Crore, including green shoe option, if any in one or more tranche(s) (hereinafter referred to as "Issue") which shall be listed on

the stock exchange(s) as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("SEBI Municipal Debt Regulations"), Securities Contracts (Regulation) Act, 1956, SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 bearing reference number SEBI/HO/DDHS/PoDI/P/CIR/2024/54 as may be amended, clarified or updated from time to time, ("SEBI Master Circular") read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DFI/60/2017 dated June 19, 2017 and as amended vide SEBI Circular numbering SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard.

For the purposes of the proposed Issue the Commissioner, Tiruchirappalli Municipal Corporation has been authorised in the Council Resolution No.488 Dt.24-07-2024 to do the necessary for mobilization of Municipal Bonds to the tune of Rs.100.00 Crore. Accordingly, the Commissioner may be authorised for the works in relation to the issuance of Municipal Bonds including incorporation of bond issue committee by whatever name called, delegation of his powers to such committee, to decide on the terms of the bond issue including quantum, time and nature of bonds, mode of issuance, ratification of already appointed and appointment of any/all agencies and intermediaries, to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/undertakings/agreements/ deeds/ instruments / applications and writings incidental thereto as it may, at its discretion, to take decisions on any other matter(s) relating to the proposed issue of Bonds by the Issuer and to generally do any other act or deed incidental to the proposed Issue etc.

Hence, it is placed before the Council's perusal and approval to go for Municipal Bonds and to list them in capital market as per Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015 for the Project to construct Integrated Wholesale and Retail Market at Old Madurai Road, Panchappur in Tiruchirappalli City Municipal Corporation.

- Office Note :
1. Sanction may be given to execute the Project in the above funding pattern after getting approval from the Government.
 2. Budget provision for Rs.6.00 Crores may be given in the Revised Budget Estimate for the year 2024-25.
 3. Sanction may be given to correct the fee of Transaction Advisor for the issue at 0.01% of the project cost in lieu of 0.10% as approved in the Council Resolution No.488 Dt.24-07-2024.
 4. Sanction may be given to mobilise funds through Municipal Bonds and list them in the Capital Market as per SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015.

E1 (Main)/3268/2024

Council Resolution No.11 Dated.26-02-2025

1. Resolved to approve the office note.
2. Resolved to permit Tiruchirappalli City Municipal Corporation may issue secured/unsecured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures (hereinafter referred to as "**Bonds**") on a Private Placement basis for an amount aggregating up to Rs.100 Crore, including green shoe option, if any in one or more tranche(s) (hereinafter referred to as "**Issue**") which shall be listed on the stock exchange(s) as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 ("**SEBI Municipal Debt Regulations**"), Securities Contracts (Regulation) Act, 1956, SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 bearing reference

number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 as may be amended, clarified or updated from time to time. ("SEBI Master Circular") read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DF1/60/2017 dated June 19, 2017 and as amended vide SEBI Circular numbering SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019, as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard.

For the purposes of the proposed Issue the Commissioner, Tiruchirappalli City Municipal Corporation has been authorised in the Council Resolution No.488 Dt.24-07-2024 to do the necessary for mobilization of Municipal Bonds to the tune of Rs.100.00 Crore. Accordingly, the Commissioner is authorised for the works in relation to the issuance of Municipal Bonds including incorporation of bond issue committee by whatever name called, delegation of his powers to such committee, to decide on the terms of the bond issue including quantum, time and nature of bonds, mode of issuance, ratification of already appointed and appointment of any/all agencies and intermediaries, to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/undertakings/agreements/ deeds/ instruments / applications and writings incidental thereto as it may, at its discretion, to take decisions on any other matter(s) relating to the proposed issue of Bonds by the Issuer and to generally do any other act or deed incidental to the proposed Issue etc.

(Sd)- Anbalagan Muthuvel

Mayor

Tiruchirappalli City Municipal Corporation

/True Copy/



For Commissioner

Tiruchirappalli City Municipal Corporation



Date: November 20, 2025

AUTHORIZATION FOR ISSUANCE OF BONDS AND CONSTITUTION OF BOND ISSUE COMMITTEE

Sub: Authorization for issue of up to 10,000 (Ten Thousand) secured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures (**“Municipal Bonds”/“Bonds”/ “Debentures”/ “NCDs”**) of face value of Rs. 1 Lakh (Rupees One Lakh Only) each at par amounting up to Rs. 100 Crore (Rupees One Hundred Crores only) through private placement (the **“Issue”**) by Tiruchirappalli City Municipal Corporation (**“Issuer”**) and for constitution of Bonds Issue Committee

Ref:

1. Council Resolution No. 488 dated July 24, 2024 in relation to issue of bonds and authorizing Commissioner to do all activities for the Issue.
2. Council Resolution No. 11 dated February 26, 2025 in relation to issue of bonds and authorizing Commissioner to do all activities for the Issue including in relation to constitution of bond issue committee by whatever name called, delegation of his powers to such committee etc.
3. G.O. (D) No 267 dated May 6, 2025 from Municipal Administration and Water Supply (MC.5) Department, Government of Tamil Nadu according the administrative sanction for mobilization of funds to the tune of Rs. 100 Crore (One Hundred Crore Only) through issuance of municipal bonds for partial funding of project namely **‘Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur’**.

In view of the aforesaid, the following actions to be carried out by the Issuer in relation to the Issue are being hereby approved by the undersigned:

1. In furtherance to the approval from the State Government dated May 6, 2025, the Issuer, proposes to issue secured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures (hereinafter referred to as **“Municipal Bonds”/ “Bonds” / “Debenture”/ “NCDs”**) on a private placement basis for an amount aggregating up to Rs. 100 Crore, including green shoe option, if any in one or more tranche(s) (hereinafter referred to as **“Issue”**) which shall be listed on the stock exchange(s) as per the terms and conditions, in accordance with SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (**“SEBI Municipal Debt Regulations”**), Securities Contracts (Regulation) Act, 1956, 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 Master Circular**”) read with SEBI circular on Continuous Disclosures numbering CIR/IMD/DF1/60/2017 dated June 19, 2017 and as amended vide SEBI Circular numbering SEBI/HO/DDHS/CIR/P/134/2019 dated November 13, 2019 and SEBI Master Circular for Debenture Trustees dated August 13, 2025 bearing reference number SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 (“**SEBI Debenture Trustee Master Circular**”), as applicable and as amended from time to time and also other applicable laws, regulations, rules, directions, guidance notes, notifications, circulars, clarifications issued by the Government or SEBI, or any other regulatory authority, in this regard.

2. For the purposes of the Issue, the bond issue committee ("**Bond Issue Committee**") is hereby constituted and shall comprise of the following officials of the Issuer:

S. No.	Designation*	Name
1.	The Commissioner	Shri Madhubalan Lingam
2.	The Executive Engineer (Planning) & City Engineer (Additional Charge)	Shri Sivapatham P
3.	The Executive Engineer	Shri Kandasamy Shanmugam Balasubramanian
4.	The Accounts Officer & Assistant Commissioner (Accounts - Additional Incharge)	Smt. Meenakshi S
5.	The Revenue Officer & Assistant Commissioner (Revenue-Additional Incharge)	Shri. P. Sivasankar
6.	The Superintendent	Shri. Velan

**Note: 1. The above shall be headed by Commissioner as Chairman and the Accounts Officer and Assistant Commissioner Accounts as the Convener.*

2. In case of Transfer or Retirement of any of the persons named above in future, the person posted or holding the such charge for any of the above designation/s will be deemed to be the member of Bond Issue Committee.

3. The Bond Issue Committee be, and is hereby jointly and/or severally authorized to decide the terms of the bond issue including quantum, time and nature of bonds, mode of issuance, ratification of already appointed and appointment of any/ all agencies and intermediaries, including but not limited to merchant banker, credit rating agencies, registrar to the issue, trustee, legal advisors, depositories, stock exchange(s), escrow banks, consortium members, debenture trustee, etc, and also to decide matters like minimum subscription, retention of oversubscription, extension of the Issue and/or early closure of the Issue, etc.
4. The Bonds Issue Committee is hereby jointly and/or severally authorized to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/undertakings/agreements/deeds/instruments/applications and writings incidental thereto as it may, at its discretion, deem necessary and desirable. Amongst other things, the Bond Issue Committee shall be authorized to do the following:

- i. finalize and approve appointment and ratification of already appointed agencies/intermediaries including but not limited to merchant banker, credit rating agencies, trustee, registrar, legal counsel, depositories, stock exchange(s), bankers to the issue, escrow bank, etc. to be involved in such offerings of Bonds and to remunerate all such persons/agencies including payment of fees, commissions, brokerage etc. as may be decided mutually, on such terms and conditions as mentioned in their individual appointment letters, if any;
- ii. negotiate, modify and approve the terms of the Issue including the actual size, timing, pricing, coupon payment frequency, coupon type, minimum subscription if any, etc, and to accept any amendments, modifications, variations or alterations thereto;
- iii. draw-up, finalize and sign, the Financial Statements/Abridged Balance Sheet, Income and Expenditure and Receipts and Payments Accounts, Preliminary Placement Memorandum/ Placement Memorandum and other documents/agreements for the Issue and file the same with SEBI and Stock Exchanges, in the manner and as may be required and execute all other necessary documents/agreements/contracts/deeds/MoUs/certificates/affidavits/declarations/undertaking, etc., and to do all such acts, deeds, matters and things, and to comply with all formalities as may be required in connection with or incidental to or related to the issue and allotment of Bonds with due compliances of the SEBI/Stock Exchange/s or any other applicable Acts or rules for the issue of said Bonds;
- iv. approve the financial statements/re-formatted financial statements in accordance with the National Municipal Accounts Manual or in accordance with similar Municipal Accounts Manual adopted by the State Government and the rules made there under, as applicable, Accounting standards/policies, applicable to Issuer, as specified in their constitution document to be incorporated in the Preliminary Placement Memorandum/ Placement Memorandum for the issue of Bonds;
- v. approve the materiality policy for the litigations, material creditors and material contracts to be disclosed in the Preliminary Placement Memorandum and Placement Memorandum;
- vi. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
- vii. seeking, if required, any approval, consent or waiver from the Issuer's lenders, and/or parties with whom the Issuer has entered into various agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the Issue, offer and allotment of the Bonds;
- viii. granting of powers of attorney / authority, if required, to such officers / employees of the Issuer or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the Bonds;

- ix. appointing the debenture trustee and execution of the trust deed and other transaction documents in connection with the Issue, in accordance with the provisions of the SEBI Municipal Debt Regulations;
- x. authorization of the maintenance of a register of holders of the Bonds in consultancy with Registrar and Transfer Agent (RTA);
- xi. open such banks accounts, demat accounts, escrow accounts including sub-accounts with scheduled commercial banks, institutions or agencies as may be required for the Issue;
- xii. finalization of the date of allotment and to approve and to issue and allot the Bonds and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, issuing debenture certificates/ allotment advice cum intimation, credit the Bonds to the beneficiary accounts and do all such acts, deeds, matters and things in relation to the allotment of the Bonds;
- xiii. make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- xiv. to appoint independent Chartered Accountant(s), Auditors/Statutory Auditors to the Issue/Issuer and to obtain such certificates, reports including financial reports/statements for the purpose of Issue;
- xv. to apply and follow-up to seek all required approvals from the concerned authorities/regulatory bodies/agencies such as execution and submission of listing application and listing agreement with the Stock Exchanges for listing of the Bonds, appointment of and execution of tripartite agreement(s) with the Registrar, National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of Bonds, and execute the other necessary document(s)/agreement(s) on behalf of the Issuer/Commissioner in relation to the issue of Bonds as required by any statutory authority;
- xvi. to designate and appoint one or more banker(s) for collection of application monies against subscription for the bonds;
- xvii. finalize the term sheet, structure of bonds, as well as structured payment mechanism/escrow mechanism/waterfall mechanism/sinking fund mechanism/interest payment mechanism/DSRA mechanism or any other terms/mechanism as may be required for structuring of bonds and timely servicing of bond obligations;
- xviii. to open one or more no-lien Escrow Accounts with banks for the Issue and operate the same for remittance of the Issue proceeds received from investors in the issuance of Bonds as well as for the operation of structured payment mechanism/escrow mechanism/waterfall mechanism/Sinking Fund mechanism/Interest payment mechanism (including DSRA) or any other terms/mechanism as may be required for timely repayment of Bond obligations;
- xix. to prepare, sign, file and execute the Master Creation Form, Corporate Action Form and other necessary documents/agreements with NSDL and CDSL and the Registrar for dematerialization of Bonds, ISIN creation and credit of Bonds;

- xx. to establish a separate project implementation cell and designate a project office not below the rank of Additional Commissioner, to monitor the progress of the Project and ensure that the funds raised are utilised only for the Project(s) for which the Bonds are issued as disclosed in the Preliminary Placement Memorandum/Placement Memorandum;
- xxi. to designate a Compliance Officer for compliance with related regulatory/statutory issues and for redressal of any pre-issue/post-issue investor problems/grievances including unblocking of funds, non-credit of Bonds in Demat Account, non-receipt of letters of allotment/bond certificates in the DEMAT account, non-receipt of refund orders, interest warrants, etc;
- xxii. to allot Bonds under DEMAT facilities and to provide DEMAT facilities by entering into necessary agreement with NSDL/CDSL, Registrar and Transfer Agents in this regard;
- xxiii. to affix the stamp of the Issuer as may be required for the proposed issue of Bonds, dematerialization, and listing thereof;
- xxiv. delegate all or some of the powers vested in them by the Commissioner to any executive of the Issuer as may be deemed necessary;
- xxv. to pay stamp duty as per the applicable Acts, laws and regulations;
- xxvi. to take decisions on any other matter(s) relating to the proposed issue(s) of Bonds by the Issuer and to generally do any other act or deed incidental to the proposed Issue.



 Shri Madhubalan Lingam, P.A.

Commissioner
Tiruchirappalli City Municipal Corporation

Place: Tiruchirappalli
Date: 20-11-2025



Tiruchirappalli City Municipal Corporation

Bharathidasan Road, Cantonment,

Tiruchirappalli – 620 001

Website: www.trichycorporation.gov.in

Email Id: tccacctsmain@gmail.com

Phone: 0431 – 2415393-396

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND
ISSUE COMMITTEE OF THE TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION HELD
ON DECEMBER 29, 2025**

RAISING OF SECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1 LAKH EACH, FOR CASH, AGGREGATING TOTAL ISSUE SIZE NOT EXCEEDING RS. 100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) (“MUNICIPAL BONDS” / “BONDS”/ “DEBENTURES”) ON A PRIVATE PLACEMENT BASIS (“ISSUE”) BY TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION (“TCMC” OR THE “ISSUER” OR THE “CORPORATION”)

“RESOLVED FURTHER THAT pursuant to the authority provided by the Commissioner vide their letter dated November 20, 2025, the Preliminary Placement Memorandum dated December 29, 2025 in relation to the Issue, 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 Preliminary Placement Memorandum dated December 29, 2025 with the Securities and Exchange Board of India, Stock Exchange/s and any other regulatory/statutory authority as required under the law.”

“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 Shri Madhubalan Lingam, 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 TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION

Madhubalan Lingam, IAS

Commissioner

Tiruchirappalli City Municipal Corporation



Tiruchirappalli City Municipal Corporation
 Bharathidasan Road, Cantonment,
 Tiruchirappalli - 620 001
 Website: www.trichycorporation.gov.in
 Email Id: tccacctsmain@gmail.com
 Phone: 0431 - 2415393-396

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE
 BOND ISSUE COMMITTEE OF TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION
 HELD ON DECEMBER 29, 2025**

RAISING OF SECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1 LAKH EACH, FOR CASH, AGGREGATING TOTAL ISSUE SIZE NOT EXCEEDING RS. 100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("MUNICIPAL BONDS" / "BONDS"/ "DEBENTURES") ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION ("TCMC" OR THE "ISSUER" OR THE "CORPORATION")

"RESOLVED THAT in reference to the letter received from Commissioner dated November 20, 2025, the Bond Issue Committee of the Issuer hereby confirms the name of the Project for which the funds are being raised through issuance of municipal bonds '**Construction of Wholesale and Retail Market at Old Madurai Road in Panjappur**',

The total cost of the said project is Rs. 236.00 Crores with following capital structure:

(Rs. In Crores)

Notification/Circular Details	Funding Pattern			
	Infrastructure and Amenities Fund	Grant of funding from GoT.N. (Capital Grant Fund 2025-26)	ULB (TCMC)	Funds from Municipal Bonds
G.O. (D) No. 267 from Municipal Administration and Water Supply (MC. 5) Department	120.00	8.00	8.00	100.00

"RESOLVED FURTHER THAT, in compliance with Regulation 18B of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, the Committee confirms that TCMC has contributed more than the minimum 20% of the Project Cost, through internal resources and/or grants, and therefore satisfies the statutory requirement."

"RESOLVED FURTHER THAT" the Committee hereby confirms that as per the funding pattern there are no grants/funds received or to be received from Government of India for the Project.

"RESOLVED FURTHER THAT" the Committee hereby confirms that as on date there are no grants/funds are received from State Government for implementation of the Project.



Tiruchirappalli City Municipal Corporation
Bharathidasan Road, Cantonment,
Tiruchirappalli – 620 001
Website: www.trichycorporation.gov.in
Email Id: tccacctsmain@gmail.com
Phone: 0431 – 2415393-396

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“RESOLVED FURTHER THAT that the Bond Issue Committee hereby confirms that no regulatory approvals/ NOCs/permits/ /consents are required to be obtained by the Issuer for implementation of the Project other than as mentioned below:

S. No	Description of Approval/ Arrangement and Name of the Authority / Agency	Status of Approval
1.	Environmental Clearance for Whole Sale and Retail Market from State Environment Impact Assessment Authority (SEIAA), Ministry of Environment, Forest and Climate Change	Received on August 22, 2025
2.	Fire License for Whole Sale and Retail Market from Fire and Rescue Services Department	The Issuer is in process of applying for Fire NOC*
3.	Approval for Building Plan –Technical Concurrence for Public Building (“Whole Sale and Retail Market”) by Joint Director, District Town & Country Planning Office, Trichy	The Issuer is in process of applying for approval of Building Plan*

**Fire NOC and Building Plan approval to be applied and received before the completion of the Project.*

“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 Shri Madhubalan Lingam, Commissioner, may be furnished to such parties concerned with respect to the aforesaid resolutions.”

CERTIFIED TO BE TRUE COPY

FOR TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION

Madhubalan Lingam, IAS

Commissioner

Tiruchirappalli City Municipal Corporation



Tiruchirappalli City Municipal Corporation

Bharathidasan Road, Cantonment,

Tiruchirappalli – 620 001

Email Id: tccacctsmain@gmail.com

Phone: 0431-2415393

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE
BOND ISSUE COMMITTEE OF TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION
HELD ON FEBRUARY 02, 2026**

CONSIDERATION AND APPROVAL OF THE PLACEMENT MEMORANDUM DATED FEBRUARY 02, 2026 FOR ISSUANCE OF SECURED, NON-CONVERTIBLE, LISTED, RATED, REDEEMABLE, TAXABLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 1 LAKH EACH, FOR CASH, AGGREGATING TOTAL ISSUE SIZE NOT EXCEEDING RS. 100 CRORE (RUPEES ONE HUNDRED CRORE ONLY) ("MUNICIPAL BONDS" / "BONDS"/ "DEBENTURES") ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION ("TCMC" OR THE "ISSUER" OR THE "CORPORATION")

"RESOLVED THAT pursuant to the authorisation granted by the Commissioner vide letter dated November 20, 2025, for the issuance of up to 10,000 (Ten Thousand) secured, non-convertible, listed, rated, redeemable, taxable bonds in the nature of debentures (the "**Municipal Bonds**" / "**Bonds**" / "**Debentures**"), having a face value of ₹1,00,000 (Rupees One Lakh only) each, aggregating up to ₹100,00,00,000 (Rupees One Hundred Crores only), to be issued at par on a private placement basis (the "**Issue**"), by Tiruchirappalli City Municipal Corporation and proposed to be listed on the National Stock Exchange of India Limited ("**NSE**"), the Placement Memorandum dated February 02, 2026, in relation to the Issue, as placed before and tabled at the meeting of the Bond Issue Committee (the "**Committee**"), be and is hereby approved."

"RESOLVED FURTHER THAT in consideration of the aforesaid resolution, the approval of the Committee be and is hereby accorded for the following dates and details in respect of the Issue:

Issue/Bid Opening Date	February 05, 2026
Issue/Bid Closing Date	February 05, 2026
Pay-in Date/ Deemed Date of Allotment	February 06, 2026

"RESOLVED FURTHER THAT the Committee hereby accords its approval for filing the Placement Memorandum dated February 02, 2026, with the Securities and Exchange Board of India, NSE, and such other regulatory and/or statutory authorities as may be required under applicable law."

"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 Shri Madhubalan Lingam, Commissioner, may be furnished to the concerned parties including NSE and other regulatory and statutory authorities/bodies as may be required."

**CERTIFIED TO BE TRUE COPY
FOR TIRUCHIRAPPALLI CITY MUNICIPAL CORPORATION**

Madhubalan Lingam, IAS

Commissioner

Tiruchirappalli City Municipal Corporation



CTL/25-26/22149

December 19, 2025

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To,

Tiruchirappalli City Municipal Corporation,

Bharathidasan Road, Cantonment,

Tiruchirappalli-620001, Tamil Nadu

(the 'Issuer')

Tipsons Consultancy Services Private Limited,

1st Floor, Sheraton House, Opposite Ketav Petrol Pump,

Polytechnic Road, Ambawadi,

Ahmedabad-380015 Gujarat

(the 'Merchant Banker to the Issue')

Dear Sir/ Madam,

Sub: Private placement of up to 10,000 (Ten Thousand) secured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures ("Municipal Bonds" / "Bonds"/ "Debentures") of face value of Rs. 1 Lakh (Rupees One Lakh Only) each at par amounting up to Rs. 100 crore (Rupees One Hundred Crore Only) ("Issue") by Tiruchirappalli City Municipal Corporation ("Issuer" / "TCMC")

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 preliminary placement memorandum and in the placement memorandum (whether as a draft or otherwise) to be filed with the Securities and Exchange Board of India ("SEBI") and the stock exchange/s where the Bonds are proposed to be listed ("Stock Exchange") and also in all communications sent pursuant to the Issue.

1. The following details with respect to us may be disclosed:



Logo :
Name : Catalyst Trusteeship Limited
Address : GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune, Maharashtra, India, 411038
Tel. : (022) 49220555
Fax : (022) 49220505
E-mail : ComplianceCTL-Mumbai@ctltrustee.com
Investor Grievance e-mail : grievance@ctltrustee.com
Website : www.catalysttrustee.com
Contact Person : Mr. Umesh Salvi, Managing Director
SEBI Registration Number : IND000000034
CIN : U74999PN1997PLC110262

2. We confirm that we are registered with the SEBI and that such registration is valid as on the date of this consent letter. We enclose a copy of our registration certificate as **Annexure A** and a declaration regarding our registration with SEBI as **Annexure B** hereto.
3. We also confirm that we have ***not been prohibited by SEBI to act as an intermediary - Debenture Trustee including, without limitation, in capital market issues, nor we have 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 Exchange, 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 advisors and other intermediaries duly appointed in this regard for their reliance, in respect of the Issue.
4. We hereby confirm that there are no disciplinary actions or any enforcement action/ adjudication taken by SEBI or any regulatory authority against us *except as disclosed in Annexure B*, 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 undertake that we shall immediately intimate the Issuer and the Merchant Banker to

the Issue of any changes in the aforementioned details until the date of listing and trading of the Bonds on the Stock Exchange. In absence of any such communication from us, the above information should be taken as updated information until the date of listing and trading of Bonds on the Stock Exchange.

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7. This consent letter may be relied upon by the Issuer, the Merchant Banker and the Legal Advisor to the Issue.

Sincerely,

For Catalyst Trusteeship Limited




Authorized Signatory

Name: Heena Chetwani

Designation: Assistant Manager

CC:

Zenith India Lawyers

D-49, Sushant Lok-III, Sector-57,

Gurugram-122003, Haryana

(the 'Legal Advisor to the Issue')

Annexure A

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डिबेंचर न्यासी	प्रारूप ख FORM-B	DEBENTURE TRUSTEE
भारतीय प्रतिभूति और विनियम बोर्ड SECURITIES AND EXCHANGE BOARD OF INDIA (डिबेंचर न्यासी) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993 000 २५ २ (विनियम 8) (Regulation 8) रजिस्ट्रीकरण प्रमाणपत्र CERTIFICATE OF REGISTRATION		
1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उक्त 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		
Catalyst Trusteeship Limited GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune- 411038, 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	IND000000034	
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	
This Certificate of Registration shall be valid from 13/04/2022 for permanent, unless suspended or cancelled by the Board		
स्थान Place :	Mumbai	
तारीख Date :	April 18, 2022	
		आदेश से भारतीय प्रतिभूति और विनियम बोर्ड के लिए और उसकी ओर से By order For and on behalf of Securities and Exchange Board of India DINESH JOSHI प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

CATALYST TRUSTEESHIP LIMITED

Registered Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel : +91 (20) 6680 7200
 Delhi Office : 910-911, 9th Floor, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi - 110 001 Tel : +91 (11) 4302 9101/02
 Corporate Office : 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
 Tel : +91 (22) 4922 0555 Fax : +91 (22) 4922 0505
 CIN No. U74999PN1997PLC110262 Email : dt@ctltrustee.com Website : www.catalysttrustee.com

Pune | Mumbai | Bengaluru | Delhi | Chennai | GIFT City | Kolkata | Hyderabad

An ISO 9001 Company



Annexure B

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19/12/2025

Tiruchirappalli City Municipal Corporation,

Bharathidasan Road, Cantonment,

Tiruchirappalli-620001, Tamil Nadu

(the 'Issuer')

Tipsons Consultancy Services Private Limited,

1st Floor, Sheraton House, Opposite Ketav Petrol Pump,

Polytechnic Road, Ambawadi,

Ahmedabad-380015 Gujarat

(the 'Merchant Banker to the Issue')

Dear Sir/ Madam,

Sub: Private placement of up to 10,000 (Ten Thousand) secured, non-convertible, listed, rated, redeemable, taxable municipal bonds in the nature of debentures ("Municipal Bonds" / "Bonds"/ "Debentures") of face value of Rs. 1 Lakh (Rupees One Lakh Only) each at par amounting up to Rs. 100 crore (Rupees One Hundred Crore Only) ("Issue") by Tiruchirappalli City Municipal Corporation ("Issuer" / "TCMC")

1. We refer to our consent letter issued on December 19, 2025 We hereby confirm that as on date of our 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 true and correct:

S. No.	Particulars	Details
1.	Registration Number	IND000000034
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	April 18, 2022

S. No.	Particulars	Details
3.	Date of expiry of registration	Permanent Registration
4.	Details of any communication from SEBI prohibiting from acting as an intermediary or from functioning by any regulatory authority	SEBI passed an order on 28.02.2024 relating to historical lapses of Milestone Trusteeship (merged into Catalyst in May 2022) under AIF transactions. SAT, by order dated 28.11.2025, set aside the market-access restriction and reduced the restricting accepting new AIF transactions from 12 months to 6-months. On 05.12.2025, SAT stayed this restriction for 6 weeks. On 17.12.2025, Catalyst has filed civil appeal before Hon'ble Supreme Court in the matter. Existing and already accepted mandates of AIF transactions and also all other trusteeship transactions remain fully unaffected.
6.	Details of any pending inquiry/ investigation being conducted by SEBI	NA
7.	Details of any penalty imposed by SEBI	Spandana Sphoorty Financial Limited (SSFL) – SEBI Order (2024) upheld by SAT (2025): SEBI imposed a monetary penalty of Rs.1.00 lakh on Catalyst for certain procedural lapses relating to documentation of investor notifications and the evidence of meetings held in connection with covenant breaches by SSFL. On an appeal preferred by Catalyst, the Securities

S. No.	Particulars	Details
		Appellate Tribunal (SAT), by order dated 28 November 2025, upheld SEBI's order. The monetary penalty of ₹1.00 lakh has been duly paid by Catalyst. No continuing directions or restrictions were issued. Matter stands closed.

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- We shall immediately intimate the Issuer and the Merchant Banker for 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 are traded on the relevant stock exchange, where the Bonds are proposed to be listed. In the absence of any such communication from us, the above information should be taken as updated information until the date of listing and trading of the Bonds on the Stock Exchange.
- This Annexure B forming part of the consent letter may be relied upon by the Issuer, the Merchant Banker and the Legal Advisor to the Issue.

Sincerely

For Catalyst Trusteeship Limited




Authorized Signatory

Name: Heena Chetwani

Designation: Assistant Manager

Legal Advisor to the Issue

Zenith India Lawyers

D-49, Sushant Lok-III, Sector-57,

Gurugram-122003, Haryana

(the 'Legal Advisor to the Issue')

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ANNEXURE-V

ILLUSTRATION OF BOND CASH FLOWS

Issuer Name	Tiruchirappalli City Municipal Corporation
Face Value per Bond (in Rs.)	1,00,000
Deemed Date of allotment	February 06, 2026
Tenor	10 Years
Coupon Rate (p.a.)	[•]%
Redemption Date/Maturity Date	February 06, 2036
Frequency of Coupon payment	Semi Annual
Day Count Convention	Actual/Actual

Cash Flow Per Bond of Rs. 1,00,000/-

Sr. No.	Cash Flow Event	Record Date	Date of Payment	No. of Days	Interest Amount	Redemption Amount
1.	Coupon	22 July 2026	06 August 2026	181	[•]	-
2.	Coupon	22 January 2027	08 February 2027	184	[•]	-
3.	Coupon	22 July 2027	06 August 2027	181	[•]	-
4.	Coupon	22 January 2028	07 February 2028	184	[•]	-
5.	Coupon	22 July 2028	07 August 2028	182	[•]	-
6.	Coupon	22 January 2029	06 February 2029	184	[•]	-
7.	Coupon	22 July 2029	06 August 2029	181	[•]	-
8.	Coupon	22 January 2030	06 February 2030	184	[•]	-
9.	Coupon	22 July 2030	06 August 2030	181	[•]	-
10.	Coupon	22 January 2031	06 February 2031	184	[•]	-
11.	Coupon + Redemption 10%	22 July 2031	06 August 2031	181	[•]	10,000.00
12.	Coupon + Redemption 10%	22 January 2032	06 February 2032	184	[•]	10,000.00
13.	Coupon + Redemption 10%	22 July 2032	06 August 2032	182	[•]	10,000.00
14.	Coupon + Redemption 10%	22 January 2033	04 February 2033	184	[•]	10,000.00
15.	Coupon + Redemption 10%	22 July 2033	05 August 2033	181	[•]	10,000.00
16.	Coupon + Redemption 10%	22 January 2034	06 February 2034	184	[•]	10,000.00
17.	Coupon + Redemption 10%	22 July 2034	04 August 2034	181	[•]	10,000.00
18.	Coupon + Redemption 10%	22 January 2035	06 February 2035	184	[•]	10,000.00
19.	Coupon + Redemption 10%	22 July 2035	06 August 2035	181	[•]	10,000.00
20.	Coupon + Redemption 10%	22 January 2036	06 February 2036	184	[•]	10,000.00

• The Deemed Date of Allotment is assumed to Friday, 06 February, 2026. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.

• The above-mentioned bond cash flows are illustrative and indicative.

ANNEXURE-VII

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Tiruchirappalli City Municipal Corporation

Annual Budget Statement for the year 2025 - 2026 (Summary)

Category	Heading No.	Estimate Amount (Rs. in Crores)
REVENUE FUND - INCOME		
Property Tax	110	84.47
Revenue Grant from other Government Departments	120	21.75
Rental Income from Corporation Properties	130	82.65
Income from delivering Municipal Services	140	58.08
Income from Sales	150	1.26
Other Revenue Grant from State Finance Commission and Central Finance Commission	160	165.70
Interest on investment	170	0.15
Interest from bank	171	0.50
Miscellaneous income	180	9.07
Prior Year Income	280	0.50
TOTAL (A)		424.13
CAPITAL FUND - INCOME		
Grants from Government	320	385.24
Secured Loans	330	37.24
Un-Secured Loans (Public Contribution)	331	50.51
TOTAL (B)		472.99
CUMULATIVE TOTAL - C - (A) + (B)		897.12

REVENUE FUND - REVENUE EXPENDITURE		
Pay & Salary	210	284.87
Administrative Expenses	220	16.14
Operation & Maintenance expenses	230	74.98
Financial Expenses	240	20.01
Planning Expenses	250	2.05
Municipal Contribution	260	1.95
Prior Year Expenses	280	0.15
TOTAL (D)		400.15

CAPITAL FUND - EXPENDITURE		
Creation of Permanent Assets thru grant	260	385.24
Repayment of secured Loans	330	37.24
Creation of Permanent Assets	410	163.53
Public Contribution		50.51
TOTAL (E)		636.52
CUMULATIVE TOTAL - F - (D+E)		1036.67
TOTAL DEFICIENCY - G - (C-F)		-139.55


 Assistant Commissioner (Accounts)
 Tiruchirappalli City Municipal Corporation

Category	Heading No.	Estimate Amount (Rs. in Crores)
WATER SUPPLY FUND - REVENUE INCOME		
Water Tax	110	62.93
Income from delivering Municipal Services	140	65.30
Interest on investment	170	0.50
Interest from bank	171	0.50
Miscellaneous income	180	0.25
Prior Year Income	280	0.15
TOTAL (A)		129.63
WATER SUPPLY FUND - CAPITAL RECEIPT		
Grants from Government	320	127.13
Secured Loans	330	154.28
Un-Secured Loans	331	0.00
TOTAL (B)		281.41
CUMULATIVE TOTAL - C - (A) + (B)		411.04

WATER SUPPLY FUND - REVENUE EXPENDITURE		
Pay & Salary	210	8.83
Administrative Expenses	220	2.42
Operation & Maintenance expenses	230	59.44
Financial Expenses	240	18.01
Municipal Contribution	260	0.18
Prior Year Expenses	280	0.15
TOTAL (D)		89.03

WATER SUPPLY FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets thru Grant	260	127.13
Repayment of secured Loans	330	154.28
Creation of Permanent Assets	410	30.00
TOTAL (E)		311.41
CUMULATIVE TOTAL - F - (D+E)		400.44
TOTAL SURPLUS - G - (C-F)		10.60

EDUCATION FUND - REVENUE INCOME		
Education Tax	110	22.47
Other Revenue Grant from State Finance	160	2.50
Commission and Central Finance Commission		
Interest from bank	171	0.30
Miscellaneous income	180	0.03
TOTAL (A)		25.30


 Assistant Commissioner (Accounts)
 Tiruchirappalli City Municipal Corporation

Category	Heading No.	Estimate Amount (Rs. in Crores)
EDUCATION FUND - REVENUE EXPENDITURE		
Pay & Salary	210	2.50
Administrative Expenses	220	0.4
Operation & Maintenance expenses	230	4.09
TOTAL (B)		6.99

EDUCATION FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets	410	10.45
TOTAL (C)		10.45
CUMULATIVE TOTAL - D - (B+C)		17.44
TOTAL SURPLUS - E - (A-D)		7.86

Details		(Rs. in Crore)
TOTAL INCOME		1333.46
TOTAL EXPENDITURE		1454.55
TOTAL SURPLUS		-121.09

(Sd) - Mayor

Tiruchirappalli City Municipal Corporation


 Assistant Commissioner (Accounts)
 Tiruchirappalli City Municipal Corporation

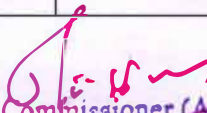
Tiruchirappalli City Municipal Corporation

Annual Budget Statement for the year 2024 - 2025 (Abstract)

Category	Heading No.	Estimate Amount (Rs. in Crores)
REVENUE FUND - INCOME		
Property Tax	110	72.00
Revenue Grant from other Government Departments	120	21.00
Rental Income from Corporation Properties	130	116.30
Income from delivering Municipal Services	140	45.53
Income from Sales	150	1.33
Other Revenue Grant from State Finance Commission and Central Finance Commission	160	203.00
Interest on investment	170	0.50
Interest from bank	171	0.50
Miscellaneous income	180	8.10
Prior Year Income	280	0.50
TOTAL (A)		468.76
CAPITAL FUND - INCOME		
Grants from Government	320	230.75
Secured Loans	330	6.99
Un-Secured Loans (Public Contribution)	331	1.50
TOTAL (B)		239.24
CUMULATIVE TOTAL - C - (A) + (B)		708.00

REVENUE FUND - REVENUE EXPENDITURE		
Pay & Salary	210	263.3
Administrative Expenses	220	20.39
Operation & Maintenance expenses	230	62.62
Financial Expenses	240	15.01
Planning Expenses	250	2.05
Municipal Contribution	260	3.80
Prior Year Expenses	280	0.15
TOTAL (D)		367.32

CAPITAL FUND - EXPENDITURE		
Creation of Permanent Assets thru grant	260	230.75
Repayment of secured Loans	330	6.99
Creation of Permanent Assets	410	127.21
Public Contribution		1.50
TOTAL (E)		366.45
CUMULATIVE TOTAL - F - (D+E)		733.77
TOTAL DEFICIENCY - G - (C-F)		-25.77


 Assistant Commissioner (Accounts)
 Tiruchirappalli City Municipal Corporation

Category	Heading No.	Estimate Amount (Rs. in Crores)
WATER SUPPLY FUND - REVENUE INCOME		
Water Tax	110	51.00
Income from delivering Municipal Services	140	57.86
Interest on investment	170	0.25
Interest from bank	171	0.20
Miscellaneous income	180	0.25
Prior Year Income	280	0.10
TOTAL (A)		109.66
WATER SUPPLY FUND - CAPITAL RECEIPT		
Grants from Government	320	133.18
Secured Loans	330	70.81
Un-Secured Loans	331	0.00
TOTAL (B)		203.99
CUMULATIVE TOTAL - C - (A) + (B)		313.65

WATER SUPPLY FUND - REVENUE EXPENDITURE		
Pay & Salary	210	8.45
Administrative Expenses	220	0.43
Operation & Maintenance expenses	230	53.54
Financial Expenses	240	15.01
Municipal Contribution	260	0.07
Prior Year Expenses	280	0.15
TOTAL (D)		77.65

WATER SUPPLY FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets thru Grant	260	133.18
Repayment of secured Loans	330	70.81
Creation of Permanent Assets	410	5.50
TOTAL (E)		209.49
CUMULATIVE TOTAL - F - (D+E)		287.14
TOTAL SURPLUS - G - (C-F)		26.51

EDUCATION FUND - REVENUE INCOME		
Education Tax	110	18.00
Other Revenue Grant from State Finance	160	2.50
Commission and Central Finance Commission		
Interest from bank	171	0.35
Miscellaneous income	180	0.01
TOTAL (A)		20.86


 Assistant Commissioner (Accounts)
 Tiruchirappalli City Municipal Corporation

Category	Heading No.	Estimate Amount (Rs. in Crores)
EDUCATION FUND - REVENUE EXPENDITURE		
Pay & Salary	210	1.20
Administrative Expenses	220	0.41
Operation & Maintenance expenses	230	2.72
TOTAL (B)		4.33

EDUCATION FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets	410	16.00
TOTAL (C)		16.00
CUMULATIVE TOTAL - D - (B+C)		20.33
TOTAL SURPLUS - E - (A-D)		0.53

Details		(Rs. in Crore)
TOTAL INCOME		1042.51
TOTAL EXPENDITURE		1041.24
TOTAL SURPLUS		1.27

(Sd) - Mayor
Tiruchirappalli City Municipal Corporation


Assistant Commissioner (Accounts)
Tiruchirappalli City Municipal Corporation

Tiruchirappalli City Municipal Corporation

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Annual Budget Statement for the year 2023 - 2024 (Abstract)

Category	Heading No.	Estimate Amount (Rs. in Crores)
REVENUE FUND - INCOME		
Property Tax	110	68.10
Revenue Grant from other Government Departments	120	22.00
Rental Income from Corporation Properties	130	47.51
Income from delivering Municipal Services	140	40.94
Income from Sales	150	1.17
Other Revenue Grant from State Finance Commission and Central Finance Commission	160	124.00
Interest on investment	170	3.00
Interest from bank	171	5.00
Miscellaneous income	180	5.10
Prior Year Income	280	1.00
TOTAL (A)		317.82
CAPITAL FUND - INCOME		
Grants from Government	320	190.50
Secured Loans	330	173.95
Un-Secured Loans (Public Contribution)	331	1.50
TOTAL (B)		365.95
CUMULATIVE TOTAL - C - (A) + (B)		683.77

REVENUE FUND - REVENUE EXPENDITURE		
Pay & Salary	210	188.81
Administrative Expenses	220	12.36
Operation & Maintenance expenses	230	51.06
Financial Expenses	240	7.01
Planning Expenses	250	0.25
Municipal Contribution	260	4.30
Prior Year Expenses	280	0.25
TOTAL (D)		264.04

CAPITAL FUND - EXPENDITURE		
Creation of Permanent Assets thru grant	260	190.50
Repayment of secured Loans	330	173.95
Creation of Permanent Assets	410	89.75
Public Contribution		1.50
TOTAL (E)		455.70
CUMULATIVE TOTAL - F - (D+E)		719.74
TOTAL DEFICIENCY - G - (C-F)		-35.97


 Assistant Commissioner (Accounts)
 Tiruchirappalli City Municipal Corporation



Category	Heading No.	Estimate Amount (Rs. in Crores)
WATER SUPPLY FUND - REVENUE INCOME		
Water Tax	110	49.00
Income from delivering Municipal Services	140	60.30
Interest on investment	170	0.50
Interest from bank	171	0.25
Miscellaneous income	180	0.10
Prior Year Income	280	0.10
TOTAL (A)		110.25
WATER SUPPLY FUND - CAPITAL RECEIPT		
Grants from Government	320	196.00
Secured Loans	330	36.68
Un-Secured Loans	331	0.00
TOTAL (B)		232.68
CUMULATIVE TOTAL - C - (A) + (B)		342.93

WATER SUPPLY FUND - REVENUE EXPENDITURE		
Pay & Salary	210	7.73
Administrative Expenses	220	0.98
Operation & Maintenance expenses	230	48.14
Financial Expenses	240	12.01
Municipal Contribution	260	0.07
Prior Year Expenses	280	0.10
TOTAL (D)		69.03

WATER SUPPLY FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets thru Grant	320	196.00
Repayment of secured Loans	330	36.68
Creation of Permanent Assets	410	4.50
TOTAL (E)		237.18
CUMULATIVE TOTAL - F - (D+E)		306.21
TOTAL SURPLUS - G - (C-F)		36.72

EDUCATION FUND - REVENUE INCOME		
Education Tax	110	29.00
Other Revenue Grant from State Finance	160	2.50
Commission and Central Finance Commission		
Interest from bank	171	0.05
Miscellaneous income	180	0.01
TOTAL (A)		31.56

Assistant Commissioner (Accounts)
Tiruchirappalli City Municipal Corporation

(Signature)

Category	Heading No.	Estimate Amount (Rs. in Crores)
EDUCATION FUND - REVENUE EXPENDITURE		
Pay & Salary	210	0.85
Administrative Expenses	220	0.55
Operation & Maintenance expenses	230	1.20
TOTAL (B)		2.60

EDUCATION FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets	410	20.85
TOTAL (C)		20.85
CUMULATIVE TOTAL - D - (B+C)		23.45
TOTAL SURPLUS - E - (A-D)		8.11

Details		(Rs. in Crore)
TOTAL INCOME		1058.26
TOTAL EXPENDITURE		1049.40
TOTAL SURPLUS		8.86

(Sd) - Mayor
Tiruchirappalli City Municipal Corporation


Assistant Commissioner (Accounts)
Tiruchirappalli City Municipal Corporation



Tiruchirappalli City Municipal Corporation

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Annual Budget Statement for the year 2022 - 2023 (Abstract)

Category	Heading No.	Estimate Amount (Rs. in Crores)
REVENUE FUND - INCOME		
Property Tax	110	67.40
Revenue Grant from other Government Departments	120	29.00
Rental Income from Corporation Properties	130	32.53
Income from delivering Municipal Services	140	41.24
Income from Sales	150	1.22
Other Revenue Grant from State Finance Commission and Central Finance Commission	160	157.00
Interest on investment	170	6.50
Interest from bank	171	4.25
Miscellaneous income	180	7.75
Prior Year Income	280	2.00
TOTAL (A)		348.89
CAPITAL FUND - INCOME		
Grants from Government	320	1433.26
Secured Loans	330	236.86
Un-Secured Loans (Public Contribution)	331	1.35
TOTAL (B)		1671.47
CUMULATIVE TOTAL - C - (A) + (B)		2020.36
REVENUE FUND - REVENUE EXPENDITURE		
Pay & Salary	210	192.93
Administrative Expenses	220	11.73
Operation & Maintenance expenses	230	41.15
Financial Expenses	240	0.51
Planning Expenses	250	0.25
Municipal Contribution	260	3.7
Prior Year Expenses	280	0.25
TOTAL (D)		250.52
CAPITAL FUND - EXPENDITURE		
Creation of Permanent Assets thru grant		1433.26
Repayment of secured Loans	330	236.86
Creation of Permanent Assets	410	155.50
Public Contribution		1.35
TOTAL (E)		1826.97
CUMULATIVE TOTAL - F - (D+E)		2077.49
TOTAL DEFICIENCY - G - (C-F)		-57.13



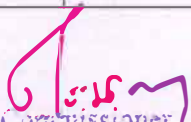
Assistant Commissioner (Accounts)
Tiruchirappalli City Municipal Corporation

Category	Heading No.	Estimate Amount (Rs. in Crores)
WATER SUPPLY FUND - REVENUE INCOME		
Water Tax	110	52.60
Income from delivering Municipal Services	140	65.46
Interest on investment	170	0.50
Interest from bank	171	0.50
Miscellaneous income	180	0.60
Prior Year Income	280	0.10
TOTAL (A)		119.76
WATER SUPPLY FUND - CAPITAL RECEIPT		
Grants from Government	320	0.00
Secured Loans	330	0.00
Un-Secured Loans	331	0.00
TOTAL (B)		0.00
CUMULATIVE TOTAL - C - (A) + (B)		119.76

WATER SUPPLY FUND - REVENUE EXPENDITURE		
Pay & Salary	210	7.42
Administrative Expenses	220	0.58
Operation & Maintenance expenses	230	35.09
Financial Expenses	240	14.00
Municipal Contribution	260	0.10
Prior Year Expenses	280	0.01
TOTAL (D)		57.20

WATER SUPPLY FUND - CAPITAL EXPENDITURE		
Repayment of secured Loans	330	0
Creation of Permanent Assets	410	4.50
TOTAL (E)		4.50
CUMULATIVE TOTAL - F - (D+E)		61.70
TOTAL SURPLUS - G - (C-F)		58.06

EDUCATION FUND - REVENUE INCOME		
Education Tax	110	18.90
Other Revenue Grant from State Finance	160	3.00
Commission and Central Finance Commission		
Interest from bank	171	0.07
Miscellaneous income	180	0.01
TOTAL (A)		21.98


 Assistant Commissioner (Accounts)
 Srachirappalli City Municipal Corporation



Category	Heading No.	Estimate Amount (Rs. in Crores)
EDUCATION FUND - REVENUE EXPENDITURE		
Pay & Salary	210	0.50
Administrative Expenses	220	0.55
Operation & Maintenance expenses	230	0.80
TOTAL (B)		1.85

EDUCATION FUND - CAPITAL EXPENDITURE		
Creation of Permanent Assets	410	20.00
TOTAL (C)		20.00
CUMULATIVE TOTAL - D - (B+C)		21.85
TOTAL SURPLUS - E - (A-D)		0.13

Details		(Rs. in Crore)
TOTAL INCOME		2162.10
TOTAL EXPENDITURE		2161.04
TOTAL SURPLUS		1.06

(Sd) - Mayor
Tiruchirappalli City Municipal Corporation


Assistant Commissioner (Accounts)
Tiruchirappalli City Municipal Corporation



INDICATIVE COVENANTS

An indicative list of covenants is set forth below:

1.1. Affirmative Covenants

The Issuer shall, at all times until the Final Settlement Date:

- (a) utilise the funds raised through the Issue solely towards the Purpose, subject to fulfilling the requirements set out in Debenture Trust Deed;
- (b) 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, without limitation, 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;
- (c) 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 Debentures 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;
- (d) 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 this Deed;
- (e) carry on and conduct its operations with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management 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;
- (f) 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;
- (g) ensure all amounts deposited in the Collection Accounts are transferred to the Escrow Account;
- (h) ensure that the accounts of the Issuer are prepared in accordance with the national municipal accounts manual or such other similar municipal accounts manual adopted by the G.o.T.N and that the accounts of the Issuer are audited by the persons appointed by the Issuer, as permissible under the Act;

- (i) 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;
- (a) 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 AA+ by 2 (Two) rating agencies (“**Rating Criteria**”). In case, at any point of time, the rating of senior debt of the Bank falls below AA+ 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.
- (k) 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 as amended from time to time and SEBI Master Circular for Debenture Trustees bearing reference number SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 as may be amended, clarified or updated from time to time 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 or confirmation from designated stock exchange confirming creation and the form of such Recovery Expense Fund by the Issuer. 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.
- (l) 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 for Debenture Trustee; and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website.
- (m) 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 forty five (45) 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 60 (sixty) days from the end of the relevant financial year;
- (n) the Issuer shall ensure that Tax Income (means property tax, water charges and Vacant Site Tax (VST) charges) or any other specified revenue/cashflow deposited in the account(s) where Tax Income are collected solely in the Collection Account.

1.2. Information Covenants

The Issuer hereby covenants with the Debenture Trustee that (except as may be previously agreed in writing by the Debenture Trustee) the Issuer shall ensure:

- a) that all funds deposited of Tax Income (Tax Income means the property tax, water charges and Vacant Site Tax (VST) charges) are deposited in the account(s) where Tax Income shall be collected (Collection Accounts(s)) and any other specified revenue/cashflow shall be transferred to a separate no-lien Escrow Account for debt servicing. The transfer should be done on daily basis except on the last business day of every month to the Escrow Account and shall inform to the Debenture Trustee on such transfer being made to the Escrow Account.

- b) that a report to the Debenture Trustee on a quarterly basis, within 30 (Thirty) days from the end of each quarter, containing the following particulars:
 - i) Updated list of names and addresses of the Debenture Holder(s);
 - ii) Details of Coupon due but unpaid and reasons for non-payment thereof; and
 - iii) 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;
- c) shall furnish a report to the Debenture Trustee, the Rating Agencies and NSE on a half-yearly basis within 30 (Thirty) days from the end of each half-year, containing the following particulars:
- d) submit a certificate from the statutory auditor of the Issuer on the utilisation of the proceeds of the Issue for the execution of the Project;
- e) furnish a report containing status of implementation of ongoing Project which are being financed by the proceeds of the Issue alongwith reasons for delay, if any and the amount of utilisation of issue proceeds related to such Project as stated in the Placement Memorandum;
- f) provide details with respect to the development of the Project along with certifications from the relevant project engineers, as applicable;
- g) immediately inform of occurrence of any event which constitutes a Material Adverse Change;
- h) inform of any proposal for prepayment of the Debentures, valuation of the Debentures in case of sale/purchase before the Maturity Dates etc;
- i) Comply with the financial covenants and conditions set out in the Debenture Trust Deed;
- j) shall till any of the Debentures are outstanding, maintain the Minimum Security Cover.
- k) shall submit half yearly returns of the Issuer on the servicing of the Debentures, the credit enhancement facilities 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
- l) shall furnish certificate issued by an independent chartered accountant certifying that the Issuer is servicing the Debentures timely and on the relevant Due Dates;
- m) 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;

- n) 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;
- o) shall furnish a certificate to the Debenture Trustee and to NSE, within 5 (Five) Working Days of each Due Date, intimating the status of payment of the Secured Obligations on the relevant Due Date;
- p) shall provide NSE a written intimation of Record Date at least 7 (Seven) Working days in advance (excluding the date of intimation and the Record Date) specifying the purpose of the Record Date;
- q) shall disclose the balances in the Payment Accounts and the general fund account(s) of the Issuer as referred to in the Debenture Trust Deed along with notes pertaining to transfers made to/from these accounts, to the Debenture Trustee and NSE within 45 (Forty Five) calendar days from end of each financial quarter;
- r) shall submit to the Debenture Trustee and NSE, 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 45 (Forty Five) days from end of first half-year;
- s) shall submit to the Debenture Trustee and NSE, 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 60 (Sixty) days from end of the financial year along with audit report. The comparative information is 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 by SEBI for Municipal Debt Regulations and the requirements of the SEBI circular dated June 19, 2017 in relation to 'Continuous disclosures and compliances by listed entities' bearing reference no. CIR/IMD/DF1/60/2017 read with SEBI Circular dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019 as amended from time to time;
- t) shall promptly provide a written notice to the Debenture Trustee on the occurrence of any event which constitutes a Material Adverse Change;
- u) shall promptly provide a written notice to the Debenture Trustee on any change in the composition of the Issuer;
- v) shall provide written notice to the Debenture Trustee, 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 Council/Committee of the Issuer wherein the proposal to raise funds through new debt securities shall be considered;
- w) shall provide written notice to the Debenture Trustee, 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 for Municipal Debt Regulations and the requirements of the SEBI circular dated June 19, 2017 in

relation to 'Continuous disclosures and compliances by listed entities' bearing reference no. CIR/IMD/DF1/60/2017 read with SEBI Circular dated November 13, 2019 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;

- x) 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;
- y) 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
- z) 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.
- aa) 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:
 - (i) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and
 - (ii) 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
- bb) 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.
- cc) Monitoring

The Issuer will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with the Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Master Circular for Debenture Trustees, the Issuer undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to NSE in accordance with Chapter VI (*Periodical/ Continuous Monitoring by Debenture Trustee*) of the SEBI Master Circular for Debenture Trustees:

- (i) a security cover certificate on a quarterly basis, within 60 (Sixty) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 75 (Seventy Five) days

from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law in the format prescribed in the SEBI Master Circular for Debenture Trustees; and

- (ii) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within 60 (Sixty) days from each Quarterly Date (other than March 31 of the relevant Financial Year) and within 75 (Seventy Five) days from March 31 of the relevant Financial Year or such other timelines as may be prescribed under Applicable Law.

dd) Recovery Expenses Fund

- (i) The Issuer shall maintain Recovery Expense Fund (“REF”) as per the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI Master Circular for Debenture Trustees and any circulars, guidelines and regulations issued by SEBI, as applicable. The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents and in accordance with SEBI Master Circular for Debenture Trustees.
- (ii) The balance in the Recovery Expense Fund shall be refunded to the Issuer on repayment 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 shall satisfy that there is no ‘default’ on any other listed debt securities of the Company before issuing the NOC.
- (a) The Debenture Trustee shall supervise the implementation of the conditions, creation of Recovery Expense Fund as applicable.

1.3. Negative Covenants

At all times until the Final Settlement Date, the Issuer shall not, without the prior written consent of the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders):

- (a) enter into any agreement or commitment of any sort, the terms of which conflicts with the provisions of the Transaction Documents;
- (b) close the Collection Accounts and/ or collect the Tax Income in any other account; Notwithstanding anything to the contrary contained herein, the Issuer shall be entitled to open new collection accounts or amend, replace or otherwise vary the existing collection accounts with the prior written consent of the Trustee, and no consent or approval of the Bondholders shall be required in this regard.
- (c) Abolish, alter or reduce the Tax Income levied by the Issuer.
- (d) undertake or enter into any transaction of merger, de-merger, consolidation, re-organisation, or compromise with its creditors.

1.4. Financial Covenants and Conditions

The Issuer hereby covenants with the Debenture Trustee that the Issuer shall comply with each of the Financial Covenants and Conditions more particularly set out in the Debenture Trust Deed.

1.5. Indemnity Provision

The Issuer hereby agrees to indemnify the Debenture Trustee and the Debenture Holders and their respective officers, representatives and agents from and against all actual claims, damages, fines, penalties, losses, costs and expenses, including attorneys' fees incurred by the Debenture Trustee and the Debenture Holders, as a result of the Debenture Trustee entering into this Deed and/or as a result of the Debenture Holders agreeing to subscribe and subscribing to the Debentures, including without limitation:

- (a) the Issuer failing to comply with the provisions of any Applicable Laws and any other law for the time being in force; and/ or
- (b) the Issuer failing to take necessary action to protect the interest of the Debenture Trustee and/or the Debenture Holders in respect of the whole or any part in terms of the Transaction Documents; and/ or
- (c) the occurrence of any Event of Default; and/ or
- (d) levy by any Governmental Authority of any charge, tax, stamp duty, registration charge, or penalty in connection with regularising or perfecting any of the Transaction Documents as may be required under Applicable Law and any other law for the time being in force at any time during the tenor of the Debentures, or getting any of the Transaction Documents admitted into evidence, or relying on any Transaction Documents for proving any claim; and/ or
- (e) the exercise of any of the rights by the Debenture Holders under this Deed and any of the Transaction Documents as a result of any breach or non-performance of the Issuer of any obligations under the Transaction Documents.

PROVIDED NEVERTHELESS that nothing contained in the Debenture Trust Deed shall exempt the Debenture Trustee from or indemnify it against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to it in respect of any fraud, negligence, wilful misconduct, omission or breach of trust which it may be guilty of in relation to their duties thereunder.