PRIVATE & CONFIDENTIAL – FOR PRIVATE CIRCULATION ONLY

Serial No.:

Addressed to: Dated: December 11, 2025

This Preliminary Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus. This Preliminary 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 Preliminary Placement Memorandum is strictly for a private placement issue. Nothing in this Preliminary 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 Preliminary Placement Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus. This Preliminary 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.

PRELIMINARY PLACEMENT MEMORANDUM

COIMBATORE CITY MUNICIPAL CORPORATION

A municipal corporation constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Coimbatore City Municipal Corporation Act,1981then applicable act in Tamil Nadu, vide notification dated April 30, 1981;

Head Office: 1, Corporation Building Big Bazaar Street, Town Hall, Coimbatore, Tamil Nadu-641001

Contact Person cum Compliance Officer: Smt. Y. Usha Rani, Assistant Commissioner (Accounts);

Tel: 0422 2390261-62-63; 0422 2393524 **E-mail:** ccmcmunibonds@gmail.com **Website:** www.ccmc.gov.in

PRELIMINARY PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO 2,155 (TWO THOUSAND ONE HUNDRED AND FIFTY FIVE) RATED, LISTED, TAXABLE, UNSECURED, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS IN THE NATURE OF DEBENTURES, OF FACE VALUE OF ₹ 7,00,000/- EACH (RUPEES SEVEN LAKHS ONLY) ("BONDS"/ "NCDS"/ "DEBENTURES")WITH EACH NCD COMPRISING OF 7 (SEVEN) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS OF FACE VALUE OF ₹ 1,00,000 EACH ("STRPPS") NAMELY STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F and STRPP G) FOR THE BASE ISSUE SIZE OF ₹70.00 CRORE (RUPEES SEVENTY CRORE ONLY) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹80.85 CRORE (RUPEES EIGHTY CRORE AND EIGHTY FIVE LAKHS ONLY)("GREEN SHOE OPTION") FOR AN AMOUNT AGGREGATING UP TO ₹ 150.85 CRORES (RUPEES ONE HUNDRED FIFTY CRORES AND EIGHTY FIVE LAKHS ONLY) ("ISSUE") BY COIMBATORE CITY MUNICIPAL CORPORATION ("ISSUER"/ "CORPORATION"/ "CCMC").

BACKGROUND

This Preliminary Placement Memorandum is related to the Bonds to be issued by Coimbatore 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 involve 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 Preliminary Placement Memorandum including 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, the Placement Memorandum to be issued and the Issue including the risks involved. Specific attention of investors is invited to the section titled Risk Factors on page no.21 of this Preliminary 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 Preliminary Placement Memorandum.

The Issuer confirms that, as of the date hereof, this Preliminary 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 bearing no. [●] dated [●], 2025.

CREDIT RATING

The Bonds proposed to be issued by the Coimbatore City Municipal Corporation have been rated by CARE Ratings Limited ("**CARE**") (hereinafter referred to as the "**Rating Agency**"). CARE has vide its letter dated November 04, 2025 assigned a rating of Provisional CARE AA/Stable, revalidated vide rating letter dated December 09, 2025 and has issued a rating rationale dated November 06, 2025. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision regarding investment in the present Bonds. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and should be evaluated independently of any other ratings. For credit rating of Bonds and detailed rationale of the rating, please refer to Annexure- II.

MERCHANT BANKER	DEBENTURE TRUSTEE	REGISTRAR
A. K. CAPITAL SERVICES LIMITED, 603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz-(East), Mumbai- 400 098. **Tel:** 022-67546500; **Fax:** 022-66100594 **Email:** ccmcmunibonds@akgroup.co.in, vaibhav.jain@akgroup.co.in **Investor Grievance E-mail:** investor.grievance@akgroup.co.in **Website:** www.akgroup.co.in **Contact Person:** Vaibhav Jain **Compliance Officer:** Subodh More **Tel (Compliance Officer):** 022-67544776 **Email (Compliance Officer):** subodh.more@akgroup.co.in /compliance@akgroup.co.in **SEBI Registration No.:** INM000010411 **CIN:** L74899MH1993PLC274881	**SBICAP TRUSTEE COMPANY LIMITED** 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai- 400020 **Tel**: +91-22-4302 5566; **Email:** corporate@sbicaptrustee.com/dt@sbicaptrustee.com **Investor Grievance Email:** investor.cell@sbicaptrustee.com **Website:** www.sbicaptrustee.com **Contact Person:** Mr. Ardhendu Mukhopadhyay **Compliance Officer:** Mr Sandeep Poddar **Tel. (Compliance Officer):** 022 4302 5517 **Email (Compliance Officer):** Sandeep.poddar@sbicaptrustee.com **SEBI Registration No.:** IND000000536 **CIN:** U65991MH2005PLC158386	**KFIN TECHNOLOGIES LIMITED** Selenium, Tower B, Plot No. 31&32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana 500 032, India **Tel:** +91 40 6716 2222/79611000 **Email:** gopalakrishna.kvs@kfintech.com **Investor Grievance email:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** Mr. K V S Gopala Krishna **SEBI Registration No.:** INR000000221 **CIN:** L72400TG2017PLC117649

ISSUE SCHEDULE

ISSUE / BID OPENING DATE	ISSUE / BID CLOSING DATE	PAY-IN DATE / DEEMED DATE OF ALLOTMENT
[●]	[●]	[●]

For details pertaining to the Terms of the Issue and Minimum Application Size, please refer to the Section XIV titled "Term Sheet" beginning on page no.137 of this Preliminary Placement Memorandum.

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 the NSE EBP Guidelines.

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SECTION-I: DISCLAIMERS

1. GENERAL DISCLAIMER AND DISCLAIMER OF COIMBATORE CITY MUNICIPAL CORPORATION ("CCMC" OR "CORPORATION" OR "ISSUER"):

THIS PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN GENERAL TO SUBSCRIBE TO OR OTHERWISE ACQUIRE THE BONDS TO BE ISSUED BY COIMBATORE CITY MUNICIPAL CORPORATION. THIS PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED BY SEBI. THIS ISSUE OF BONDS IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS. THIS PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM, NO OTHER OFFER DOCUMENT HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE OR IN RELATION TO THE BONDS.

THIS PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PREPARED TO GIVE GENERAL INFORMATION REGARDING COIMBATORE 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. COIMBATORE CITY MUNICIPAL CORPORATION BELIEVES THAT THE INFORMATION CONTAINED IN THIS PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN SENT. ANY APPLICATION BY A PERSON TO WHOM THE PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM TO ANY OTHER PERSON; OR (2) REPRODUCE THE PRELIMINARY PLACEMENT MEMORANDUM, IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OR COPYING OF THE PRELIMINARY PLACEMENT MEMORANDUM IN WHOLE OR IN PART OR ANY PUBLIC ANNOUNCEMENT OR ANY ANNOUNCEMENT TO THIRD PARTIES REGARDING THE CONTENTS OF THE PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY 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. HOWEVER, THE ISSUER SHALL INTIMATE THE INVESTORS ABOUT MATERIAL CHANGES, IF ANY, IN THE INFORMATION IN THIS PRELIMINARY PLACEMENT MEMORANDUM, FROM THE DATE OF PPM TILL LISTING DATE.

NEITHER THE DELIVERY OF THE PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM COMES ARE REQUIRED TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS. THE PRELIMINARY 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.

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 APPLY FOR AND PURCHASE THE BONDS. NOTHING IN THIS PRELIMINARY 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, AS PER APPLICABLE LAWS. NO INTEREST WILL BE PAYABLE ON SUCH APPLICATION MONEY.

IT IS THE RESPONSIBILITY OF THE ALLOTTEES OF THESE BONDS TO ENSURE THAT IF THEY CHOOSE TO TRANSFER THESE BONDS IT SHALL BE IN STRICT ACCORDANCE WITH THIS PRELIMINARY PLACEMENT MEMORANDUM AND OTHER APPLICABLE LAWS.

WE BELIEVE OUR INTERNAL ESTIMATES FOR THE PROJECT COST AND SCHEDULE OF IMPLEMENTATION TO BE REASONABLE FOR ALL THE PROJECTS AND THAT WE HAVE RELIED UPON THE REPORTS AND CERTIFICATES OF PROJECT / TECHNICAL CONSULTANTS INCLUDING FOR COSTS AND SCHEDULE OF IMPLEMENTATION. IN ACCORDANCE WITH THE SEBI (ISSUE AND LISTING OF MUNICIPAL DEBT SECURITIES) REGULATIONS, 2015, THE ISSUER, THE MERCHANT BANKER WILL ENSURE THAT INVESTORS ARE INFORMED OF MATERIAL DEVELOPMENTS BETWEEN THE DATE OF FILING THE PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM.

2. DISCLAIMER CLAUSE

ONLY THOSE PERSONS TO WHOM THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN

SPECIFICALLY ADDRESSED ARE ELIGIBLE TO APPLY. APPLICATION FORMS SHOULD BE DULY COMPLETED, IN ALL RESPECTS AND APPLICATIONS NOT COMPLETED IN THE SAID MANNER ARE, LIABLE TO BE REJECTED. 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 REVERT TO ANY INVESTOR FOR ANY ADDITIONAL DOCUMENTS REQUIRED TO ACCEPT AN APPLICATION AS IT DEEMS FIT. INVESTMENT BY ELIGIBLE INVESTORS ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST AS PER EXTANT LAWS, REGULATIONS, ETC. EACH OF THE ELIGIBLE INVESTORS ARE 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 PRELIMINARY PLACEMENT MEMORANDUM OR ANY OTHER MATERIAL ISSUED EXCEPT BY THE BOND ISSUE COMMITTEE 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 PRELIMINARY PLACEMENT MEMORANDUM SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUED TO HAVE BEEN APPROVED BY SEBI AND THAT THIS ISSUE IS NOT RECOMMENDED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PRELIMINARY PLACEMENT MEMORANDUM.

5. DISCLAIMER CLAUSE OF GOVERNMENT OF TAMIL NADU

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THIS PRELIMINARY 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 PROJECTS FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS PRELIMINARY PLACEMENT MEMORANDUM.

6. DISCLAIMER OF THE STOCK EXCHANGE

AS REQUIRED, A COPY OF THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN FILED WITH NSE IN ACCORDANCE WITH 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. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PRELIMINARY PLACEMENT MEMORANDUM TO THE STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THE ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECTS OF THE ISSUER. THIS DOCUMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE**.**

7. DISCLAIMER OF THE CREDIT RATING AGENCY:

DISCLAIMER OF CARE RATINGS LIMITED

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 PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM IN CONNECTION WITH THE PLACEMENT OF THE BONDS PROPOSED TO BE ISSUED UNDER THIS ISSUE. NOTHING IN THIS PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM ACKNOWLEDGES THAT SUCH PERSON MUST READ THE ENTIRE PRELIMINARY PLACEMENT MEMORANDUM AND THE RISK FACTORS STATED IN SECTION IV RISK FACTORS ON PAGE NO.21 OF THIS PRELIMINARY 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. MERCHANT BANKER HAS OBTAINED A CONFIRMATION FROM THE ISSUER THAT THE DISCLOSURES BEING MADE IN THE PRELIMINARY PLACEMENT MEMORANDUM ARE IN COMPLIANCE WITH THE REGULATIONS AND DO NOT CONSTITUTE OF ANY NON-PUBLIC INFORMATION OR CONFIDENTIAL INFORMATION.

THE MERCHANT BANKER/ARRANGER IS NOT ACTING AND HAS NOT BEEN ENGAGED TO ACT AS AN UNDERWRITER WITH RESPECT TO THE BONDS. THE MERCHANT BANKER/ ARRANGER IS AUTHORISED TO DELIVER COPIES OF THIS PRELIMINARY PLACEMENT MEMORANDUM ON BEHALF OF THE ISSUER TO POTENTIAL INVESTORS WHICH ARE CONSIDERING PARTICIPATION IN THE ISSUE.

THE ISSUER HAS PREPARED THIS PRELIMINARY PLACEMENT MEMORANDUM AND THE ISSUER IS SOLELY RESPONSIBLE AND LIABLE FOR ITS CONTENTS. THE ISSUER CONFIRMS THAT ALL THE INFORMATION CONTAINED IN THIS PRELIMINARY PLACEMENT MEMORANDUM HAS BEEN PROVIDED BY THE ISSUER OR IS FROM PUBLICLY AVAILABLE INFORMATION, THE USE OF WHICH ISN'T REGULATED OR PROHIBITED UNDER ANY APPLICABLE LAW OR REGULATION RELATING TO INSIDER DEALING OR OTHERWISE AND THE MERCHANT BANKER/ARRANGER DURING THE COURSE OF DILIGENCE HAS PLACED RELIANCE ON ACURACY AND COMPLETENESS OF INFORMATION PROVIDED BY EXPERTS, AUDITORS, TECHNICAL CONSULTANTS AND OTHER RELIABLE SOURCES.

THE POTENTIAL INVESTOR SHOULD CAREFULLY READ AND RETAIN THIS PRELIMINARY PLACEMENT MEMORANDUM. HOWEVER, THE POTENTIAL INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM.

THE MERCHANT BANKER/ARRANGER IS ACTING FOR THE ISSUER IN RELATION TO THE ISSUE OF THE BONDS AND NOT ON BEHALF OF THE RECIPIENTS OF THE PRELIMINARY PLACEMENT MEMORANDUM. THE RECEIPT OF THE PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM OTHER THAN THE INFORMATION SET OUT HEREIN.

THIS PRELIMINARY PLACEMENT MEMORANDUM IS FOR GENERAL INFORMATION PURPOSE ONLY, WITHOUT REGARD TO SPECIFIC OBJECTIVES, SUITABILITY, FINANCIAL SITUATIONS AND NEEDS OF ANY PARTICULAR PERSON. THIS PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY 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 PRELIMINARY PLACEMENT MEMORANDUM HAS NOT BEEN APPROVED AND WILL OR MAY NOT BE APPROVED BY ANY STATUTORY OR REGULATORY AUTHORITIES IN INDIA.

PLEASE NOTE THAT:

A. K. CAPITAL SERVICES LIMITED HAS BEEN APPOINTED AS MERCHANT BANKER/ ARRANGER TO THE ISSUE VIDE ENGAGEMENT LETTER/ LETTER OF APPOINTMENT/ WORK ORDER DATED MARCH 14, 2024 & NOVEMBER 10, 2025 AND ISSUE AGREEMENT DATED [•]. 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

A.K. CAPITAL SERVICES LIMITED HAS BEEN APPOINTED AS THE TRANSACTION ADVISOR IN RESPECT OF THE ISSUE. THE ROLE OF THE TRANSACTION ADVISOR IS LIMITED TOADVISING THE ISSUER IN RELATION TO MARKET SCENARIOS, CO-ORDINATION WITH EXTERNAL AGENCIES, LIAISONING WITH CREDIT RATING AGENCIES, 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 PRELIMINARY PLACEMENT MEMORANDUM AND TAKE THEIR OWN INFORMED DECISION FOR INVESTMENT IN THE DEBENTURES AND IN NO WAY IS THE TRANSACTION ADVISOR 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 1(i) (ELIGIBLE INVESTORS) OF SECTION IX: ISSUE SPECIFIC INFORMATION ON PAGE NO.77 OF THIS PRELIMINARY PLACEMENT MEMORANDUM, WHO HAVE BEEN/ SHALL BE SPECIFICALLY APPROACHED BY THE ISSUER. THE PRELIMINARY 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 ISSUE PROCEEDS AGREEMENT) SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COURTS AND TRIBUNALS AT COIMBATORE. 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 PRELIMINARY 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 AS PER APPLICABLE LAWS.

ISSUE OF DEBENTURES IN DEMATERIALISED FORM

THE DEBENTURES WILL BE ISSUED IN DEMATERIALISED FORM. THE ISSUER HAS MADE ARRANGEMENTS WITH THE DEPOSITORIES FOR THE ISSUE OF THE DEBENTURES IN DEMATERIALISED FORM. THE INVESTOR WILL HAVE THE OPTION TO HOLD THE DEBENTURES IN PHYSICAL FORM 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(S) WITH ITS DEPOSITORY PARTICIPANT. THE ISSUER WILL MAKE THE ALLOTMENT TO INVESTORS(S) ON THE DEEMED DATE OF ALLOTMENT AFTER VERIFICATION OF THE APPLICATION FORM AND THE ACCOMPANYING DOCUMENTS.

SECTION-II: FORWARD LOOKING STATEMENTS

Certain statements in this Preliminary 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 condition and results of operations, business, strategies, plans and prospects 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 Preliminary 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 Preliminary Placement Memorandum are based on the beliefs of the Bond Issue Committee of the Issuer, as well as the assumptions made by and information available to Bond Issue Committee as at the date of this Preliminary 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

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

Unless the context otherwise indicates, all references in this Preliminary Placement Memorandum to "we" or "us" or "our" are to our Corporation i.e., Coimbatore City Municipal Corporation. Unless stated otherwise, all references to page numbers in this Preliminary Placement Memorandum are to the page numbers of this Preliminary Placement Memorandum.

The words and expressions used in this Preliminary Placement Memorandum but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI (Issue And Listing of Municipal Debt Securities) Regulations, 2015, as amended Tamil Nadu Urban Local Bodies Act, 1998, as amended The Securities Contracts (Regulation) Act, 1956, as amended the Depositories Act, 1996, as amended and the rules and regulations notified thereunder.

General Terms

TERM	DESCRIPTION
"CCMC" or "Issuer" or "Corporation" or "Coimbatore City Municipal Corporation" or "Coimbatore Municipal Corporation" or "Corporation of Coimbatore"	Coimbatore City Municipal Corporation, constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under Sub Section (3) of Section 1 of the erstwhile Coimbatore City Municipal Corporation Act, 1981 ("CCMC Act"), vide Notification dated April 30, 1981. The CCMC Act (now TNULB Act) was repealed vide section 200 of the TNULB Act and as per Section 4 of the TNULB Act, the corporation shall be deemed to be constituted under the TNULB Act. *The name of the municipal corporation is mentioned as "Coimbatore City Municipal Corporation" or "Coimbatore Municipal Corporation", "Coimbatore Corporation" or "Corporation of Coimbatore" in various correspondences with the State Government and statutory documents/ approvals. As confirmed by the Issuer the names Coimbatore City Municipal Corporation or Coimbatore Municipal Corporation or Coimbatore Corporation or Corporation of Coimbatore are being used interchangeably and the same should not be interpreted otherwise.*
"we", "us", "our"	Unless the context otherwise requires, the Corporation or CCMC.

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 01, 2021 with the aim of making cities 'Aatma Nirbhar' and 'Water Secure'.
AMRUT Incentive	Pursuant to notification dated April 07, 2025, issued by the MoHUA, Government of India bearing notification no. D.O. No. K-14012/01/2022-AMRUT-IIB and any subsequent notification, 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.

TERM	DESCRIPTION
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
Assistant Commissioner	Assistant Commissioner, Coimbatore City Municipal Corporation, appointed in terms of the Tamil Nadu Urban Local Bodies Act, 1998, as amended from time to time.
Auditor of the Issuer/ Auditors	Director of the Local Fund Audit Department/ 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 financial statements of the General Fund, Water Supply & Drainage Fund & Elementary Education Fund.
Audited Financial Statements*	Refers collectively, to: (i) audited balance sheet, the income and expenditure statement and the cash flow statement of the General Fund, Water Supply & Drainage Fund & Elementary Education Fund for the Financial Years ending March 31, 2023, and March 31, 2024 audited by Local Fund Audit Department, Coimbatore; and (ii) audited consolidated financial statements for the financial year ended March 31, 2025 comprising of the balance sheet, the income and expenditure statement and the cash flow statement (which consolidates the financial information of General Fund, Water Supply & Drainage Fund & Elementary Education Fund), audited by M/s. R Aravind and Associates, Chartered Accountants, for the purpose of this Issue. 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, 2024 March 31, 2023 (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 External Auditors for the Issue. *Please refer Note on Audited Financial Statements**
Deputy Commissioner	Deputy Commissioner, Coimbatore City Municipal Corporation, appointed in terms of the Tamil Nadu Urban Local Bodies Act, 1998, as amended from time to time.
Bond Issue Committee/Committee	Committee duly formed on July 26, 2024 by Council vide its resolution no. 328 dated July 26, 2024. The current members of the committee are confirmed by the Municipal Commissioner vide its letter dated December 11, 2025.
CCMC Act	Coimbatore City Municipal Corporation Act,1981. The CCMC Act was repealed vide section 200 of the TNULB Act and as per Section 4 of the TNULB Act, the corporation shall be deemed to be constituted under the TNULB Act.
Council	Council shall mean "Council" as defined under Section 2(10) of the TNULB Act.
Municipal Commissioner/Commissioner	Municipal Commissioner, Coimbatore City Municipal Corporation, appointed in terms of the Tamil Nadu Urban Local Bodies Act, 1998, as amended from time to time.
Committee Member	Member of the Bond Issue Committee of the Corporation as mentioned in this Preliminary Placement Memorandum.
GoTN	Government of Tamil Nadu /State Government

TERM	DESCRIPTION
GoI	Government of India/ Central Government.
Head Office	Head Office of CCMC at 1 Corporation Building, Big Bazaar Street, Town Hall, Coimbatore, Tamil Nadu, 641001
HRMS	Human Resources Management System.
MoHUA	Ministry of Housing and Urban Affairs.
MoUD	Ministry of Urban Development
MLD	Millions Liters Per Day
TNULB Act	The Tamil Nadu Urban Local Bodies Act, 1998, as amended from time to time

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.
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/ NCDs/ Debentures	Rated, Listed, Taxable, Unsecured, Redeemable and Non-Convertible Municipal Bonds in the nature of debentures, of face value of ₹ 7,00,000/- each (Rupees Seven Lakhs Only) with each NCD comprising of 7 (Seven) Separately Transferable and Redeemable Principal Parts of face value Of ₹ 1,00,000 each ("STRPPS") namely STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F and STRPP G proposed to be listed on NSE.
Bond Holder(s) / Debenture Holder(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 Chapter VI of the SEBI Municipal Debt Regulations, SEBI Circular dated June 19,

TERMS	DESCRIPTION
	2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the SEBI 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 of the Term Sheet.
CARE	CARE Ratings Limited
Credit Rating Agency/ Rating Agency	Shall mean CARE Ratings Limited
Debenture Trust Deed	Deed to be executed by and between the Debenture Trustee and the Issuer in respect of the Bonds within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the Bond Holders.
Debenture Trustee/Bond Trustee/DT/Trustee	Trustee for the Bond Holders, in this case being SBICAP Trustee Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road, Churchgate, Mumbai- 400020, India.
Debenture Trustee Agreement	Agreement dated December 10, 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 Trustee 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 General Board or a Bond Issue Committee constituted for the purpose of the Issue by the Issuer 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/ DP	A Depository Participant as defined under the Depositories Act.
Depository(ies)	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time, in present case, being NSDL & CDSL.
DPR	Detailed Project Report
DRR	Debenture/Bond Redemption Reserve
DSRA	Debenture Service Reserve Amount
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

TERMS	DESCRIPTION
	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 for bidding by Eligible Investors. NSE electronic book platform is being used for participating in electronic book building mechanism.
Escrow Account	A no-lien escrow account to be opened by the Issuer with the Escrow Bank for the deposit of, inter alia, Property Tax-Revenue Fund collected 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 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	Escrow Agreement to be entered into by and between Coimbatore City Municipal Corporation, SBICAP Trustee Company 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 bank where the Escrow Account, the Interest Payment Account and the Sinking Fund Account will be opened.
EWS	Economically Weaker Section
External Auditors	M/s. R Aravind and Associates, Chartered Accountants, being appointed as the External Auditors for the Issue for the purpose of (i) 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 23.01.2025 issued by Municipal Administration and Water Supply Department, Government of Tamil Nadu; and (ii) conducting other procedures to issue certificates and reports for the purpose of the Issue.
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.
GIS	Geographic Information System
GPS	Global Positioning System
GSR	Ground Service Reservoir
GST	Goods and Service Tax
TWAD	Tamil Nadu Water Supply and Drainage Board
HDD	Horizontal Directional Drilling

TERMS	DESCRIPTION
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Issue/the Offer/ Private Placement	Private Placement of up to 2,155 rated, listed, unsecured, taxable, redeemable, non-convertible municipal bonds of face value of Rs 7,00,000 each, (comprising of 7 (seven) separately transferable and redeemable principal parts ("**STRPPs**") namely 1 STRPP A of face value of Rs 1,00,000, 1 STRPP B of face value of Rs 1,00,000, 1 STRPP C of face value of Rs 1,00,000, 1 STRPP D of face value of Rs 1,00,000, 1 STRPP E of face value of Rs 1,00,000, 1 STRPP F of face value of Rs 1,00,000 and 1 STRPP G of face value of Rs 1,00,000, for an amount of ₹70.00 crore (Rupees Seventy Crore) ("**Base Issue Size**") with a green shoe option of up to ₹ 80.85 crore (Rupees Eighty Crore and Eighty Five Lakhs) ("**Green Shoe Option**") aggregating up to Rs 150.85 Crore ("**Total Issue Size**"), proposed to be listed on NSE.
Interest Payment Account /IPA	The bank account to be opened by the Issuer with the Escrow Bank which shall be (i) the account from which the interest payments on the 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 10, 2025 entered between the Issuer and the Merchant Banker to the Issue in relation to the Issue.
Issue Proceeds Account	The bank account to be 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 to be entered into 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
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. It is however clarified that, if a resolution is required to be passed in relation to a matter concerning a particular STRPP, the term "Majority Debenture Holders" shall mean the Debenture/Bond Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of that STRPP for the time being outstanding.
Merchant Banker/ Arranger to the Issue	A. K. Capital Services Limited
Minimum Balance	In any monthly 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 and Escrow Agreement.
NSDL	National Securities Depository Limited
NSE/ Stock Exchange	National Stock Exchange of India Limited

TERMS	DESCRIPTION
NSE EBP Guidelines	Operational guidelines NSE Electronic Bidding Platform available on the website of NSE at www.nseindia.com/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, i.e., incurring capital expenditure in respect of the Projects more particularly described in Section VII: Objects of the Issue on page no.56 of this Preliminary Placement Memorandum.
O&M	Operation & 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 Preliminary Placement Memorandum/ the Placement Memorandum.
Permitted Investments	Shall mean: (a) 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 favor 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 Tamil Nadu Urban Local Bodies Rules, 2023 and the Tamil Nadu Urban Local Bodies Act, 1998, to the extent applicable; (b) 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 also Tamil Nadu Urban Local Bodies Rules, 2023 and the Tamil Nadu Urban Local Bodies Act, 1998. The lien shall be created in favor of Debenture Trustee on all the investments made in terms hereof;
Placement Memorandum/ PM/ Disclosure Document	The placement memorandum to be filed with SEBI and NSE through which this proposed Issue will be made.
PMAY	Pradhan Mantri Awas Yojana
PPP	Public Private Partnership
Preliminary Placement Memorandum/PPM	This preliminary placement memorandum dated December 12, 2025 filed with SEBI and NSE.
Projects	Projects proposed to be funded by the Issue Proceeds namely: (1) Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100)("**Project I**"); and (2) Establishment of Semmozhi Poonga Botanical Garden in Coimbatore ("**Project II**")

TERMS	DESCRIPTION
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 to Rs 12.40 crore ("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 implementation of the (a) Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100) ; and (b) Establishment of Semmozhi Poonga Botanical Garden in Coimbatore. 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 shall be created in the name of "Project Sustainability Grant Fund" 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.
Property Tax - Revenue Fund	Shall mean property tax pertaining to Revenue Fund collected by the Issuer.
Record Date	As mentioned in the Summary of Term Sheet.
Recovery Expense Fund	An amount which will be deployed by the Corporation with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum deposit of ₹25,00,000 at the time of making the application for listing of Bonds.
Registrar or R&T Agent or RTA	Registrar to the Issue, in this case being, KFin Technologies Limited a company incorporated under the Companies Act, 2013 having registered office at 301, the Centrium, 3rd Floor 57, LBS Marg, Nav Pada, Kurla West, Mumbai-400070.
Required DSRA Amount	An amount equal to 2 (two) succeeding coupon payments (i.e. one year interest obligation) 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
SBR	Sequential Batch Reaction

TERMS	DESCRIPTION
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, as amended from time to time.
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 Debenture Trustee Master Circular	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.
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 Documents.
SEBI Master Circular	SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 bearing reference number SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137 as may be amended, clarified or updated from time to time.
SEBI Municipal Debt Regulations/SEBI ILMDS Regulations	Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time and related circulars, notifications, guidance notes as issued by the Securities and Exchange Board of India.
Sinking Fund Account	The bank account to be opened by the Issuer with the Escrow Bank and operated by the Debenture Trustee in the manner and upon the terms and conditions provided for in the Escrow Agreement.
SPS	Sewerage Pumping Station
Structured Payment Mechanism	As defined in the section titled "*Term Sheet*" on page 144.
STP	Sewage Treatment Plant
TDS	Tax Deducted at Source
Tripartite Agreements	Tripartite agreement amongst the Corporation, Registrar to the Issue, and CDSL dated December 10, 2025 and Tripartite agreement amongst the Corporation, Registrar to the Issue, and NSDL dated December 09, 2025
Transaction Documents	The documents executed in relation to or which are relevant to the Issue including the Preliminary Placement Memorandum/Placement Memorandum along with all annexures, the Debenture Trustee Agreement, the Escrow Agreement, the Issue Agreement, Registrar & Transfer Agent Services Agreement, the Issue Proceeds Agreement, Deed of Hypothecation, Debenture Trust Deed, 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).

TERMS	DESCRIPTION
ULB	Urban Local Body
'Working Day'/'Business Day'	Business day/ Working Day in accordance with SEBI (NCS) Regulation 2021 shall mean all days on which commercial banks in Coimbatore are open for business. In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchange and with respect to the record date, working day shall mean all trading days of the Stock Exchange for Bonds, excluding Saturdays, Sundays and bank holidays, as specified by SEBI. If the date of payment of coupon/redemption of principal does not fall on a Working Day, then the payment of coupon/principal shall be made in accordance with SEBI Mater Circular dated May 22, 2024 bearing reference SEBI/HO/DDHS/PoD1/P/CIR/2024/54, as amended from time to time. If the coupon payment date falls on a Sunday or a holiday, 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 NCDs. 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 redemption/maturity date of the STRPP falls on a Sunday or a holiday, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided under Annexure – V "Illustration of Bond Cash Flow" of the Placement Memorandum. If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure - V" Illustration of Bond Cash Flow" of the Placement Memorandum. 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 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 definition provided under Section 2(28) of Bhartiya Nyaya Sanhita, 2023. As per the Tamil Nadu Urban Local Bodies Rules, 2023:

1. *The municipal accounts consist of receipts and expenditure under the General Fund, Education Fund, and other fund established for the accounting of receipts and expenditure relating to any specific scheme or project.*
2. *Accordingly, the Commissioner shall maintain or cause to maintain separate books of accounts and registers for each fund of account in such form and in such manner as may be laid down by the Government.*
3. *All the accounts of the municipality shall be audited by the Director of Local Fund Audit.*
4. *The Commissioner shall prepare detailed annual accounts of the municipality and a copy of the annual accounts as approved by the Council shall be forwarded to the Director of Local Fund Audit.*
5. *The auditor, on completion of the audit, shall furnish the audit notes to the Commissioner on any irregularity or deficiency or impropriety as a result of which any loss or waste of money has been caused to the municipality.*

6. *The Commissioner shall make arrangements to rectify the mistakes and other irregularities raised in the audit notes and send a reply of compliance to the auditors.*
7. *The auditors on completion of the annual audit and after considering the compliance report received from the Commissioner, shall prepare the audit report of the municipality containing the details of the accounts, substance of the accounts, quality of the accounts, maintenance of registers and irregularities detected during the audit and may also make suggestions, if any, to prevent recurrence of such irregularities and send the report to the Commissioner of the municipality concerned with a copy marked to the Director of the Local Fund Audit.*
8. *The Commissioner shall place a copy of the audit report and audited annual accounts along with the replies to the audit report before the Council for its approval.*
9. *The replies to the audit report as approved by the Council shall be sent to the Director of Local Fund Audit for eventual settlement of audit objections.*

All the accounts of Coimbatore City Municipal Corporation ("CCMC") have been audited by the Director of Local Fund Audit/ Local Audit Department. As per Rule 12 (2) of the Tamil Nadu Local Fund Audit Rules, 2016, the Audit Report of the local authorities or local funds comprises of seven separate parts as follows:

Parts	***Content/ Coverage of the Part***
Part 1	*Contains review of annual accounts, financial statements, balance sheet and its Schedules, income and expenditure statement, receipts and charges and cash flow statements.*
Part 2	*Contains the details of objections in receipts or revenue items*
Part 3	*Contains the details of objections in payment or expenditure*
Part 4	*Contains the details of objections relating to grants, loans, and the similar items; utilized for execution of works or schemes*
Part 5	*Contains the details of observations and objections relating to deposits and advances*
Part 6	*Contains the details of observations and objections relating to Provident fund, contributory pension scheme and other miscellaneous funds*
Part 7	*Contains computation of audit fees due, result of audit and details of pending objections and any other facts noticed during the course of audit which adversely affect the finances of the institution.*

As per the Office Letter R.C.NO 17411944/2025/A1 from the Deputy Director, Local Fund Audit Department dated November 10, 2025, the details of the contents of the Audit Report to be issued upon completion of each year audit is as follows:

Part I of the Audit Report includes a review of the annual accounts, financial statements, balance sheet and its schedules, income and expenditure statement, receipts and charges, and cash flow statements. It also assesses compliance with rules, systems, and procedures by the respective Municipal Corporations.

The contents of part I of the Audit Report of Coimbatore City Municipal Corporation are as follows:

1. *Information about CCMC, officers details*
2. *Receipt of Annual Accounts and review on the Annual accounts of CCMC.*
3. *Review of the Budget of CCMC*
4. *Review of Income & Expenditure statement*
5. *Review of property tax collection pending details*
6. *Review of Expenditure – Coimbatore Corporation staff details, depreciation, Revenue liability balance details.*
7. *Payable details*
8. *Review of CPF/GPF.*
9. *Review of Amma unavagam*
10. *Gist of important and serious nature of objections raised during the audit year*
11. *Annual accounts of CCMC for the concern year*
12. *Results of Audit/ Certificate.*

The contents of Part II of the Audit Report of Coimbatore City Municipal Corporation are as follows:

1. *Audit certificate*
2. *Audit objection raised during the Audit year*
3. *Audit fees calculation*
4. *Pending audit objections*

5. Annexures

Though separate audit reports are issued in respect of main office(Revenue fund, Provident Fund, Elementary Education fund, Water Supply) and all 5 zones of CCMC, the gist of important and serious nature of objections/ observations noticed in the above 4 Audit reports & 13 audit notes are incorporated in the Part I of concern Report of CCMC.

Accordingly, considering the elaborate audit reports of CCMC, only Part I Audit Report which covers the financial statements and the gist of important and serious nature of objections/ observations has been considered for providing disclosures.

The financial statements of Coimbatore 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 per the Tamil Nadu Urban Local Bodies Rules, 2023. For financial years ended March 31, 2023 & March 31, 2024, the audit of financial statements has been completed by Joint Director of Local Fund Audit/Local Audit Department pursuant to their Audit Reports dated April 22, 2025 and May 29, 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 M/s. R Aravind and Associates, Chartered Accountants in terms of the requirements of the proposed Issue.

Further, the audit of financial statements for the financial 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, Coimbatore 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 Aravind and Associates, Chartered Accountant ("External Auditors") to conduct the audit of the consolidated financial statements for the financial year ended March 31, 2025.

Accordingly, the External Auditors have audited the consolidated financial statements (comprising of General Fund, Water Supply & Drainage Fund & Elementary Education Fund) for the year ended March 31, 2025 and have issued Audit Report dated October 10, 2025 in terms of letter No. 36/MA.2/2025-1 dated January 23, 2025 issued by Municipal Administration and Water Supply Department, Government of Tamil Nadu & our engagement letter dated August 11, 2025.

The Financial Information comprising of the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 have been prepared by M/s. R Aravind and Associates, Chartered Accountants based on the audited financial statements for the year ended March 31, 2025 audited by the External Auditors & audited financial statements for the financial years ended March 31, 2024 & March 31, 2023 audited by Joint Director of Local Fund Audit/Local Audit Department in terms of the requirements of the proposed Issue.

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 operations or management 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 Preliminary Placement Memorandum before making any investment decision relating to the Bonds. Additional risks and uncertainties, which are currently unknown or now deemed immaterial, if materialize, may in the future have a material adverse effect on Issuer's operations, management or cash flows. The market prices of the Bonds may decline due to such risks and the prospective investors may lose all or part of their investment.

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 includes a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment in debentures. For taking an investment decision, investors must rely on their own examination of the Issue, the Issuer and this Preliminary 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 Preliminary Placement Memorandum.

This Preliminary Placement Memorandum contains statements, which may be forward-looking, 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 Preliminary Placement Memorandum.

Unless otherwise indicated, the financial information included herein is based on the Issuer's audited financial statements for FY 2022-2023, FY 2023-2024 and FY 2024-2025 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 Preliminary 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 operations, financial conditions, cash flows and 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 and the financial information used in this section is derived from and should be read in conjunction with the Financial Information as included in this Preliminary Placement Memorandum.

INTERNAL RISK FACTORS

Projects Risk and Internal Risks

1. **We intend to utilize the Issue proceeds for the proposed Projects which are subject to the risk of unanticipated delays in implementation and cost overruns. Any such unanticipated delays in implementation and cost overruns of the Projects may have an adverse impact on our operations, reputation and cash flows.**

   We intend to utilize the Issue proceeds for Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation ("**Project I**"); and Establishment of Semmozhi Poonga Botanical Garden in Coimbatore ("**Project II**") (Project I and Project II are hereinafter, collectively, referred to as **"Projects"**).

   The Projects are proposed to be financed through the proceeds of this Issue and internal accruals of the Issuer/ grants in cash or kind received/to be received by the Corporation from the government subject to conditions

mentioned in the respective schemes. In case of non-receipt of grants or any shortfall of funds, the Issuer will have to arrange for alternative sources which may impact the Projects, timelines and the cost. There can be no assurance, despite best efforts, that we will be able to complete the Projects within estimated time and cost without any cost overruns. The work orders have already been issued for implementation of the Projects and the work is under process. The cost of the Projects may escalate or vary based on external factors which may not be in our control and could pose funding gaps and contingent budgetary risk for CCMC.

Presently, there are no pending approvals required to be obtained by the Corporation for the implementation of Project I whereas approval for Fire Safety is pending for Project II at this stage. In case of any delay in receipt of any approvals, if required at different stages, in relation to the Projects in a timely manner, occurrence of any force majeure events etc., the proposed schedule of implementation and deployment of the Issue proceeds may be extended or may vary accordingly.

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 Projects 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 Projects may be insufficient to meet our proposed capital expenditure requirements towards the Projects. The grants from the government are also based on conditions, in case of any non-receipt of grant, the gap will have to be contributed by CCMC. We may not have sufficient revenue to fund the Projects.

There is also a possibility that the implementation of the Projects might get delayed due to various factors including workforce issues, non-availability of approvals/ no objection certificates, delays because of third party contractors etc

There can be no assurance that despite best efforts, the proposed Projects will be completed as planned or on schedule, and if it is not completed in a timely manner, or at all. The grants from government are also based on conditions, in case of any non-receipt of grant the gap will have to be contributed by CCMC. There is no guarantee that Coimbatore City Municipal Corporation will have sufficient revenue due to unforeseen circumstances that are beyond Issuer's control. If our Projects cost significantly exceeds the estimated cost of the Projects, we may not be able to achieve the intended economic benefits of such capital expenditure. Though the cash inflows from the Projects are not earmarked for servicing the obligations of the Issuer in respect of the Bonds, non-implementation of the Projects as per the schedule of implementation will affect the Issuer's performance and asset generation capacity thereby impacting the operations, cash flows and financial conditions of the Issuer.

2. **Any inability to obtain renew or maintain the statutory and regulatory permits and approvals which are required for installation and operation of the Projects may have a material adverse effect on our ability to complete the Project 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.**

Presently, there are no pending approvals required to be obtained by the Corporation for Project I while approval for Fire Safety is pending for Project II. In case there is a requirement of approvals/NOCs for the Projects in the future, the Issuer shall take all reasonable steps to obtain the said approvals/NOCs. However, the Issuer may be unable to obtain such approvals/consents (if so required) or renew such approvals within the stipulated time due to future events, unforeseen circumstances or reasons beyond the control of the Issuer. Additionally, any failure in future 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.

While the Issuer shall make best efforts ensure timely implementation and progress of the Projects, there may be unforeseen circumstances beyond the control of the Issuer which may cause delay in receipt of approvals or renewing the approvals, as may be required in a timely manner, which may lead to delay in implementation of the Projects in a timely manner or cost overruns. Further, our capital expenditure plans remain subject to the potential problems and uncertainties that Projects activities face including cost overruns or delays.

For further details in relation to the list of approvals/ permissions received in relation to the Projects, please see "Objects of the Issue –Details and status of the regulatory approvals" on page nos. 60 and 66.

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

The Issuer is a party to various legal proceedings and has 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 operations, 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*	36	30.95
2)	TDS*	30	3.91
Indirect Tax			
3)	Property Tax** - Cases have been filed against the Issuer by the residents/ entities residing/ operating in Coimbatore City Municipal Corporation jurisdiction accusing Issuer of charging huge amount of property tax.	70	23.22
4)	GST***	05	0.36
5)	EPF*	01	4.42

***Source:** *https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded, status as on December 11, 2025.*
*** To the extent quantifiable excluding interest and penalty thereon.*
****Source:** *https://services.gst.gov.in/services/login, status as on December 11, 2025*

1. Criminal Litigations involving the Issuer
The details 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.

2. 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. 105 of the PPM.

3. 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.105 of the PPM.

There are certain cases disclosed under the Section "Legal and Other Information" beginning on page no. 105 of this Preliminary Placement Memorandum in relation to which no claim amount is quantifiable

No assurances can be given as to whether these legal proceedings and regulatory matters 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. 105 of this Preliminary Placement Memorandum.

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

4. **Leakage of tax collections may affect volume of collections and inflows which may have an adverse impact on the 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, yet any significant failure by the Issuer to control leakage in the collection systems due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, 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 issued a qualified opinion highlighted few observations/ remarks in their audit reports relating to our audited financial statements for the last three financial years.**

Our Auditors have issued a qualified opinion pursuant to their audit reports dated 29th May 2025 for F.Y. 2023-24; and 22nd April 2025 for FY 2022-23. Our External Auditors have issued a qualified opinion pursuant to their audit report dated 10th October 2025 on the consolidated financial statements for FY 2024-25.

The key qualification/ observations are as under:

Observations/ Qualificationss for Financial Year 2022-23

i. No register has been maintained by the Corporation despite specific instructions to maintain a separate register of assets. The value of the assets is maintained only in the computer and their depreciated value is shown only in the annual accounts.
ii. When checking the annual accounts of the Coimbatore Corporation for the year 2022-2023, the balances of bank and treasury accounts are being shown under the headings of assets without any activity for many years. No tables are appended to the annual accounts in this regard. Despite continuous audits indicating non-operation of these accounts, no appropriate administrative action has been taken.
iii. Advance cash register is maintained but the closing balance is not reconciled with the annual accounts. Over the years the discrepancy between the register and the annual accounts has continued. During the audit of the accounts for the year 2022-23, the advances amounting to ₹444.16 Crores have remained not verified for a long time.
iv. The works expenditure book does not mention the details under which scheme the works have been carried out and the amount paid. Due to non-maintenance of projects register, it is not possible to know the details of the amount spent during the audit year.
v. As per the 2022-2023 annual accounts of the Coimbatore Municipal Corporation's revenue and capital funds, the total amount to be refunded against other liabilities as of March 31, 2023 is ₹13.59 Crores. However, no records have been maintained for monitoring these amounts until they are refunded. These refunds are only being made based on payment vouchers.
vi. The deposit register is maintained and not reconciled with the annual accounts. The Contract deposits, security deposits received from suppliers of materials and contractors, etc., on March 31, 2023 totalling up to ₹189.25 Crores are mentioned under "Refundable Register of Deposits" for each year in Corporation Accounts Department. As the deposit register is not properly maintained, we are unable to verify the annual closing balance shown in the accounts as per the deposit register.

Observations/ Qualifications for Financial Year 2023-24

i. There is no register maintained for the listed properties, their location, survey number, area, land ownership documents (*'patta'*), maps, details of subdivisions, the year the assets were created, the

funding source (whether Central Government, State Government, or Municipal General Fund), their value, and depreciation. Furthermore, the existence of these assets has not been physically verified and certified by either the engineer or the commissioner. Due to this, it is not possible to determine if any of these assets have been encroached upon by external individuals.

ii. Since a schedule detailing capital works in progress has not been prepared and submitted for audit, it was not possible to ascertain during the audit whether these works have been completed or remain incomplete.

iii. For the financial year 2023–24, the Coimbatore Municipal Corporation's Central Office reported accounts under "Added Area," "Any Where Any Bank (AWAB)," and "Control Account." In the audit records, these accounts reflected only opening and closing balances, with no revenue or expenditure recorded during the year. Accordingly, in the annual accounts under the relevant schedules, the closing balance of ₹8.49 Crores as on March 31, 2024 reflected in these bank accounts, must be formally confirmed with the respective bank and presented for audit verification. Pending such confirmation and production, this amount shall be treated as a potential loss to the Municipal Corporation.

iv. During the audit of financial year 2023-24, the advance ledger for the year 2022-23 was not carried forward as the opening balance for 2023-24. Due to incomplete maintenance of the advance ledger, it was not possible to obtain the annual balance details. As a result, advances that have been outstanding for more than 6 years could not be confirmed during the audit.

v. During the financial year 2023–24, no schedule was prepared or submitted showing the grants received from the Central and State Governments under different heads, along with supporting details such as the bank account number to which the grant was credited and the date of credit. Furthermore, the grant utilization statement for 2022–23 was also not prepared or submitted. As a result, it was not possible to verify the opening grant balance for 2023–24, the receipts during the audit year, the expenditure incurred, the unutilized balance, or the grants receivable. The required grant utilization statement containing these particulars was also not produced for audit.

Observations/ Qualifications for Financial Year 2024-25

i. Fixed Asset Register are maintained but identification of individual assets and location of the asset are not properly maintained; no comprehensive physical verification conducted on regular periodical intervals;

ii. Project-wise completion registers not provided; Project wise details of work in progress not properly maintained.

iii. The bank accounts of municipalities that are added to corporation limit are incorporated in our books of accounts but they're still held in the old municipalities' names. We have transferred the funds from those accounts to our corporation bank accounts and left small amount balances. We are in process of closing those accounts and transfer the balance funds to our corporation account. The amount pending is ₹0.40 Crores (Net).

iv. Advances register is not properly maintained with item wise breakup and recoverability of advances for most of the amount are long pending. The flow of economic future benefits is also not certain. There are advances paid to TWAD amounting to ₹1466.04 Crores and Other Advances Recoverable amounting to ₹591.60 Crores for which proper registers are not maintained and the flow of economic future benefits is also not certain.

v. Grants from State and Central Governments are recognized in accounts but grant wise register are not properly maintained. The Grants after utilization they are not transferred to contribution account along with ULB contribution.

vi. Registers with detailed breakup of payables not properly maintained.

vii. Details of deposits are reconciled with registers maintained. But Year-wise break up of deposit are not properly maintained.

For details on all Audit Qualifications/ Observations/Remarks, please refer to the Audit Reports for the F.Y. 2024-25, F.Y.2023-24 and F.Y.2022-23 annexed as Annexure VI of this Preliminary Placement Memorandum.

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 has been 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 of the Corporation to conduct the audit of the consolidated 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 October 10, 2025, which has been annexed to this Preliminary Placement Memorandum as Annexure VI.

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 Preliminary 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 Crore)

Particulars	FY 2025	FY2024	FY2023
Total Income	1434.66	1173.13	990.18
Total Expenditure	1675.82	1447.78	1105.78
Gross surplus/ (deficit) of income over expenditure after prior period items	(207.20)	(208.96)	(193.07)
Net balance being surplus/ deficit carried over to Municipal Fund	(207.20)	(208.96)	(193.07)

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.

However, the Issuer shall implement a Structured Payment Mechanism, as detailed on page no. 144 (Summary of term sheet) of the Preliminary Placement Memorandum. This mechanism incorporates a clearly defined waterfall structure that ensures timely and prioritized payments of coupon and principal repayments.

8. Our 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 financing arrangements impose 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 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 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 Preliminary 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 GoTN may materially affect the Issuer's performance and asset generation capacity. Since grants are one of the main sources of revenue for the Issuer, any irregularity in release of grants may affect the projects implementation schedules and affect the financial condition of the Issuer. Any delay in receipt of the grant may have an impact on our liquidity position. For details of grants received from the State Government please refer to Section VI: *About the Issuer and Capital Structure of the Issuer* on page no. 55 of this Preliminary Placement Memorandum. Further, the growth plans of the Issuer are mainly determined by the amount of grants and support in the form of budgetary allocations and any adverse developments in the policy of the government in the manner in which it seeks to address the development of the infrastructure needs of India will have a material and adverse effect on the Issuer's operations. Moreover, if the funding from grants decreases or if there is any adverse change in the pattern of allocation of the tax collected by GoI or if there is a downturn in the 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 Projects for which funds are being raised has not been appraised by any bank or government or regulatory body or financial institution and are not insured for any losses.

The Project for which funds are proposed to be financed through Bonds, and internal accruals of CCMC including grants from Gol/GoTN have not been appraised by any bank or government or regulatory body or financial institution. 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 Municipal Commissioner. Our budgeted costs for the Project may be insufficient to meet our proposed capital expenditure requirements Further the estimated Project Cost are excluding amount payable towards GST. The amount payable towards GST obligations will be borne by CCMC out of internal accruals. Although CCMC would endeavor 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 CCMC, or result in a request to the Council of the Corporation for additional borrowing authority for the Project. Further, the Issuer does not have any insurance coverage for the Project in case of any loss caused to the Project due to fire, earthquake, flood or any other natural calamities etc. leading to cost and time overruns. While the Issuer shall make best efforts to ensure implementation of the Projects within the estimated timelines there may be delays due to unforeseen circumstances beyond the control of the Issuer. 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 GoI/GoTN and thereby impacting the business, cashflow and financial conditions of the Issuer. The schedule of implementation has been provided under Objects of the Issue chapter on page nos. 59 and 65 of this PPM.

However, to mitigate any potential risk of default, the Issuer shall implement a Structured Payment Mechanism, as detailed on page no.144 (Summary of term sheet) of the Preliminary Placement Memorandum. This mechanism incorporates a clearly defined waterfall structure that ensures timely and prioritized payments of coupon and principal repayments.

11. We are eligible 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 will be eligible to receive incentive as per D.O. No. K-14012/01/2022-AMRUT-IIB dated April 7, 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, the urban local bodies issuing Municipal Bonds for the first time shall 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.

Any failure by us to complete the Issue in a timely manner due to future events, unforeseen circumstances or reasons beyond the control of the Issuer may impact our ability to claim incentives under AMRUT 2.0 from Government of India, Ministry of Housing and Urban Affairs.

12. The combined financial information of the Issuer for F.Y. 2023 and F.Y. 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 General Fund, 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 & 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. R Aravind and Associates, Chartered Accountants ("External Auditors"). Reliance on unaudited information should, accordingly, be limited.

For more details on the presentation of financial information of the Issuer, please refer to "Note on Audited Financial Statements" on page no.18 of the PPM.

Credit Risk

13. The credit rating assigned to Bonds may be downgraded may adversely affect the value of Bonds and thus our ability to raise further debts.

The Bonds have been rated Provisional CARE AA/Stable by CARE Ratings Limited *vide* its letter dated November 04, 2025 and revalidated vide letter dated December 06, 2025 and a rating rationale dated November 06, 2025. The above-mentioned credit ratings may not reflect the potential impact of any future uncertainties related to structure, market and/or other factors that may affect the value of the Bonds.

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 rating of instruments will result in an enhanced risk to the Bondholders.

Further, in terms of the rating rationale issued by CARE Ratings Limited on November 6, 2025, the outlook has been kept as 'Stable', considering the structured payment mechanism, stipulated reserves/accounts to be maintained in the form of debt service reserve account (DSRA), interest payment account (IPA), sinking fund account (SFA) and Project Sustainability Grant Fund (PSGF), Corporation's satisfactory financial profile with consistent growth in revenue receipts (RR) reported year-on-year, with strong collection efficiency and high own revenue share.

The Issuer cannot guarantee that the credit rating(s) of the Issuer or the Bonds will not be downgraded by the Rating Agency in future. Thus, the credit rating(s) is not a recommendation to buy, sell or hold the Bonds and

investors should take their own decisions. The ratings provided by the Rating Agency 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 rating 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. Please refer to Annexure II on page A-7 for rating letters, revalidation letters and rationales for the above ratings.

Financial Risk including Liquidity Risk

14. Collection ratios of Issuer may vary in the future that may impact the financial condition of the Issuer.

The total collection of Property Tax which is one of the main sources of revenue has increased from Rs. 410.48 Crore crores in FY 2022-2023 to Rs. 416.03 Crore crores in FY 2023-2024 to Rs. 468.38 crores in FY 2024-2025 Though the total collections have increased from the last three years, however, there can be no assurance that the total collection may not decrease in future which will have an impact on the financial condition of the Issuer. The portion of property tax due but not collected is shown as receivables in our financial statements. While the Issuer takes certain measures, from time to time, to collect such arrears, there can be no guarantee for timely collection of such arrears.

Any shortage in collections in any period may result in a mismatch in revenue and expenditure of the Issuer and the funds may be inadequate for transfer to the Escrow Account. For further details please refer to the "Details of Property Tax collection" of Section X: Financial Information on page no. 99 of this Preliminary Placement Memorandum.

The obligations towards Bonds are covered through the Structured Payment Mechanism whereby any shortfall towards payments to be made in respect of the Bonds will be transferred from the Project Sustainability Grant Fund, in terms of the Transaction Documents.

15. The Bonds are unsecured and the Issuer's ability to pay Coupon and redeem principal in accordance with the terms of the Issue is subject to various factors affecting the Issuer's financial condition. Any adverse change in these factors may have an adverse impact on the 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 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 Property Tax –Revenue Fund gets collected and/ or pooled by the Issuer shall be transferred to the Escrow Account for debt servicing on daily basis.

The Issuer's ability to timely pay interest accrued on the 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-time recovery of Property tax collections 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. The Bonds are not "secured debt securities" for the purposes of the SEBI (ILMDS) Regulations, 2015 and corresponding provisions of Applicable Law. The amounts payable towards the principal amount of the NCDs together with all the interest/coupon due and payable on the NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof shall be secured by way of creating lien over such security as mentioned in Term sheet on page no. 137 of this PPM. As the Bonds are unsecured in nature, the potential investor may not be able to recover on a timely basis or at all, the full value of the outstanding amounts and/ or the interest accrued thereon in connection with the Bonds.

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 as per the terms of the

Transaction Documents and in accordance with the Applicable Law. The obligations towards Bonds are covered through the Structured Payment Mechanism whereby any shortfall towards payments to be made in respect of the Bonds will be transferred from the Project Sustainability Grant Fund, in terms of the Transaction Documents. 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

16. 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.

17. 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 trademark 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 business, 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. To the best of our knowledge, there are currently no such claims, and our use of the trademark has not infringed upon any existing intellectual property rights and such usage is not in conflict with, or in violation of any Applicable Law or any binding contractual or fiduciary obligation. However, any legal proceedings that result in a finding that 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 make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

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.

Further if the third parties upon which the Issuer relies on cannot expand system capacity to handle increased demand, or if any of their systems otherwise fail to perform or experience interruptions, malfunctions, disruptions in service, slower response times or delays, then we could incur reputational damage, regulatory sanctions, litigation and loss of trading, any of which could materially adversely affect the Issuer's financial condition. While the Issuer ensures sufficient measures are undertaken and clauses are built in the agreements with the contractors / service providers/ third parties to prevent such risks, these measures may not be sufficient to deter such activities in all cases, which may adversely affect our operations and profitability

19. 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 has replaced some of the existing labour laws 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. Any measures taken by the Government of India and Government of Tamil Nadu may impact the movement and activities of contract labour will have a negative impact on the activities of execution agencies such as civil contractors and other vendors that have been engaged by the Issuer. Further, the Issuer may be held responsible for any payment of wages/ compensation for any accidents or losses relating to such contracted labourers in certain cases even though such labourers are not directly engaged by the Issuer. Such an event may have an adverse impact on the Issuer's financial position and operations due to future events, unforeseen circumstances or reasons beyond the control of the Issuer.

20. 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 Preliminary Placement Memorandum, there are a number of ongoing civil and consumer claims against the Issuer. While for some cases, some deposits have already been done with the regulatory authorities however, there may be other cases wherein provision for contingent liabilities has not been recognized in the Issuer's financial statements. The outcomes of these cases are remote

and the financial implications are not ascertainable. In the event, any of these contingent liabilities materalise, the Issuer's financial condition may be adversely affected. For details of non-payment of statutory dues of the Issuer, please refer to paragraph H "*Details of non-payment of statutory dues, if any*" of *Section XI: Legal and Other Information* beginning on page no. 105 of this Preliminary Placement Memorandum.

21. 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 turn out to be insufficient to prevent or deter such activities in all cases or due to future events, unforeseen circumstances or reasons beyond the control of the Issuer, 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.

22. The Issuer has instances of delayed payment/ non-payment of statutory dues, which may attract additional charges and affect the Issuer's financial condition.

The Issuer has instances of delayed payment/ non-payment of statutory liabilities like Tax-Deducted at Source, etc. For details of non-payment of statutory dues of the Issuer, please refer to paragraph I of "Details of non-payment of statutory dues" of Section XI: Legal and Other Information on page no.133 of this Preliminary Placement Memorandum. Such instances may attract additional charges towards penalty, late payment fees, late filing fees, interest payments as per applicable provisions and may affect the Issuer's financial condition.

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 Projects and other projects undertaken by the Issuer. The payment of interest and principal to the Bonds holders are backed by structured payment mechanism. For further details, please refer to Structured Payment Mechanism on page 144 of this PPM.

25. Any future changes inGovernment 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 or future events, unforeseen circumstances or reasons beyond the control of the Issuer mayaffect the Issuer's projects and operations. Periodic elections and/ or rotation of the Commissioner and other officers can result in changes in policy focus for the municipal corporation, which can affect the distribution of resources devoted to both operating services and capital project.

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 and the terms and conditions of the Bonds are 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 profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise. No assurance can be given as to the impact of any possible judicial decision or change to Indian law or administrative practice after the date of issue of the Bonds and any such change could materially and adversely impact the value of any Bonds affected by it.

27. 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 due to which the liquidity and market prices of the Bonds may be adversely affected.

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, (iv) general economic conditions, and (v) 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 Green Bonds and/or be relatively illiquid. Potential investors may have to hold the Bond until redemption to realise any value.

28. 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 titled "*Tax Benefits*" on page no. 67 of this PPM.

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.

29. 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 CCMC due to additional cost burden for retrieving the city back to normalcy.

30. Decentralization with respect to Municipal Corporations.

CCMC 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 CCMC (positive and negative), should those changes result in devolution of power, of revenues or of spending mandates.

Additionally, being a government organization, CCMC 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 CCMC.

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

In case the Issue is not fully subscribed to by potential investors, the Issuer may be unable to meet the funding requirements of the 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 Projects for which funds are proposed to be mobilised) of Section VI *About the Issuer and Capital Structure of the Issuer* on page no. 54 of this Preliminary Placement Memorandum.

32. There may be a delay in making refunds to applicants.

The Issuer is obligated to ensure refund of application money to applicants in case of any failure in obtaining listing or trading permission of NCDs within seven days of receipt of intimation from the Stock Exchange.

However, in case of delay in refund the Issuer will be liable to repay the entire monies, with interest at the rate of 15% (fifteen percent) per annum till such refund is made as per provisions of the SEBI Municipal Debt Regulations.

Risk in relation to the Bonds

33. 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 Exchange. There is no assurance that the Bonds issued pursuant to the Issue shall be listed on the Stock Exchange in a timely manner, or at all. However, in case of delay in listing of the Debentures beyond 3 (Three) working days from the Issue Closing Date, the Issuer shall pay penal interest of at least 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) as specified in Chapter VII of the SEBI Master Circular.

Further, in accordance with the SEBI Municipal Debt Regulations, in case the Issuer fails to obtain listing or trading permission from the Stock Exchange, it shall refund the entire monies received within seven days of receipt of intimation from the Stock Exchange 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.

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

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

35. 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 or no allotment at all in case of oversubscription of the Issue, depending on their bids on the EBP Platform, in accordance with SEBI EBP Guidelines.

36. The Issuer, post listing of the Bonds shall be subject to continuous listing compliances with applicable rules and regulations with respect to such listed non-convertible debentures.

The Bonds are proposed to be listed on the NSE. 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.

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

SECTION-V: GENERAL INFORMATION

A. Details of the Issuer

i) Name of the Issuer: Coimbatore City Municipal Corporation

ii) Head Office of the Issuer:
1, Corporation Building, Big Bazaar Street, Town Hall,
Coimbatore, Tamil Nadu, 641001
Ph: 0422 2390261-62-63/ 0422-2393524
Email id: ccmcmunibonds@gmail.com
Website: www.ccmc.gov.in

iii) *Other Offices of the Issuer:

Zonal Offices:

a) **WEST ZONE OFFICE**
West Zone, Ramachandra Road,
R.S. Puram, Coimbatore – 641002

b) **CENTRAL ZONE OFFICE**
Central Zone, Hosur Road,
Coimbatore - 641018

c) **EAST ZONE OFFICE**
East Zone, Trichy Road,
Singanallur, Coimbatore -641005

d) SOUTH ZONE OFFICE
South Zone, Palakkad Main
Road, Kuniyamuthur (POST)
Coimbatore - 641008

e) NORTH ZONE
North Zone, R.T.O. Office
Road, Gandhipuram,
Coimbatore - 641037

* The addresses for the zonal offices of the Issuer have been certified by the Municipal Commissioner vide its letter dated December 11, 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.	Particulars	Designation	Date of Appointment
1.	Mrs. K. Ranganayaki	Mayor	August 06, 2024
2.	Mr. R. Vetri Selvan	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.	Municipal Commissioner	M Sivaguruprabakaran (I.A.S)	October 19, 2023
2.	Deputy Commissioner	T.Kumaresan	January 06, 2025
3.	Deputy Commissioner	A. Sulthana	January 06, 2025

Sl. No.	Designation	Name of the Officer	Date of Appointment for the Designation*
4.	Assistant Commissioner (Accounts)	Y. Usha Rani	February 28, 2024
5.	Assistant Commissioner (Personnel)	Y. Usha Rani	November 03, 2025
6.	Assistant Commissioner (Revenue)	M.M. Kanagaraj	October 31, 2025
7.	Assistant Commissioner (East Zone)	S. Ramkumar	October 11, 2025
8.	Assistant Commissioner (West Zone)	T.S. Duraimurugan	September 23, 2024
9.	Assistant Commissioner (South Zone)	N. Dakshanamoorthy	September 24, 2025
10.	Assistant Commissioner (North Zone)	M.M. Kanagaraj	October 31, 2025
11.	Assistant Commissioner (Central Zone)	Selvi. V. Nithya	September 25, 2025

**Date of taking the charge at the designation*

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

The Issuer has 7 Standing Committees and a Bond Issue Committee.

Details of the Standing Committees are given below:

Standing Committee

The Standing Committees comprises of members appointed by the Council from amongst themselves at its after the general elections. Presently the Issuer has the following 7 (seven) Standing Committees:

- **Wards Committee**

  The wards Committee sanctions the estimate and plan for Municipal Works to be carried out within the jurisdiction of the Wards Committee, scrutinizes the monthly statement of progress report in the collection of revenue in wards committee office and the statement of progress of works and statement of details of expenditure on the funds allocated to the wards committee office etc.

Name and Designation	Zone	Date of Appointment /Resignation^	Chairperson of the Committee since (in case of resignation)	Remarks
Chairperson				
Lakshmi Izhamselvi Karthik. D	East	May 26, 2022	-	-
K.A Deivayanai	West	May 26, 2022	-	-
V. Kathirvel	North	May 26, 2022	-	-
R. Dhanalakshmi	South	May 26, 2022	-	-
L. Meena Logu	Central	May 26, 2022	-	-

^ Date on which the respective individual became a member of the committee.

- **Appointment Committee**

  The Appointment Committee performs key functions such as selecting qualified candidates for regular municipal vacancies through direct recruitment, deciding with the required quorum, and excluding temporary or otherwise ineligible posts.

Name and Designation	Date of Appointment /Resignation^	Member of the Committee since (in case of resignation)	Remarks
Members			
M. Rajendran	May 26, 2022	-	-

^ Date on which the respective individual became a member of the committee

- **Accounts Committee**

  The Accounts Committee carries out important duties such as verifying corporation budget accounts, considering audit notes and municipal revenues, and reviewing accounts from central committees, censorship, audit centers, and divisional auctions.

Name and Designation	Date of Appointment /Resignation*	Member of the Committee since (in case of resignation)	Remarks
Chairman			
M. Deepa Thalapathi Ilango	May 26, 2022	-	-
Members			
P. Tamizselvan	May 26, 2022	-	-
R. Parthiban	May 26, 2022	-	-
A. Krishnamoorthy	May 26, 2022	-	-
D. Aadhi Maheswari	May 26, 2022	-	-
S. Jayapradha Devi Srinivasan	May 26, 2022		
B. Muniammal	May 26, 2022	-	-
S. Rajalakshmi	May 26, 2022	-	-
V. Suma	May 26, 2022	-	-

* Date on which the respective individual became a member of the committee

- **Education Parks and Playgrounds Committee**

The Education Committee carries out important duties such as overseeing teaching activities, managing building and renovation of school buildings, and handling playground development works.

Name and Designation	Date of Appointment /Resignation*	Member of the Committee since (in case of resignation)	Remarks
Chairman			
N. Malathi	May 26, 2022	-	-
Members			
A. Pushpamani	May 26, 2022	-	-
M. Govindaraj	May 26, 2022	-	-
M. Koval Babu Selvakumar	May 26, 2022	-	-
k. Ranganayaki	May 26, 2022	-	-
K. Shanthi	May 26, 2022	-	-
R. Gayathri	May 26, 2022	-	-
B. Rajkumar	May 26, 2022	-	-
E. Ahamed Kabeer	May 26, 2022	-	-

* Date on which the respective individual became a member of the committee

- **Health Committee**

The Health Committee carries out important duties such as managing public health initiatives, overseeing mother and child welfare, Indian Family Welfare Program, malaria eradication, laboratory services, solid waste management, and drug purchases, along with building and renovation of hospital buildings

Name and Designation	Date of Appointment /Resignation^	Member of the Committee since (in case of resignation)	Remarks
Chairman			
P. Mariselvan	May 26, 2022	-	-
Members			
K. Manian	May 26, 2022	-	-
N. Sampath	May 26, 2022	-	-
K. Kumudham	May 26, 2022	-	-
M. Amsaveni	May 26, 2022	-	-
M. Sumithra	May 26, 2022	-	-
Kamalavathi Bose	May 26, 2022	-	-
P. Vasanthamani	May 26, 2022		
M. Aslam Basha	May 26, 2022		

^ Date on which the respective individual became a member of the committee

- **Town Planning and Development Committee**

The Town Planning Committee carries out important duties such as handling town planning and development, along with managing change of land rights.

Name and Designation	Date of Appointment /Resignation^	Member of the Committee since (in case of resignation)	Remarks
Chairman			
T. Santhosh	May 26, 2022	-	-
Members			
S. Kavitha	May 26, 2022	-	-
K. Vijayakumar	May 26, 2022	-	-
P.V. Subashree	May 26, 2022	-	-
S. Poongodi Somasundaram	May 26, 2022	-	-
Ambika Dhanapal	May 26, 2022	-	-
S. Saranya	May 26, 2022	-	-
Prabha Ravindran	May 26, 2022	-	-
E. Annakkodi	May 26, 2022	-	-
K. Selvaraj	May 26, 2022	-	-
S. Sivasakthi	May 26, 2022	-	-
M. Manoharan	May 26, 2022	-	-
P. Babu	May 26, 2022	-	-
R. Udhayakumar	May 26, 2022	-	-
R. Karthikeyan	May 26, 2022	-	-

^ Date on which the respective individual became a member of the committee

- **Taxation and Finance Committee**

The Taxation and Finance Committee carries out important duties such as determining property, business tax, and other taxes, while considering financial control and budget proposals.

Name and Designation	Date of Appointment /Resignation^	Member of the Committee since (in case of resignation)	Remarks
Chairman			
V.B. Mubashira	May 26, 2022	-	-
Members			
P. Palanisamy @ Siravai Siva	May 26, 2022	-	-
V. Ramamoorthy	May 26, 2022		-
T. Santhamani	May 26, 2022	-	-
A. Mariaraj	May 26, 2022	-	-
Vairamurugan (alias) R. Murugan	May 26, 2022	-	-
B. Lakshmi	May 26, 2022	-	-
A. Padmavathy	May 26, 2022	-	-
S. Baghyam	May 26, 2022	-	-
M. Krishnmoorthy	May 26, 2022		
R. Vidhya	May 26, 2022	-	-
Sharmila Suresh Narayanan	May 26, 2022		-
S. Angulakshmi	May 26, 2022	-	-
P. Senthilkumar	May 26, 2022	-	-
P. Elansekharan	May 26, 2022	-	-

^ Date on which the respective individual became a member of the committee

- **Taxation Appeals Committee**

The Tax Appeals Committee performs key functions such as hearing and resolving tax assessment appeals, conducting its proceedings as per government-framed rules, ensuring appellants deposit the assessed tax before an appeal is entertained, handling transferred matters from earlier tribunals, issuing or continuing interim orders, enabling further appeals to the Principal District Judge, and managing adjustments of excess tax deposits.

Name and Designation	Date of Appointment /Resignation^	Member of the Committee since (in case of resignation)	Remarks
Members			
Tmt. R. Karpagam	July 27, 2023	-	-
Tmt. K. Kumudham	July 27, 2023	-	-
Thiru. P.S. Saravanakumar	July 27, 2023	-	-
Tmt. K. Shanthi	July 27, 2023	-	-
Tmt. V. Suma	July 27, 2023	-	-
Tmt. M. Sumithra	July 27, 2023	-	-
Tmt. Baby Sutha	July 27, 2023	-	-
Thiru. S. Ponnusamy	July 27, 2023	-	-
Thiru. P. Rajkumar	July 27, 2023	-	-

^ Date on which the respective individual became a member of the committee

- **Works Committee**

The Works Committee carries out important duties such as constructing and maintaining roads and parks, managing wastewater canals, overseeing vehicle purchases and repairs, street lights, roundanas, rainwater drainage, silting works, drinking water supply, and drain water disposal.

Name and Designation	Date of Appointment /Resignation^	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Shanthi Murugan	May 26, 2022	-	-
Members			
R. Karpagam	May 26, 2022	-	-
R. Kathirvelusamy	May 26, 2022	-	-
S. Ponnusamy	May 26, 2022	-	-
P. Saraswathi	May 26, 2022	-	-
T. Chitra	May 26, 2022	-	-
R. Boopathy	May 26, 2022	-	-
Thavamani Palaniappan	May 26, 2022	-	-
M.K. Pravinraj	May 26, 2022	-	-
C. Geetha	May 26, 2022	-	-
P. Santhamani	May 26, 2022	-	-
M. Siva	May 26, 2022	-	-
Rajeswari Mehenathan	May 26, 2022	-	-
A.S. Shankar	May 26, 2022	-	-
P. Gunasekrana	May 26, 2022	-	-

^ Date on which the respective individual became a member of the committee

Bond Issue Committee

The Issuer has formed the Bond Issue Committee vide Council Resolution No. 328 dated July 26, 2024. As per Letter of Commissioner dated December 11, 2025, the Bond Issue Committee currently consists of the following members:

Name and Designation	Date of Appointment/ Resignation^	Member of the Committee since (in case of resignation)	Remarks
Chairman			
Thiru. M Sivaguruprabakaran (I.A.S) **Municipal Commissioner**	July 26, 2024	-	-
Members			
T. Kumaresan **Deputy Commissioner**	January 06, 2025	-	-
Tmt. A. Sulthana **Deputy Commissioner**	January 06, 2025	-	-
Tmt. Y. Usha Rani **Assistant Commissioner (Accounts)**	July 26, 2024	-	-
T. Vijayakumar **Chief Engineer**	April 23, 2025	-	-

^ Date on which the respective individual became or ceased to be a member of the committee

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

Tmt. Y. Usha Rani
Assistant Commissioner (Accounts)
1, Corporation Building, Big Bazaar Street,
Town Hall, Coimbatore, Tamil Nadu, 641001
Ph. No.: 04222390261-62-63; 0422-2393524
Email: Cmcaccac@gmail.com
Email (Investor Grievance): ccmcmunibonds@gmail.com

The responsibility of Tmt. Y. Usha Rani as Compliance Officer and in-charge of investor grievances shall be till she has her designation as Assistant Commissioner (Accounts), *in CCMC and in case of her transfer/retirement/recuse, CCMC shall immediately handover the responsibility of Compliance Officer and in-charge of investor grievances to any other official of the same cadre holding his post.*

H. Arranger

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

A. K. CAPITAL SERVICES LIMITED,
603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz-(East), Mumbai- 400 098.
Tel: 022-67546500;
Fax: 022-66100594
Email: ccmcmunibonds@akgroup.co.in; vaibhav.jain@akgroup.co.in
Investor Grievance E-mail: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Vaibhav Jain
Compliance Officer: Subodh More
Tel (Compliance Officer): 022-6754 4776
Email (Compliance Officer): subodh.more@akgroup.co.in /compliance@akgroup.co.in
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

J. Debenture Trustee of the Issue

SBICAP Trustee Company Limited
4th Floor, Mistry Bhavan, 122,
Dinshaw Wachha Road,
Churchgate, Mumbai 400 020
Tel: +91-22-43025566
Contact Person: Mr. Ardhendu Mukhopadhyay
E-mail: corporate@sbicaptrustee.com/ dt@sbicaptrustee.com
Website: www.sbicaptrustee.com
Investor Grievance e-mail: investor.cell@sbicaptrustee.com
Compliance Officer: Mr Sandeep Poddar
Tel. (Compliance Officer): 022 4302 5517
Email (Compliance Officer): Sandeep.poddar@sbicaptrustee.com
SEBI Registration No.: IND000000536
CIN: U65991MH2005PLC158386

K. Registrar to the Issue:

KFin Technologies Limited
Selenium, Tower B, Plot No. 31 and 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana 500 032
Tel: +914067162222/7961 1000
Fax No.: +91 40 2343 1551
Email: gopalakrishna.kvs@kfintech.com
Website: www.kfintech.com
Contact Person: K V S Gopala Krishna
E-mail (Investor Grievance): einward.ris@kfintech.com
SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

L. Credit Rating Agency for the Issue:

CARE Ratings Limited
Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (East), Mumbai 400 022.
Tel: 022-6754 3456
Fax: 022-6754 3457
E-mail: Pankaj.Sharma@careedge.in
Website: www.careratings.com
Contact Person: Mr. Pankaj Sharma
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.

External Auditors of the Issuer:

M/s. R Aravind and Associates
No. 461, II Floor, Vivekananda Road, Near KMCH City Center,
Ram Nagar, Coimbatore – 641009
Tel: 0422-4393929

E-mail: tripletecbe@gmail.com
Contact Person: R Aravind
Firm Registration No.: 021714S
Membership Number: 228731

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	**A.K CAPITAL SERVICES LIMITED,** 603, 6th floor, Windsor, Off CST Road, Kalina, Santacruz-(East), Mumbai- 400 098. **Tel:** 022-67546500; **Fax:** 022-66100594 **Email:** ccmcmunibonds@akgroup.co.in; vaibhav.jain@akgroup.co.in **Investor Grievance E-mail:** investor.grievance@akgroup.co.in **Website:** www.akgroup.co.in **Contact Person:** Vaibhav Jain **Compliance Officer:** Subodh More **Tel (Compliance Officer):** 022-6754 4776 **Email (Compliance Officer):** subodh.more@akgroup.co.in /compliance@akgroup.co.in **SEBI Registration No.:** INM000010411 **CIN:** L74899MH1993PLC274881
Registrar to the Issue	**KFin Technologies Limited** Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana 500 032 **Tel:** +914067162222/7961 1000 **Fax No.:** +91 40 2343 1551 **Email:** gopalakrishna.kvs@kfintech.com **Website:** www.kfintech.com **Contact Person:** KVS Gopala Krishna **E-mail (Investor Grievance):** einward.ris@kfintech.com **SEBI Registration No.:** INR000000221 **CIN:** L72400TG2017PLC117649
Banker to the Issue	**HDFC Bank Limited** **Address:** HDFC Bank Limited, FIG- OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East) Mumbai- 400042 **Tel:** 022-30752928/2914 **Fax:** 022-25799801 **E-mail:** Siddharth.Jadhav@hdfc.bank.in, eric.bacha@hdfc.bank.in, Sachin.gawade@hdfc.bank.in **Investor Grievance e-mail:** sebicomplaints@hdfcbank.com **Website:** www.hdfc.bank.in **Contact Person:** Siddharth Jadhav, Eric Bacha, Sachin Ramesh Gawade **Email (Compliance Officer):** sebicomplaints@hdfcbank.com **SEBI Registration Number:** INIB00000063 **CIN:** L65920MH1994PLC080618
Escrow Bank	**HDFC Bank Limited** **Address:** 1635, Classic Towers, Trichy Road, Coimbatore-641018 **Tel: 9344012524** **E-mail:** Shunmugasundaram.murugan@hdfc.bank.in **Contact Person:** M.Shunmuga Sundaram

	Website: www.hdfcbank.com 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

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	**MV Kini, Law Firm** Kini House, 6/39, Jangpura B New Delhi-110014 Ph: +91 11 2437 10 39/40 Facsimile: +91 11 24379484 E-mail:corporatedelhi@mvkini.com
Underwriter to the Issuer	Not Applicable as the Issue is on a private placement basis.
Bankers to the Issuer*	Not Applicable

** As on September 30, 2025, the Issuer has no outstanding loans from a bank. For details of outstanding borrowings, please refer to the Financial Information chapter beginning 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, CCMC has appointed SBICAP Trustee Company Limited to act as Debenture Trustee ("**Debenture Trustee**") for and on behalf of the holder(s) of the Bonds.

A copy of letter from SBICAP Trustee Company 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**.

CCMC hereby undertakes that the rights of the Bondholders will be protected as per the governing Act, agreement/deed executed/to be executed between CCMC 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 CCMC 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 CCMC 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 21 days of its receipt in such manner as may be specified by SEBI. All grievances related to the issue may be addressed to the Compliance Officer at head office of the Issuer or emailed to ccmcmunibonds@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, non-receipt of refund order(s), 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 Chapter on *General Information* at page no.41 in this Preliminary Placement Memorandum. The Corporation is in the process of getting itself registered with the SCORES platform of SEBI (SCORES ID: [•]) for the convenience of the investors for filing of any complaint.

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

A. About the Issuer

The Coimbatore City Municipal Corporation (CCMC) is the urban local body of Coimbatore city. Presently, K. Ranganayaki is the Mayor and Thiru. Sivaguru Prabakaran, I.A.S., is the Municipal Commissioner of Coimbatore City Municipal Corporation.

Coimbatore serves as a key economic hub and a vital centre for textile and automotive industries, making it strategically important to the state. CCMC is the second-largest municipal corporation in Tamil Nadu and plays a significant role in the state's economy. CCMC's economic base is diverse and driven by textiles, manufacturing, IT, and trade.

a. About Coimbatore

Coimbatore is one of the most industrialized cities in the State of Tamil Nadu. The city is situated on the banks of the river Noyyal, The rich black soil in the región has contributed to Coimbatore's flourishing agriculture industry and successful growth of cotton that served as a foundation for the establishment of its famous textile industry. Coimbatore is also famous for foundry and automobile industries, manufacturing of textile industry equipment's, spares, motor pump sets, wet grinders and varied engineering goods and services. The development of Hydro electricity from the Pykara Falls in the 1930 led to a cotton boom in Coimbatore. Coimbatore serves as an entry and exit point to neighboring Kerala State and the very popular hill station of Udhagamandalam (Ooty) is 70 kms from Coimbatore.

b. Constitution of the Issuer

The Coimbatore City Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Coimbatore City Municipal Corporation Act, 1981, ("CCMC Act") then applicable act in Coimbatore City vide Gazette dated April 30, 1981. The CCMC Act has been repealed vide section 200 of the TNULB Act and as per Section 4 of the TNULB Act, the Corporation shall be deemed to be constituted and incorporated under the TNULB Act of 1998.

The Issuer, being a corporation established under the CCMC Act (now TNULB 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 Act, the Corporation consists of councilors chosen by direct election and the term of the office of the councilor shall be five years. The term of the councilors 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 councilors. The term of both the Mayor and deputy Mayor shall be of five years. The Corporation can appoint a special committee out of its own body to carry out specific works assigned to it. The Municipal Commissioner is to be appointed by the State Government.

d. **Elected representatives in CCMC**

CCMC area is divided into five zones (North, South, Central, East and West) for administrative purposes. The political wing is an elected body of Municipal Councilors headed by a Mayor. Coimbatore has 100 election wards. Each election ward is represented by 1(one) councilor. Thus, the total number of Municipal Councilors is 100. The general election is held once in five years. The Council shall at its first meeting after each ordinary election, elect one of its councilors to be the Mayor and the term of the office of Mayor is of five years. The Deputy Mayor shall be elected by the councilors from among themselves and the term of office of the Deputy Mayor shall be five years.

e. **Administrative Cadre in CCMC**

The Administrative wing of the CCMC works under the command of the Commissioner who heads a team of officials comprising of Deputy Municipal Commissioners, Assistant Municipal Commissioners and other officials who administer their respective domains. The Administrative wing is responsible for 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**

The Corporation undertakes several works as provided in the TNULB 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;

(iv) maintenance of sewerage, 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 taxies and auto rickshaws;

(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 of private land

(xxiii) civil 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.

g. **Achievements**

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

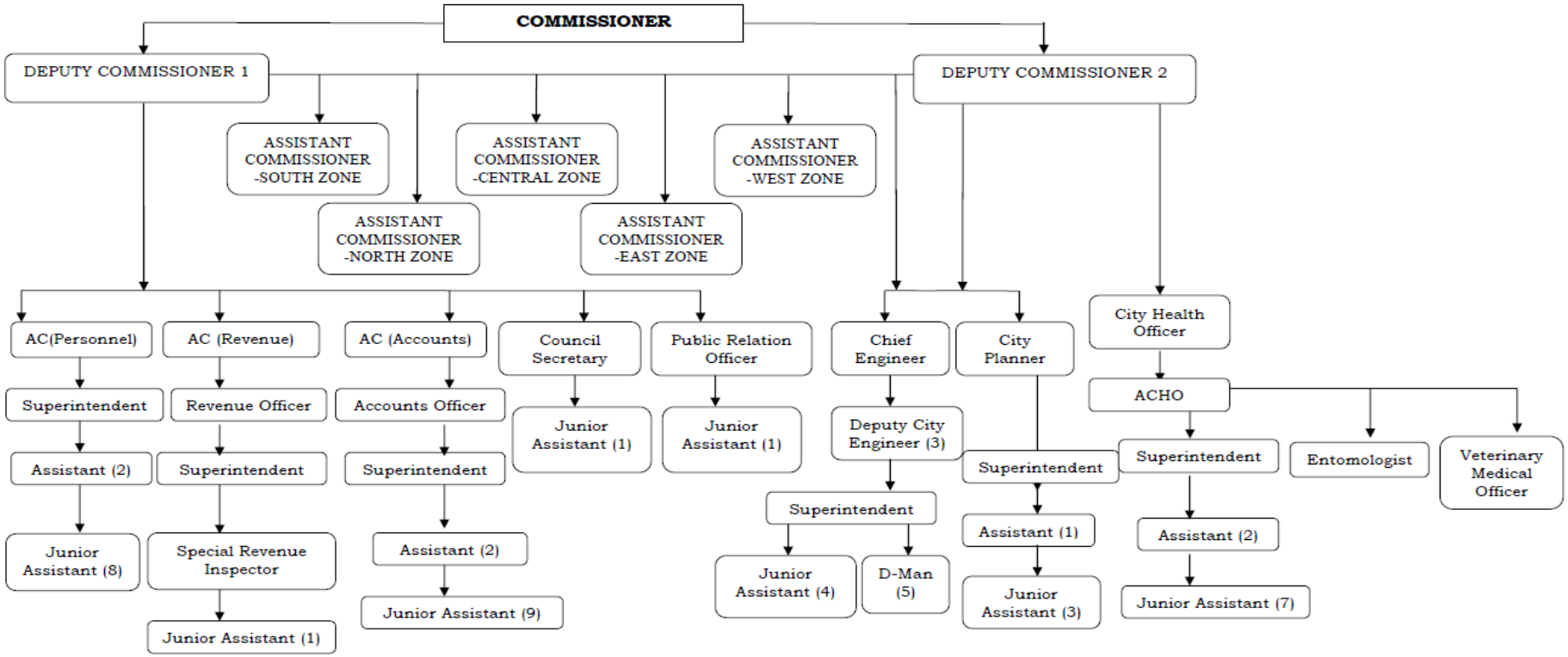
Sr. No.	Name of Award / Appreciation	Purpose Achievement	Year	Name of Institution
1.	8th National Digital Transformation Awards	Award of Excellence	2022	Department of Information Technology, Government of Assam.
2.	Clean City Award	Pioneer in fixing QR Code at community toilet/ public toilets	2022	Municipal Administration and Water Supply Department, Ministry of Housing and Urban Affairs, Government of India
3.	GovConnect 8th Digital Transformation Conclave	E Governance Initiative of the year for their project "Coimbatore 24X7 Water Supply Project"	2022	GovConnect
4.	Geosmart India Excellence Award	Geospatial for Utilities	2022	Geo Smart India
5.	Digital India Awards	Silver Award in "Most Innovative Citizen Engagement" Category	2016	Ministry of Electronics and Information Technology
6.	Guinness World Records	Largest Recycling Lesson organized by CCMC	2015	Guinness World Records Limited
7.	8th Urban Mobility India Conference cum Expo	Best NMT Project for their project "Coimbatore Car-Free Sunday"	2015	Ministry of Urban Development, Government of India

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

The Issuer is a Municipal Corporation and as per TNULB Act, constituted under Article 243Q (1)(c) of the Constitution of India, 1949 and there is no equity 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:



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E. 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.

F. Resolution authorizing the borrowing and list of authorized signatories.

Approvals for the Issue	
1.	Council Resolution No. 328 dated July 26, 2024 for in-principle approval for the issuance of municipal Bonds, formation of Bond Issue Committee and authorizing the Bond Issue Committee to do all acts of the Issue.
2.	Municipal Administration and Water Supply (MC.4) Department, Government of Tamil Nadu vide its order no. 222, dated August 26, 2025 had approved the bond issuance by Issuer for issuing Taxable Bonds in the nature of debenture up to Rs. 150.85 crores under Section 66 of Tamil Nadu Urban Local Bodies Act, 1998
3.	Council Resolution No. 527 dated August 29, 2025 for approving the issue size and the project for the issue.
4.	Letter of the Municipal Commissioner dated December 11, 2025 confirming the members of Bond Issue Committee.
5.	Resolution of the Bond Issue Committee dated December 11, 2025 approving the Objects of the Issue.
6.	Resolution of the Bond Issue Committee dated December 11, 2025 approving the issuance of Bonds and Term Sheet.
7.	Resolution of the Bond Issue Committee dated December 11, 2025 approving this Preliminary 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 CCMC Act (now TNULB Act) and hence does not have any Memorandum and Articles of Association.

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

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

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

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

1) Providing UGSS for omitted areas within the commanding area of Ondipudur STP at Ganapathi, Gandhima nagar and Vilangurichi Road.

The project involves providing underground sewerage scheme ("UGSS") for omitted streets/areas within commanding area of Ondipudur STP. The project involves laying of collection system including the housing service connections, constructions of pumping stations and machine hole lift stations to collect and pump the sewerage via pumping main to a down stream pumping station and for onward disposal into the Sewerage Treatment placement for treatment.

2) Improving & Revamping the Existing / Proposed Water Supply Distribution System with Continuous Pressurized Supply to Coimbatore Corporation

The project involves improving and revamping the existing water supply distribution net work with assured storage facilities for uninterrupted 24 X 7 water supply facility to the entire Corporation area ,to design,

operation, maintenance of uninterrupted 24 X 7 water supply facility to demo zones I & II in Coimbatore Corporation and to Design of Two Tunnels having capacity of 265 MLD for Raw Water and 250 MLD for Clear Water, The objectives of this project involves i) Implementing good engineering practices to upgrade existing network including replacement of old worn out pipes, ii) Providing consumers with an 24 X 7 un-interrupted water supply at desired pressure iii) 100% metering with good quality meters having long life spans, iv) To introduce continuous, pressurized and improved water supply services in the Demonstration Zones for a period of 5 years v) To provide efficient and effective metered, measured and monitored water services ensuring equity and cost recovery at the tariff levels fixed by Coimbatore City Municipal Corporation from time to time.

3) Water Supply Improvement Scheme to expanded areas of Coimbatore Corporation including newly added areas with River Bhavani as Source (Pillur III)

Among the 100 Wards in the Expanded Coimbatore Corporation, 40 Wards are located in the newly merged areas. Since these added areas were originally Municipalities / Town Panchayats/ Village Panchayat the existing per capita supply is less than 135 LPCD as required for Corporation Status, subsequently which requires additional quantity of water. This proposal is to provide the additional requirement of water from River Bhavani. The implementation of water supply scheme is to achieve effective drawal, treatment and conveyance of water to the upgraded storage and distribution system of the Corporation. The project includes construction and commissioning of full scale water treatment plant, construction of clear water tunnel, construction of staff quarters, security room, compound wall, drains, roads, street lighting and landscaping.

4) Providing Under Ground Sewerage Scheme to 4 Added Areas

At present there is underground sewerage system in the newly added areas of the Corporation and the untreated, waste water of the town pollutes the land, air and ground water in the village areas outside the town limits. The present project is provide underground sewerage system in Vadavalli Veerakeralam Kavundampalyam and Thudiyalur areas of the Corporation. The proposed underground sewerage system comprises of the following components: (a) Sewage Collection System (pipelines & appurtenances); (b) Sewage Pump/ Lift Stations; and (c) Sewage treatment plant. The objective of treatment of sewage through a combination of physical, chemical and/or biological processes is to stabilize decomposable organic matter and remove other harmful contaminants prior to discharge onto a land or waterway or waterbody. The positive impacts of underground sewerage system will be: improvement of sanitation conditions of the town, improvement of health conditions due to better sanitation facilities and improved environmental aesthetics of the town.

5) Providing Under Ground Sewerage Scheme to 3 Added Areas

At present there is underground sewerage system in the newly added areas of the Corporation and the untreated, waste water of the town pollutes the land, air and ground water in the village areas outside the town limits. The present project is provide underground sewerage system in wards 26 to 29 & 42 and parts of wards 1 & 43 of the Corporation. The proposed underground sewerage system comprises of the following components: (a) Sewage Collection System (pipelines & appurtenances); (b) Sewage Pump/ Lift Stations; and (c) Sewage treatment plant. The objective of treatment of sewage through a combination of physical, chemical and/or biological processes is to stabilize decomposable organic matter and remove other harmful contaminants prior to discharge onto a land or waterway or waterbody. The positive impacts of underground sewerage system will be: improvement of sanitation conditions of the town, improvement of health conditions due to better sanitation facilities and improved environmental aesthetics of the town.

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

(Rs. in Crores)

S. No.	Project Name	Project Cost		Project Cost share						
		Approved	Awarded	GoI	GoTN	Loans	Other Grants	Concessionaire	ULB	Total
1.	AMRUT 2.O-Providing UGSS for omitted areas within the commanding area of Ondipudur STP at Ganapathi, Gandhima nagar and Vilangurichi Road	185.00	185.00	44.32	53.19	43.75**	43.74*	-	Nil	185.00
2.	AMRUT -Improving & Revamping the Existing / Proposed Water Supply Distribution System with Continuous Pressurized Supply to Coimbatore Corporation	556.57	646.71	166.99#	168.01##	-		129.34	182.37	646.71
3.	Water Supply Improvement Scheme to expanded areas of Coimbatore Corporation including newly added areas with River Bhavani as Source (Pillur III)	779.86	779.86	214.27	129.86	361.71	-	-	74.02	779.86
4.	Providing Under Ground Sewerage Scheme to 4 Added Areas	922.16	922.16	-	-	184.40	645.54	-	92.22	922.16^^
5.	Providing Under Ground Sewerage Scheme to 3 Added Areas	318.90	318.90	69.76	83.72$	82.71$$	82.71	-	-	318.90

*Notes: *As per Government Order (Ms) No. 143, dated November 8, 2023, the Government of Tamil Nadu is contributing ₹53.19 Crore, with an additional ₹43.74 Crore sourced from KfW funding under the Sustainable Municipal Infrastructure Financing (SMIF)-TN-III initiative.*

*** According to Government Order (Ms) No. 143, dated November 8, 2023, a loan amount of ₹43.75 Crore is being provided by KfW Funding under the Sustainable Municipal Infrastructure Financing (SMIF)-TN-III initiative.*

#As per letter G.O. (Ms) No. 04 Dated 18.07.2018 the Government of India's share is 33% of ₹506.04 Crore i.e. Rs.166.99 crores

As per letter G.O. (Ms) No. 04 Dated 18.07.2018 GoTN Share 20% of Rs. 506.04 Cr i.e. 101.21 Cr. & TNIDB 13.20% of Rs. 506.04 Cr i.e. 66.80

$ As per letter G.O. (Ms) No. 46 dated 13.04.2023 Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited to sanction a loan amount of Rs. 410.61 crore (including land acquisition cost of Rs. 48.91 crore) under State Urban Infrastructure development Fund. The Coimbatore Municipal Corporation is subject to an annual interest rate of 5% on the loan, with a repayment period of ten years, contingent upon the fulfillment of the specified terms and conditions.

$ As per letter G.O. (Ms) No. 36 Dated 06.03.2024, the Government of Tamil Nadu (GoTN) contribution is ₹83.72 Crore

$$ As per letter G.O. (Ms) No. 36 Dated 06.03.2024, a loan amount of ₹82.71 Crore is being provided by KfW Funding under the Sustainable Municipal Infrastructure Financing (SMIF)-TN-III initiative.

^^As per letter G.O.(Ms) No.104 Dated: 21.07.2023, ADB – PSGF Grant – Rs.645.54 Cr TNUDF Loan – Rs.184.40 Cr ULB – Rs.92.22 Cr

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

The proceeds of the Issue are proposed to be utilized for the following Project:

Sr. No	Project Name	Utilization from Issue Proceeds (Rs. in crores)
1	Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100) ("**Project I**")	67.13
2	Establishment of Semmozhi Poonga Botanical Garden in Coimbatore ("**Project II**")	83.72
Total		**150.85**

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

- **Project I: Construction of Under Ground Sewerage Scheme to Kurichi & Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100).**

  As per Resolution of Municipal Council No. 166 dated March 28, 2025 and G.O. (Ms) No. 222 dated August 08, 2025, the Project I is to be funded as follows:

(Rs. in Crore)

S. No.	Funding Pattern	Project Cost
1	Loan from Tamil Nadu Urban Development Fund under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	106.41
2	Grant from Project Sustainability Grant Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	183.34
3	AMRUT - Government of India shares	145.86
4	AMRUT - Government of Tamil Nadu share	88.40
5	Urban Local Body share	67.13
	Total Project Cost	**591.14**

Further, the Municipal Council vide resolution no. 166 dated March 28, 2025 and the GoTN vide letter dated August 26, 2025 has approved to raise funds through Issuance of Municipal Bonds to fund the Urban Local body contribution for Project I.

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

(Rs. in Crore)

Total Project Cost*	Means of the finance of the Capital Cost				
	Loan from TNUDF under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	Grant from Project Sustainability Grant Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	AMURT – Government of India Share	AMURT – Government of Tamil Nadu Share	External Borrowing (proposed bonds)
591.14	106.41	183.34	145.86	88.40	67.13**

**The cost for the Project I is as approved by GoTN vide G.O.(Ms) No 43 dated February 28, 2019 from Municipal Administration & Water Supply (MA2) Department & approval by Bond Issue Committee vide resolution dated December 11, 2025.*

***As on date of filing of the PPM, out of the ULB share of Rs 67.13 crore for Project I, the Issuer has already incurred capital expenditure of Rs 27.99 crore & the balance is yet to be incurred. The proceeds from the Issue shall be utilized to fund the entire ULB contribution of Rs 67.13 crore i.e. for funding the balance expenditure (ULB share) for implementation of the Project I and for recoupment of the capital expenditure (ULB share) which has temporarily been incurred/funded by the Issuer from its own funds.*

The Cost of Project I is inclusive of GST and may vary during implementation. Any incremental cost shall be borne by CCMC. In case the Project I gets completed at a cost lesser than the approved project cost of Project I and some of the Issue proceeds remain unutilized post completion of the Project I, the unutilized amount shall be utilized for meeting cost of implementation of the Project II which is proposed to be funded through the Issue proceeds.

- **Project II: Establishment of Semmozhi Poonga Botanical Garden in Coimbatore:**

As per G.O. (4D) No. 16 dated June 07, 2024, the Project II is to be funded as follows:

(Rs. in Crores)

S. No.	Funding Pattern	Project Cost
1	Government of Tamil Nadu Grant	83.50
2	Urban Local Body Contribution	83.75
	Total	**167.25**

Further, the Municipal Council vide resolution no. 166 dated March 28, 2025 and the GoTN vide letter dated August 26, 2025 has approved to raise funds through Issuance of Municipal Bonds to fund the Urban Local body contribution for Project II.

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

(Rs. in Crores)

Total Project Cost Approved*	Means of the finance of the capital cost	
	Government of Tamil Nadu Grant/Internal Accruals	External Borrowing (proposed bonds)
167.25	83.53	83.72

**The cost for the Project II is as approved by GoTN vide G.O. (4D) No. 16 from Municipal Administration & Water Supply (MC4) Department dated June 07, 2024, approval by the Municipal Council vide resolution no. 166 dated March 28, 2025 & approval by Bond Issue Committee vide resolution dated December 11, 2025. The Cost of Project II is inclusive of GST and may vary during implementation. Any incremental cost shall be borne by CCMC. In case the Project II gets completed at a cost lesser than the approved project cost of Project II and some of the Issue proceeds remain unutilized post completion of the Project II, the unutilized amount shall be utilized for meeting cost of implementation of the Project I which is proposed to be funded through the Issue proceeds.*

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

1. Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100)

(Rs. in Crores)

Particulars	Grant from Project Sustainability Grant Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	AMURT – Government of India Share	AMURT – Government of Tamil Nadu Share
Capital Grant Proposed	183.34	145.86	88.40
Capital Grant Received	183.34	145.86	88.40

2. Establishment of Semmozhi Poonga Botanical Garden in Coimbatore

(Rs. in Crores)

Particulars	Grant from Government of Tamil Nadu
Capital Grant Proposed	83.50
Capital Grant Received	56.00

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

The Issuer receives finance commission grants which are not specific to the Projects.

The details of the State Finance Commission grants received by the Issuer in the last 3 (Three) Financial Years are detailed hereunder:

(Rs. in Crore)

Particulars	SFC Grant - Capital	SFC Grant - Revenue	Total SFC Grant Received
Financial Year 2024-2025	50.72	259.69	**310.41**
Financial Year 2023-2024	36.86	288.39	**325.25**
Financial Year 2022-2023	-	192.75	**192.75**

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

(Rs. in Crores)

Revenue Grants Received	Financial Year		
	2022-2023	2023-2024	2024-2025
Other Grants	5.67	10.58	3.73

(Rs. in Crores)

Revenue Grants Spent	Financial Year		
	2022-2023	2023-2024	2024-2025
Other Grants	5.67	10.58	3.73

SECTION-VII: OBJECTS OF THE ISSUE

PROJECT-I: Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100).

The details of Project I are based on the Detailed Project Report dated December 07, 2017("**DPR for Project I**") prepared by Tamil Nadu Water Supply and Drainage Board, and approval from Municipal Administration and Water Supply (MC.4) Department, Government of Tamil Nadu vide G.O.(Ms) No 111 Municipal Administration and Water Supply (MC.2) Department dated 25 October, 2017 subsequently amended vide G.O.(Ms) No. 43 dated February 28, 2019 approval of issuance of bonds by Municipal Administration and Water Supply (MA.2) Department, Government of Tamil Nadu vide G.O. (Ms) No. 222 dated August 08, 2025, Letter of Municipal Commissioner dated December 11, 2025 and resolution of Bond Issue Committee dated December 11, 2025.

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.:

Coimbatore, located in the central western part of Tamil Nadu, is second largest city in the state after Chennai. Under Project I, Coimbatore City Municipal Corporation is implementing underground sewerage system (**"UGSS"**) in 13 municipal wards located in Kurichi (94-100 wards) and Kuniamuthur (87-93 wards) areas of the corporation. Kurichi & Kuniamuthur are erstwhile municipalities added to Coimbatore City Municipal Corporation in 2011. These areas are located in the southern outskirts of the city. Kurichi is an industrial cluster, with two industrial estates & Kuniamuthur is one of the busiest markets in the city. Both Kurichi & Kuniamuthur areas have a predominantly plain terrain interspersed by Noyyal river and numerous other water bodies.

The Project I consists development of the following components:

S. No.	Activity Description
1	Collection System
2	Pumping Stations, Lift Stations and Pumpsets
3	Pumping Mains
4	Sewage Treatment Plant
5	Effluent disposal arrangements
6	Odour Control Devices
7	House Service Connections from Manhole to the Property Boundary assuming a length of 6 m per connection
8	House Service Connections within the Property Boundary assuming a length of 6 m per connection
9	Inspection Chambers for House service Connections within the Property assuming 2 Nos. of chambers per connection
10	Road Restoration for House Service Connections
11	Road Restoration for collection system
12	Procurement of maintenance equipment with vehicle

The proposed Project I components are located within the urban area of Kurichi & Kuniamuthur, except the Sewage Treatment Plant (STP), of capacity 30.53 MLD at Vellore, which is located 2 km away from the project area into a large compound of solid waste management facility which is vacant & away from habitations. Sewers are being developed under public roads, pumping stations are located on small government vacant land parcels in the project area. The treated effluents shall be disposed in the Noyyal Rivers which is about 4 Km from the STP site. Further, the UGSS is designed as a separate underground system catering only domestic wastewater; storm run-off generated during rains will be carried by existing open drains and disposed into natural streams/water bodies. Industrial wastewater will not be disposed into sewers. The UGSS is designed considering 115 litres of sewage per capita per day, based on sewage generation rate of 80% of water supply. To the extent possible, it is designed with gravity flow as far as possible & wherever required sewage lifting & pumping stations are implemented to optimize transfer of sewage from collection to inlet at the STP.

The sewerage system performs a crucial function of safely collecting, transporting, treating and disposing domestic wastewater, including, human excreta. This Project I is likely to have numerous positive impacts on the environment and public health.

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

Location	Kuniamuthur (87-93 wards) and Kurichi (94-100 wards) areas of Coimbatore City Municipal Corporation.
Plant & Machinery/ Components	**Following are the components for the Project I;** a. Collection System – 390.19 Kms b. Pumping Stations – 10 Nos, Lift Stations – 15 Nos. and Pump-sets. c. Pumping Mains d. Sewage Treatment Plant of capacity 30.53 MLD at Vellore e. Effluent disposal arrangements f. Odour Control Devices g. House Service Connections from Manhole to the Property Boundary h. House Service Connections within the Property Boundary i. Inspection Chambers for House service Connections within the Property **Machineries;** • **Excavators:** For digging trenches, excavating areas for pipes, and creating manholes. • **Chain Trenchers:** Specifically designed for efficiently digging trenches for sewer pipes. • **Vibratory Compactors:** Used for compacting backfilled soil around sewer pipes to prevent settling. • **Concrete Mixers:** Batch Mixers: Prepare concrete for constructing manholes, pipe supports, and other structures. • **Concrete Pumps:** Truck-mounted Concrete Pumps: Transfer and place concrete at construction sites for sewer structures. • **Surveying Equipment:** Total Stations, Measure angles and distances for accurate alignment and grading. • **GPS Equipment:** Aids in geospatial positioning and mapping. • **Manhole Formwork Systems:** Used to create the structure of manholes during construction. • **Manhole Installation Lifts/Cranes:** Lift and position manhole components into place. • **Compaction Equipment:** Plate Compactors, Compact soil around sewer pipes. • **Roller Compactors:** Larger machines for extensive compaction needs. • **Grouting Equipment:** Grout Pumps: Inject grout into the soil to stabilize and seal around sewer structures. • **Dewatering Equipment:** Dewatering Pumps: Remove excess water from construction sites, particularly during trenching. • **Safety Equipment:** Trench Boxes/Shields: Ensure worker safety in excavations and trenches.
Process and Technology	**Following is the process & technology for implementation of Project I;** The Project I is designed considering the criteria as per the CPHEEO Manual on Sewerage & Sewage Treatment; a. The collection of sewers from individual houses to the lift/pumping stations by means of gravity; b. Conveying the sewers collected in Lift/Pumping stations to Main Pumping stations; c. Conveying the sewers collected in Pumping station (PS) to the Sewage Treatment Plant (STP); d. Treatment of sewer at Sewage Treatment Plant (STP) e. The technology is being used for Treatment of Sewage is Sequential Batch Reactor (SBR) The treated effluent is being disposed into the Noyyal river.

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:

S. No.	Activity Description	Total Cost (Rs in Crore)
1	Collection System	197.67
2	Pumping Stations, Lift Stations and Pump-sets	27.59
3	Pumping Mains	60.91
4	Sewage Treatment Plant	40.10
5	Effluent disposal arrangements	
6	Odour Control Devices	8.02
7	House Service Connections from Manhole to the Property Boundary assuming a length of 6 m per connection	9.42
8	House Service Connections within the Property Boundary assuming a length of 6 m per connection	10.78
9	Inspection Chambers for House service Connections within the Property assuming 2 Nos. of chambers per connection	1.89
10	Road Restoration for House Service Connections	12.72
11	Road Restoration for collection system	37.52
12	Procurement of maintenance equipment with vehicle	0.93
	Sub-Total - I	**407.55**
13	GST	57.87
	Base Cost	**465.42**
14	Labour welfare fund	4.60
	Sub-Total – II	**4.60**
15	Centage	39.59
16	Provision for Price escalation	32.11
17	Payment to Other Department and providing separate feeder main	46.23
18	DPR preparation / Investigation charges	3.19
	Sub-Total III	**121.12**
	Total Project Cost (Sub-Total I+ Sub-Total II+ Sub-Total III)	**591.14**

Note: The activity-wise cost for Project I is as per the resolution of Bond Issue Committee dated December 11, 2025. The cost of Project I is inclusive of the GST.

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 I will be executed in a single phase only.

However, for implementation of Project I, the work under Project I divided and tendered under 2 (two) packages & work order was awarded for the same as detailed in table below:

Package	Activity
Package I	Providing UGSS to added areas of Coimbatore City Municipal Corporation wards 87 to 100, collection system, pumping main, pumping station, lifting station, manholes, ventilating shaft, pump-sets, house service connection, road restoration
Package II	Providing construction of Sewage Treatment Plant of capacity 30.53 MLD on DBOT basis for UGSS to added areas of Kurichi & Kuniamuthur (Ward 87 to 100) of Coimbatore Corporation

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.

As per G.O. (Ms) No. 43 dated February 28, 2019, the Project I is to be funded as follows:

S. No.	Funding Pattern	Project Cost (Rs in Cr)
1	Loan from Tamil Nadu Urban Development Fund under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	106.41
2	Grant from Project Sustainability Grant Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	183.34
3	AMRUT - Government of India share	145.86
4	AMRUT - Government of Tamil Nadu share	88.40
5	Urban Local Body share	67.13
	Total Project Cost	**591.14**

Further, the Municipal Council vide resolution no. 166 dated March 28, 2025 and the GoTN vide letter dated August 26, 2025 has approved to raise funds through Issuance of Municipal Bonds to fund the Urban Local body contribution for Project I.

Accordingly, a summary of capital cost and sources of funds for the proposed Projects are presented in the table below:

(Rs. in Crore)

Total Project Cost*	Means of the finance of the Capital Cost				
	Loan from TNUDF under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	Grant from Project Sustainability Grant Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	AMURT – Government of India Share	AMURT – Government of Tamil Nadu Share	External Borrowing (proposed bonds)
591.14	106.41	183.34	145.86	88.40	67.13**

**The cost for Project I is as approved by GoTN vide G.O.(Ms) No 43 dated February 28, 2019 from Municipal Administration & Water Supply (MA2) Department & approval by Bond Issue Committee vide resolution dated December 11, 2025.*

***As on date of filing of the PPM, out of the ULB share of Rs 67.13 crore for Project I, the Issuer has already incurred capital expenditure of Rs 27.99 crore & the balance is yet to be incurred. The proceeds from the Issue shall be utilized to fund the entire ULB of Rs 67.13 crore i.e. for funding the balance expenditure (ULB share) for implementation of the Project I and for recoupment of the capital expenditure (ULB share) which has temporarily been incurred/funded by the Issuer from its own funds.*

The Cost of Project I is inclusive of GST and may vary during implementation. Any incremental cost shall be borne by CCMC. In case the Project I gets completed at a cost lesser than the approved project cost of Project I and some of the Issue proceeds remain unutilized post completion of Project I, the unutilized amount shall be utilized for meeting cost of implementation of Project II which is proposed to be funded through the Issue proceeds.

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.

F. Schedule of implementation of the Project

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

S. No.	Activity Description	Estimated Completion date	Physical Target (%)	Financial Target (%)
1	Collection System	January 31, 2026	99%	99.80%
2	Pumping Stations, Lift Stations and Pump-sets	Completed	100%	95.96%
3	Pumping Mains	Completed	100%	99.51%

S. No.	Activity Description	Estimated Completion date	Physical Target (%)	Financial Target (%)
4	Sewage Treatment Plant	Completed		
5	Effluent disposal arrangements	Completed		
6	Odour Control Devices	Completed	100%	84.91%
7	House Service Connections from Manhole to the Property Boundary assuming a length of 6 m per connection	Completed	100%	98.94%
8	House Service Connections within the Property Boundary assuming a length of 6 m per connection	January 31, 2026	99%	96.94%
9	Inspection Chambers for House service Connections within the Property assuming 2 Nos. of chambers per connection	January 31, 2026	99%	97.09%
10	Road Restoration for House Service Connections	January 31, 2026	99%	96.86%
11	Road Restoration for collection system	January 31, 2026	99%	99.60%
12	Procurement of maintenance equipment with vehicle	Completed		

Note: *The above timelines, the Physical Target and Financial Target are indicative and may vary basis actual completion of the work.*

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

The indicative milestone dates for the proposed Project are:

S. No.	Activity	Duration (In Days)	Date of Start	Estimated Completion date
1	Collection System	2671	October 08, 2018	January 31, 2026
2	Pumping Stations, Lift Stations and Pump-sets	Completed		
3	Pumping Mains			
4	Sewage Treatment Plant			
5	Effluent disposal arrangements			
6	Odour Control Devices			
7	House Service Connections from Manhole to the Property Boundary assuming a length of 6 m per connection			
8	House Service Connections within the Property Boundary assuming a length of 6 m per connection	2490	April 08, 2019	January 31, 2026
9	Inspection Chambers for House service Connections within the Property assuming 2 Nos. of chambers per connection	2490	April 08, 2019	January 31, 2026
10	Road Restoration for House Service Connections	2307	October 08, 2019	January 31, 2026
11	Road Restoration for collection system	2490	October 08, 2019	January 31, 2026
12	Procurement of maintenance equipment with vehicle	Completed		

Current Status of Project I: The tendering process has been completed and work order has been awarded for Project I and the work is under progress. The current completion status of the two packages of Project I is as follows:

Packages	Physical target achieved	Financial target achieved
Package I	**99%**	**92.83%**
Package II	**Completed**	

Note: Due to various reasons such as delay in receiving NOCs/permits/approval/consents from State Highways Department (Coimbatore), Railway crossing permissions for laying of the sewage lines, the implementation of Project I is delayed. The final completion date for all the components of Project I is estimated as 31 January, 2026.

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

Government of Tamil Nadu has accorded administrative sanction for the Construction of Underground Sewerage System vide G.O.(Ms) No 111 Municipal Administration and Water Supply (MC.2) Department dated 25 October,

2017 and subsequently amended vide G.O.(Ms) No 43 Municipal Administration and Water Supply (MA.2) Department dated 28 February, 2019.

The status of regulatory approvals/NOCs/permits/approval/consents required to be obtained by the Corporation for implementation of the Project are as below:

Sr. No.	Description of Approval/ Arrangement and Name of the Authority/Agency	Status of Approval
Package - I		
1.	Permission for laying sewage/water pipeline across Railway track near Podhanur kinathukadavu railway station from Divisional Railway Manager, Southern Railways.	Received
2	Permission for laying sewage/water pipeline across Railway track between Podhanur to Madhukarai junction from Divisional Railway Manager, Southern Railways.	Received
3	State Highways Department (Coimbatore): 8 roads permission for the distance of 19.50 Km	Received
Package - II		
1	Consent for Establishment for Sewage Treatment Plant (STP) from Tamil Nadu Pollution Control Board under the Air (Prevention and control of Pollution) Act, 1981	Received
2	Consent for Establishment for Sewage Treatment Plant (STP) from Tamil Nadu Pollution Control Board under the Water (Prevention and control of Pollution) Act,1974	Received
3	Consent To Operate for Sewage Treatment Plant (STP) from Tamil Nadu Pollution Control Board under the Air (Prevention and control of Pollution) Act, 1981	Received
4	Consent To Operate for Sewage Treatment Plant (STP) from Tamil Nadu Pollution Control Board under the Water (Prevention and control of Pollution) Act,1974	Received

Other than the regulatory approvals/NOCs/permits/approval/consents mentioned herein, there are no other regulatory approvals/NOCs/permits/approvals required to be obtained by the Corporation for implementation of the Project I.

PROJECT-II: Establishment of Semmozhi Poonga Botanical Garden in Coimbatore.

The details of Project II are based on the Detailed Project Report dated March 06, 2003 ("DPR for Project II"), approval from Municipal Administration and Water Supply (MC.4) Department, Government of Tamil Nadu vide G.O. (4D) No. 14 dated April 06, 2023 subsequently amended vide GO (4D) No. 16 dated June 07, 2024, approval of issuance of bonds by Municipal Administration and Water Supply (MA.2) Department, Government of Tamil Nadu vide G.O. (Ms) No. 222 dated August 08, 2025, Letter of Municipal Commissioner dated December 11, 2025 and resolution of Bond Issue Committee dated December 11, 2025.

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:

The Semmozhi Poonga (Garden in Classical Tamil) in Coimbatore will be a World Class Botanical Garden. This aspires to achieve international standard with state-of the-art infrastructure, primarily for conservation of rare, threatened and endangered plants. A Botanical Garden is a controlled and staffed institution for the maintenance of a living collection of plants under scientific management for the purposes of education and research. The Botanical Garden would serve as a focal point for conservation of natural eco-systems and biospheres, environmental education, research, recreation for nature lovers, environmental governance and management.

Semmozhi Poonga would serve the following objectives:

Enable the citizens to study nature, understand and enjoy it in the context of a modern Botanic Garden. Promote sustainable use of the biodiversity resources in general and plant species in particular. Conserve rare and endangered flora of Western Ghats, particularly Nilgiri Biosphere Reserve. It would help develop a Germ Plasm Bank for rare, endangered and threatened plants through collection of genetic resources for both in-situ and ex-situ conservation. The complete master plan comprises of development of a land area of 165 acres and the developmental works shall be implemented in two phases (Phase I & Phase II). Initially about 45 acres (termed as Phase I) adjacent to Poonga Salai and Dr. Nanjappa Road is identified for the development and the remaining area of about 120 acres will be developed in Phase II. The complete expenditure proposed under Project II shall be incurred entirely under Phase 2 and the entire Project II is proposed to be implemented in single phase only. No sub-phases are envisaged within Project II.

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

Location	Gandhipuram, Coimbatore, TN
Plant & Machinery/ Components	**Following are the components of Project II;** a. Botanical Garden works along with solar panels, battery operated buggy b. Conventional Centre c. Pipe Line works from Ukkaadam Sewage Treatment Plant to Semmozhi Poonga d. Surface Parking and Bus Parking with Utility Building e. Construction of Underground sump, communication ducts and additional improvement works in Botanical Garden f. Audio & Video Systems, furniture arrangements and improvement works at Conventional Centre **Machineries:** • **Excavators:** For digging trenches, excavating areas for pipes, and creating manholes. • **Chain Trenchers:** Specifically designed for efficiently digging trenches for sewer pipes. • **Vibratory Compactors:** Used for compacting backfilled soil around sewer pipes to prevent settling. • **Concrete Mixers:** Batch Mixers: Prepare concrete for constructing manholes, pipe supports, and other structures. • **Concrete Pumps:** Truck-mounted Concrete Pumps: Transfer and place concrete at construction sites for sewer structures. • **Surveying Equipment:** Total Stations, Measure angles and distances for accurate alignment and grading. • **GPS Equipment:** Aids in geospatial positioning and mapping. • **Compaction Equipment:** Plate Compactors, Compact soil around sewer pipes.

	• **Roller Compactors:** Larger machines for extensive compaction needs. • **Grouting Equipment:** Grout Pumps: Inject grout into the soil to stabilize and seal around sewer structures. • **Dewatering Equipment:** Dewatering Pumps: Remove excess water from construction sites, particularly during trenching. • **Safety Equipment:** Trench Boxes/Shields: Ensure worker safety in excavations and trenches. • Audio & Video equipment's.
Process and Technology	The development of Semmozhi Poonga followed a highly structured, technology-enabled, and climate-responsive implementation process. The approach integrated modern horticultural science, sustainable engineering, digital systems, and nature-based solutions to transform a degraded urban site into a world-class botanical garden. The entire process is being executed through systematic planning, quality control measures, and advanced environmental technologies to ensure long-term sustainability and operational efficiency. 1. Planning and Design Process; 1.1. Integrated Master Planning • A comprehensive master plan is prepared using GIS-based land assessment, soil testing, hydrological analysis, and heritage mapping. • Existing mature trees were geo-tagged and preserved, and thematic zones were strategically located based on micro-climate suitability, solar access, and soil profile. 1.2. Nature-Based Solutions (NBS) Integration • The design incorporated climate-adaptive green infrastructure such as rain gardens, recharge basins, bio-swales, permeable pathways, and zero discharge water bodies. • Native species from Sangam landscapes (Kurinji, Mullai, Marutham, Neithal, Palai) are integrated to create micro-habitats aligned with Tamil heritage ecology. 1.3. Community and Stakeholder Consultations • More than 500 stakeholders were engaged through workshops, expert reviews, and design validation meetings. • Feedback from botanists, ecologists, horticulturists, and urban planners was incorporated into the final design. **<u>The Project II deploys following technologies;</u>** **Smart Water Management Systems** - Rainwater Harvesting Systems, 100% Wastewater Recycling through a bio-digester and multi-stage filtration system, Drip Irrigation Network, Zero-Discharge Water Garden **Energy-Efficient Systems** - Solar photovoltaic installations, SCADA-based Smart Lighting System manages, Energy-efficient pumps, aerators, and ventilation systems **Digital Interpretation Technologies** - All plant species are QR-coded, linked to the "MinMini" mobile application, providing botanical description, habitat information, traditional uses, and cultural significance. Autonomous sensors monitor soil moisture, micro-climate, and irrigation efficiency. GIS-enabled inventory management system used for landscape monitoring and maintenance planning. **Inclusive Access and Mobility Technology** - EV golf carts, wheelchair-friendly pathways, tactile surfaces, and universally accessible ramps ensure seamless mobility. Low-glare lighting, sensory gardens, and visual control elements enhance inclusivity for differently-abled visitors.

B. 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 II is given below:

(Rs. in Crores)

Sr. No.	Item Description	Total Cost
1.	Botanical Garden works along with solar panels, battery operated buggy	97.04
2.	Conventional Centre	26.54
3.	Pipe Line works from Ukkaadam Sewage Treatment Plant to Semmozhi Poonga	8.13
4.	Surface Parking and Bus Parking with Utility Building	7.30
5.	Construction of Underground sump, communication ducts and additional improvement works in Botanical Garden	20.14
6.	Audio & Video Systems, furniture arrangements and improvement works at Conventional Centre	8.10
Total		**167.25**

Note: The activity-wise cost for Project II is as per the resolution of Bond Issue Committee dated December 11, 2025. The cost of Project II is inclusive of the GST.

C. 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 Project II will be executed in a single phase only.

However, for implementation of Project II, tender for 6 (two) packages of Project II were floated & work order are awarded as detailed in table below:

Package	Activity
Package I	Botanical Garden works along with solar panels, battery operated buggy
Package II	Conventional Centre
Package III	Pipe Line works from Ukkaadam Sewage Treatment Plant to Semmozhi Poonga
Package IV	Surface Parking and Bus Parking with Utility Building
Package V	Construction of Underground sump, communication ducts and additional improvement works in Botanical Garden
Package VI	Audio & Video Systems, furniture arrangements and improvement works at Conventional Centre

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

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

As per G.O. (4D) No. 16 dated June 07, 2024, the Project II is to be funded as follows:

(Rs. in Crores)

S. No.	Funding Pattern	Project Cost
1	Government of Tamil Nadu Grant	83.50
2	Urban Local Body Contribution	83.75
Total		**167.25**

Further, the Municipal Council vide resolution no. 166 dated March 28, 2025 and the GoTN vide letter dated August 26, 2025 has approved to raise funds through Issuance of Municipal Bonds to fund the Urban Local body contribution of for Project II.

Accordingly, a summary of capital cost and sources of funds for the Project II are presented in the table below:

(Rs. in Crores)

Total Project Cost Approved*	Means of the finance of the capital cost	
	Government of Tamil Nadu Grant/Internal Accruals	External Borrowing (proposed bonds)
167.25	83.53	83.72

**The cost for the Project II is as approved by GoTN vide G.O. (4D) No. 16 from Municipal Administration & Water Supply (MC4) Department dated June 07, 2024, approval by the Municipal Council vide resolution no. 166 dated March 28, 2025 & approval by Bond Issue Committee vide resolution dated December 11,2025.*

The Cost of Project II is inclusive of GST and may vary during implementation. Any incremental cost shall be borne by CCMC. In case the Project II gets completed at a cost lesser than the approved project cost of Project II and some of the Issue proceeds remain unutilized post completion of the Project II, the unutilized amount shall be utilized for meeting cost of implementation of the Project I which is proposed to be funded through the Issue proceeds.

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.

E. Schedule of implementation of the Project

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

S. No.	Activity Description	Work order date / Date of Start of work	Estimated Completion date	Physical Target (%)	Financial Target (%)
1	Botanical Garden works along with solar panels, battery operated buggy	December 15, 2023	January 31, 2026	98	34.72
2	Conventional Centre	September 29, 2023	January 31, 2026	93	32.03
3	Pipe Line works from Ukkadam Sewage Treatment Plant to Semmozhi Poonga	September 27, 2023	September 27, 2024	100	35.18
4	Surface Parking and Bus Parking with Utility Building	August 06, 2024	May 31, 2025	100	30.82
5	Construction of Underground sump, communication ducts and additional improvement works in Botanical Garden	August 13, 2024	January 31, 2026	98	32.52
6	Audio & Video Systems, furniture arrangements and improvement works at Conventional Centre	August 13, 2024	January 31, 2026	30	26.54

Note: *The above timelines, the Physical Target and Financial Target are indicative and may vary basis actual completion of the work.*

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

The indicative milestone dates for the proposed Project are:

Activity	Duration (In Days)	Work order date / Date of Start of work	Date of Completion
Botanical Garden works along with solar panels, battery operated buggy	778	December 15, 2023	January 31, 2026
Conventional Centre	855	September 29, 2023	January 31, 2026
Pipe Line works from Ukkadam Sewage Treatment Plant to Semmozhi Poonga	366	September 27, 2023	January 31, 2026
Surface Parking and Bus Parking with Utility Building	298	August 06, 2024	January 31, 2026
Construction of Underground sump, communication ducts and additional improvement works in Botanical Garden	536	August 13, 2024	January 31, 2026
Audio & Video Systems, furniture arrangements and improvement works at Conventional Centre	536	August 13, 2024	January 31, 2026

Current Status of Project II: The tendering process has been completed and work order has been awarded for the Project I and the work is under progress. The current completion status of the six packages of Project II is as follows:

S. No.	Activity Description	Physical Target (%)	Financial Target (%)
1	Package I	98	34.72
2	Package II	93	32.03
3	Package III	100	35.18
4	Package IV	100	30.82
5	Package V	98	32.52
6	Package VI	30	26.54

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

Government of Tamil Nadu has accorded administrative sanction for the Project II vide G.O. (4D) No. 14 dated April 06, 2023 subsequently amended vide G.O. (4D) No. 16 dated June 07, 2024.

The status of regulatory approvals/NOCs/permits/approval/consents required to be obtained by the Corporation for implementation of the Project are as below:

Sr. No.	Description of Approval/ Arrangement and Name of the Authority/Agency	Status of Approval
Package - I		
1.	Approval for Building Plan –Technical Concurrence for Public Building ("Semmozhi Poonga") by Joint Director (I/C), District Town & Country Planning Office, Coimbatore.	Received
2.	Fire License for Semmozhi Poonga from Fire and rescue services department	Fire License applied for Semmozhi Poonga, located at Gandhipuram. Approval is awaited

Other than the regulatory approvals/NOCs/permits/approval/consents mentioned herein, there are no other regulatory approvals/NOCs/permits/approvals required to be obtained by the Corporation for implementation of the Project II.

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.)*	Percentage of total issue expenses	Percentage of total issue size
Fees to Merchant Banker(s) (including commissions, if any)	150,850.00	6.93%	0.0100%
Brokerage, selling commission and upload fees	-	0.00%	0.0000%
Fees to the Registrar to the Issue	71,000.00	3.26%	0.0047%
Fees to the Legal Advisor to the Issue	900,000.00	41.34%	0.0597%
Advertising and marketing expenses	-	0.00%	0.0000%
Regulators including stock exchange	5,000.00	0.23%	0.0003%
Printing and distribution of issue stationery	50,000.00	2.30%	0.0033%
Others, if any (fees of Rating Agencies, Debenture Trustee, Depositories etc.)	1,000,000.00	45.94%	0.0663%
Total (exclusive of taxes)	2,176,850.00	100.00%	0.1443%

**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.

SECTION-VIII: TAX BENEFITS

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

To,
COIMBATORE CITY MUNICIPAL CORPORATION,
1, Corporation Building Big Bazaar Street,
Town Hall, Coimbatore,
Tamil Nadu-641001

Dear Sirs,

Re: STATEMENT OF SPECIAL TAX BENEFITS (UNDER DIRECT AND INDIRECT TAX LAWS) AVAILABLE TO COIMBATORE CITY MUNICIPAL CORPORATION (THE "CORPORATION"/ "ISSUER") 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 FROM TIME TO TIME (SEBI ILMDS REGULATIONS) FOR THE PROPOSED PRIVATE PLACEMENT OF UPTO 2,155 (TWO THOUSAND ONE HUNDRED FIFTY-FIVE) RATED, LISTED, TAXABLE, UNSECURED, REDEEMABLE, NON-CONVERTIBLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 7,00,000 (RUPEES SEVEN LAKH ONLY) EACH COMPRISING OF 7 (SEVEN) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPPs") OF FACE VALUE OF ₹ 1,00,000 NAMELY STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F AND STRPP G ("BONDS"/ "NCDS"/ "DEBENTURES") FOR THE BASE ISSUE SIZE OF ₹70.00 CRORES (RUPEES SEVENTY CRORES) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹80.85 CRORES (RUPEES EIGHTY CRORES AND EIGHTY FIVE LAKHS) ("GREEN SHOE OPTION"), AGGREGATING UP TO ₹ 150.85 CRORES (RUPEES ONE HUNDRED FIFTY CRORES AND EIGHTY FIVE LAKHS) ("ISSUE SIZE"), BY COIMBATORE CITY MUNICIPAL CORPORATION (THE "ISSUER" OR "CORPORATION" OR "CCMC")

1. We, M/s. R Aravind And Associates, Chartered Accountants, refer to the proposed Issue by Coimbatore 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 amendments made by Finance Act, 2025 and Taxation Laws (Amendment) Act, 2021 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 **AK Capital Services Limited** (the "**Permitted Recipient**"). 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.

Sincerely,

For M/s. R Aravind and Associates
Chartered Accountants
Firm Registration No: 021714S

Authorized Signatory
Name: R Aravind
Designation: Proprietor
Membership No: 228731
UDIN: 25228731BMIITW3701

Place: Coimbatore
Date: December 11, 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 amendments under the Finance Act, 2025, Surcharge and Health & Education Cess shall be added to rate of tax deduction, wherever applicable.

Benefits to the Issuer

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

"*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, any income arising to the Issuer on the issuance of the Debentures shall be assessed as "Income From Other Sources" which is exempted under Section 10(20) of the IT Act.

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

Benefits to the Debenture holder(s)

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

Also, the capital gains arising on transfer 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.

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) 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 tile 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.

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	A certificate under section 197 of the IT Act from the Indian Assessing Officer for nil / lower deduction of

S. No.	Class of Investors	Relevant Section which grants TDS exemption	Documents to be taken on record from Investors
		source u/s 195 of the IT Act	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

1. **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 CCMC. The proposed issue is being made pursuant to Section 66 of the TNULB Act and is subject to the provisions of the TNULB Act, the terms of this Preliminary 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 tilted "*About the Issuer and Capital Structure of the Issuer*" on page no. 50.

Section 66 provides that the Corporation:

(1) with the previous sanction of the State Government 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, files 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 specified 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), be portion thereof shall without the previous sanction of the Government, be applied to any purpose other than that for which it was borrowed.

2. **Rating and detailed Rating Rationale.**

The Bonds proposed to be issued pursuant to this Issue have been rated by CARE Ratings Limited (hereinafter referred to as the "**Credit Rating Agency**").

CARE Ratings Limited has assigned a rating of Provisional CARE AA/Stable vide its letter dated November 04, 2025, reaffirmed vide its letter dated December 09, 2025, and has issued a rating rationale dated November 06, 2025.

The ratings provided by the Credit Rating Agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. In case of any change in credit ratings till the listing of Bonds, we will inform the investors. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letter and rationale for the aforementioned rating, see "Annexure II" beginning on page no. A-7. There are no other ratings for the Issue of Debentures (including unaccepted ratings) other than as specified in this Preliminary Placement Memorandum.

3. **Other Confirmations**

a. The Issuer is eligible to raise funds under its constitution documents and in terms of the Tamil Nadu Urban Local Bodies Act, 1998

b. The accounts of the Issuer are prepared in accordance with the State's Municipal Accounts Manual which takes into consideration the municipal accounting systems and inputs from National 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);

4. **Credit Enhancement Mechanisms, if any.**

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 to Rs 12.40 crore ("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 implementation of the (a) Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100); and (b) Establishment of Semmozhi Poonga Botanical Garden in Coimbatore.

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 shall be created in the name of "Project Sustainability Grant Fund" 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.

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

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

The Bonds are proposed to be listed on National Stock Exchange of India Limited. National Stock Exchange of India Limited shall be the designated stock exchange. The in-principle approval of the NSE bearing reference no. [•] dated [•] has been obtained in this regard.

6. **Additional interest to be paid, above the Coupon Rate, in case of default (including delay) in payment of Interest and/or principal redemption on due dates**

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

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

The default interest rate of 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 provisions of Chapter VII of the SEBI Master Circular.

As per provisions of the SEBI Municipal Debt Regulations, in case the Issuer fails to obtain listing or trading permission from the Stock Exchange, it shall refund the entire monies received within seven days of receipt of intimation from the Stock Exchange 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.

8. **DRR/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 dated November 13, 2019 bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019 and TNULB Act, each as amended, modified and/or supplemented from time to time 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 on page no. A-1 of this Preliminary Placement Memorandum.

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

i. We would like to disclose to all the stakeholders including but not limited to potential investors that, A. K. Capital Services Limited has been appointed as "Merchant Banker/Arranger" vide Work Order dated March 14, 2024 and extended vide letter dated November 10, 2025 and work agreement dated May 09, 2024 and vide Issue Agreement dated December 11, 2025 executed between the Issuer and the A. K. Capital Services Limited.

ii. We further would like to disclose that Merchant Banker/ Arranger either directly or through its affiliates or its associates or its subsidiaries may invest in the proposed issue through EBP mechanism in transparent manner; and accordingly, confirm that there is no conflict of interest between the Merchant Banker and the Issuer in accordance with the applicable regulations and;

iii. EBP mechanism is adopted to ensure fair, objective, and unbiased opportunity to all investors.

10. **Deduction of Tax at Source on interest on NCDs**

a. Interest on NCDs 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. NCD 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 NCDs:

Particulars	Contact Details of the Issuer	Contact Details of the RTA
Name	Coimbatore City Municipal Corporation	KFin Technologies Ltd.
Correspondence Address	1, Corporation Building Big Bazaar Street, Town Hall, Coimbatore, Tamil Nadu-641001	Selenium Tower B, Plot No.31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500032
Contact Person	Y. Usha Rani	K V S Gopala Krishna
Designation	Assistant Commissioner (Accounts)	Assistant Vice President
E-mail ID	ccmcmunibonds@gmail.com	gopalakrishna.kvs@kfintech.com,
Tel. No.	0422 2390261-62-63; 0422 2393524	+91-40-67162222 /79611000
Fax No.	-	+91 40 2343 1551
Link for online submission	-	https://ris.kfintech.com/form15/forms.aspx?q=0

b. In case of non-receipt of such prescribed declaration/ certificate from the NCD 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 NCDs.

c. Income Tax is deductible at source at the rate of 10% 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 ₹ 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.

d. 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.

e. 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:

i. 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;

ii. 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;

iii. 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;

iv. 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;

v. For any NCDs held by Foreign Institutional Investors/ Foreign Portfolio Investors/ Qualified Foreign Investors, interest on NCDs 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 rupee denominated bonds of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government. Further, in case where section 194LD is not applicable, 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;

vi. 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;

vii. 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 tile return of income as per Section 139 of the IT Act);

viii. Any other specific exemption available to any other category of investors under the IT Act; and

ix. 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.

11. **Issue Procedure**

i. **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**"):

a. All QIBs and / or;

b. 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 PPM/PM 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 ILMDS Regulations read with the NSE EBP Guidelines.

ii. **Application Process**

Only Eligible Investors as mentioned hereinabove may apply for the Debentures. The minimum number of Bonds that can be applied for and the multiples thereof shall be as set out in this Preliminary Placement Memorandum. No application can be made for a fraction of a Bond.

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 by Coimbatore City Municipal Corporation of upto 2,155 (two thousand one hundred and fifty five) Rated, Listed, Unsecured, Taxable, Redeemable, Non-Convertible Municipal Bonds of face value of Rs 7,00,000 each, (comprising of 7 (seven) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of Rs 1,00,000, 1 STRPP B of face value of Rs 1,00,000, 1 STRPP C of face value of Rs 1,00,000, 1 STRPP D of face value of Rs 1,00,000, 1 STRPP E of face value of Rs 1,00,000, 1 STRPP F of face value of Rs 1,00,000 and 1 STRPP G of face value of Rs 1,00,000, for an amount of ₹70.00 crore (Rupees Seventy Crore) ("Base Issue Size") with a green shoe option of up to ₹ 80.85 crore (Rupees Eighty Crore and Eighty Five Lakhs) ("Green Shoe Option") aggregating up to Rs 150.85 Crore (Rupees One Hundred Fifty Crores and Eighty Five Lakhs) ("Total Issue Size")
Interest rate parameter	Fixed Coupon
Issue Opening Date	[●]
Issue Closing Date	[●]
Minimum Bid Lot	2 bonds of face value of ₹ 7,00,000 each aggregating to ₹ 14,00,000 (i.e. 2 NCD comprising of 2 STRPP A, 2 STRPP B, 2 STRPP C, 2 STRPP D, 2 STRPP E, 2 STRPP F and 2 STRPP G of face value of Rs. 1,00,000 (Rupees One Lakh) each) and in multiples of 1 (One) NCD thereafter.
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 basis in line with the NSE EBP Guidelines
Manner of settlement in the Issue	Settlement of the Issue will be done through the clearing corporation of NSE being National Securities Clearing Corporation Limited and the account details are given in the section on 'Allocation and Settlement' of the Placement Memorandum
Settlement Cycle	The process of pay-in of funds by investors and pay-out to Issuer will be done on T+[●] day, where T is the Issue Closing Date

iii. **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. An arranger can bid, on behalf of multiple participants, subject to the limits for each participant in accordance with SEBI Master Circular.

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:

a. Names of such Eligible Investors;

b. Category of the Eligible Investors (i.e. QIB or non-QIB); and

c. 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 base issue size of the Debentures or ₹ 100 Crores, whichever is lower (or such revised limits as may be specified in the SEBI EBP Guidelines from time to time).

iv. **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 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/it's client.

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

a. Withdraw the Issue; or
b. 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.

v. **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:

a. 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.
b. 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 Clearing Limited, 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 aforesaid account of NSE Clearing Limited 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	[●]
Bank Account No.	[●]
IFSC Code	[●]
Bank Name	[●]
Branch Address	[●]

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 platform 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.

vi. **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 1, Corporation Building Big Bazaar Street, Town Hall, Coimbatore, Tamil Nadu-641001 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; and
e. Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department.

vii. **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 EBP 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.

viii. **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.

ix. **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.

x. **Fictitious Application**

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

xi. **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-a-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.

xii. **Depository Arrangements**

The Issuer has appointed Purva Sharegistry (India) Private 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 into two tripartite agreements as under:

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

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

The NCDs under this Issue will be allotted and transferred in dematerialized form only. However, as per the provisions of the Depositories Act, Investors have an option to hold the Bonds in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

xiii. **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.

xiv. **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.

xv. **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; and
iii. Specimen signature of authorised signatories.

xvi. **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).

xvii. **Mode of Payment**

Applicants shall make remittance of application money by way of electronic transfer of funds through RTGS/electronic fund mechanism for credit by the pay-in time in the bank account of the National Securities Clearing Corporation Limited appearing on the EBP platform of NSE in accordance with the timelines set out in the NSE EBP Guidelines and the relevant rules and regulations specified by SEBI in this regard.

xviii. **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/2025/0000000137dated October 15, 2025. The Bonds will be credited in dematerialized form within 2 (two) Working Days from the closure of the Issue.

xix. **Refunds**

As per the provisions of the SEBI Municipal Debt Regulations, 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.

xx. **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.

xxi. **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 accordance with the regulatory provisions and EBP Guidelines. In the event of any change in the Issue Schedule including the Deemed Date of Allotment, the Issuer shall notify the Stock Exchange 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 changed by the Issuer in accordance with the tenure of the Debentures at its sole and absolute discretion in accordance with the regulatory provisions and EBP Guidelines.

xxii. **Applications complete in all respects must be submitted before the last date indicated in the issue timetable.**

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

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.

xxiii. **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, 2018, 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.

xxiv. **Market Lot**

The market lot for the purpose of bidding on the NSE EBP platform 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.

xxv. **Trading of Bonds**

The marketable lot The trading lot shall be 1 (one) STRPP forming part of any NCD, pursuant to which 1 STRPP of any NCD bearing individual ISIN will be tradable by the NCD Holders.

Trading of STRPPs 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.

Please note that in case of Maturity Date of any STRPP, the trading in the respective STRPP shall remain suspended between the Record Date and the Maturity Date.

xxvi. **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 11(i) "*Eligible Investors"* of this Section on page no. 77 of this Preliminary Placement Memorandum. The NCDs under this Issue will be allotted and transferred in dematerialized form only. However, as per the provisions of the Depositories Act, investors have an option to hold the Bonds in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. 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.

xxvii. **Debentures held in Dematerialised Form**

The NCDs under this Issue will be allotted and transferred in dematerialized form only. However, as per the provisions of the Depositories Act, investors shall have an option to hold the Bonds in physical form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time. For the Debentures held in dematerialised form, 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.

xxviii. **Sharing of Information**

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

xxix. **Modification of Debentures**

Any amendment to the terms and conditions of the Debentures or the Transaction Documents will require the consent of the Debenture Trustee and Majority Debenture Holders, either by providing their express consent in writing / via email or by way of a resolution at a duly convened meeting of the Debenture Holders in accordance with applicable SEBI regulations.

xxx. **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.

xxxi. **Trustee for the Debentures**

The Issuer has appointed SBICAP Trustee Company Limited to act as the trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have executed a Debenture Trustee Agreement dated 10th December 2025 and also intend to enter into the debenture trust deed within the prescribed timelines, 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). 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 Debt Listing Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trust Deed and the PPM/PM, 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 Debt Listing Regulations.

xxxii. **Interest on Application Money**

Not Applicable.

xxxiii. **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. 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.

xxxiv. **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.

xxxv. **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.

xxxvi. **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.

xxxvii. **Redemption**

The face value of the Bonds shall be redeemed at par, on the respective Redemption Date. The Bonds will not carry any obligation, for interest or otherwise, after the Redemption. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer to the registered Bondholders whose name appears 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 the Redemption Date of any STRPP 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 such STRPP, in accordance with the provisions of Chapter III of the SEBI Master Circular.

xxxviii. **Roll Over**

Roll-Over of Municipal Bonds issued - If any, will be made only in accordance with the provisions of Regulation 21 of the SEBI Municipal Debt Regulations.

xxxix. **Buy-back**

The Issuer may provide an option to buy-back the Bonds from the Bondholders, in the manner as may be specified by SEBI from time to time, at a value which shall not be less than the face value of the Bonds.

xl. **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. For further details, please refer to the Section XIV titled "Term Sheet" beginning on page no. 137 of this Preliminary Placement Memorandum

xli. **Settlement/ Payment on redemption**

Payment of interest and repayment of principal shall be made by way of cheque(s)/ 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 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 after the redemption of Bonds, except in case of delay or non-credit of funds into the accounts of the Beneficial Owners. Further the Issuer will not be liable to pay any interest or compensation from after the Redemption of Bonds. On the Issuer's crediting the amount to the Beneficiary(ies) in respect of the Bonds, the liability of the Issuer shall stand extinguished, except in case of delay or non-credit of funds into the accounts of the Beneficial Owners.

xlii. **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.

xliii. **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, where it thinks fit or take into consideration any other documentary evidence for this purpose, in accordance with the Applicable Law.

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

a) 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.
b) Proof that the NRI is an Indian National or is of Indian origin.
c) Such holding by the NRI will be on a non-repatriation basis.

xliv. **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 in accordance with the regulatory provisions and EBP Guidelines.

xlv. **Acknowledgements**

Merchant Banker/Arranger to the Issue receiving the duly completed Application Form will acknowledge receipt of the application. No separate receipts will be issued for the application money.

xlvi. **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.

xlvii. **Nomination Facility**

Nomination facility will be provided to the Bondholders if provided under applicable law and in a manner provided

under the applicable law.

xlviii. **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 PPM and other terms and conditions as may be incorporated in the Transaction Documents that may be executed in respect of these Bonds.

xlix. **Modification of Rights**

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated in accordance with Applicable Law and with the consent, in writing, of the Debenture Trustee and also the consent 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.

l. **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.

li. **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.

lii. **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 Coimbatore, Tamil Nadu India. However, in relation to the Issue Proceeds Agreement the parties shall submit to the exclusive jurisdiction of Courts and Tribunals in Mumbai.

liii. **Procedure for deciding and adjusting payment dates.**

If the date of payment of coupon/redemption of principal does not fall on a Working Day, the payment of coupon/principal shall be made in accordance with SEBI Master Circular dated October 15, 2025 bearing reference SEBI/HO/DDHS/DDHS-PoD/P/CIR/2025/0000000137, as amended from time to time and detailed in the Term Sheet on page 137 of this PPM .

If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next Business day. The dates of the future payments would continue to be as per the schedule originally stipulated in the Placement Memorandum/ Term Sheet in line with applicable guidelines/ regulations/ circulars as issued by SEBI from time to time.

If the redemption/maturity date of a STRPP falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided under Annexure – V "Illustration of Bond Cash Flow" of Placement Memorandum.

If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly.

For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure – V "Illustration of Bond Cash Flow" of the Placement Memorandum.

In the event the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date. The interest/redemption payments shall be made only on the days when the commercial banks are open for business in Coimbatore, Tamil Nadu.

liv. **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.)**

NIL, as the Issuer has not issued any municipal debt securities in past 5 years.

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

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.

lvi. **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 Annexure I Structured Payment Mechanism on page no. A-1 of this PPM.

lvii. **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.

12. **Disclosures in accordance with SEBI Master Circular for Debenture Trustees bearing reference number 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 25,000/- (plus the taxes) and annual service charge of Rs. 15,000/- (plus the applicable taxes) for the services as per the terms of the offer bearing reference no.0289/2024-2025/CL6338 dated 22nd October 2025.

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 placement memorandum 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 inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the Debenture Trustee.

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 at 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.

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:

- 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;

- 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.

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.

The Debenture Trustee shall obtain any certificate as may be required from an empaneled agency as a part of due diligence.

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.

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).

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.

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 numbering SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 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 circular (SEBI/HO/DDHS-PoD-1/P/CIR/2025/117) dated August 13, 2025 issued by SEBI.

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.

SBICAP TRUSTEE COMPANY LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE BEARING REFERENCE NO.: 6091/STCL/DT/2025-26/CL-6338 DATED DECEMBER 11, 2025 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, MEMBERS OF BOND ISSUE COMMITTEE AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:

   a) ALL DISCLOSURES MADE IN THE PRELIMINARY PLACEMENT MEMORANDUM WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELLINFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

   b) ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), PRELIMINARY PLACEMENT MEMORANDUM.

   c) ISSUER HAS GIVEN AN UNDERTAKING THAT THE DEBENTURE TRUST DEED SHALL BE EXECUTED BEFORE THE FILING OF LISTING APPLICATION.

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,

COIMBATORE CITY MUNICIPAL CORPORATION
1, Corporation Building Big Bazaar Street,
Town Hall, Coimbatore,
Tamil Nadu-641001

Dear Sir/s,

1. 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 Coimbatore 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 2,155 (Two thousand One Hundred Fifty-Five) rated, listed, taxable, unsecured, redeemable, non-convertible municipal bonds in the nature of Debentures ("**NCDs**"/ "**Bonds**"/"**Debentures**") of face value of ₹ 7,00,000/- (Rupees Seven Lakh Only) with each NCD comprising of 7 (Seven) separately transferable and redeemable principal parts ("STRPPS") of face value of Rs.1,00,000/- each namely STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F AND STRPP G for the base issue size of ₹70.00 Crores (Rupees Seventy Crores) **("Base Issue Size")** with a green shoe option of up to ₹ 80.85 Crores (Rupees Eighty Crores and Eighty Five Lakhs) **("Green Shoe Option")**, aggregating up to ₹ 150.85 Crores (Rupees One Hundred Fifty Crores and Eighty-Five Lakhs Only) on 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.

   The financial statements of Coimbatore 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 per the Tamil Nadu Urban Local Bodies Rules, 2023. For financial years ended March 31, 2023 & March 31, 2024, the audit of financial statements have been completed by Joint Director of Local Fund Audit/Local Audit Department pursuant to their Audit Reports dated April 22, 2025 and May 29, 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 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, Coimbatore 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 us to conduct the audit of the consolidated financial statements for the financial year ended March 31, 2025.

   Accordingly, we have audited the consolidated financial statements (comprising of General Fund, Water Supply & Drainage Fund & Elementary Education Fund) for the year ended March 31, 2025 and have issued Audit Report dated October 10, 2025 in terms of letter No. 36/MA.2/2025-1 dated January 23, 2025 issued by Municipal Administration and Water Supply Department, Government of Tamil Nadu & our engagement letter dated August 11, 2025.

   The Financial Information comprising of the Abridged Balance Sheet, Income and Expenditure Statements and Cash Flow Statements for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 have

been prepared by us based on the audited financial statements for the year ended March 31, 2025 audited by us & audited financial statements for the financial years ended March 31, 2024 & March 31, 2023 audited by Joint Director of Local Fund Audit/Local Audit Department in terms of the requirements of the proposed Issue.

The Financial Information 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, the 'Financial Information') has been prepared by us in terms of the requirements of the proposed Issue and in accordance with:

a) Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time ("Regulations");
b) State's Municipal Accounts Manual which takes into consideration the municipal accounting systems and inputs from National Municipal Accounting Manual;
c) The Tamil Nadu Urban Local Bodies Act, 1998 ("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:

(i) the audited financial statements of the Issuer audited by us pursuant to our Audit Report dated October 10, 2025 for the financial year ended March 31, 2025; and
(ii) the audited financial statements of the Issuer audited by the Joint Director of Local Fund Audit Department pursuant to their Audit Reports dated May 29, 2025 and April 22, 2025 for the financial years ended March 31, 2024 and March 31, 2023 respectively.

Management Responsibility

2. The management of the Issuer is responsible for the preparation of the financial statements that gives a true and fair view of the financial position and financial performance of the Issuer. This responsibility includes the design, implementation, and maintenance of the internal control relevant to the preparation and presentations of the financial statements that gives a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors Responsibility

3. We have examined such Financial Information taking into consideration:

a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 08, 2024 and August 11, 2025 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;
e) Our responsibility includes preparation of Financial Information by consolidation of the financial information of General Fund, Water Supply & Drainage Fund and Elementary Education Fund of Coimbatore City Municipal Corporation in accordance with Audit Report and Financial Statement issued by Local Fund Audit Department for the year ended March 31, 2024 and March 31, 2023 and Audit Report and Financial Statements issued by us for the year ended March 31, 2025, as per the provisions of Section 4 of the Tamil Nadu Local Fund Audit Act, 2014 and Rule 4 of the Tamil Nadu Local Fund Audit Rules, 2016;
f) Necessary groupings and regroupings have been made to prepare the Financial Information.

Opinion

4. Based on our examination and according to the above-mentioned regulations of State Municipal Accounts Manual which takes into consideration the municipal accounting systems and inputs from National Municipal Accounting Manual and the Regulations, we report that:

The Financial Information comprising of 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:-

(i) the audited financial statements of the Issuer audited by us pursuant to our Audit Report dated October 10, 2025 for the financial year ended March 31, 2025; and
(ii) the audited financial statements of the Issuer audited by the Joint Director of Local Fund Audit Department pursuant to their Audit Reports dated May 29, 2025 and April 22, 2025 for the financial years ended March 31, 2024 and March 31, 2023 respectively.

5. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or Local Fund Audit Department in accordance with the Section 4 of the Tamil Nadu Local Fund Audit Act, 2024 and Rule 4 of the Tamil Nadu Local Fund Audit Rules 2016, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

6. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

7. Our report is intended solely for use of the purpose set out in first paragraph and in connection with the proposed issue of Bonds. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. We hereby provide our consent for sharing of our report with SEBI, the stock exchange(s) or any other statutory/ regulatory authority, as may be required, and A.K. Capital Services Limited (being the Merchant Banker to the Issue).

Sincerely,

For M/s. R Aravind and Associates
Chartered Accountants
Firm Registration No: 021714S

Authorized Signatory

Name: R Aravind

Designation: Proprietor
Membership No: 228731
UDIN: 25228731BMIITV3868

Place: Coimbatore
Date: December 11, 2025

A. ABRIDGED BALANCE SHEET

(Rs. in Crores)

Particulars	Financial Year		
	2022-23	2023-24	2024-25
RESERVE & SURPLUS			
Municipal Fund[1]	1432.00	1223.04	1015.83
Reserves	3201.06	3713.64	3713.50
Total	**4633.06**	**4936.68**	**4729.33**
Grants, Contributions for specific purposes[2]	**436.91**	**922.67**	**1434.87**
Loans			
Secured Loans	-	-	-
Unsecured Loans[3]	441.23	781.88	760.23
Total Loans	**441.23**	**781.88**	**760.23**
Current Liabilities and Provisions			
Deposits Received[4]	207.40	255.53	259.67
Deposit works	-	-	-
Other Liabilities[5]	361.75	423.23	554.80
Provisions[6]	304.81	304.81	540.64
Total Current Liabilities and Provisions	**873.96**	**983.57**	**1355.11**
TOTAL LIABILITIES	**6385.16**	**7624.8**	**8279.53**
ASSETS			
Fixed Assets			
Gross Block	6253.03	6808.58	7781.44
Less: Accumulated Depreciation	2633.35	2958.15	3341.35
Net Block	**3619.68**	**3850.44**	**4440.09**
Capital Work-in-Progress	238.74	256.76	287.38
Total Fixed Assets	**3858.42**	**4107.20**	**4727.47**
Investments			
Investment – General Fund7	225.62	249.87	302.86
Investments – Other Funds	-	-	-
Total Investments	**225.62**	**249.87**	**302.86**
Current Assets, Loans and Advances			
Stock in Hand (Inventories)	-	-	-
Sundry Debtors (Receivables) – Gross Amount[8]	377.26	498.84	656.62
Cash and Bank Balances[9]	330.88	584.49	346.87
Loans, advances and deposits[10]	1583.98	2150.11	2198.93
Less: Accumulated provision against Loans Net Amount outstanding	-	-	-
Total Current Assets, Loans & Advances	**2292.12**	**3233.44**	**3202.43**
Other Assets	9.00	34.29	46.78
Miscellaneous Expenditure (to the extent not written off)	-	-	-
TOTAL ASSETS	**6385.16**	**7624.80**	**8279.53**

Notes:

[1]The decrease in general fund is on account of Excess of expenditure over revenue in the income and expenditure statement.

[2]The increase in FY2023-24 & FY 2024-25 is on account of Capital grants received for the purpose of specific projects and constantly increased based on the projects undertaken.

[3]Unsecured loans had increased in FY 2023-24 as fresh loans of Rs. 425.01 Crores and Rs.20.97 Crores were taken from TUFIDCO and TNUIFSL respectively for new projects during the year.

[4]The deposits received increased in FY 2023-24 as the Lapsed deposit was not transferred to revenue during Financial Year 2023-24 and the tender deposit appreciated due to increase in capital works.

[5]Other Liabilities includes Labour welfare fund payable, Library Cess payable, Water Supply Maintenance Charges payable to Tamil Nadu Supply and Drainage Board, Sundry Creditors, Advance collection of Revenue, etc. The increase in Other Liabilities between financial year 2023-24 and 2024-25 is majorly due to increase in labour welfare fund payable on account of increase in capital works during the year.

[6]Provision for doubtful collection of revenue was not provided for in the year FY 2023-24 and therefore increase in provision in FY 2024-25 includes the previous year adjustment.

[7]The investment-General Fund increased in FY2024-25 since the Grant fund received in Financial Year 2024-25 remained unutilized and kept as fixed deposit till the utilization.

[8]Receivables of revenues have increased due to higher demand raised on account of rate revision and new assessment.

[9]Bank balance in FY 2023-2024 is high as the capital fund received at the end of the financial year was spent in FY 2024-2025.

[10]Increase in FY 2023-2024 & FY 2024-2025 is on account of advances given for water supply projects and Jnnurm Projects.

B. ABRIDGED INCOME & EXPENDITURE STATEMENT (CONSOLIDATED)

(Rs. in Crores)

Major Head of Accounts (Particulars)	Financial Year		
	2022-23	2023-24	2024-25
Tax Revenue[1]	458.30	498.02	571.65
Assigned Revenues & Compensation	61.58	62.49	65.20
Rental Income from Municipal Properties	28.89	32.46	29.57
Fees & User Charges[2]	194.68	209.31	419.53
Sale & Hire Charges[3]	1.21	1.13	5.82
Revenue Grants, Contributions & Subsidies[4]	198.42	298.97	263.42
Income from Investments[5]	4.18	42.92	16.55
Interest Earned	11.04	11.58	12.47
Other Income[6]	31.88	16.25	50.45
A-Total – INCOME	**990.18**	**1173.13**	**1434.66**
Establishment Expenses	277.83	282.60	291.59
Administrative Expenses[7]	25.48	53.63	39.86
Operations & Maintenance[8]	481.32	750.14	675.69
Interest & Finance Expenses[9]	26.51	36.53	42.60
Programme Expenses	1.29	0.08	3.43
Revenue Grants, Contributions & subsidies	0.00	0.00	0.01
Provisions & Write off[10]	39.13	0.00	239.43
Depreciation[11]	254.19	324.79	383.20
B-Total – EXPENDITURE	**1105.78**	**1447.78**	**1675.82**
(A-B) Gross surplus/ (deficit) of income over expenditure before Prior Period Items	**-115.59**	**-274.65**	**-241.16**
Add: Prior period Items (Net)	-77.48	65.69	33.96
Gross surplus/ (deficit) of income over expenditure after Prior Period Items	**-193.07**	**-208.96**	**-207.20**
Net balance being surplus/ deficit carried over to Municipal Fund	**-193.07**	**-208.96**	**-207.20**

Notes:

[1]The Property Tax Revenue has increased on account of rate revision and addition of new assessment through reforms.

[2]Significant increases in Fees & user charges for FY 2024-2025 is due to increase in building license fees, UGD Collection and water supply connection and user charges.

[3]Increase in sale and hire charges in FY 2024-2025 was on account of increase in hire charges for vehicles collected from solid waste management.

[4]Revenue grant for the FY 2023-24 includes grants utilized for arrear payments of Electricity Bill charges amounting to Rs. 56.50 Crores. Since these payments were made out of the devolution grants, these grants were recognized as Revenue Grants income.

[5]During the FY 2023-24 proceeds of deposit of Rs. 23.20 Crores with bank was inadvertently accounted as interest income and rectified in subsequent year.

[6]Other income for the FY 2022-23 includes project overhead appropriation income of Rs. 8.5 Crore. The decrease in other income in FY 2023-24 is due to non-transfer of lapsed deposits in income during the year. Since the lapsed deposits were recognized/transferred as income during FY 2024-25, there was a sharp rise in other income during FY 2024-25. As per the accounting policy of the Corporation, the deposits which remain unpaid/ unclaimed for more than 3 years are considered as lapsed deposits and transferred/recognized as income.

[7]During the FY2023-24 Power charges of operations of Rs. 16.61 Crore was wrongly grouped as administrative building Electricity Bill charges.

*[8]O&M for the FY 2023-24 considerably increased as maintenance work of water supply has increased on account of 24*7 Water Supply Project and Underground Drainage projects.*

[9]The increase in interest and finance expenses between Financial Years 2022-23 and 2023-24 is due to the increase in Loans availed by the Corporation for new projects resulting in the rise in the interest expenses.

[10]Provision for doubtful collection of revenue was not provided for in the FY 2023-24 and so increase in provision in FY 2024-25 includes the previous year adjustment. Another reason for sharp increase in provisions and write off during FY 2024-25 was very low collection from Vacant Land Tax and Under Ground Drainage Charges for which higher demand was raised during the year and as a result higher provisions have to be created by the Corporation for the amount of arrears of these revenue sources which was not collected during the year as per the accounting policy.

[11]The Capital Works has been completed and transferred to fixed assets therefore the depreciation has increased in Financial Year 2023-24.

C. **ABRIDGED CASH FLOW STATEMENT (CONSOLIDATED)**

(Rs. In Crores)

Particulars	Financial Year		
	2022-23	2023-24	2024-25
Cash flows from Operating Activities: (A)			
Gross surplus/(deficit) over expenditure	-115.59	-274.65	-241.17
Add:			
Depreciation	254.19	324.79	383.20
Interest & finance expenses	69.59	43.32	42.60
Less:			
Investment income	-	-	-
Interest income received	15.15	54.47	28.93
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra-ordinary items.	193.04	38.99	155.70
Changes in current assets and current liabilities			
(Increase)/decrease in Sundry debtors	108.04	-121.58	-157.78
(Increase)/decrease in Prepaid Expenses	0.00	0.00	0.92
(Increase)/decrease in other current assets	-149.45	-591.42	-62.24
(Decrease)/increase in Deposits Work	22.18	48.13	4.14
(Decrease)/increase in other current liabilities	9.99	61.48	131.57
(Decrease)/increase in Provisions	4.48	0.00	235.83
Net cash generated from/(used in) operating activities (A)	188.29	-564.4	308.14
B. Cash flows from Investing Activities			
(Purchase) of fixed assets & CWIP	-455.92	-573.57	-1003.48
Increase/(Decrease) in Special Funds/Grants	587.98	998.34	512.05
Add:			
Interest income received	15.15	54.47	28.93
Net cash generated from/ (used in) investing activities (B)	147.22	479.24	-462.49
C. Cash flows from Financing Activities			
Add:			
Loans from Banks/Others Received (Unsecured & Secured)	7.79	340.65	-21.66
Transfer to Reserve	-77.48	65.69	33.96
Less:			
Interest & Finance Expenses	-69.59	-43.32	-42.60
Net cash generated from/ (used in) financing activities (C)	-139.28	363.02	-30.29
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	196.23	277.86	-184.64
Cash and cash equivalents at beginning of the period	360.27	556.50	834.36
Cash and cash equivalents at end of the period[1]	556.50	834.36	649.72
Cash and cash equivalent at the end of the year comprises of the following account balances at the end of the year:			
Cash balances	-	-	-
Bank balances[1]	556.50	834.36	649.72

Notes:

[1]The amount represents Bank Balances and Investment-General Funds at the end of the Financial Year.

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:
https://ccmc.gov.in/index.php/createpage/outcome-budget

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 financial year FY 2025-2026 are annexed herewith as Annexure VI.

For complete budget documents for previous three financial years (FY 2022-2023, FY 2023-2024 and FY 2024-2025) and for the current financial year, FY 2025-2026 please refer to the link below:
https://ccmc.gov.in/index.php/createpage/outcome-budget

F. FINANCIAL PARAMETERS

(Rs. In Crores)

Key Financial Figures	Financial Year		
	2022-23	2023-24	2024-25
Revenue Income[1]	990.18	1173.13	1434.66
Revenue expenditure (Excl. Interest)[1&2]	825.07	1086.45	1250.02
Operating Revenue Surplus[2]	165.11	86.68	184.64
Interest expense	26.51	36.53	42.60
Principal repayment (outside sinking Fund)	61.47	120.47	114.15
Contribution to Sinking fund	-	-	-
Revenue Surplus[2]	138.60	50.15	142.04
Capital Income	587.98	998.34[3]	512.05
Capital Expense	455.92	573.56	1003.48[3]
Capital Surplus	132.06	424.78	-491.43
Overall Surplus[2]	270.66	474.93	-349.39
Deposits and Advances (net)[4]	1583.98	2150.11	2198.94
Initial Cash/Bank balance[5]	360.27	556.50	834.36
Change in Cash/Bank balance[5]	196.23	277.86	-184.64
Final Cash / Bank Balance[5]	556.50	834.36	649.72
Loan repayment from sinking fund	-	-	-
Initial Sinking fund Balance	-	-	-
Change in sinking fund	-	-	-
Final sinking fund balance	-	-	-
Total Debt	441.23	781.88	760.22
Total Expenditure[1]	1307.50	1696.54	2296.10
Total Revenue[1]	1578.17	2171.47	1946.71
Ratio of Total Expenditure/Total Revenue[1]	0.83	0.78	1.18
Cash Surplus[6] / Total Revenue	0.20	0.22	-0.06
Ratio of Debt Service / Total Revenue[1]	0.06	0.07	0.08

[1]Revenue Income, Revenue expenditure (Excl. Interest), Total Expenditure and Total Revenue do not include prior period items. Total expenditure does not include depreciation
[2]Revenue expenditure (Excl. Interest) is calculated excluding both interest and depreciation. The operating Revenue surplus is calculated before deducting both interest expenses and depreciation. The depreciation is not deducted while calculating revenue surplus. Overall surplus is the total of revenue surplus and capital surplus.
[3]Capital Income in FY 2023-2024 is high as the capital fund was received at the end of the financial year which was spent in subsequent year resulting in increase of capital expenditure in FY 2024-2025.
[4]The Loans, advances and deposits given by the Corporation.
[5]The amount represents Bank Balances and Investment-General Funds.
[6]Cash surplus is derived from adding Revenue surplus, provisions and write offs and capital surplus.

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 are as provided below:

(Rs. In Crores)

Revenue Receipts Type	Financial Year 2022-23
Tax Revenue	458.30
Assigned Revenue & Compensation	61.58
Fees And User Charges	194.68
Revenue Grants, Contribution & Subsidies	198.42
Other Income	31.88

(Rs. In Crores)

Revenue Receipts Type	Financial Year 2023-24
Tax Revenue	498.02
Assigned Revenue & Compensation	62.49
Fees And User Charges	209.31
Revenue Grants, Contribution & Subsidies	298.97
Income from Investments	42.92

(Rs. In Crores)

Revenue Receipts Type	Financial Year 2024-25
Tax Revenue	571.65
Assigned Revenue & Compensation	65.20
Fees And User Charges	419.53
Revenue Grants, Contribution & Subsidies	263.62
Other Income	50.45

III. Details of property tax collection

As per the certificate from the External Auditors dated December 11, 2025, the details of the property tax collection for Financial Year 2022-2023, Financial Year 2023-2024 and Financial Year 2024-2025 based on the Audited Financial Statements.

(Rs. in crore)

Particulars	Demand Raised			Collections			Overall Collection Ratio	Current Collection Ratio
	Arrears	Current	Total	Arrears	Current	Total		
2024-2025	123.97	472.86	**596.83**	41.49	426.89	**468.38**	78.48%	90.28%
2023-2024	118.58	409.42	**528.00**	45.71	370.32	**416.03**	78.79%	90.45%
2022-2023	140.65	378.71	**519.36**	64.48	346.00	**410.48**	79.03%	91.36%

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

Reforms on E-Governance

a) CCMC's Grievance Mobile Application streamlines citizen complaint management by enabling easy registration, tracking, and resolution of grievances. Officers can file complaints during field inspections, supported by document and image attachments. With automated escalation and real-time tracking, it ensures transparency, accountability, and timely redressal throughout the complaint lifecycle.

b) CCMC"s Rain Water Harvesting ("RWH") Structure Survey mobile app and web-based platform records and monitors RWH systems across all residential, commercial, industrial, and educational buildings within CCMC limits. It enables collection of geotagged field data, uploading of photo uploads as visual proof of compliance, and real-time dashboards for transparent tracking. By marking structures as available, functional, or non-functional, it ensures complete ward and zone-wise coverage, supports compliance monitoring, and strengthens water conservation and sustainable city planning efforts.

c) CCMC"s “Namma Kovai” Mobile App serves as a centralized platform connecting Coimbatore residents with essential civic information and services. It enables citizens to register complaints, access city profiles, explore tourist spots, and stay updated on municipal news and schemes. With features like volunteer registration, ward maps, and contact directories, the app promotes transparency, civic engagement, and efficient service delivery for a more connected and informed Coimbatore.

d) CCMC"s “Green Kovai” mobile application enhances and monitors urban greenery. It enables officials to record, map, and visually track plants using GPS and photo documentation, ensuring transparency and accountability. It supports data-driven decisions and promotes sustainable urban development.

ii. Solid Waste Management

a) CCMC"s collection and transportation initiative focuses on strengthening door-to-door waste collection, source segregation, and its efficient transportation to processing facilities. Measures include optimized use of existing vehicles with defined route charts, driver training for behavioural improvement, and prompt vehicle maintenance support. Additional 60 collection vehicles have been deployed, along with dedicated night shifts and separate arrangements for commercial waste collection to ensure seamless operations and enhanced efficiency.
b) CCMC has appointed segregation supervisors with all collection vehicles (Tata Ace/BOV) to strengthen door-to-door waste segregation. Alternate arrangements are in place to manage absenteeism among drivers, workers, and supervisors, ensuring uninterrupted operations. Additionally, duty time management practices have been implemented to optimize workforce efficiency and accountability.
c) CCMC has launched extensive awareness campaigns to promote source segregation and discourage open dumping. Efforts include issuing notices to the public and commercial establishments, sharing messages through social media and daily newspapers, and creating visible street-level transformations. Posters have been displayed to reinforce responsible waste practices, and a dedicated public complaint WhatsApp number has been introduced for quick grievance redressal and citizen engagement.
d) Responsibilities have been assigned to zonal officers and key officials, with daily review meetings held at Kailarangam, R.S. Puram for progress tracking and grievance redressal. A dedicated WhatsApp group enables real-time monitoring, ensuring citizen participation, strict action against open dumping, and penalties for SWM-related violations.
e) CCMC has implemented a robust monitoring system through the Integrated Command Control Centre (ICCC), dividing the city into 25 sectors across 5 zones. Twenty-five Sector Officers oversee daily operations from 6:00 a.m. using GPS-enabled collection vehicles, walkie-talkie communication, and CCTV surveillance. Predefined route charts ensure efficient waste collection and transport, while strict supervision prevents illegal roadside dumping.

iii. Property Tax

With the efforts made by CCMC, the total collection of property tax, which is one of the main sources of revenue, has increased from to Rs. 410.48 crores in FY 2022-2023 to Rs. 416.03 crores in FY 2023-2024 and to Rs. 468.38 crores in FY 2024-2025.

- CCMC’s Property Tax Survey Application is available both on web platform and mobile android application. The web platform streamlines property tax management and enables efficient handling of un-assessed and under-assessed properties, supports field data capture as per revised rules, and ensures structured workflow management for assessments. The Android-based mobile platform features preloaded tax data, task allocation, and GPS-based field data capture for accurate mapping. Thus, by integrating and analysing data from multiple sources, it ensures accuracy, transparency, and streamlined property tax management.

- The GIS Based Project has been initiated by the Corporation to identify:
    a. under-assessed properties and
    b. untraceable buildings, leading to field verifications and an additional annual revenue demand from Property and Establishment Taxes.

iv. Double Entry Accounting

The following steps have been implemented towards double entry accounting system by way of improvements in the back-office system:

- The National Municipal Accounting Manual has been followed by the Issuer with a view to providing better financial management, improved governance, accountability and transparency of management.

- CCMC utilizes Tally Software for accounting which eliminates manual errors, speeds reconciliation, and ensures accurate reporting.

V. DETAILS OF ISSUER'S OUTSTANDING BORROWING

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

As on September 30, 2025, we had no outstanding secured borrowings and unsecured borrowings of approximately Rs.721.55 Crores.

b. Details of Secured Loan Facilities:

As on September 30, 2025, the Issuer does not have any secured borrowings.

c. Details of Unsecured Loan Facilities:

As on September 30, 2025, the Issuer has the following the unsecured borrowings:

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
TNUISFL	Term Loan	136,442,777	25,000,236	Quarterly Instalments starting on 01.10.2013 and ending on 30.06.2028
TNUISFL	Term Loan	13,657,223	2,503,843	Quarterly Instalments starting on 01.10.2013 and ending on 30.06.2028
TNUIFSL (TNUDF)	Term Loan	200,000,000	184,265,726	Half yearly Instalments starting on 01.04.2023 and ending on 01.10.2037
	Term Loan	17,500,000	15,876,038	Half yearly Instalments starting on 01.08.2023 and ending on 01.02.2038
	Term Loan	46,600,000	42,275,623	Half yearly Instalments starting on 01.09.2023 and ending on 01.03.2038
	Term Loan	69,000,000	66,598,163	Half yearly Instalments starting on 01.04.2025 and ending on 01.10.2039
	Term Loan	11,000,000	11,000,000	Half yearly Instalments starting on 01.07.2026 and ending on 01.01.2041
	Term Loan	85,500,000	69,975,153	Half yearly Instalments starting on 01.10.2021 and ending on 01.04.2036
	Term Loan	76,000,000	64,011,416	Half yearly Instalments starting on 01.12.2021 and ending on 01.06.2036
	Term Loan	12,400,000	10,717,304	Half yearly Instalments starting on 01.07.2022 and ending on 01.01.2037
TNUIFSL (TNUDF)	Term Loan	200,000,000	189,332,727	Half yearly Instalments starting on 01.05.2019 and ending on 01.11.2038
	Term Loan	224,700,000	220,870,934	Half yearly Instalments starting on 01.07.2025 and ending on 01.01.2040
	Term Loan	200,000,000	200,000,000	Half yearly Instalments starting on 01.04.2026 and ending on 01.10.2040
	Term Loan	46,000,000	38,707,332	Half yearly Instalments starting on 01.03.2022 and ending on 01.09.2036
	Term Loan	352,800,000	312,650,999	Half yearly Instalments starting on 01.03.2023 and ending on 01.09.2037
TUFIDCO	Term Loan	4,106,100,000	3,241,657,896	Quarterly Instalments starting on 31.12.2023 and ending on 31.03.2033
TNUIFSL (TNUDF)	Term Loan	110,000,000	105,370,440	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
	Term Loan	110,000,000	105,370,440	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043
	Term Loan	80,000,000	76,633,046	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043
	Term Loan	40,000,000	38,316,525	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043
	Term Loan	48,000,000	45,979,827	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043
	Term Loan	111,500,000	106,807,309	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043
	Term Loan	97,700,000	93,588,110	Half yearly Instalments starting on 01.04.2024 and ending on 01.10.2043
	Term Loan	56,200,000	54,463,624	Half yearly Instalments starting on 01.07.2024 and ending on 01.01.2044
	Term Loan	73,900,000	71,616,759	Half yearly Instalments starting on 01.09.2024 and ending on 01.03.2044
	Term Loan	50,200,000	48,569,465	Half yearly Instalments starting on 01.08.2024 and ending on 01.02.2044
	Term Loan	80,100,000	78,400,176	Half yearly Instalments starting on 01.11.2024 and ending on 01.05.2044
	Term Loan	39,300,000	38,466,005	Half yearly Instalments starting on 01.04.2025 and ending on 01.10.2044
	Term Loan	23,500,000	23,255,599	Half yearly Instalments starting on 01.06.2025 and ending on 01.12.2044
	Term Loan	32,000,000	31,667,199	Half yearly Instalments starting on 01.07.2025 and ending on 01.01.2045
	Term Loan	36,900,000	36,516,239	Half yearly Instalments starting on 01.10.2025 and ending on 01.04.2045
TNUIFSL (TNUDF)	Term Loan	156,600,000	156,600,000	Half yearly Instalments starting on 01.04.2028 and ending on 01.10.2047
	Term Loan	37,100,000	37,100,000	Half yearly Instalments starting on 01.04.2028 and ending on 01.10.2047
	Term Loan	36,900,000	36,900,000	Half yearly Instalments starting on 01.04.2028 and ending on 01.10.2047
	Term Loan	32,700,000	32,700,000	Half yearly Instalments starting on 01.06.2028 and ending on 01.12.2047
	Term Loan	41,700,000	41,700,000	Half yearly Instalments starting on 01.08.2028 and ending on 01.02.2048
	Term Loan	42,400,000	42,400,000	Half yearly Instalments starting on 01.04.2028 and ending on 01.10.2047
	Term Loan	26,900,000	26,900,000	Half yearly Instalments starting on 01.04.2028 and ending on 01.10.2047
	Term Loan	68,000,000	68,000,000	Half yearly Instalments starting on 01.06.2028 and ending on 01.12.2047
	Term Loan	56,700,000	56,700,000	Half yearly Instalments starting on 01.07.2028 and ending on 01.01.2048
	Term Loan	102,100,000	102,100,000	Half yearly Instalments starting on 01.09.2028 and ending on 01.03.2048
TNUIFSL (TNUDF) -	Term Loan	27,500,000	27,500,000	Half yearly Instalments starting on 01.04.2028 and ending on 01.10.2042
	Term Loan	22,700,000	22,700,000	Half yearly Instalments starting on 01.05.2028 and ending on 01.11.2042
	Term Loan	21,700,000	21,700,000	Half yearly Instalments starting on 01.07.2028 and ending on 01.01.2043

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule
TNUIFSL (TNUDF)	Term Loan	55,300,000	55,300,000	Half yearly Instalments starting on 01.07.2028 and ending on 01.01.2043
	Term Loan	40,700,000	40,700,000	Half yearly Instalments starting on 01.09.2028 and ending on 01.03.2043
	Term Loan	90,000,000	90,000,000	Half yearly Instalments starting on 01.04.2028 ending on 01.10.2042
TNUIFSL	Term Loan	193,400,000	130,325,250	Quarterly Instalments starting on 31.03.2024 and ending on 31.12.2029
TNUIFSL	Term Loan	34,400,000	22,064,684	Half yearly Instalments starting on 01.05.2023 and ending on 01.11.2028
TNUIFSL	Term Loan	43,700,000	28,029,848	Half yearly Instalments starting on 01.10.2023 and ending on 01.04.2029
TNUIFSL	Term Loan	8,100,000	5,824,429	Half yearly Instalments starting on 01.01.2024 and ending on 01.07.2029
TNUIFSL	Term Loan	316,369,404	19,773,084	Quarterly Instalments starting on 01.07.2018 and ending on 01.04.2026
TUFIDCO	Term Loan	124,000,000	124,000,000	Quarterly Instalments starting on 30.09.2027 and ending on 30.06.2032
TUFIDCO	Interest Free Loan	679,881,946	299,881,946	Quarterly Instalments starting on 27.06.2024 and ending on 31.05.2027
DMA - GoTN	Interest Free Loan	900,000,000	10,000,000	Please refer to note below the table*
DMA - GoTN	Interest Free Loan	66,187,000	66,187,000	Please refer to note below the table*
Total		**10,012,038,350**	**7,215,550,394**	

Note: ** Loan repayments will happen through adjustments by State Government out of the State Finance Commission Grants to be received by the Corporation from GoTN. The repayment schedule is not available with the corporation.*

d. Details of NCDs/Bonds:

NIL. The Issuer has not issued any debentures or bonds prior to this proposed Issue.

e. List of Top 10 Debenture Holders

NIL

f. Details of Commercial Paper

NIL

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 Preliminary Placement Memorandum are proposed for servicing through a structured payment mechanism. Under the structured payment mechanism all funds collected on account of Property Tax-Revenue Fund in the Collection Accounts shall be transferred to a separate no-lien Escrow Account for debt servicing. Please refer to detailed Structured Payment Mechanism on page no. 144 of this Preliminary 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 annual interest payments for bonds in the form of DSRA. Further, the monthly amounts shall be deposited in interest payment account for half yearly payments of interest obligations. To ensure adequacy of funds for redemption of the Bonds, a Sinking Fund Account shall be opened where amounts shall be deposited on monthly basis for redemption of the principal amounts of the Debentures. Further, a PSGF amount of Rs 12.40 Crore shall be kept in the form of term deposit to meet any shortfall for timely repayment of bond obligations. There is sufficient revenue generation/collection from Property Tax – Revenue Fund for timely servicing and redemption. The total Revenue from Property Tax- Revenue Fund (accrual basis) during the last 3 (Three) Financial Years is approximately Rs. 259.10 Crores (Financial Year 2024-2025), Rs. 253.46 Crores (Financial Year 2023-2024) and Rs. 241.15 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 collection of Property Tax – Revenue fund of the Issuer. The current collections are sufficient to ensure the redemption of the Debentures. The structured payment mechanism as provided in this Preliminary Placement Memorandum shall ensure that the funds deposited over period will be sufficient to service the Debentures. Further tax collections 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 11, 2025 has adopted a materiality policy for disclosure of litigation in relation to the Issuer according to which other litigation involving the Issuer and the members of the Bond Issue Committee which may have an adverse impact on the position of the Issuer, the operations of the Issuer and the Projects which are being funded by the proceeds of the Debentures, have been disclosed hereinbelow.

Except as stated in this section, there are no:*(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Issuer or the members of the Bond Issue Committee in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; or (v) Material Litigation (as mentioned below), involving the Issuer or the members of the Bond Issue Committee.*

For the purpose of (v) above, the Issuer has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI Municipal Debt Regulations, as amended, for disclosure of all pending litigation involving the Issuer and members of the Bond Issue Committee where:

a. *the potential financial liability/monetary claim by or against Municipal Corporation or the members of the Bond Issue Committee, in any such pending matter(s) is in excess of* 0.03 *% of total income as per the audited financial statements of the Issuer for the FY 2024-25, i.e., Rs. 0.43 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 or any of the any of the members of the Bond Issue Committee of the Municipal Corporation is impleaded as defendants in litigation proceedings before any judicial forum.*

Further, the Issuer has a policy for identification of material outstanding dues to creditors ("Material Dues") for creditors where outstanding due to any one of them is in excess of 0.03% of total income as per the audited financial statements of the Issuer for the FY 2024-25, i.e., Rs 0.43 Crores.

A. CONTINGENT LIABILITIES OF THE ISSUER

As per the certificate of the Auditor of the Issuer dated December 11, 2025, there are no contingent liabilities.

LITIGATIONS INVOLVING THE ISSUER

B. LITIGATIONS AGAINST THE ISSUER

a. CRIMINAL LITIGATIONS

Nil

i. WILLFUL DEFAULTER

The Issuer has not been declared as a wilful defaulter

ii. ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

- **Employees Provident Fund Organisation**

Sr. No.	Name of Parties	Case No.	Authority	Brief Facts of the Case	Amount Involved (Rs. In Crore)	Case Status
1.	Coimbatore Municipal	P.F. Appeal No. 101/2022	Provident Fund Appellant Tribunal	The Issuer represented by its Commissioner, M. Prathap, filed P.F.	4.42	Pending

	Corporation Vs The Regional Provident Fund Commissioner – II, Employees Provident Fund Organisation		at Chennai	Appeal No. 101/2022 before the Central Government Industrial Tribunal-cum-Provident Fund Appellate Tribunal in Chennai ("Appeal"). The appeal is filed under Section 7A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and challenges an order dated 13.05.2022 passed by the Regional Provident Fund Commissioner-II("**Respondent**"), Coimbatore, by which a total Employees Provident Fund contribution of Rs. 4,42,46,689/- was assessed as payable by the Corporation for the period from 01.04.2013 to 31.03.2021. Aggrieved by this order, Issuer has preferred the appeal. Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Issuer was required to deposit 75% of the assessed amount before filing the Appeal. However, the Issuer submitted that it is a statutory local authority performing sovereign civic functions, such as providing drinking water, maintaining roads, parks and streetlights, and does not carry out any commercial activities. It further stated that all its functions are funded only through taxes and charges collected from the public, and it does not have surplus funds to pay any part of the contribution assessed by the Respondent. Therefore, the Issuer has sought waiver of upfront payment of 75% of amount assessed,stating that payment of such a large amount would hamper its day-to-day operations and cause severe hardship. A. The Corporation also sought an interim stay on the enforcement of the impugned order, expressing concern that the EPF authorities may initiate coercive steps such as freezing its bank accounts, which would seriously affect its functioning. The case is currently pending before the Tribunal.		

- **Environment Related Litigation**

Sr. No.	Name of Parties	Case No.	Authority	Brief Facts of the Case	Case Status
1.	K.S. Mohan Vs. The Corporation of Coimbatore &Ors	Original Application No. 127 of 2022	National Green Tribunal South Zone at Chennai	An application was filed under Sections 14, 15 read with Section 18(1) of the National Green Tribunal Act, 2010, by K.S. Mohan, secretary of the Kurichi-Vellalore Pollution Prevention Action Committee ("Applicant") on 14 October 2022, against the Issuer and others. The Applicant alleged that since 2003, the Issuer has been dumping unsegregated mun©cipal solid waste at the Kurichi-Vellalore dump yard, located in a densely populated area near residential colonies, schools, hospitals, Rapid Action Force quarters, and a temple, without environmental clearance or required authorizations, causing air, water, and health hazards. The Applicant also in its application mentioned that he had earlier raised these issues in OA No. 264 of 2013, and that NGT orders in OA No. 606 of 2018 directed biomining of legacy waste, identification of alternative sites, and monitoring. Despite this, compliance has been minimal, fresh dumping continues, and a monitoring committee meeting on 7 October 2022 acknowledged violations but only gave 15 months for remediation and suggested peripheral measures instead of stopping daily dumping or enforcing a proper scientific plan. The Applicant has contended that this inaction violates NGT orders and environmental laws, invalidates prior consents by Tamil Nadu Pollution Control Board ("TNPCB"), and infringes residents' Article 21 rights. He prayed for immediate cessation of dumping and burning, independent scientific remediation and impact assessment plans with public consultation, site restoration, and compensation for environmental damage. The case is currently pending.	Pending
2	K.S. Mohan Vs. The Corporation of Coimbatore Rep by its Commissioner & Ors	Original application No. 264 of 2013	National Green Tribunal South Zone at Chennai.	An applicationwas filed under Section 18(1) read with Sections 14 and 15 of the National Green Tribunal Act, 2010, by K.S. Mohan, Secretary of the Kurichi-Vellalore Pollution Prevention Action Committee ("Applicant"), before the NGT, Southern Zone, Chennai, against the Corporation of Coimbatore and 11 other respondentsThe Applicant alleged that since 2003, the Corporation has been illegally dumping over 600 tonnes per day of unsegregated solid waste generated by the Corporation at Kurichi and Vellalore, without environmental clearance or required authorizations, causing air and water pollution,	Pending

				foul odour, fires, pest infestation, and health hazards to thousands of nearby residents, schools, hospitals, Rapid Action Force quarters, and the Tenieswaran temple. The Applicant also noted that previous proceedings, including WP No. 30916/2004 before the Madras High Court and temporary Tamil Nadu Pollution Control Board ("TNPCB") permissions, failed to stop these violations, including dumping of biomedical and hazardous waste. He sought permanent directions to stop dumping and burning, implement a scientific remediation plan, restore the site, and provide interim relief. The case is currently pending.	
3.	V. Eswaran Vs. The District Collector, Coimbatore District, Coimbatore And The Commissioner, Coimbatore Corporation, Coimbatore	Execution Application No. 11 of 2023	National Green Tribunal Principal Bench, New Delhi	An execution application was filed under Sections 25, 26, and 28 of the National Green Tribunal Act, 2010, dated 18 August 2022, by V. Eswaran, resident of Akshya Apartment, Sundarapuram, Coimbatore ("Applicant"), before the NGT, Principal Bench, New Delhi, in O.A. No. 523 of 2018, against the District Collector, Coimbatore, and the Commissioner, Coimbatore Corporation. The Applicant alleged that the respondents willfully disobeyed the NGT order dated 03 October 2018, which directed the Corporation to establish 65 decentralized waste treatment plants within four months, treat legacy waste at Vellalore via biomining, identify alternative sites, and submit monitoring reports, in accordance with Solid Waste Management Rules, 2016. Despite these directions, the respondents continued indiscriminate dumping of unsegregated waste, causing air and water pollution, foul odour, health hazards, and accumulation of about 6 lakh tonnes of waste over 3.5 years. The petitioner prayed for enforcement of the 2018 order, punishment of the respondents for deliberate disobedience, and justice. The case is currently pending.	Pending

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

NIL

iv. DIRECT AND INDIRECT TAX

- **Income Tax**

i. E-Proceedings

(Rs. in crores)

Assessment Year	Description	Amount Involved	Current Status
TAN-- CMC CENTRAL ZONE			
-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2025-26/1083113012(1) dated November 28, 2025. The said letter stated that the TDS Deduction remittances for the financial year 2025-2026 was considerably lower compared to the previous financial year of 2024-2025. Therefore, CCMC was directed to file a detailed explanation or list of reasons for the allegedly reduced TDS remittance during the current year. The letter further stated that in case of TDS being deducted but not yet deposited, it may be remitted at the earliest and the details of such remittance along with challan may be sent to the department. Another Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2025-26/1083112070(1) dated November 28, 2025 reiterating the above. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	-	Open
TAN-- CMC WATER SUPPLY			
2026-27	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2025-26/1081821788(1) dated October 16, 2025. The said letter stated that the TDS Deduction remittances for the financial year 2025-2026 was lower compared to the previous financial year of 2024-2025. Therefore, CCMC was directed to file a detailed explanation or list of reasons for the allegedly reduced TDS remittance during the current year. The letter further stated that in case of TDS being deducted but not yet deposited, it may be remitted at the earliest and the details of such remittance along with challan may be sent to the department. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	-	Open
2015-16	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2021-22/1036503415(1) dated October 20, 2021. The said letter stated that there was an outstanding TCS/TDS demand of Rs 5,72,060/- of various financial years, till October 20, 2021. Therefore, CCMC was requested to pay the outstanding demand on or before October 28, 2021 if not paid already and if already paid, the details of the payment may be intimated to the department. The letter further stated that the amounts require correction, CCMC is requested to upload revised statements by tagging the unclaimed challans or incorporating the correct figures. The letter further requested CCMC for compliance to the letter to avoid any penal action. Another Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2021-22/1036503213(1) dated October 20, 2021 reiterating the same As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	0.0572	Open
TAN-- COIMBATORE MUNICIPAL CORPORATION			
2021-22	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2021-22/1036361038(1) dated October 13, 2021. The said letter stated that there was an outstanding TCS/TDS demand of Rs 17,69,000/- of various financial years, till financial year 2021. Therefore, CCMC was requested to pay the outstanding demand on or before October 25, 2021, if not paid already, and if already paid, the details of the payment may be intimated to the department. The letter further stated that the amounts require correction, and CCMC is requested to upload revised statements by tagging the unclaimed challans or incorporating the correct figures. The letter further requested CCMC for compliance to the letter to avoid any penal action.	0.17	Open

-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2022-23/1043515817(1) dated June 22, 2022. The said letter stated that there were substantial outstanding TDS/TCS arrears amounting to Rs. 18,18,687/- for multiple financial years. The letter also stated that necessary initiative should be taken within ten days of the receipt of this letter to avoid recovery process. Another letter was issued against CCMC vide letter No. ITBA/COM/F/17/2022-23/1043910379(1) dated July 18, 2022, reiterating the same for the outstanding sum of Rs. 18,18,694. The letter further requested CMCC for compliance to the letter within seven days to avoid bank attachment proceedings and penal action. Another letter was issued against CCMC vide letter No. ITBA/COM/F/17/2022-23/1045641387(1) dated September 19, 2022 referring to letters with DIN: ITBA/COM/F/17/2021-22/1036361038(1) dated August 10, 2021, with DIN: ITBA/COM/F/17/2021-22/1036361038(1) dated October 13, 2021 and with DIN: ITBA/COM/F/17/2022-23/1043515817(1) dated June 22 2021,, reiterating the same for the outstanding demand of Rs. 18,18,680 /- for several financial years. Another letter was issued against CCMC vide letter No. ITBA/COM/F/17/2022-23/1045655036(1) dated September 19, 2022 . The said letter stated that due to non-compliance with the earlier letters, CCMC was requested to submit all active bank accounts for recovery through bank attachments u/s 226(3) of the Income Tax Act, 1961, within seven days to avoid penal action. Another letter was issued against CCMC vide letter No. ITBA/COM/F/17/2022-23/1045655813(1) dated September 19, 2022, reiterating the same.	0.18	Open
2023-2024	A Notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 for initiation of proceedings under section 201 of Income Tax Act 1961. The said letter stated that there are substantial discrepancies regarding non-remittance of TDS for FY 2022-23 of Rs. 1,26,19,899/- and non-deduction of TDS for multiple financial years of Rs 8,23,06,493/-, total amounting to 9,49,26,392/-. Therefore, CCMC was requested to submit a written explanation for the defaults and to show cause as to why an order should not be passed for the recovery of the outstanding amount to avoid any legal action. Another letter was issued against CCMC vide letter No. ITBA/COM/F/17/2023-24/1051946181(1) dated April 10, 2023, reiterating the same. Another letter was issued against CCMC vide letter No. ITBA/COM/F/17/2023-24/1051945731(1) dated April 10, 2023, reiterating the same.	9.49	Open
-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1054862660(1) dated August 04, 2023 for initiation of proceedings under section 201 of Income Tax Act 1961. The said letter stated that referring to letter with DIN: ITBA/COM/F/17/2023-24/1051946379 (1) dated April 10, 2023, a TDS survey u/s 133A (2A) of the Income Tax Act, 1961 was carried out in CCMC's premises on March 27, 2023 during which, discrepancies were found with regards to TDS deductions & remittances. Therefore, CCMC was requested to appear before the Deputy Commissioner, Income Tax Department, Coimbatore,	-	Open

	either in person or through an Authorised Representative for hearing at 11.00 AM on August 08, 2023. The said E-proceeding is currently open		
-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1055156420(1) dated August 16, 2023. The said letter stated that there was an outstanding TCS/TDS demand of Rs.18,22,020/- of various financial years. Therefore, CCMC was requested to pay or reduce the outstanding demand within 10 days from August 16, 2023. The letter further requested CCMC for compliance to the letter to avoid any penal action. Another Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2021-22/1036503213(1) dated August 16, 2023 reiterating the same As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	0.18	Open
2023-24	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023. The said letter stated that a TDS Survey u/s 133A (2A) of the Income Tax Act, 1961 was carried out in CCMC's premises on March 27,2023 and it was alleged that discrepancies were found with regards to TDS deductions and a Show-cause Notice from the Income Tax department, with DIN:ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was issued to CCMC. The Letter further requested CCMC to appear before the department along with: 1. Income & Expenditure statement for the FYs 2016-17 to FY 2022-23. 2. Balance Sheet for the FYs 2016-17 to FY 2022-2 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FYs 2016-17 to FY 2022-23. 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu Urban Development Fund for FYs 2016-17 to FY 2022-23. The letter stated that CCMC may appear either in person or through authorized representative or may show-cause in writing. The letter further requested CCMC for compliance to the letter to avoid any penal action. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	-	Open
2023-24	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1058308597(1) dated November 29, 2023. The said letter stated that the CCMC requested the Income Tax department vide a letter dated April 28, 2023, to furnish a copy of sworn statement recorded from Shri M Sundara rajan, Assistant Commissioner (Accounts), Coimbatore Municipal Corporation during the time of TDS survey conducted at CCMC's premises and the department attached the same with this letter. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	-	Open
2024-25	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060677939(1) dated February 08, 2024. The said letter stated that the TDS remittances during the month of April 2023 were found to be much higher than the average remittances made during the months of the FY 2022-23. The letter requested CCMC to explain the	-	Open

	nature of transactions for which the remittances were made along with details of remittance during the month of March 2023 and April 2023 in a tabular form. The letter further requested CCMC"to l'st out the transactions that did not accrue during the month of March 2023 but pertain to the previous months of the year which consequent to due diligence/audit/others were regularized during the month of March 2023 resulting in upward remittance and total liability of salary head and to confirm whether the upward trend in remittances during April 2023 were consequent to the regularization of the transactions compared to TDS falling between April 2022 and February 2023 during March 2023. CCMC was requested to provide the details by February 15, 2024. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open		
2018-19	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060805474(1) dated February 12, 2024. The said letter stated that A TDS survey u/s 133A(2A) was carried out in the premises of CCMC on March 27, 2023 and the Income Tax department alleged that CCMC had failed to deduct TDS of Rs. 93,39,234/- on payment made as interest of Rs. 9,33,92,338/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited under Section 194A of the Income Tax Act, 1961 at 10% during the FY 2017-18. The letter further stated that a show-cause notice vide DIN ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was served on the assessee deductor to show-cause why provisions u/s 201(1) and 201(1A) of the Income Tax Act 1961 should not be invoked against the deductor and treat the deductor assessee as assessee deemed to be in default. The authorized representatives of "Coimbatore Municipal Corporation, Shri G Rajendran, FCA appeared on April 13, 2023 to explain the details of the case. Subsequently, another letter with DIN: ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023 was served on the assessee deductor to submit the following details: 1. Income & Expenditure statement for the FY 2017-18 2. Balance Sheet for the FY 2017-18 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FY 2016-17. 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited for FY 2017-18. CCMC vide letter dated November 21, 2023 submitted the requested details and after verification the department found that CCMC had paid interest of total Rs 15,77,32,639/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and of total Rs 34,92,98,635/- to M/s Tamil Nadu Urban Infrastructure Financial Services Limited. The CCMC further clarified that the above-mentioned institutions are Government owned financial institutions and they have already paid income tax on the interest earned including the interest received from the CCMC on respective years from 2016-2023. The letter mentioned section 194 A of the Income Tax Act of 1961 in detail for reference and further stated that after referring to relevant provision of the Act and other relevant documents, it was concluded that M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s	0.87	Open

	Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu Urban Development are not covered by any of the express exemptions provided in Section 194A of the Income Tax Act, 1961 and CCMC was liable to deduct TDS at the rates specified in Section 194A of the Income Tax Act, 1961. The letter mentioned section 201 (1) of the Income Tax Act of 1961 in detail for reference and further alleged that CCMC was deemed to be in default u/s 201(1) of the Income Tax Act, 1961 for non-deduction of TDS on interest payment to the above-mentioned institutions and shall be liable to pay simple interest at the rate of one percent for every or part of the month from the date on which the tax was deductible to the date of filing of return of income by the deductee. As no Form 26A was provided, the date of filing of Return of Income was considered as date of passing of order. The letter further stated that an order was passed u/s 201(1) of the Income Tax Act, for the 4th Quarter Form 26Q for the FY 2017-18, raising demand of Rs. 87,31,203/- to be paid by CCMC. The letter further stated that a penalty proceedings u/s 271C would be initiated separately for the non-deduction of TDS by the Additional Commissioner of Income tax, TDS Range, Coimbatore. The department issued another notice of demand under section 156 of the Income Tax Act, 1961 directing CCMC to pay the sum of Rs. 87,31,203/- within 30 days from the letter. The letter also stated that CCMC may file an appeal before the Commissioner of Income Tax, within 30 days from this letter. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
2019-20	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060806593(1) dated February 12, 2024. The said letter stated that A TDS survey u/s 133A(2A) was carried out in the premises of CCMC on March 27, 2023 and the Income Tax department alleged that CCMC had failed to deduct TDS of Rs. 1,26,97,775/ on payment made as interest of Rs. 12,69,77,750/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited under Section 194A of the Income Tax Act, 1961 at 10% during the FY 2018-19. The letter further stated that a show-cause notice vide DIN ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was served on the assessee deductor to show-cause why provisions u/s 201(1) and 201(1A) of the Income Tax Act 1961 should not be invoked against the deductor and treat the deductor assessee as assessee deemed to be in default. The authorized representatives of M/s Coimbatore Municipal Corporation, Shri G Rajendran, FCA appeared on April 13, 2023 to explain the details of the case. Subsequently, another letter with DIN: ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023 was served on the assessee deductor to submit the following details: 1. Income & Expenditure statement for the FY 2018-19. 2. Balance Sheet for the FY 2018-19. 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FY 2018-19. 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure	0.97	Open

	Financial Services Limited for 2018-19. CCMC vide letter dated November 21, 2023 submitted the requested details and after verification the department found that CCMC had paid interest of total Rs 20,86,40,542/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and of total Rs 6,66,06,177/- to M/s Tamil Nadu Urban Infrastructure Financial Services Limited. The CCMC further clarified that the above-mentioned institutions are Government owned financial institutions and they have already paid income tax on the interest earned including the interest received from the CCMC on respective years from 2016-2023. The letter mentioned section 194 A of the Income Tax Act of 1961 in detail for reference and further stated that after referring to relevant provision of the Act and other relevant documents, it was concluded that M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu Urban Development are not covered by any of the express exemptions provided in Section 194A of the Income Tax Act, 1961 and CCMC was liable to deduct TDS at the rates specified in Section 194A of the Income Tax Act, 1961. The letter mentioned section 201 (1) of the Income Tax Act of 1961 in detail for reference and further alleged that CCMC was deemed to be in default u/s 201(1) of the Income Tax Act, 1961 for non-deduction of TDS on interest payment to the above-mentioned institutions and shall be liable to pay simple interest at the rate of one percent for every or part of the month from the date on which the tax was deductible to the date of filing of return of income by the deductee. As no Form 26A was provided, the date of filing of Return of Income was considered as date of passing of order. The letter further stated that an order was passed u/s 201(1) of the Income Tax Act, for the 4th Quarter Form 26Q for the FY 2018-19, raising demand of Rs. 97,50,827/- to be paid by CCMC. The letter further stated that a penalty proceedings u/s 271C would be initiated separately for the non-deduction of TDS by the Additional Commissioner of Income tax, TDS Range, Coimbatore. The department issued another notice of demand under section 156 of the Income Tax Act, 1961 directing CCMC to pay the sum of Rs. 97,50,827/- within 30 days from this letter. The letter also stated that CCMC may file an appeal before the Commissioner of Income Tax, within 30 days from the letter. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
2020-21	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060808386(1) dated February 12, 2024. The said letter stated that A TDS survey u/s 133A(2A) was carried out in the premises of CCMC on March 27, 2023 and the Income Tax department alleged that CCMC had failed to deduct TDS of Rs. 1,46,33,615/- on payment made as interest of Rs. 14,63,36,151/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited under Section 194A of the Income Tax Act, 1961 at 10% during the FY 2019-20. The letter further stated that a show-cause notice vide DIN ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was served on the assessee deductor to show-cause why provisions u/s 201(1) and 201(1A) of the Income Tax Act 1961 should not be invoked against the	0.61	Open

	deductor and treat the deductor assessee as assessee deemed to be in default. The authorized representatives of M/s' Coimbatore Municipal Corporation, Shri G Rajendran, FCA appeared on April 13, 2023 to explain the details of the case. Subsequently, another letter with DIN: ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023 was served on the assessee deductor to submit the following details: 1. Income & Expenditure statement for the FY 2019-20. 2. Balance Sheet for the FY 2019-20. 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FY 2019-20. 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited for 2019-20. CCMC vide letter dated November 21, 2023 submitted the requested details and after verification the department found that CCMC had paid interest of total Rs 12,08,97,957/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and of total Rs 4,21,72,289/- to M/s Tamil Nadu Urban Infrastructure Financial Services Limited. The CCMC further clarified that the above-mentioned institutions are Government owned financial institutions and they have already paid income tax on the interest earned including the interest received from the CCMC on respective years from 2016-2023. The letter mentioned section 194 A of the Income Tax Act of 1961 in detail for reference and further stated that after referring to relevant provision of the Act and other relevant documents, it was concluded that M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu Urban Development are not covered by any of the express exemptions provided in Section 194A of the Income Tax Act, 1961 and CCMC was liable to deduct TDS at the rates specified in Section 194A of the Income Tax Act, 1961. The letter mentioned section 201 (1) of the Income Tax Act of 1961 in detail for reference and further alleged that CCMC was deemed to be in default u/s 201(1) of the Income Tax Act, 1961 for non-deduction of TDS on interest payment to the above-mentioned institutions and shall be liable to pay simple interest at the rate of one percent for every or part of the month from the date on which the tax was deductible to the date of filing of return of income by the deductee. As no Form 26A was provided, the date of filing of Return of Income was considered as date of passing of order. The letter further stated that order was passed u/s 201(1) of the Income Tax Act, for th^{e} 4th Quarter Form 26Q for the FY 2019-20, raising demand of Rs. 61,26,020/- to be paid by CCMC. The letter further stated that a penalty proceedings u/s 271C would be initiated separately for the non-deduction of TDS by the Additional Commissioner of Income tax, TDS Range, Coimbatore. The department issued another notice of demand under section 156 of the Income Tax Act, 1961 directing CCMC to pay the sum of Rs. 61,26,020/- within 30 days from the letter. The letter also stated that CCMC may file an appeal before the Commissioner of Income Tax, within 30 days from this letter.		

	As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
2021-22	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060809197(1) dated February 12, 2024. The said letter stated that A TDS survey u/s 133A(2A) was carried out in the premises of CCMC on March 27, 2023 and the Income Tax department alleged that CCMC had failed to deduct TDS of Rs. 1,68,48,402/- on payment made as interest of Rs. 16,84,84,016/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited under Section 194A of the Income Tax Act, 1961 at 10% during the FY 2020-21. The letter further stated that a show-cause notice vide DIN ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was served on the assessee deductor to show-cause why provisions u/s 201(1) and 201(1A) of the Income Tax Act 1961 should not be invoked against the deductor and treat the deductor assessee as assessee deemed to be in default. The authorized representatives of M/s Coimbatore Municipal Corporation, Shri G Rajendran, FCA appeared on April 13, 2023 to explain the details of the case. Subsequently, another letter with DIN: ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023 was served on the assessee deductor to submit the following details: 1. Income & Expenditure statement for the FY 2020-21. 2. Balance Sheet for the FY 2020-21 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FY 2020-21. 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited for 2020-21. CCMC vide letter dated November 21, 2023 submitted the requested details and after verification the department found that CCMC had paid interest of total Rs 10,27,50,026/- M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and of total Rs 6,71,97,603/- to M/s Tamil Nadu Urban Infrastructure Financial Services Limited. The CCMC further clarified that the above-mentioned institutions are Government owned financial institutions and they have already paid income tax on the interest earned including the interest received from the CCMC on respective years from 2016-2023. The letter mentioned section 19A of the Income Tax Act of 1961 in detail for reference and further stated that after referring to relevant provision of the Act and other relevant documents, it was concluded that M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu Urban Development are not covered by any of the express exemptions provided in Section 194A of the Income Tax Act, 1961 and CCMC was liable to deduct TDS at the rates specified in Section 194A of the Income Tax Act, 1961. The letter mentioned section 201 (1) of the Income Tax Act of 1961 in detail for reference and further alleged that CCMC was deemed to be in default u/s 201(1) of the Income Tax Act, 1961 for non-deduction of TDS on interest payment to the above-mentioned institutions and shall be liable to pay simple interest at the rate of one percent for every or part of the month from the date on which the tax was deductible to the date of filing of return	0.43	Open

	of income by the deductee. As no Form 26A was provided, the date of filing of Return of Income was considered as date of passing of order. The letter further stated that an order was passed u/s 201(1) of the Income Tax Act, for t^{he} 4th Quarter Form 26Q for the FY 2020-21, raising demand of Rs. 43,12,915/- to be paid by CCMC. The letter further stated that a penalty proceedings u/s 271C would be initiated separately for the non-deduction of TDS by the Additional Commissioner of Income tax, TDS Range, Coimbatore. The department issued another notice of demand under section 156 of the Income Tax Act, 1961 directing CCMC to pay the sum of Rs. 43,12,915/- within 30 days from this letter. The letter also stated that CCMC may file an appeal before the Commissioner of Income Tax, within 30 days from this letter. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
2022-23	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060809658(1) dated February 12, 2024. The said letter stated that A TDS survey u/s 133A(2A) was carried out in the premises of CCMC on March 27, 2023 and the Income Tax department alleged that CCMC had failed to deduct TDS of Rs 2,00,62,733/- on payment made as interest of Rs. 20,06,27,334/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited under Section 194A of the Income Tax Act, 1961 at 10% during the FY 2021-22. The letter further stated that a show-cause notice vide DIN ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was served on the assessee deductor to show-cause why provisions u/s 201(1) and 201(1A) of the Income Tax Act 1961 should not be invoked against the deductor and treat the deductor assessee as assessee deemed to be in default. The authorized representatives of M/s Coimbatore Municipal Corporation, Shri G Rajendran, FCA appeared on April 13, 2023 to explain the details of the case. Subsequently, another letter with DIN: ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023 was served on the assessee deductor to submit the following details: 1. Income & Expenditure statement for the FY 2021-22 2. Balance Sheet for the FY 2021-22 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FY 2021-22 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited for 2021-22. CCMC vide letter dated November 21, 2023 submitted the requested details and after verification the department found that CCMC had paid interest of total Rs 20,65,19,024//- M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and of total Rs 5,09,77,492/- to M/s Tamil Nadu Urban Infrastructure Financial Services Limited. The CCMC further clarified that the above-mentioned institutions are Government owned financial institutions and they have already paid income tax on the interest earned including the interest received from the CCMC on respective years from 2016-2023. The letter mentioned section 194 A of the Income Tax Act of 1961 in detail for reference and further stated that after referring to relevant provision of the Act and other relevant documents, it was concluded that M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu	0.38	Open

	Urban Development are not covered by any of the express exemptions provided in Section 194A of the Income Tax Act, 1961 and CCMC was liable to deduct TDS at the rates specified in Section 194A of the Income Tax Act, 1961. The letter mentioned section 201 (1) of the Income Tax Act of 1961 in detail for reference and further alleged that CCMC was deemed to be in default u/s 201(1) of the Income Tax Act, 1961 for non-deduction of TDS on interest payment to the above-mentioned institutions and shall be liable to pay simple interest at the rate of one percent for every or part of the month from the date on which the tax was deductible to the date of filing of return of income by the deductee. As no Form 26A was provided, the date of filing of Return of Income was considered as date of passing of order. The letter further stated that an order was passed u/s 201(1) of the Income Tax Act, for the 4th Quarter Form 26Q for the FY 2021-22, raising demand of Rs. 38,69,143/- to be paid by CCMC. The letter further stated that a penalty proceedings u/s 271C would be initiated separately for the non-deduction of TDS by the Additional Commissioner of Income tax, TDS Range, Coimbatore. The department issued another notice of demand under section 156 of the Income Tax Act, 1961 directing CCMC to pay the sum of Rs. 38,69,143/- within 30 days from this letter. The letter also stated that CCMC may file an appeal before the Commissioner of Income Tax, within 30 days from this letter. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
2023-24	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2023-24/1060813052(1) dated February 12, 2024. The said letter stated that A TDS survey u/s 133A(2A) was carried out in the premises of CCMC on March 27, 2023 and the Income Tax department alleged that CCMC had failed to deduct TDS of Rs 31,20,277/- on payment made as interest of Rs. 3,12,02,767/- to M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited under Section 194A of the Income Tax Act, 1961 at 10% during the FY 2022-23. The letter further stated that a show-cause notice vide DIN ITBA/COM/F/17/2023-24/1051946379(1) dated April 10, 2023 was served on the assessee deductor to show-cause why provisions u/s 201(1) and 201(1A) of the Income Tax Act 1961 should not be invoked against the deductor and treat the deductor assessee as assessee deemed to be in default. Also, the letter alleged that CCMC did not remit the TDS deductions of Rs. 1,26,19,899/- under various heads. The authorized representative" ofs Coimbatore Municipal Corporation, Shri G Rajendran, FCA appeared on April 13, 2023 and submitted that the non-remittance of Rs. 1,26,19,899/- has been remitted along with the copies of challans. Subsequently, another letter with DIN: ITBA/COM/F/17/2023-24/1058013562(1) dated November 17, 2023 was served on the assessee deductor to submit the following details: 1. Income & Expenditure statement for the FY 2022-23 2. Balance Sheet for the FY 2022-23 3.Party-wise breakup of expenditure incurred, deduction of TDS and remittance of the same during the FY 2022-23. 4. Ledger copies of M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited for 2022-23. CCMC vide letter dated November 21, 2023 submitted the requested details and after verification the department found that CCMC had paid interest of	0.29	Open

	total Rs 6,41,09,839/- M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and of total Rs 4,85,05,856/- to M/s Tamil Nadu Urban Infrastructure Financial Services Limited. The CCMC further clarified that the above-mentioned institutions are Government owned financial institutions and they have already paid income tax on the interest earned including the interest received from the CCMC on respective years from 2016-2023. The letter mentioned section 194 A of the Income Tax Act of 1961 in detail for reference and further stated that after referring to relevant provision of the Act and other relevant documents, it was concluded that M/s Tamil Nadu Urban Finance and Infrastructure Development Corporation and M/s Tamil Nadu Urban Infrastructure Financial Services Limited-Tamil Nadu Urban Development are not covered by any of the express exemptions provided in Section 194A of the Income Tax Act, 1961 and CCMC was liable to deduct TDS at the rates specified in Section 194A of the Income Tax Act, 1961. The letter mentioned section 201 (1) of the Income Tax Act of 1961 in detail for reference and further alleged that CCMC was deemed to be in default u/s 201(1) of the Income Tax Act, 1961 for non-deduction of TDS on interest payment to the above-mentioned institutions and shall be liable to pay simple interest at the rate of one percent for every or part of the month from the date on which the tax was deductible to the date of filing of return of income by the deductee. As no Form 26A was provided, the date of filing of Return of Income was considered as date of passing of order. The letter further stated that an order was passed u/s 201(1) of the Income Tax Act, for the 4th Quarter Form 26Q for the FY 2022-23, raising demand of Rs. 29,66,736/- to be paid by CCMC. The letter further stated that a penalty proceedings u/s 271C would be initiated separately for the non-deduction of TDS by the Additional Commissioner of Income tax, TDS Range, Coimbatore. The department issued another notice of demand under section 156 of the Income Tax Act, 1961 directing CCMC to pay the sum of Rs. 29,66,736/- within 30 days from this letter. The letter also stated that CCMC may file an appeal before the Commissioner of Income Tax, within 30 days from this letter. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
2023-24	A notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1063154606(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2022-23 relevant to Assessment Year – 2023-24 amounting to total Rs. 26,48, 871/-.Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.	0.26	Open
2022-23	A notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1063155177(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2021-22 relevant to Assessment Year – 2022-23 amounting to total Rs 31,20,277/-Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.	0.31	Open
2021-22	A notice was issued against CCMC vide Notice No. TBA/COM/F/17/2023-	0.31	Open

	24/1063155641(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2020-21 relevant to Assessment Year – 2021-22 amounting to total Rs 31,71,261/-Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.		
2020-21	A notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1063156101(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2019-20 relevant to Assessment Year –2020-21 amounting to total Rs 41,39,203/-Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.	0.41	Open
2019-20	A notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1063156548(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2018-19 relevant to Assessment Year – 2019-20 amounting to total Rs 60,94,267/-Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.	0.60	Open
2018-19	A notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1063157090(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2017-18 relevant to Assessment Year – 2018-19 amounting to total Rs 50,76,281/-Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.	0.50	Open
2017-18	A notice was issued against CCMC vide Notice No. ITBA/COM/F/17/2023-24/1063157399(1) dated March 22, 2024. The said notice was under section 274 and section 271 C of the Income Tax Act, 1961 and it stated that It appears from the information available that CCMC had failed to deduct the TDS as required by or under the provisions of Chapter-XVII-B of the Income Tax Act of 1961, for the Financial Year – 2016-17 relevant to Assessment Year – 2017-18 amounting to total Rs 51,79,788/-Therefore, CCMC was requested to furnish reply on or before April 05, 2024 and show cause as to why an order imposing penalty u/s 271C of the Income Tax Act, 1961, should not be imposed on CCMC.	0.51	Open
-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2024-25/1065437274(1) dated June 06, 2024. The said letter stated that vide a reference letter with communications reference no 13022024/00295/CD dated February 13, 2024 it was intimated to CCMC that there is an outstanding demand of Rs. 4,82,62,994/- and it was requested to reduce the same. On verifying TRACES, it was seen that a demand of Rs. 4,98,08,614/- was still outstanding for various Financial Years. Therefore, CCMC was requested to treat the issue with high priority and pay or reduce the outstanding demand of Rs. 4,98,08,614/ within 10 days of this letter.	4.98	Open

	The letter further stated that the outstanding demand has to be recovered unless any appeal is pending regarding the same and to produce the requisite documents along with the details of payment ofthe 20% of the disputed demand. It was further stated that failure to compliance of the letter will lead to recovery proceedings by the way of coercive action. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2024-25/1066109820(1) dated June 27, 2024. The said letter stated that vide a reference letter with communications reference no 13022024/00295/CD dated February 13, 2024 and letter with DIN: ITBA/COM/F/17/2024-25/1065437274(1) dated June 06, 2024, it was intimated to CCMC that there is an outstanding demand of Rs. 4,80,28,354 and it was requested to reduce the same. On verifying TRACES, it was seen that the same was still outstanding for various Financial Years. The letter further stated that the outstanding demand has to be recovered unless any appeal is pending regarding the same and to produce the requisite documents along with the details of payment of the 20% of the disputed demand. It was alleged that CCMC did not take any action till then. The letter further stated that a final opportunity was given to reduce the demand or present CCMC's submission with the abovementioned default. It was further stated that failure to compliance of the letter will lead to recovery proceedings by the way of coercive action including Bank attachment without further intimation. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open	4.80	Open
2020-21	A notice was issued against CCMC vide Notice No: ITBA/APL/F/APL_1/2024-25/1066377442(1) dated July 03, 2024. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: ADDL/JCIT (A)-2 CHANDIGARH/10012/2019-20 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) on February 12, 2024 for the Assessment Year 2020-21, CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department. Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2024-25/1069813240(1), referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10012/2019-20 was issued on October 21, 2024, reiterating the same. Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2024-25/1071018754(1), referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10012/2019-20 was issued on December 09, 2024, reiterating the same and giving a final opportunity to CCMC to provide its supporting documents for the appeal. CCMC filed its response on April 05, 2025 with Document reference Id: ITBA/APL/F/APL_1/2024-25/1071018754(1), submitting its Written submission, Form 26 A and Interest paid challan to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development	-	Open

	Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL).		
2021-22	A notice was issued against CCMC vide Notice No: ITBA/APL/F/APL_1/2025-26/1081575631(1)dated October 09, 2025. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: ADDL/JCIT (A)-2 CHANDIGARH/10012/2019-20 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) vide DIN:ITBA/COM/F/17/2023-24/1060808386(1) on February 12, 2024 for the Assessment Year 2021-22, CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department before October 16, 2025. CCMC filed its response on October 09, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575631(1), submitting its Written submission, Form 26 A for 2020-21 and Interest paid challan to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL).	-	Open
2021-2022	A notice was issued against CCMC vide Notice No: ITBA/APL/F/APL_1/2024-25/1066377184(1) dated July 03, 2024. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: ADDL/JCIT (A)-2 CHANDIGARH/10010/ 2020-21 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) vide DIN No. ITBA/COM/F/17/2023-24/1060809197(1) on February 12, 2024 for the Assessment Year 2021-22, CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department before July 18, 2024. Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2024-25/1069813216(1), referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10010/2020-21, was issued on October 21 2024, reiterating the same. Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2024-25/1071018907(1), referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10010/2020-21, was issued on December 09, 2024, reiterating the same. CCMC filed its response on April 05, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575631(1), submitting its written submission, Form 26 A for 2021-22 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL). Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2025-26/1081575651(1) referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10010/2020-21, for the year 2022-23 was issued on December 09, 2024, reiterating the same. CCMC filed its response on October 09, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575651(1), submitting its Written submission, Form 26 A for 2021-22 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure	-	Open

	Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL).		
2022-2023,	A notice was issued against CCMC vide Notice No: ITBA/APL/F/APL_1/2024 -25/1066376847(1) dated July 03, 2024. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: ADDL/JCIT (A)-2 CHANDIGARH/10018/2021-22 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) for the Assessment Year 2022-23, CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department before July 18, 2024. Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2024-25/1069813194(1) referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10018/2021-22, vide DIN No. ITBA/APL/F/APL_1/2024-25/1069813194(1) on February 12, 2024 for the Assessment Year 2022-23 was issued on October 21, 2024, reiterating the same. Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2024-25/1071018677(1) referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10018/2021-22, vide DIN No. ITBA/APL/F/APL_1/2024-25/1071018677(1) on February 12, 2024 for the Assessment Year 2022-23 was issued on December 09, 2024, reiterating the same. CCMC filed its response on April 05, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2024-25/1071018677(1), submitting its Written submission, Form 26 A for 2022-23 and challan of interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu urban Infrastructure Financial and Services Limited (TUFISIL). Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2025-26/1081575668(1) referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10018/2021-22, vide ITBA/COM/F/17/2023-24/1060809658(1) on February 12, 2024 for the Assessment Year 2023-24 was issued on October 09, 2025, reiterating the same. CCMC filed its response on October 09, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575668(1), submitting its Written submission, Form 26 A for 2022-23 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL).	-	Open
2020-21	An Issue Letter was issued against CCMC vide Letter No. ITBA/APL/S/62/2024-25/1067211135(1) dated August 01, 2024. The said letter stated that the communication window with the CIT(A) was enabled. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.	-	Open
2020-21	A notice was issued against CCMC vide DIN: ITBA/APL/F/APL_1/2024 -25/1066376847(1) dated December 09, 2024. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: ADDL/JCIT (A)-2	-	Open

	CHANDIGARH/10007/2018-19 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) vide DIN No. ITBA/APL/F/APL_1/2024-25/1071017925(1) on February 12, 2024 for the Assessment Year 2019-20. CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department before July 18, 2024. CCMC filed its response on April 05, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2024-25/1071017925(1), submitting its Written submission, Form 26 A for 2019-20 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL). Another notice under section 250 of the Income-tax Act,1961 with DIN: ITBA/APL/F/APL_1/2025-26/1081575604(1) referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10007/2018-19, vide ITBA/COM/F/17/2023-24/1060806593(1) on February 12, 2024 for the Assessment Year 2020-21 was issued on October 09, 2025, reiterating the same. CCMC filed its response on October 09, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575604(1), submitting its Written submission, Form 26 A for 2019-20 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu urban Infrastructure Financial and Services Limited (TUFISIL).		
2018-2019,	A notice was issued against CCMC vide DIN: DIN:ITBA/APL/F/APL_1/2024-25/1071019383(1) dated December 09, 2024. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: ADDL/JCIT (A)-2 CHANDIGARH/10005/2017-18 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) vide ITBA/APL/F/APL_1/2024-25/1071019383(1) on February 12, 2024 for the Assessment Year 2018-19. CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department before December 24, 2024. CCMC filed its response on April 05, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2024-25/1071019383(1), submitting its Written submission, Form 26 A for 2018-19 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL). Another notice under section 250 of the Income-tax Act,1961 with DIN: ITBA/APL/F/APL_1/2025-26/1081575590(1) referring to Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10005/2017-18, vide DIN No. ITBA/COM/F/17/2023-24/1060805474(1) on February 12, 2024 for the Assessment Year 2019-20 was issued on October 09, 2025, reiterating the same. CCMC filed its response on October 09, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575590(1), submitting its Written	-	Open

	submission, Form 26 A for 2018-19 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL).		
2023-2024	A notice was issued against CCMC vide DIN: ITBA/APL/F/APL_1/2024-25/1071018603(1) dated December 09, 2024. The said notice was under section 250 of the Income-tax Act,1961 and it stated that in connection with the Appeal Reference Number: Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10041/2022-23 preferred by CCMC against the order under section 201 of the Income-tax Act, 1961 passed by CHE-W-(63)(14) vide DIN: ITBA/APL/F/APL_1/2024-25/1071018603(1) on February 12, 2024 for the Assessment Year 2023-24. CCMC was requested to file the supporting documents and written submissions on the grounds of appeal along with duly authorized Vakalatnama to the department before December 24, 2024. CCMC filed its response on April 05, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2024-25/1071018603(1), submitting its Written submission, Form 26 A for 2023-24 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu Urban Infrastructure Financial and Services Limited (TUFISIL). Another notice under section 250 of the Income-tax Act,1961 with DIN:ITBA/APL/F/APL_1/2025-26/1081575683(1) referring to Appeal No: Appeal No: ADDL/JCIT (A)-2 CHANDIGARH/10041/2022-23, vide DIN No. TBA/COM/F/17/2023-24/1060813052(1) on February 12, 2024 for the Assessment Year 2024-25 was issued on October 09, 2025, reiterating the same. CCMC filed its response on October 09, 2025 with Document Reference Id: ITBA/APL/F/APL_1/2025-26/1081575683(1), submitting its Written submission, Form 26 A for 2023-24 and challan of Interest paid to the department with reference to the alleged failure of CCMC to deduct TDS on Interest Payments to Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and Tamil Nadu urban Infrastructure Financial and Services Limited (TUFISIL).	-	Open
-	An Issue Letter was issued against CCMC vide Letter No. I TBA/COM/F/17/2024-25/1070526180(1) dated November 21, 2024. The said letter stated that referring to letters bearing DIN: 13022024/00295/CD dated. February 13, 2024, letter bearing DIN: ITBA/COM/F/17/2024-25/1065437274(1) dated June 06, 2024 and letter bearing DIN: ITBA/COM/F/17/2024-25/1066109820(1) dated June 27, 2024, CCMC was informed that there were huge unpaid demands payable by CCMC and allegedly no reply has been filed by them. The Letter further stated that on verification of the office records, a sum of Rs. 4,65,55,544/- is still outstanding for various Financial Years and CCMC requested to take necessary steps to pay or reduce the outstanding demand of Rs. 4,65,55,544/- within 10 days from the receipt of the letter. The Letter further stated that in case any appeal was filed against any of the outstanding demand(s), documents of the same should be filed, along with the details of payment of 20% of the disputed demand, which would be a pre-requisite for stay of the demand. Failure to comply with this may result in initiation of coercive recovery action (including attachment of bank accounts) without any further notice. It was requested to file a reply to the letter before December 04, 2024.	4.65	Open

	As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.		
-	An Issue Letter was issued against CCMC vide Letter No. ITBA/COM/F/17/2024-25/1071110962(1) dated December 11, 2024. The said letter stated that on verification of the reply letter filed by CCMC on November 29, 2024, it was seen that while appeal was filed, payment of 20% of the disputed demand was not found, which ensured stay of the demand. Therefore, CCMC was requested to immediately arrange to pay 20% of the disputed demand. The Letter further stated that reply to this should be filed on or before December 18, 2024, failing which recovery action will be initiated as per provisions of the Income Tax Act, 1961. As on date, no reply has been filed by CCMC. The said E-proceeding is currently open.	-	Open

Tax Deducted at Source

Number of Cases	Amount Involved (Rs. In Crore)
30	3.91

***Source:** https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded, status as on December 11, 2025.*

- **Indirect Tax Related Litigation**

Property Tax

S. No.	Nature	Number of Cases	Amount Involved (Rs. in Crores)
Property Tax			
1.	*Property– Tax - Cases have been filed against the Issuer by the residents/ entities residing/ operating in Coimbatore City Municipal Corporation on jurisdiction accusing Issuer of charging huge amount of property tax.	70	23.22

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

Goods and Service Tax

SL. No	Reference ID	Tax Period	Amount of Demand	Description
1.	ZA33062314 99088	2023-2024	Not Quantifiable.	An intimation notice under Section 46 of the Central Goods and Services Tax Act, 2017, dated June 25, 2023, bearing reference no. ZA3306231499088, was issued to Coimbatore Smart City Limited for non-filing of its GSTR-3B return for the financial year 2023–24. The notice stated that the Issuer, being a registered taxpayer, had failed to file the return and was therefore directed to submit the pending GSTR-3B within 15 days. It also stated that failure to do so would result in assessment and creation of tax liability under Section 62 of the Act. The notice further clarified that if the Issuer filed the return before an assessment order was issued, the notice would be treated as withdrawn. The matter is currently pending.

SL. No	Reference ID	Tax Period	Amount of Demand	Description
2.	ZD330524048652H	2022-2023	3,68,180	An intimation notice in Form GST DRC-01A (Part A) under Section 73(5) of the CGST Act, 2017, dated November 23, 2023, bearing reference no. ZD331123145923N and case ID AD331123037801L, was issued to the Issuer (GSTIN 33AAALC1419P1Z8). The notice recorded that the taxpayer had not responded to an earlier scrutiny notice in Form ASMT-10 and, based on available records a tentative tax liability has been ascertained for FY 2022–23. The intimation quantified a total amount of Rs. 3,68,180 for the period April 2022 to March 2023, comprising CGST of Rs. 1,68,890 and interest of Rs. 15,200, and SGST of Rs. 1,68,890 and interest of Rs. 15,200. The Issuer was directed to pay the above tax along with applicable interest on or before December 6, 2023, failing which a show cause notice would be issued under Section 73(1) of the CGST Act. The Issuer was also given an opportunity to file objections or written submissions against the ascertained amount in Part B of Form DRC-01A on or before December 6, 2023. The matter is currently pending.
3.	ZD330723129126M	2022-2023	1,00,000	An intimation notice dated July 28, 2023, bearing reference no. ZD330723129126M, was issued to the Issuer under Section 61 of the Central Goods and Services Tax Act, 2017. The notice stated that, for the financial year 2022–23, discrepancies were found in the GST returns filed by the Company. Specifically, the tax liability disclosed in GSTR-3B was lower than the outward supplies reported in GSTR-1 by Rs. 1,00,000/-. The Company was directed to provide an explanation for this difference by August 28, 2023. The notice further stated that, if no explanation was submitted within the prescribed time, it would be presumed that the Company had no justification to offer and the matter would be proceeded with in accordance with law. The Company was also instructed to pay the differential tax along with interest at 18% if applicable. The matter is currently pending.
4.	ZD330825071 4392	2021-2022	4,23,427	A Show Cause Notice under Section 73 dated September 22, 2025, with reference no. ZD330925258933X, was issued to the Issuer (GSTIN 33AAALC1419P1Z8) for FY 2021–22. The notice stated that, during scrutiny, it was found that the tax shown as payable under RCM in GSTR-2A was more than the tax actually paid in GSTR-3B, resulting in a short-payment of IGST of Rs. 1,26,000. The Issuer was therefore asked to pay the tax difference along with interest at 18%, which amounted to Rs. 87,427, and a penalty of Rs. 20,000 as per Section 73(9) of the CGST/TNGST Act, 2017. The notice also recorded that the Issuer had not filed its annual return in Form GSTR-9/9C as required under Section 44 of the CGST/TNGST Act, 2017. The Issuer was directed to file the pending returns immediately along with

SL. No	Reference ID	Tax Period	Amount of Demand	Description
				late fees, which had accumulated to Rs. 95,000 each under CGST and SGST. The Issuer was given 15 days from the date of receipt of the notice to submit its objections and supporting documents. The matter is currently pending.
5.	ZD33052529 17239	2020-2021	27,81,696	An order in Form GST DRC-07 (No. ZD330225196491E) dated February 20, 2025, was issued by the State Tax Officer, Big Bazaar Street Circle, Coimbatore, to the Issuer (GSTIN 33AAALC1419P1Z8) under Section 73 of the TNGST Act, 2017, for FY 2020–21. The order stated that, after examining GSTR-3B, GSTR-1, GSTR-2A, e-way bills, and other records, the Department found differences in the tax declared, including under-reported output tax, unpaid RCM tax on inward supplies, and excess input tax credit claimed from suppliers who were not compliant. The total tax liability was assessed at Rs. 27,81,696, which included tax of Rs. 15,06,364 (CGST Rs. 4,56,182; SGST Rs. 4,56,182; IGST Rs. 5,94,000), interest of Rs. 11,24,696 (CGST Rs. 3,40,599; SGST Rs. 3,40,599; IGST Rs. 4,43,498), and penalty of Rs. 1,50,636 (CGST Rs. 45,618; SGST Rs. 45,618; IGST Rs. 59,400). The Issuer filed an appeal in Form GST APL-01 before the Appellate Authority, arguing that it had filed GSTR-1 and GSTR-3B in its capacity as a local authority, which the Original Adjudicating Authority (OAA) failed to consider. It was contended that the OAA wrongly applied provisions applicable to ordinary taxpayers. The appellant also submitted that it had not claimed any ITC in the relevant returns and therefore the demand for tax, interest, and penalty was not sustainable. The appellant has requested that the impugned order dated February 20, 2025, be set aside. The matter is currently pending.

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

S. No.	Name of the Parties	Case Number	Authority	Brief facts of the Case	Amount Involved (in Crore)	Case Status
1.	Coimbatore Integrated Waste Management Company Private Limited Vs. Coimbatore City Municipal Corporation	Not Allotted	Arbitral Tribunal of Hon'ble Mr. Justice K. Venkataraman.	In 2007, CCMC entered a 20-year Concession Agreement with the BEIL-UPL Consortium for Coimbatore's Integrated Municipal Solid Waste Management Project, appointing Coimbatore Integrated waste Management Company Pvt Ltd. ("CIWMCPL") (incorporated 2008) as the operator. CIWMCPL was responsible for waste collection, transportation, processing, sanitary landfilling, dumpsite closure, and byproduct sales, while Issuer had to supply waste and pay monthly fees.	84.93	Pending

S. No.	Name of the Parties	Case Number	Authority	Brief facts of the Case	Amount Involved (in Crore)	Case Status
				Disputes arose over unpaid fees. CIWMCPL filed a writ in 2015 claiming Rs. 20.33 crores; continued non-payment led to multiple contempt petitions (2018, 2019, 2021). In July 2018, CCMC agreed to part payments and to refer disputes to arbitration. The first arbitration addressed claims up to December 2018, with interim payments ordered in 2019 and a final award in October 2021 granting partial dues, interest, and certain costs, while dismissing CCMC's counter-claims. CCMC challenged this award under Section 34 in November 2021. CIWMCPL filed a second arbitration for unpaid fees from January 2019 to February 2023, supported by RFID records and independent engineer reports, claiming transportation, processing, landfill fees, GST-related change-in-law costs, additional fees, and contractual interest totaling Rs. 84.93 crores. Reconciliation meetings were held in 2022–2023. The matter is currently pending.		
2.	R. Bharathi S/o Raju & 9 Ors. Vs. Coimbatore City Municipal Corporation	Contempt Petition No. 2703 of 2025 And WP No. 1883 of 2025	High Court of Madras	A Contempt Petition bearing No. 2703 of 2025, dated 21 July 2025, was filed under Section 11 of the Contempt of Courts Act, 1971, by R. Bharathi and nine other sanitary workers of Wards 36–38, West Zone, Coimbatore City Municipal Corporation ("Appllicant"), before the Madras High Court, against S. Ganesh, I.A.S., Special Secretary to the Government, Municipal Administration and Water Supply Department, and two others. The petitioners alleged willful disobedience of the High Court's order dated 7 March 2025 in W.P. No. 1883 of 2025 by the respondent, which directed regularization of services and extension of benefits under G.O. (2D) Nos. 64 and 68 of 2019, based on completion of three years of service, in line with the Division Bench judgment in W.A. No. 1615 of 2018. The court had directed the respondents to complete the regularization exercise within 12 weeks. Despite representations no action was taken, and the Assistant Commissioner (West	-	Pending

S. No.	Name of the Parties	Case Number	Authority	Brief facts of the Case	Amount Involved (in Crore)	Case Status
				Zone) only acknowledged receipt on 13 June 2025 without compliance. The petitioners prayed for appropriate action against the respondents for contempt of court. The case is currently pending.		
3.	J. Robert Raja S/o, Jesu Vs The Commissioner, Coimbatore Municipal Corporation	WP 16450 2023	High Court of Madras	A Writ Petition bearing W.P. No. 16450 of 2023, was filed under Article 226 of the Constitution by J. Robert Raja, a registered Class-I contractor with the Issuer, before the Madras High Court against the Commissioner of the Corporation. The petitioner executed 16 road restoration and BT surfacing works across various wards between 2017 and 2021, with a total contract value of Rs. 12,54,36,854, under approved work orders funded by TURIFF, Central Fund, 14th CFC, IUDM, and SRP. All works were completed within the agreed timelines, and bills were sanctioned by the Corporation's engineers based on proper measurements (M-Book). Despite this, the Corporation failed to make regular monthly payments as required by the agreement between the petitioner and respondent. The petitioner made representations on 24 May 2022 and 7 June 2022, which led to earlier court proceedings (W.P. Nos. 16364, 16367, 16368, 16371 & 16374 of 2022). The High Court directed the Corporation to consider payments within 8 weeks, resulting in partial payments including Rs. 30 lakhs by November 2022. Contempt petitions (Cont. P. Nos. 2874-2878 of 2022) were filed due to continued delays. By letter dated 27 January 2023, the Corporation acknowledged payment of Rs. 1,07,58,919, leaving a balance of Rs. 10,46,77,935, and proposed a phased release schedule of Rs. 25 lakhs per month till November 2026. The petitioner challenged this schedule as arbitrary and unreasonable, seeking immediate release of the remaining balance (after further payments of Rs. 95,11,698 by April 2023) with interest, arguing that funds were available at the time of tendering and that undue delay violated Article 14 of the Constitution.	10.51	Pending

S. No.	Name of the Parties	Case Number	Authority	Brief facts of the Case	Amount Involved (in Crore)	Case Status
				The matter is currently pending.		
4	N. Senthil Kumar, R. Gunasekaran & Others &G Manikandan, N Prabhu & Other Vs Coimbatore City Municipal Corporation.	Claim Petition No. 35 to 46 /2024- ALC (12 cases) & Claim Petition No- 65 to 71 /2024-ALC- (7-cases)	Coimbatore District Court, Before the Additional Labour Judge of Coimbatore	A total of 19 sanitary workers, twelve workers in C.P. Nos. 35–46 of 2024 and seven workers in C.P. Nos. 65–71 of 2024, filed claim petitions under section 33(c)(2) of the ID Act, 1947 before the Additional Labour Court, Coimbatore, seeking payment of their balance wages from. Their combined claim is Rs. 1,17,78,366, averaging about Rs. 6.19 lakhs per worker. They state that although they have been working as unskilled sanitary workers since 1994, they were paid only a basic wage of Rs. 13,200, without the dearness allowance made mandatory by G.O. 2D No. 62 dated 11.10.2017, which fixed monthly minimum wages between Rs. 17,725 (2018–19) and Rs. 19,848 (2023–24) for Corporation workers. The Corporation denies liability, stating that the petitioners are contract labour, not its direct employees, having been engaged through various contractors responsible for wages, PF/ESI, and supervision. It argues that the minimum wage notification applies only to direct employees of municipal corporations. Summons were issued on 22 August 2024 directing appearance on 30 August 2024, filing of counters, and production of records; several counters have been filed, and all petitions are pending. The Corporation filed a counter affidavit which disputes the worker's claim asserting that they are a daily-wage contract worker since 2010, with no employer–employee relationship with the Corporation. It argues that they cannot claim minimum wages since they are meant for regular staff and not for contractors (who are responsible for their wages). The Corporation seeks dismissal of the petition as false and unsustainable. The Case is currently pending.	1.18	Pending

C. LITIGATIONS BY THE ISSUER

i. CRIMINAL LITIGATIONS

Nil

ii. OTHER MATTERS BASED ON MATERIALITY POLICY OF THE ISSUER

S. No.	Name of the Parties	Case Number	Authority	Brief facts of the Case	Amount Involved (Rs. in Crore)	Present Status
1	Coimbatore City Municipal Corporation Vs. M/s Coimbatore Integrated Waste Management Company Private Limited (CIWMCPL)	Arbitration Appeal S.R. No. 12232 of 2025	High Court of Madras	In 2007, CCMC hired a private company, CIWMCPL, to run Coimbatore's waste management project for 20 years. Later, disagreements arose because CIWMCPL said CCMC was not paying the agreed monthly charges. CIWMCPL first went to the High Court, and in 2018 CCMC agreed to send the dispute to arbitration, as required under the contract. An arbitration tribunal was formed. CIWMCPL claimed various unpaid fees and interest, while CCMC filed counter-claims saying CIWMCPL had violated several terms of the contract. After hearing both sides, the tribunal passed its award on October 20, 2021. It granted CIWMCPL only part of the money claimed and rejected all counter-claims made by CCMC. CCMC then challenged this award in a Section 34 petition, which is still pending before the Madras High Court. Separately, CIWMCPL started a second arbitration for unpaid dues for the period from January 1, 2019, to February 28, 2023. Several reconciliation meetings were held in July 2024 to compare accounts, but the parties could not agree. Therefore, on November 12, 2024, the tribunal appointed an independent Chartered Accountant to check and reconcile the accounts. The case is currently pending.	30.70	Pending

D. LITIGATIONS INVOLVING THE MEMBERS OF THE BOND ISSUE COMMITTEE

LITIGATIONS AGAINST THE MEMBERS OF THE BOND ISSUE COMMITTEE

Nil

LITIGATIONS BY THE MEMBERS OF THE BOND ISSUE COMMITTEE

Nil

E. OUTSTANDING DUES TO CREDITORS

Based on Materiality Policy of the Issuer, as on September 30, 2025 CCMC had a total 8 material creditors. Further the Issuer does not categorize its creditors as SSU/MSME and the creditors also do not submit their SSU/MSME registrations and hence the dues to SSU/MSME are not disclosed in this Preliminary Placement Memorandum.

Details of outstanding dues to creditors is given below:

(Rs. in Crores)

Particulars	Outstanding Dues
Total Outstanding dues to Material Creditors	6.67
Total Outstanding dues creditors other than Material Creditors	2.14
Grand Total	**8.81**

For complete details about the outstanding dues to the Material Creditors of Issuer, please see website at the following link: https://ccmc.gov.in/img/upload/CREDITORS_LIST.pdf

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

As per the certificate of the External Auditor dated December 11, 2025, the Issuer has not undergone any material development since date of the last audited balance sheet except routine transfer of officials of the Issuer including change in Municipal Commissioner and routine reallocation of duty of supervision/controlling of various departments.

G. MATERIAL AGREEMENTS AND CONTRACTS:

Except for the agreements entered into by the Issuer in the normal course of business, the details of the Material Agreements Contracts are as provided in the section titled “Material Contracts and Documents” on page no. 154 of this Preliminary Placement Memorandum.

H. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THEFINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER, RESULTING IN MATERIAL LIABILITIES, RESTRUCTURING EVENT, ETC,) AT THE TIME OF THE ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTORS’ DECISION TO INVEST/ CONTINUE TO INVEST IN THE MUNICIPAL DEBT SECURITIES.

The Issuer hereby confirms that, except as disclosed in this Preliminary 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 Bonds or an investors’ decision to invest or continue to invest in the Bonds to be issued by the Issuer.

I. DETAILS OF NON-PAYMENT OF STATUTORY DUES

Except as disclosed above, there are no instances of non-payment of statutory dues by the Corporation.

J. DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENTS OF INTEREST AND PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENT ISSUED BY THE ISSUER, IN THE PAST 3 YEARS.

NIL

I. DISCIPLINARY ACTION, IF ANY, TAKEN BY SEBI OR ANY FINANCIAL SECTOR REGULATORY AUTHORITY AGAINST THE ISSUER, MERCHANT BANKER, DEBENTURE

TRUSTEE ETC., DURING THE LAST 5 (FIVE) YEARS

i. Against the Issuer

NIL

ii. Against the Debenture Trustee

NIL

iii. Against the Merchant Bankers

NIL

iv. Against the Credit Rating Agency

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

v. Against the Registrar

NIL

SECTION-XII: GOVERNMENT APPROVALS

The Issuer is a municipal corporation incorporated under the CCMC Act and has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for its operations and except as mentioned below, no further approvals are required for carrying on our present operations.

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Preliminary 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:

Sl. No.	Description	Registration Number	Authority	Date of issue	Date of Expiry
1.	Permanent Account Number ("PAN")	AAALC1419P	Income Tax Department, Government of India	January 30, 1981*	One Time Registration
2.	GST Registration Certificate ("GST")	33AAALC1419P1Z8	Government of India	Date of Issue of Certificate: September 25, 2017 Period of Validity: From July 01, 2017.	One Time Registration
3.	Legal Entity Identifier Certificate	894500YIEM2223527Q55	Legal Entity Identifier India Limited	February 27, 2025	February 27, 2026
4.	**TAX DEDUCTION AND COLLECTION ACCOUNT NUMBER ****				
a)	TAN RF Main***	CMBC03061C	Income Tax Department, Government of India	April 15, 2022	One Time Registration
b)	TAN Water Supply Main	CMBC03086G		April 16, 2002	
c)	TAN East Zone	CMBC04779F		June 12, 2008	
d)	TAN West Zone	CMBW03160D		November 10, 2008	
e)	TAN North Zone	CMBC04738G		April 04, 2008	
f)	TAN South Zone	CMBA07113B		May 03, 2012	
g)	TAN Central Zone	CMBCO4771E		May 30, 2008	

**Date mentioned on the Pan Card*

***The Issuer has 7 TAN numbers issued to separate departments of its head office and zonal offices.*

****The said registration is in the name of "Coimbatore Municipal Corporation"*

The Issuer does not have any subsidiary.

The details of the approvals obtained/ required to be obtained by the Issuer for undertaking the proposed Projects are set out in paragraph G "Details and status of the regulatory approval (if required)" of Section *Objects of the Issue* "Details and status of the regulatory approval" on page no. 60 and 66 of this Preliminary Placement Memorandum.

SECTION-XIII: UNDERTAKINGS BY THE ISSUER

M. SIVAGURU PRABAKARAN, I.A.S.,
Commissioner
Coimbatore City Municipal Corporation
Managing Director, Coimbatore Smart City Ltd.
Coimbatore - 641 001.

Ph : 0422 - 2396026
Fax : 0422 - 2390167
Mobile : 94425 46000
Email : commr.coimbatore@tn.gov.in
md.cscl.cbe@gmail.com

UNDERTAKINGS BY THE ISSUER

Coimbatore City Municipal Corporation (the "Issuer") hereby agrees and undertakes:

1. That it shall submit the documents disclosed in the Preliminary 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 Preliminary Placement Memorandum contains true, fair, correct and adequate information to enable investors to make well informed decision regarding their investment in the proposed Issue and a declaration to this effect issued by the Mayor and by the Commissioner has been annexed to the Preliminary Placement Memorandum.
5. That the Preliminary 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 statements.
6. That all monies received out of the Issue shall be transferred to a separate bank account.
7. That the Issuer has not issued any securities by way of public issues in the past.
8. That it has complied and shall comply with all the applicable laws including but not limited to the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015.

(M. Sivaguru Prabakaran)
Commissioner

Place: Coimbatore
Date: 11 December 2025

COIMBATORE CORPORATION • COIMBATORE •

SECTION-XIV: TERM SHEET

SUMMARY OF OFFER

B. Primary business of the Issuer:

The Coimbatore City Municipal Corporation has been constituted under Article 243Q(1)(c) of the Constitution of India, 1949 and established under the Coimbatore City Municipal Corporation Act,1981then applicable act in Tamil Nadu vide notification dated April 30, 1981. The CCMC Act has been repealed vide Section 200 of the Tamil Nadu Urban Local Bodies Act, 1998 ("TNULB Act").

Size of the Issue:

Rated, Listed, Taxable, Unsecured, Redeemable, Non-Convertible Municipal Bonds in the nature of debentures Of Face Value Of ₹ 7,00,000/- Each (Rupees Seven Lakhs only) with each NCD comprising of 7 (seven) separately transferable and redeemable principal parts of face value of ₹ 1,00,000 each ("STRPPS") namely STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F AND STRPP G ("Bonds"/"NCDs"/"Debentures"), for an amount of ₹70 Crores (Rupees Seventy Crore Only)) ("Base Issue Size") with a green shoe option of up to Rs.80.85 Crore (Rupees Eighty Crore And Eighty Five Lakhs Only)("Green Shoe Option") for an amount aggregating upto ₹ 150.85 crores.

C. 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 Project Cost	Amount to be funded from the proceeds of the Issue
1.	Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100)	591.14	67.13
2.	Establishment of Semmozhi Poonga Botanical Garden in Coimbatore	167.25	83.72
	Total	**758.39**	**150.85**

D. Audit Qualifications along with the financial statements.

Our Auditors, have issued a qualified opinion pursuant to their audit reports dated 29th May 2025 for F.Y. 2023-24; and 22nd April 2025 for FY 2022-23. Our External Auditors have issued a qualified opinion pursuant to their audit report dated 10th October 2025 on the consolidated financial statements for FY 2024-25. The key qualification/ observations are as under:

Observations/ Qualifications for Financial Year 2022-23

i. No register has been maintained by the Corporation despite specific instructions to maintain a separate register of assets. The value of the assets is maintained only in the computer and their depreciated value is shown only in the annual accounts.

ii. When checking the annual accounts of the Coimbatore Corporation for the year 2022-2023, the balances of bank and treasury accounts are being shown under the headings of assets without any activity for many years. No tables are appended to the annual accounts in this regard. Despite continuous audits indicating non-operation of these accounts, no appropriate administrative action has been taken.

iii. Advance cash register is maintained but the closing balance is not reconciled with the annual accounts. Over the years the discrepancy between the register and the annual accounts has continued. During the audit of the accounts for the year 2022-23, the advances amounting to ₹444.16 Crores have remained not verified for a long time.

iv. The works expenditure book does not mention the details under which scheme the works have been carried out and the amount paid. Due to non-maintenance of projects register, it is not possible to know the details of the amount spent during the audit year.

v. As per the 2022-2023 annual accounts of the Coimbatore Municipal Corporation's revenue and capital funds, the total amount to be refunded against other liabilities as of March 31, 2023 is ₹13.59 Crores. However, no records have been maintained for monitoring these amounts until they are refunded. These refunds are only being made based on payment vouchers.

vi. The deposit register is maintained and not reconciled with the annual accounts. The Contract deposits, security deposits received from suppliers of materials and contractors, etc., on March 31, 2023 totalling up to ₹189.25 Crores are mentioned under "Refundable Register of Deposits" for each year in Corporation Accounts Department. As the deposit register is not properly maintained, we are unable to verify the annual closing balance shown in the accounts as per the deposit register.

Observations/ Qualifications for Financial Year 2023-24

vi. There is no register maintained for the listed properties, their location, survey number, area, land ownership documents (*'patta'*), maps, details of subdivisions, the year the assets were created, the funding source (whether Central Government, State Government, or Municipal General Fund), their value, and depreciation. Furthermore, the existence of these assets has not been physically verified and certified by either the engineer or the commissioner. Due to this, it is not possible to determine if any of these assets have been encroached upon by external individuals.

vii. Since a schedule detailing capital works in progress has not been prepared and submitted for audit, it was not possible to ascertain during the audit whether these works have been completed or remain incomplete.

viii. For the financial year 2023–24, the Coimbatore Municipal Corporation's Central Office reported accounts under "Added Area," "Any Where Any Bank (AWAB)," and "Control Account." In the audit records, these accounts reflected only opening and closing balances, with no revenue or expenditure recorded during the year. Accordingly, in the annual accounts under the relevant schedules, the closing balance of ₹8.49 Crores as on March 31, 2024 reflected in these bank accounts, must be formally confirmed with the respective bank and presented for audit verification. Pending such confirmation and production, this amount shall be treated as a potential loss to the Municipal Corporation.

ix. During the audit of financial year 2023-24, the advance ledger for the year 2022-23 was not carried forward as the opening balance for 2023-24. Due to incomplete maintenance of the advance ledger, it was not possible to obtain the annual balance details. As a result, advances that have been outstanding for more than 6 years could not be confirmed during the audit.

x. During the financial year 2023–24, no schedule was prepared or submitted showing the grants received from the Central and State Governments under different heads, along with supporting details such as the bank account number to which the grant was credited and the date of credit. Furthermore, the grant utilization statement for 2022–23 was also not prepared or submitted. As a result, it was not possible to verify the opening grant balance for 2023–24, the receipts during the audit year, the expenditure incurred, the unutilized balance, or the grants receivable. The required grant utilization statement containing these particulars was also not produced for audit.

Observations/ Qualifications for Financial Year 2024-25

viii. Fixed Asset Register are maintained but identification of individual assets and location of the asset are not properly maintained; no comprehensive physical verification conducted on regular periodical intervals;

ix. Project-wise completion registers not provided; Project wise details of work in progress not properly maintained.

x. The bank accounts of municipalities that are added to corporation limit are incorporated in our books of accounts but they're still held in the old municipalities' names. We have transferred the funds from those accounts to our corporation bank accounts and left small amount balances. We are in process of closing those accounts and transfer the balance funds to our corporation account. The amount pending is ₹0.40 Crores (Net).

xi. Advances register is not properly maintained with item wise breakup and recoverability of advances for most of the amount are long pending. The flow of economic future benefits is also not certain. There are advances paid to TWAD amounting to ₹1466.04 Crores and Other Advances Recoverable amounting to ₹591.60 Crores for which proper registers are not maintained and the flow of economic future benefits is also not certain.

xii. Grants from State and Central Governments are recognized in accounts but grant wise register are not properly maintained. The Grants after utilization they are not transferred to contribution account along with ULB contribution.

xiii. Registers with detailed breakup of payables not properly maintained.

xiv. Details of deposits are reconciled with registers maintained. But Year-wise break up of deposit are not properly maintained.

For details on all Audit Qualifications/ Observations/Remarks, please refer to the Audit Reports for the F.Y. 2024-25, F.Y. 2023-24 and F.Y. 2022-23 annexed as Annexure VI of this Preliminary Placement Memorandum.

E. 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*	36	30.95
2)	TDS*	30	3.91
Indirect Tax			
3)	Property Tax** - Cases have been filed against the Issuer by the residents/ entities residing/ operating in Coimbatore City Municipal Corporation jurisdiction accusing Issuer of charging huge amount of property tax.	70	23.22
4)	GST***	05	0.36
5)	EPF*	01	4.42

***Source:** *https://www.tdscpc.gov.in/app/login.xhtml?usr=Ded, status as on December 11, 2025.*
** *To the extent quantifiable excluding interest and penalty thereon.*
***Source:** *https://services.gst.gov.in/services/login, status as on December 11, 2025*

a. Criminal Litigations involving the Issuer

There are no Criminal Matters against the Issuer.

b. Actions by Regulatory and Statutory Authorities

The details of all the actions by Regulatory and Statutory Authorities have been disclosed in the "Section-IX- Legal and Other Information" on Page No. 105 of the PPM.

c. Other Civil Litigation

The details of all the individual civil litigations above the materiality threshold have been disclosed in the "Section-IX- Legal and Other Information" on Page No. 105 of the PPM.

For the details of litigation proceedings, please refer the Section titled Litigation and Other Information on page no. 105 of this Preliminary Placement Memorandum.

F. Risk Factors

For Risk Factor please refer to section titled *Risk Factors* beginning on page no. 21 of this Preliminary Placement Memorandum.

G. Summary of Contingent Liabilities

For details of Contingent Liabilities please refer to Section-XI titled Legal and Other Information beginning on page no. 105 of this Preliminary Placement Memorandum.

H. Summary of Related Party Transactions

The Issuer is a Municipal Corporation and has no related party transactions.

I. 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 *(Term Sheet)* on page no.144 of this Preliminary Placement Memorandum.

SUMMARY OF TERM SHEET

Security Name	% CCMC Bonds 2036
Issuer	Coimbatore City Municipal Corporation
Type of Instrument	Rated, Listed, Unsecured, Taxable, Redeemable, Non-Convertible Municipal bonds in the nature of debentures (hereinafter referred to as "Bonds"/ "Debentures"/ "NCDs")
Seniority	Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements)
Mode of Issue	Private Placement by Coimbatore City Municipal Corporation of upto 2155 (two thousand one hundred and fifty five) Rated, Listed, Unsecured, Taxable, Redeemable, Non-Convertible Municipal Bonds of face value of Rs 7,00,000 each, (comprising of 7 (seven) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of Rs 1,00,000, 1 STRPP B of face value of Rs 1,00,000, 1 STRPP C of face value of Rs 1,00,000, 1 STRPP D of face value of Rs 1,00,000, 1 STRPP E of face value of Rs 1,00,000, 1 STRPP F of face value of Rs 1,00,000 and 1 STRPP G of face value of Rs 1,00,000, for an amount of ₹70.00 crore (Rupees Seventy Crore) ("Base Issue Size") with a green shoe option of up to ₹ 80.85 crore (Rupees Eighty Crore and Eighty Five Lakhs) ("Green Shoe Option") aggregating up to Rs 150.85 Crore (Rupees One Hundred Fifty Crores and Eighty Five Lakhs) ("Total Issue Size") under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time
Eligible investors	All QIBs and any non-QIB Investors specifically mapped by the Issuer on the NSE – EBP Platform, are eligible to bid / invest / apply for this Issue. All Investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	The NCDs are proposed to be listed on National Stock Exchange of India Limited (NSE). The NCDs shall be listed within 3 (three) Working 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	CARE ratings has vide its letter dated November 04, 2025, assigned a rating of Provisional CARE AA/Stable, revalidated vide letter dated December 09, 2025 and has issued a rating rationale dated November 06, 2025.
Base Issue Size	Rs 70.00 crore
Option to retain over Subscription	Upto Rs 80.85 crore
Total Issue Size	Upto Rs 150.85 crore (including green shoe option)
Objects of the issue	The proceeds of the bonds will be utilized for funding the capital expenditure to be incurred towards: (a) Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100) ("Project I"); and (b) Establishment of Semmozhi Poonga Botanical Garden in Coimbatore ("Project II").
Details of the utilization of the proceeds	The proceeds of the Issue shall be utilized for the Projects. The details of the Projects along with the details/ status of any prior requisite approvals required, if any, for such Projects have been detailed in the Section titled "Objects of the Issue" of the PPM.
Coupon rate	To be finalized subsequent to bidding on electronic bidding platform of Stock exchange
Taxable/Tax free	Taxable
Step Up/Step Down coupon rate	Not Applicable
Coupon payment frequency	On a half-yearly basis
Coupon payment dates	The dates on which interest/coupon on the NCDs shall fall due for payment
Coupon Type	Fixed
Coupon Reset Process (including rates, spread, effective date, interest	Not Applicable

<table>
<tr><td>rate cap and floor etc.)</td><td></td></tr>
<tr><td>Day Count Basis</td><td>Actual/ Actual</td></tr>
<tr><td>Interest on Application Money</td><td>The Pay-in Date shall be the Deemed Date of Allotment; hence interest on application money shall not be applicable.</td></tr>
<tr><td>Tenor</td><td>Total tenor of the bonds shall be from 4 years to 10 years comprising of:

<table>
<tr><th>Sub-series</th><th>Tenor (in years)</th><th>As %age of issue size</th><th>Amount (in cr)</th></tr>
<tr><td>A</td><td>4</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>B</td><td>5</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>C</td><td>6</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>D</td><td>7</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>E</td><td>8</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>F</td><td>9</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>G</td><td>10</td><td>14.285%</td><td>21.55</td></tr>
<tr><td>Total</td><td></td><td>100%</td><td>150.85</td></tr>
</table></td></tr>
<tr><td>Redemption Date/ Maturity Date</td><td>The redemption dates/ maturity dates (“Redemption Date(s)”/ “Maturity Date(s)”) for each of the STRPPs are as follows:
• STRPP A - at the end of the 4th anniversary of the Deemed Date of Allotment for STRPP A;
• STRPP B – at the end of the 5th anniversary of the Deemed Date of Allotment for STRPP B;
• STRPP C - at the end of the 6th anniversary of the Deemed Date of Allotment for STRPP C;
• STRPP D – at the end of the 7th anniversary of the Deemed Date of Allotment for STRPP D;
• STRPP E - at the end of the 8th anniversary of the Deemed Date of Allotment for STRPP E;
• STRPP F – at the end of the 9th anniversary of the Deemed Date of Allotment for STRPP F;
STRPP G – at the end of the 10th anniversary of the Deemed Date of Allotment for STRPP G;</td></tr>
<tr><td>Redemption Amount</td><td>Principal repayment to happen annually, from the expiry of 4 (Four) years from the Deemed Date of Allotment, in 7 (seven) annual installments of:

STRPP A – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 4th anniversary of the Deemed Date of Allotment;

STRPP B – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 5th anniversary of the Deemed Date of Allotment;

STRPP C – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 6th anniversary of the Deemed Date of Allotment;

STRPP D – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 7th anniversary of the Deemed Date of Allotment;

STRPP E – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 8th anniversary of the Deemed Date of Allotment;</td></tr>
</table>

	STRPP F – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 9th anniversary of the Deemed Date of Allotment; STRPP G – aggregate principal amount of ₹ 21.55 crores (Rupees Twenty One Crore and Fifty Five Lakhs) to be repaid at the end of the 7th anniversary of the Deemed Date of Allotment; Each STRPP will be redeemed at face value on the respective Redemption Dates. Together with the principal amount as set out hereinabove, the Issuer shall also be required to make payment of accrued Coupon and all other costs, charges and expenses which are due and payable in terms of the Transaction Documents.
Redemption Premium /Discount	Not applicable
Issue Price	Face value of Rs. 7,00,000 (Rupees Seven Lakhs only) per NCD comprising of 7 (Seven) STRPPs (i.e. 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F and 1 STRPP G) with face value of each STRPP being Rs. 1,00,000 (Rupees One Lakh) each.
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
Face Value	Each NCD shall have a Face value of Rs. 7,00,000 (Rupees Seven Lakhs only). Each NCD would comprise of 7 (Seven) STRPPs having different ISINs (i.e. 1 STRPP A, 1 STRPP B, 1 STRPP C, 1 STRPP D, 1 STRPP E, 1 STRPP F and 1 STRPP G) with face value of Rs. 1,00,000 (Rupees One Lakh) per STRPP.
Minimum Application for Municipal Debt Securities and in multiples thereof	2 bonds of face value of ₹ 7,00,000 each aggregating to ₹ 14,00,000 (i.e. 2 NCD comprising of 2 STRPP A, 2 STRPP B, 2 STRPP C, 2 STRPP D, 2 STRPP E, 2 STRPP F and 2 STRPP G of face value of Rs. 1,00,000 (Rupees One Lakh) each) and in multiples of 1 (One) NCD thereafter.
Trading Lot	1 (one) STRPP of face value of ₹ 1,00,000 (Rupees One Lakh).
Issue Timing	1. Issue Opening Date: [●] 2. Issue Closing Date: [●] 3. Pay-in Date: [●] 4. Deemed Date of Allotment: [●]
Issuance mode of the Instrument	Dematerialized form only
Trading mode of the Instrument	STRPPs will be traded in dematerialized form only
Settlement mode of the Instrument	Through the Clearing Corporation of NSE
Depository	NSDL and CDSL
Business/ Working Day Convention	In accordance with the SEBI (Issue and Listing of Non- Convertible Securities) Regulations, 2021, Business day/ Working Day shall mean all days on which commercial banks in Coimbatore are open for business. In respect of the time period between the Issue Closing Date and the listing of Bonds on the Stock Exchange and with respect to the record date, working day shall mean all trading days of the Stock Exchange for Bonds, excluding Saturdays, Sundays and bank holidays, as specified. If the date of payment of coupon/redemption of principal does not fall on a Working Day,

	then the payment of coupon/principal shall be made in accordance with SEBI Mater Circular dated October 15, 2025 bearing reference SEBI/HO/DDHS-PoD/P/CIR/2025/0000000137, as amended from time to time. If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made by the Issuer on the next Business Day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the Placement Memorandum. If redemption/maturity date of the STRPP falls on a Sunday or a holiday, the redemption proceeds shall be paid by the Issuer on the previous Working Day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day as per the cash flows provided under Annexure – [•] "Illustration of Bond Cash Flow" of the Placement Memorandum. If a leap year (i.e. February 29) falls during the tenor of the bonds, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly. For the purpose of clarification, the payment of interest/redemption shall be made only as per the cash flows provided under Annexure -V "Illustration of Bond Cash Flow" of the Placement Memorandum. 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 NCDs or repayment of principal in connection therewith shall be 15 (fifteen) Calendar Days prior to the date on which coupon/interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Bond 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 preceding 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 STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date/Redemption Date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	The Debentures are Unsecured in nature. The value of assets being offered may be less than one hundred per cent of the amounts payable towards the principal amount of the NCDs together with all the interest/coupon due and payable on the NCDs, as well as costs, charges, all fees, remuneration of Debenture Trustee and expenses payable in respect thereof. However, under the Structured Payment Mechanism stated in the Term Sheet, the Debenture Trustee on behalf of the Debenture holders shall have a charge over the following: a) Exclusive First ranking floating charge over present and future receivables pertaining to **Property Tax - Revenue Fund;** b) First & Exclusive charge over the Escrow Account and the account(s) where the Property Tax - Revenue Fund (Collection Account(s))] gets collected and/ or

	pooled by Coimbatore City Municipal Corporation in each of such accounts. c) First & 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 & Exclusive charge over the Project Sustainability Grant Fund (PSGF Amount) term deposit created for this bond issue. e) First & Exclusive charge over the investments made in terms of paragraph 10 and paragraph 11 under the head of 'Structured Payment Mechanism' below ("Permitted Investment(s)"). The security interest/security documents stipulated above shall be collectively referred to as the "Security". 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 NCDs with the Stock Exchange(s) in accordance with applicable laws. (b) In the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above, the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, 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.
Required DSRA Amount	For ensuring maintenance of the Required DSRA Amount, the Interest Payment Account shall be funded 1 (One) day prior to the Pay-In Date with an amount equal to the 2 (Two) succeeding coupon payments (i.e. one year interest obligation) required to be paid by the Issuer in respect of the Debentures ("Required DSRA Amount"). The amounts lying in, or credited into, the Interest Payment Account from time to time towards maintenance of the Required DSRA Amount, shall be hereinafter referred to as the "DSRA Amount". In the event of any 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 under intimation to 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 or PSGF Amount.
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 Property Tax - Revenue Fund (Collection Account(s))] gets 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 Property Tax - Revenue Fund (Collection Account(s))] 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.

4. The Sinking Fund Account is an account from which the principal redemptions of the STRPPs/NCDs 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), PSGF Amount (in case of utilization of the PSGF 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 date 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 shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;

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 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), PSGF Amount (in case of utilization of the PSGF 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 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, 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 Amount 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 year (Each year here means each period of 12 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '12 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 6th to 10th Month

b. Sinking Fund Account (SFA) – Total issue size of the Debentures (Rs 150.85 Crore) shall be divided into 10 parts and each part (Rs. 15.085 Crore) shall be transferred to SFA in each of the 1st to 10th year.

Further, this one part (Rs 15.085 Crore) to be transferred to SFA in each of the ten years shall be sub-divided into 10 sub-parts and each sub-part (Rs. 1.5085 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 10 months. Accordingly, 10% of total issue size shall be transferred each year for the 10 years out of which 1% of issue size each month for first 10 months of each 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 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, the PSGF Amount and DSRA Amount can be utilized as per the timelines of Interest payment mechanism detailed hereunder 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 redemption of the STRPP (up to the excess DSRA amount) on the respective Redemption Date. However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except the utilization of excess DSRA Amount at the time of 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 STRPPs on the Redemption Dates.

d) The funds lying in the Sinking Fund Account can be used 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).

8. 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 'Property Tax - Revenue Fund (Collection Account(s))]' gets collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), PSGF Amount, Sinking Fund Account.

9. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have a first charge on the Escrow Account, Interest Payment Account (including the DSRA Amount), PSGF Amount, Sinking Fund Account and any Permitted Investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). The amount deposited in the Interest Payment Account (including the DSRA Amount), Sinking Fund Account shall be used solely for meeting the dues to the Debenture Holders. Any surplus in the above account(s) after the Debentures have been redeemed in full and all the dues to the Debenture Holders have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee. No amount can be withdrawn from these account(s) without the approval of Debenture Trustee.

PERMITTED INVESTMENT

10. 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, the Tamil Nadu Urban Local Bodies Rules, 2023 and the Tamil Nadu Urban Local Bodies Act, 1998 to the extent applicable.

11. 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 Rules, 2023 and the Tamil Nadu Urban Local Bodies Act, 1998.The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof.

12. Any actual interest income earned and received on the Permitted Investment(s) shall be utilisable 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 PSGF Amount or the Sinking Fund Account.

13. 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.

14. 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 Agency. The Issuer and Debenture Trustee shall keep the Rating Agency 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) or PSGF 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 (except the coupon payment dates) 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 12 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 45 (Forty Five) days prior to the end of each 12 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 12 month block (T-15 days).

Further, in case of shortfall on T-45 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 in the Sinking Fund Account at 14 (Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the 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 12 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 in the Sinking Fund Account at 9 (Nine) days prior to the end of each 12 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 12 Month Block (T).

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. 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. If the redemption/maturity date of the STRPP falls on a non-business day, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day. The Debenture Trustee shall keep the Rating Agency informed of any shortfall in the Interest Payment Account (including in the Required DSRA Amount), Sinking Fund Account & PSGF Amount.
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 to Rs 12.40 crore ("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 implementation of the (a) Construction of Under Ground Sewerage Scheme to Kurichi and Kuniyamuthur Areas of Coimbatore City Municipal Corporation (Wards 87 To 100); and (b) Establishment of Semmozhi Poonga Botanical Garden in Coimbatore. 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 shall be created in the name of "Project Sustainability Grant Fund" 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.
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); (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); and (c) Principal Repayment amount where sinking fund is not created (in relation to the further borrowings), in terms hereof.

	2. Debt Service Coverage Ratio (DSCR) shall mean the ratio of operating surplus to total debt servicing, which shall not be less than 1.25 times of operating surplus calculated as on 31st March for each year financial year (starting from 31st March 2026 till the time bonds are outstanding) as below: DSCR = operating surplus / total debt service (i) Operating surplus calculated as the below: Operating Surplus = Total Income - Adjusted Expenditure Total income = Total income of the corporation as per the audited Income and Expenditure statement. Adjusted Expenditure = Total expenditure as per the audited Income and Expenditure statement - Depreciation - Finance charges - Provisions and Write offs - other non-cash expenditures (ii) Total debt service = interest payment of loans and bonds + transfers made to the sinking fund account towards principal repayment / redemption + principal repayment / redemption (Excluding those made out of the sinking fund account). 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 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) the Minimum DSCR of 1.25 times is maintained by the Issuer; (c) there is no shortfall in the contribution to the Escrow Account, the Interest Payment Account (including towards maintenance of the Required DSRA Amount), the Sinking Fund Account, PSGF Amount which has not been made good by the Issuer in terms of the Transaction Documents; (d) no Event of Default has occurred. Other financial covenants as defined in the Transaction Documents
Affirmative, Informative and Negative Covenants	As indicated in Annexure VIII and more specifically set out in Debenture Trust Deed
Transaction Documents	The Placement Memorandum, this Preliminary Placement Memorandum, Registrar Agreement, Issue Agreement the Issue Proceeds Agreement, the Debenture Trustee Agreement, the Debenture Trust Deed, the Deed of Hypothecation, the Escrow Agreement and any other agreement or document designated as such by the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).
Conditions Precedent to Disbursement	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI Guidelines in this regard: 1. Rating letters for provisional rating from two credit rating agencies ("Rating Agency(ices)") not being more than one month old from the Issue Opening Date; 2. Letter from the Debenture Trustee conveying their consent to act as debenture trustee for the Debenture Holder(s); 3. Letter from NSE conveying its in-principle approval for listing of the Debentures; 4. Creation of DSRA and PSGF Fixed Deposit 5. Other conditions precedent set out in the Debenture Trust Deed and a specified in the SEBI ILMDS Regulations.
Conditions Subsequent to	The Issuer shall ensure that the following documents are executed/ activities are completed within the relevant timelines set out in the Transaction Documents:

Disbursement	1. Credit of demat account(s) of the allottee(s) by number of Debentures allotted as per the Stock Exchange EBP operational guidelines; 2. Listing of the Debentures within 3 (Three) days from the Issue Closing Date; 3. Security creation as per the terms of Transaction Documents and in compliance with other regulatory guidelines, as applicable; Other conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILMDS Regulations.
Events of Default	The following shall constitute an Event of Default under the Transaction Documents: 1. Any payments due in respect of the Debentures have not been paid on the relevant Due Date; 2. The Issuer breaches any representation or warranty provided by the Issuer in terms of the Transaction Documents or fails duly to perform any other obligation arising from the Debentures and such breach or failure continues for more than 30 (Thirty) days after the Issuer has received a notice thereof from the Debenture Trustee; 3. The Issuer commits a breach of Financial Covenants as provided above; 4. Any change in the constitution of the Issuer which results in change in status of the Issuer; 5. Failure of the Issuer to replenish the Required DSRA Amount, PSGF Amount and to fund the Sinking Fund Mismatch as per the timelines set out under the Transaction Documents; 6. The credit rating assigned to the Debentures by credit rating agencies falls below the rating assigned by them at the time of the Issuance of the debentures; 7. Failure of the Issuer to list the Debentures on NSE within a period of 3 (Three) working days from the Issue Closing date; 8. Failure of the Issuer to deposit the amounts into Payment Accounts in terms of the Transaction Documents; 9. Failure of the Issuer to create and/or perfect the Security in the manner and within the time period prescribed therefor; 10. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents or if the Transaction Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect; 11. If the Issuer repudiates the Debenture Trust Deed or any of the other Transaction Documents, to which it is a party; 12. If any regulatory or statutory approval, permit, license or other certificate required by the Issuer under Applicable Law, is withdrawn or not granted or not renewed; 13. Any step is taken by Government Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer; 14. Execution of distress being enforced or levied by against whole or substantial part of the assets of the Issuer and any order relating thereto is not discharged or stayed within a period of 30 (thirty) days from the date of enforcement or levy; 15. If the Issuer fails to make payment of any Financial Indebtedness when due or otherwise commits any breach of the provisions of any agreement entered into in respect of any Financial Indebtedness availed of by it (in respect of which breach either no cure period is available or where a cure period is available fails to cure such breach within the available cure period); 16. The Issuer has admitted in writing that the Issuer is unable to pay its debts as they fall due and/ or the Issuer stops, suspends or threatens to stop payment of all or any of its Financial Indebtedness or proposes or makes an arrangement for the deferral, re-scheduling or other re-adjustment of all or any of its Financial Indebtedness or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such Financial Indebtedness or a moratorium is agreed or declared in respect of or affecting all or any parts of the Financial Indebtedness of the Issuer; 17. In the event that any legal proceedings or governmental proceedings are initiated against the Issuer or claims are made against the Issuer, which, in the opinion of the Debenture Trustee, may impair the Issuer's ability to perform its obligations

	undertaken in terms of the Transaction Documents; 18. Any information given by the Issuer is misleading or incorrect in any respect; 19. The occurrence of any event which constitutes a Material Adverse Change; 20. If in the opinion of the Debenture Trustee, the Security is in jeopardy; 21. If the Issuer voluntarily creates or attempts to create any encumbrance on the Hypothecated Property or any part thereof, other than as expressly permitted under the transaction documents; 22. If the Security (or any part thereof) becomes unenforceable, illegal or invalid or any restriction, imposition, attachment or any similar event has been levied on the Hypothecated Property; and 23. If the Issuer ceases with/without the consent of the Debenture Holder(s), or threatens to cease to carry on its business or gives notice of its intention to do so. 24. Other events as may be set out in the Debenture Trust Deed.
Creation of Recovery Expense Fund	The Issuer will transfer the required amount towards recovery expense fund in the manner as specified by SEBI in Chapter IV of the Master Circular for Debenture Trustee bearing no. SEBI/HO/DDHS-PoD-1/P/CIR/2025/117 dated August 13, 2025 as amended from time to time with the Stock Exchange and will inform the Debenture Trustee regarding transfer of amount toward such fund.
Provisions related to Cross Default Clause	As provided under the head "Events of Default" above and will be set out in the Debenture Trust Deed to be executed in accordance with applicable law.
Default Interest	(a) All monies due in respect of the Debentures shall, in case the same be not paid on the respective due dates, carry further interest at the rate of 2% (Two Percent) per annum, which shall be paid over and above the Coupon Rate for the period during which such default continues; (b) In case of delay in execution of the Debenture Trust Deed and security documents, the Issuer will refund the subscription with the agreed rate of interest or will pay penal interest of at least 2% p.a. (Two percent per annum) till such execution, 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) 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	To be decided
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 Coimbatore. 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.

SECTION XV: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to herein below (not being contracts entered into in the ordinary course of the business carried out by the Issuer) which are or may be deemed to be material, have been entered into by the Issuer. Copies of these contracts together with the copies of the documents may be inspected at the Head Office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the Issue Closing Date.

A. Material Contracts

a. Copy of Tripartite Agreement dated December 10, 2025 between CDSL, the Issuer and the Registrar to the Issue.
b. Copy of Tripartite Agreement dated December 09, 2025 between NSDL, the Issuer and the Registrar to the Issue.
c. Debenture Trustee Agreement dated December 10, 2025 between the Issuer and the Debenture Trustee;
d. Debenture Trust Deed dated [●] between the Issuer and the Debenture Trustee.
e. Escrow Agreement dated [●] between the Issuer, the Debenture Trustee and the Banker to the Issue.
f. Issue Proceeds Agreement dated [●] between the Issuer, the Merchant Banker/Arranger, Registrar and the Banker to the Issue.
g. Issue Agreement December 10, 2025 between the Issuer and the Merchant Banker/Arranger to the Issue.
h. Deed of Hypothecation dated [●] executed by the Issuer in favour of Debenture Trustee.
i. Registrar Agreement dated December 10, 2025 between the Issuer and the Registrar to the Issue.

B. Material Documents

a) Copy of Tamil Nadu Urban Local Bodies Act, 1998 and Tamil Nadu Urban Local Bodies Rules, 2023
b) Order Municipal Administration and Water Supply (MC.4) Department, Government of Tamil Nadu Order dated August 26, 2025 approving the issuance of Debentures.
c) Letter No. 36/MA.2/2025-1 dated January 23, 2025 issued by Municipal Administration and Water Supply Department, Government of Tamil Nadu allowing the appointment of External Auditors to conduct the audit of consolidated financial statements.
d) Copy of the Resolution No. 328 of the Council dated July 26, 2025 forming the Bond Issue Committee with respect to discussions and decisions for the proposed Issue.
e) Copy of the Resolution No. 527 of the Council dated August 29, 2025 approving the issue size and projects.
f) Copy of Municipal Commissioner Letter dated December 11, 2025 certifying the list of members of the Bond Issue Committee.
g) Copy of the resolution of the Bond Issue Committee dated December 11, 2025 approving the issuance of Bonds.
h) Copy of the resolution of Bond Issue Committee dated December 11, 2025 designating the Assistant Commissioner (Accounts) as Compliance Officer.
i) Copy of the resolution of the Bond Issue Committee dated December 11, 2025 approving the Objects of the Issue.
j) Copy of the resolution of the Bond Issue Committee dated December 11, 2025 approving the Materiality Policy and Term Sheet.
k) Consents and appointment letters of the Merchant Banker / Arranger / Transaction advisor, Debenture Trustee, Rating Agency, Registrar to the Issue, Legal Advisor, External Auditors, Bond Issue Committee Members, Municipal Commissioner, Escrow Bank and Banker to the Issue to include their names in the Preliminary Placement Memorandum.
l) Examination report dated December 11, 2025 issued by the External Auditors of the Issuer.
m) Statement of tax benefits dated December 11, 2025 issued by the External Auditors of the Issuer.
n) Certificates dated December 11, 2025 issued by the project consultants.
o) Rating letter dated November 04, 2025 and revalidated letter issued on December 09, 2025, and rating rationale dated November 06, 2025 issued by CARE Ratings Limited.

p) Copy of the resolution of the Bond Issue Committee dated December 11, 2025 approving the Preliminary Placement Memorandum.
q) Notification no. D.O. No. K-14012/01/2022-AMRUT-IIB dated April 7, 2025 in relation to AMRUT Incentive issued by Ministry of Housing and Urban Affairs.
r) Due diligence certificate dated December 11, 2025 filed by the Merchant Banker with SEBI in relation to the Preliminary Placement Memorandum.
s) Due Diligence Certificate dated December 11, 2025 from the Trustee in relation to the Issue.
t) In-principle approval of the NSE dated [•], 2025 bearing reference number [•].

SECTION-XVI: DECLARATION

M. SIVAGURU PRABAKARAN, I.A.S.,
Commissioner
Coimbatore City Municipal Corporation
Managing Director, Coimbatore Smart City Ltd.
Coimbatore - 641 001.

Ph : 0422 - 2396026
Fax : 0422 - 2390167
Mobile : 94425 46000
Email : commr.coimbatore@tn.gov.in
md.cscl.cbe@gmail.com

Declaration

I, M. Sivaguru Prabakaran, I.A.S., Commissioner of Coimbatore City Municipal Corporation (the "**Issuer**") hereby declare and confirm that:

1. The Preliminary 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 Preliminary 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 No. SEBI/LAD-NRO/GN/2015-16/006 dated 15th July 2015, as amended and other applicable SEBI circulars.

3. The Preliminary Placement Memorandum is in conformity with the documents, material and papers which are material to the Issue.

4. The Preliminary 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 Preliminary Placement Memorandum also does not contain any false or misleading statement.

5. That no responsibility for the statements made otherwise than in the Preliminary 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.

COIMBATORE CORPORATION COIMBATORE

(M. Sivaguru Prabakaran)
Commissioner

Place: Coimbatore
Date: 11 December 2025

Declaration

Tmt. K. RANGANAYAKI RAMACHANDRAN
Hon'ble Mayor
Coimbatore Corporation
Coimbatore - 641 001.

Office : 0422 - 2395884
Mobile : +91 89255 14029
E-mail : mayor@ccmc.gov.in

Date : 11-December-25

Declaration

I, K. Ranganayaki, Mayor of Coimbatore City Municipal Corporation

(the "**Issuer**") hereby declare and confirm that:

1. The Preliminary 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 Preliminary 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 No. SEBI/LAD-NRO/GN/2015-16/006 dated 15th July 2015, as amended and other applicable SEBI circulars.
3. The Preliminary Placement Memorandum is in conformity with the documents, material and papers which are material to the issue.
4. The Preliminary 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 Preliminary Placement Memorandum also does not contain any false or misleading statement.
5. That no responsibility for the statements made otherwise than in the Preliminary 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.
6. In public interest and for their welfare, I make this declaration.

For Coimbatore City Municipal Corporation

Name: K. Ranganayaki
Designation: Mayor
Date: December 2025

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 Property Tax - Revenue Fund (Collection Account(s))] gets 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 Property Tax - Revenue Fund (Collection Account(s))] 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.

4. The Sinking Fund Account is an account from which the principal redemptions of the STRPPs/NCDs 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), PSGF Amount (in case of utilization of the PSGF 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 date 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 shall not be used for any purpose other than transfer to the Interest Payment Account and Sinking Fund Account;

   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 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), PSGF Amount (in case of utilization of the PSGF 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 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, 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 Amount 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 year (Each year here means each period of 12 months from the Deemed Date of Allotment until the Maturity Date and is also referred to as '12 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 6th to 10th Month

b. **Sinking Fund Account (SFA) –** Total issue size of the Debentures (Rs 150.85 Crore) shall be divided into 10 parts and each part (Rs. 15.085 Crore) shall be transferred to SFA in each of the 1st to 10th year.

Further, this one part (Rs 15.085 Crore) to be transferred to SFA in each of the ten years shall be sub-divided into 10 sub-parts and each sub-part (Rs. 1.5085 Crore) (along with any shortfall in earlier contribution) shall be transferred to SFA each month for first 10 months. Accordingly, 10% of total issue size shall be transferred each year for the 10 years out of which 1% of issue size each month for first 10 months of each 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 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, the PSGF Amount and DSRA Amount can be utilized as per the timelines of Interest payment mechanism detailed hereunder 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 redemption of the STRPP (up to the excess DSRA amount) on the respective Redemption Date. However, the DSRA Amount cannot be utilized for any other purpose, including (a) to meet any shortfall in contribution to Sinking Fund Account except the utilization of excess DSRA Amount at the time of 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 STRPPs on the Redemption Dates.

d) The funds lying in the Sinking Fund Account can be used 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).

8. 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 'Property Tax - Revenue Fund (Collection Account(s))]' gets collected/pooled by the Issuer, the Interest Payment Account (including the DSRA Amount), PSGF Amount, Sinking Fund Account.

9. The Debenture Trustee, on behalf of the Debenture Holder(s), shall have a first charge on the Escrow Account, Interest Payment Account (including the DSRA Amount), PSGF Amount, Sinking Fund

Account and any Permitted Investment(s) made from these account(s) for the exclusive benefit of the Debenture Holders(s). The amount deposited in the Interest Payment Account (including the DSRA Amount), Sinking Fund Account shall be used solely for meeting the dues to the Debenture Holders. Any surplus in the above account(s) after the Debentures have been redeemed in full and all the dues to the Debenture Holders have been paid can be transferred to the Escrow Account after obtaining written consent of the Debenture Trustee. No amount can be withdrawn from these account(s) without the approval of Debenture Trustee.

PERMITTED INVESTMENT

10. 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, the Tamil Nadu Urban Local Bodies Rules, 2023 and the Tamil Nadu Urban Local Bodies Act, 1998 to the extent applicable.

11. 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 Rules, 2023 and the Tamil Nadu Urban Local Bodies Act, 1998.The lien shall be created in favour of Debenture Trustee on all the investments made in terms hereof.

12. Any actual interest income earned and received on the Permitted Investment(s) shall be utilisable 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 PSGF Amount or the Sinking Fund Account.

13. 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.

14. 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) or PSGF 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 (except the coupon payment dates) 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 12 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 45 (Forty Five) days prior to the end of each 12 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 12 month block (T-15 days).

Further, in case of shortfall on T-45 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 in the Sinking Fund Account at 14

(Fourteen) days prior to the end of each 12 month block (T-14 days), the Debenture Trustee shall trigger the payment mechanism and shall instruct the 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 12 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 in the Sinking Fund Account at 9 (Nine) days prior to the end of each 12 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 12 Month Block (T).

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.

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.

If the redemption/maturity date of the STRPP falls on a non-business day, the redemption proceeds shall be paid on the previous working day. In such case, along with the redemption proceeds, the coupon accrued on such STRPP shall also be paid on the previous working day.

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 & PSGF Amount.

ANNEXURE - II
Rating Letters and Rationale

No. CARE/HRO/RL/2025-26/1450

Shri Thiru Sivaguru Prabakaran
Commissioner
COIMBATORE CITY MUNICIPAL CORPORATION
Commissioner, Coimbatore Corporation,
Townhall, Coimbatore – 641

Coimbatore
Tamil Nadu 641001

November 04, 2025

Confidential

Dear Sir,

Credit rating for proposed bond issue

Please refer to your request for rating of proposed bond issue aggregating to Rs.150.88 crore of your corporation.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Bonds	120.00	Provisional CARE AA; Stable	Assigned
2.	Bonds	30.88	Provisional CARE AA; Stable	Assigned

Rating in the absence of the pending steps/documents	**CARE A**

3. 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.

4. 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 October 31, 2025).

5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

6. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Ltd.'s publications.

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

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the bond 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,

Sriram Gurujala Goud
Lead Analyst
sriram.goud@careedge.in

Tej Kiran
Associate Director
tej.kiran@careedge.in

Encl.: As above

Disclaimer

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No. CARE/HRO/RL/2025-26/1535

Shri Thiru Sivaguru Prabakaran
Commissioner
COIMBATORE CITY MUNICIPAL CORPORATION
Thiru. M. Sivaguru Prabakaran IAS.,
Commissioner, Coimbatore Corporation, Townhall, Coimbatore – 641

Coimbatore
Tamil Nadu 641001

December 09, 2025

Confidential

Dear Sir,

Credit rating for proposed bond issue

Please refer to our letter no. CARE /HRO/RL/2025-26/1450 dated November 04, 2025 and your request for revalidation of the rating assigned to the Coimbatore City Municipal Corporation, for a limit of Rs.150.88 crore.

2. The following rating(s) have been reviewed:

Sr. No.	Instrument	Amount (₹ crore)	Rating[1]	Rating Action
1.	Bonds	120.00	Provisional CARE AA; Stable	Reaffirmed
2.	Bonds	30.88	Provisional CARE AA; Stable	Reaffirmed

Rating in the absence of the pending steps/documents	**CARE A**

3. The proposed bonds would have tenure of 10 years with repayment starting from 4th year with annual installments of Rs.21.55 crore

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within **six months** from the date of this letter.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustee/IPA	Details of top 10 investors

6. 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.

[1]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Ltd.'s publications.

7. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned 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 debt instruments, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such instruments. 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.
8. 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.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE Ratings Ltd. ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

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COIMBATORE CITY MUNICIPAL CORPORATION

November 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Bonds	120.00	Provisional CARE AA; Stable	Assigned
Bonds	30.88	Provisional CARE AA; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rating in the absence of pending steps/ documents	CARE A

Rationale and key rating drivers

Ratings assigned to proposed bonds of COIMBATORE CITY MUNICIPAL CORPORATION (CCMC) factor in the proposed Trustee-administered structured payment mechanism (SPM) for bonds through creation of an escrow account of designated revenue collections, with priority for servicing proposed bonds, and stipulated reserves to be maintained in the form of debt service reserve account (DSRA), interest payment account (IPA) and sinking fund account (SFA). Ratings also take comfort from payment security guarantee fund (PSGF) of ₹12.40 crore, 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 in the form of security for bondholders for servicing bonds in the tenure.

CCMC has proposed borrowing in the form of bond issuance, and comfort is derived from the 2x coverage stipulated in the SPM and cashflows of CCMC comfortably covering it.

Ratings also factor in the corporation's satisfactory financial profile with consistent growth in revenue receipts (RR) reported year-on-year, with strong collection efficiency and high own revenue share (77%). Led by increased property tax and service charges, CCMC's revenue receipts grew consistently in the last few years from ₹706 crore in FY21 (FY refers to April 01 to March 31) to ₹1,173 crore in FY24. In FY25, revenue receipts further increased by 22% to ₹1,435 crore, driven primarily by property tax revisions and higher non-tax revenue. As a major city in Tamil Nadu, Coimbatore serves as a key economic hub and a vital centre for textile and automotive industries, making it strategically important to the state. CCMC is the second-largest municipal corporation in Tamil Nadu and plays a significant role in the state's economy. This importance is reflected in the timely receipt of revenue and capital grants from the GoTN. Ratings also factor in the satisfactory service delivery track record parameters.

Ratings are constrained by CCMC's limited autonomy in levying taxes and dependence on state government grants for capital expenditure. The corporation experienced financial volatility, with a revenue deficit recorded in FY24 due to a one-time increase in operations and maintenance (O&M) charges. CCMC reported a surplus in FY25, and CARE Ratings Limited (CareEdge Ratings) expects the surplus to continue.

These ratings are provisional and will be confirmed once the company submits following documents to the satisfaction of CareEdge Ratings:

a. Transaction documents including debenture trust deed.
b. Escrow agreement.
c. Final information memorandum.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in size of the corporation with sustained revenue surplus.

Negative factors

- De-growth in revenue surplus on a sustained basis.
- Nonadherence to the SPM
- Reduction in property tax coverage (escrowed property tax/annual debt servicing including sinking fund) for bonds below 2x
- Higher-than-envisaged debt level, impacting the liquidity profile.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone

Standalone, including trustee-monitored structured payment mechanism involving escrow of property tax revenue with priority towards debt servicing of bonds, creation of IPA and SPA and DSRA provision for two semi-annual interest payments.

Outlook: Stable

CCMC is expected to maintain a comfortable financial profile with steady growth in revenue receipts and a consistent revenue surplus generation, and an adequate collection efficiency supporting liquidity profile.

Detailed description of key rating drivers:

Key strengths

Trustee-monitored SPM

CCMC would follow the SPM through creation of an escrow account of its designated property tax collection with priority for servicing of bonds. Under the SPM, collections under the property tax will be transferred to a separate escrow account. Salient features of the SPM include:

i. Transfer funds collected in the escrow account to the debt service account (DSA), an amount equivalent to the defined monthly liability for servicing of debt. This includes interest and debt repayment components.
ii. Firstly, build up shortfall in the DSRA account (at all times the DSRA should be maintained as two half-yearly interest payments).
iii. Secondly, the IPA shall receive transfers in a structured manner, where half-yearly interest amount will be divided into five equal parts, with each part being transferred to the IPA every month for the first five months. Consequently, 20% of the half-yearly coupon payment, and additional interest payable per terms of the issuance and shortfall from previous contributions, shall be transferred to the IPA each month as follows:
    - for the 1st half-year, from the 1st to the 5th month.
    - for the 2nd half-year, from the 6th to the 10th month.
iv. Thirdly, transfer of funds to the SFA shall be done in a structured manner, with the total issue size of debentures (₹150.85 crore) divided into 10 equal parts of ₹15.085 crore, each to be transferred annually to the SFA over 10 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. Surplus funds after meeting minimum balance can thereafter be transferred to the CCMC general fund account.

Total amounts collected in the escrow account in financial year shall be at least 2x annual payments amount (coupon + principal amount to be deposited in the sinking fund). The strong property tax collections comfortably cover the stipulated covenant.

The Issuer shall establish a separate no-lien escrow account, and all funds collected and/or pooled in the account(s) where the Property Tax (Revenue Fund), shall be transferred daily to the escrow account for debt servicing. The debenture trustee on behalf of debenture holders, shall have the first and exclusive charge over the escrow account and the account(s), where the Property Tax (Revenue Fund) revenues are collected and/or pooled by the Issuer.

PSGF, a Grant Fund of Government of Tamil Nadu and managed by TNUIFSL, shall create a term deposit in the name of PSGF equivalent to ₹12.40 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 (TNCRUDP) for the issuance of municipal bond ("PSGF Amount"). The Debenture Trustee (on behalf of bond holders) shall have First & Exclusive charge over the PSGF Amount term deposit created for this bond issue.

The SPM also stipulates T minus structure (T= bond payment date) for servicing of interest and principal repayment.

The amount deposited in the Interest Payment Account (including the DSRA Amount) and Sinking Fund Account shall be used solely for meeting dues to Debenture Holders. Surplus in these account(s) after Debentures have been redeemed in full and dues to the Debenture Holders have been paid can be transferred to the escrow account after obtaining written consent of the Debenture Trustee: No amount can be withdrawn from these account(s) without approval of Debenture Trustee.

Satisfactory economic base

Coimbatore is the second-largest city in Tamil Nadu and the second-largest contributor to state GDP. CCMC's economic base is diverse and driven by textiles, manufacturing, IT, and trade. The city is a major textile hub, with over 25,000 industries. Apart from textiles, the city hosts several automobile and IT companies. Coimbatore also houses over 1,00,000 micro, small and medium

enterprises (MSMEs), supporting engineering, auto components, and pump manufacturing industries. The widespread industrial base offers strong revenue potential for the Corporation.

Satisfactory financial performance with high share of own revenue

CCMC has demonstrated satisfactory financial performance with a high share of own revenue. Revenue receipts grew at a compound annual growth rate (CAGR) of 15% in FY21–FY25, increasing from ₹706 crore in FY21 to ₹1,435 crore in FY25, supported by property tax revisions and improved collection efficiency. Tax revenue alone grew at a CAGR of 22% in the same period, and per GoTN's directive, property tax is expected to rise by 6% annually, providing visibility for continued growth. The corporation's own revenue share has remained strong at an average of ~74% in the last five years and stood at 77% in FY25 (69% in FY24), indicating lower dependence on grants. Own revenue primarily comprises property tax of ₹572 crore (40%), service fees and charges of ₹420 crore (29%), and other income of ₹115 crore (8%). CCMC reported an adjusted revenue surplus in FY21–FY25, except FY24, when a one-time spike in O&M expenses for underground drainage (UGD) restoration works led to a deficit. With the completion of the UGD project, O&M expenses declined by 8% to ₹676 crore in FY25 from ₹738 crore in FY24, resulting in a surplus of ₹231 crore in FY25. CareEdge Ratings expects revenue surplus to sustain in the medium term, supported by stable operating costs, annual property tax hikes, and continued economic activity in Coimbatore.

Strong collection efficiency

CCMC has maintained strong property tax collection efficiency, which stood at ~92% (including arrears for the last three years) in FY25, while current demand collection efficiency was 86% in the same year. This performance is supported by proactive measures such as drone surveys, GIS mapping, and incentives such as discounts for early payments. CareEdge Ratings expects these initiatives to sustain high collection efficiency in the medium term, aiding stable cash flows and reducing reliance on external funding.

Satisfactory operational track record with current focus on Underground Sewerage Scheme

CCMC has maintained a satisfactory operational track record, meeting most service-level benchmarks, though scope for improvement remains. Sewerage coverage currently stands at ~83%, while solid waste management coverage is ~100%. Existing underground sewerage system covers ~75% of municipal limits. To enhance coverage, CCMC is undertaking capital expenditure under the AMRUT Scheme to extend the underground sewerage system to 14 wards added in FY18. The project is expected to be completed by mid-November 2025, post which CCMC's sewerage coverage is projected to reach 100%, significantly improving service delivery and operational efficiency.

Key weaknesses

Relatively high debt levels

CCMC's total debt stood at ₹752 crore as on March 31, 2025, primarily availed from Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) and Tamil Nadu Urban Development Fund (TNUDF) for infrastructure projects, with major focus on expanding and improving the underground sewerage system. Long debt tenor of 25 years supports debt servicing, and revenue growth has helped absorb the impact of debt-funded capex. The corporation's debt-to-revenue receipts ratio remains comfortable at 0.52x as on March 31, 2025. CCMC also proposes to raise ₹150.85 crore through bonds for the underground sewerage system (UGSS) project, with property tax coverage expected to remain comfortably above 2x for specified debt servicing. CareEdge Ratings expects the debt coverage position to remain adequate in the medium term, supported by stable revenue receipts and structured payment mechanisms.

Limited autonomy in levying taxes and dependence on state government for capex

CCMC has limited autonomy in levying and revising taxes, as major fiscal decisions are governed by the policy framework of GoTN. The Corporation's ability to introduce new taxes or revise existing rates, such as property tax or user charges, is subject to state-level approvals and guidelines, restricting flexibility to augment its revenue base in response to rising expenditure or inflationary pressures. Capital expenditure is largely funded through state government grants, indicating high dependence on GoTN for capex financing. CareEdge Ratings expects this structural limitation to persist in the medium term, making timely state support critical for sustaining infrastructure development.

Liquidity: Adequate

CCMC's liquidity position is adequate, supported by a revenue surplus and cash balances of ₹650 crore as on March 31, 2025, against loan repayments of ₹57 crore due in FY26. Repayment of the proposed bond will commence from the fourth year of the deemed date of allotment, providing near-term flexibility. CCMC is expected to 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 met through State

Finance Commission (SFC) grants and cashflows of the corporation. CareEdge Ratings expects CCMC's liquidity profile to remain comfortable in the medium term, aided by structured payment mechanisms and stable revenue receipts.

Assumptions/Covenants:

- DSRA of two semi-annual coupon payments have to be maintained.
- Total tax amounts collected in the escrow account in financial year will be at least 2x amount of annual payments (coupon + principal amount).
- Interest payment and principal repayment mechanism

Date	Event	Measure if a shortfall occurs
Interest Payment Account		
T-25	Trustees will check the amount in the interest payment account.	Intimate CCMC 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. CCMC shall make good the DSRA Amount Shortfall within next 15 (Fifteen) days (T+8).
T	CCMC shall pay the interest on the due date.	-
Sinking Fund Account		
T-45	Trustees shall check credit in the sinking fund account	Intimate CCMC (and GoTN shall be informed by marking a copy to GoTN) of the shortfall and CCMC shall make good the shortfall before the date falling 15 days before the end of each 12-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 12 Month Block (T-10 days).
T-9	Trustees shall re-check the amount in sinking fund account	If the shortfall continues to persist at 9 (nine) days before the end of each 12-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 Sinking Fund Account before the end of the 12-month block.
T	CCMC shall pay the redemption amount on the due date.	-

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.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Urban Infrastructure Projects
Assignment of Provisional Rating

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

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Public services	Urban local bodies

CCMC is the second-largest municipal corporation in Tamil Nadu and is governed by the Coimbatore City Municipal Corporation Act 1981 (amended from time to time). The origins of CCMC date back to 1866, when the Municipality of Coimbatore was established under the Town Improvements Act of 1865. In 1981, the municipality was elevated to a Municipal Corporation by merging with Singanullur Municipality. In 2011 and 2024, CCMC limits were expanded by merging nearby areas of Coimbatore and the area under the Municipal Corporation stood at 415 sq. Kms.

Brief Financials (₹ crore)	FY24 (A)	FY25 (Prov)
Reported revenue receipts	1,173	1,435
Reported revenue surplus^	50	142
Revenue surplus/deficit**	(78)	231
Overall surplus/deficit#	231	123
Revenue surplus/Revenue receipts (%)**	(7)	15
Own revenue/Revenue receipts (%)	69	77

**Adjusted for incremental debtors and excluding depreciation
#Overall surplus/deficit captures the surplus post the capital receipt and capital expenditure
A: Audited Prov: Provisional; 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)	-	-	-	-*	120.00	Provisional CARE AA; Stable
Bonds (Proposed)	-	-	-	-*	30.88	Provisional CARE AA; Stable

*10 years from date of issuance

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	120.00	Provisional CARE AA; Stable				
2	Bonds	LT	30.88	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

Sr. No.	Name of the Instrument	Complexity Level
1	Bonds	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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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ANNEXURE - III

Resolutions and Approvals

Council Subject Sheet

Subject

Subject : Coimbatore Corporation – General Accounts Section – Municipal Bond Issuance Committee – Approval requested - Regarding

Reference : Director of Municipal administration letter no.16393/2024/AMRUT-1

Coimbatore City Municipal Corporation ("**Corporation**" or "**Issuer**") intends to raise up to ₹150 crore (including green shoe option) through municipal bonds to fund various projects of the corporation. In this regard the Corporation intends to undertake 125MW *solar power project*.

With the objective to fund the various projects as stated above, the Corporation intends to raise funds by way of issuance of municipal bonds aggregating up to ₹ 150 crore (inclusive of a green shoe option) under Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, as amended from time to time ("**SEBI ILMDS Regulations**").

Accordingly, the Standing Committee recommends the General Body of the Corporation to pass the following resolutions for the matters listed below.

(i) Approve issuance of non-convertible municipal bonds for an amount of up to ₹ 150 crore (inclusive of a green shoe option) ("**NCDs**" or "**Debentures**"), by the Corporation, which will be listed on recognized stock exchange(s) as per the terms and conditions, in accordance with SEBI ILMDS Regulations, Securities Contracts (Regulation) Act, 1956, 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 circular no. SEBI/HO/DDHS/POD1/P/CIR/2024/54 ("**SEBI Master Circular**") read with continuous disclosures no. CIR/IMD/DF1/60/2017 dated June 19, 2017 and circular no. SEBI/HO/DDHS/CIR/P/134/2019 dated november 13, 2019, as applicable and as amended from time to time, and also other laws, rules, directions, notifications, circulars, issued by the government, or any other regulatory authority, in this regard, for funding of various projects undertaken or to be undertaken by the Corporation.

(ii) For the purpose of the Issue, a "**Bonds Issue Committee**" be constituted comprising of the following members:

1. The Commissioner
2. Deputy Commissioner - 1
3. Deputy Commissioner - 2
4. Chief Engineer,
5. Assistant Commissioner (Accounts)

COIMBATORE CORPORATION * COIMBATORE *

(iii) That the aforesaid Bond Issue Committee be and is hereby jointly and severally authorized to decide and negotiate the terms and conditions in relation to the issuance of the Bonds including quantum, time and nature of bonds, the mode of issuance and also shall appoint or ratify the appointments (previously made) of any/ all agencies and intermediaries, including but not limited to credit rating agencies, registrar, trustee, legal advisor, depositories, stock exchange, project consultant etc, and also shall decide matters like minimum subscription, retention of oversubscription, extension of the issue, issuance of the Bonds and/or early closure of the issue etc.

(iv) The members of the Bond Issue Committee be hereby jointly and severally authorized to take all further actions, do all necessary acts/deeds, sign all necessary documents/contracts/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 or ratify the appointments (previously made) of any/ all agencies and intermediaries, including but not limited to credit rating agencies, trustee, registrar, legal counsel, depositories, stock exchange, bankers to the issue, project consultant, etc., to be involved in such offerings of the 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 and to negotiate, modify, enter into, execute, deliver and register all deeds, contracts, agreements, memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the issue including the listing of the Bonds on the stock exchanges and creation of security for the Bonds;
ii. finalize mode of issuance, terms for issue of the Bonds such as tenure, rate of interest, etc., in view of prevailing market conditions and applicable laws;
iii. approve the projects for which funds are being raised;
iv. finalize the term sheets, structure of the 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 the Bonds and timely servicing of obligations in relation to the Bonds;
v. draw-up, finalize and sign the financial statements, Disclosure Document/Placement Memorandum/Offer Document and other documents for the issuance of the Bonds and file the same with Securities and Exchange Board of India ("**SEBI**") and the stock exchange(s) and any other regulatory authority, as may be required;

COIMBATORE CORPORATION * COIMBATORE *

vi. execute all other necessary documents /agreements /contracts /deeds /memorandum of understanding /certificates /affidavits /declarations /undertakings, etc., and all other requisite documents 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 or related to the issue and allotment of the Bonds in token of due compliances of the SEBI/Stock Exchanges or any other applicable acts or rules for the issue of the said Bonds;

vii. To offer charge on the receivables or identified/specified immovable property(ies) or create charge on the accounts created with respect to the Bond issuance or any other security/asset of the Corporation in favour of the Debenture Trustee/Bondholders or and executing the security documents/agreements, Bond Trust Deed and other documents for registration of such charge with Registry, CERSAI, etc. on behalf of the Corporation, as applicable;

viii. to create such mortgages, charges, hypothecation or encumbrances on all or any part of the immovable or movable properties, current or fixed assets, tangible or intangible assets, book debts and/or claims of the Corporation wherever so situated, present and future, such charge in favour of such debenture holders/secured lenders of the Issuer, as may be required from time to time, in accordance with the terms of the instrument offered to such debenture holders/secured lenders, to secure all amounts borrowed from them along with interest, cost, charges and other incidental expenses and to register all security documents with the required authority(ies) and make all necessary filings, and reporting for the perfection of such security, if required as applicable; and

ix. 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 thereunder, as applicable to be incorporated in the Disclosure Document/Placement Memorandum/Offer Document for the issue of the Bonds;

x. accept the application money received as subscription for the Bonds, decide upon the basis of allotment, approve allotment of the Bonds and allot the Bonds.

xi. apply and follow-up to seek all required approvals from the concerned authorities/regulatory bodies/agencies such as Listing Application and execution of listing agreement with the stock exchanges, i.e. BSE Limited or National Stock Exchange of India Limited for listing of the Bonds, execute agreement(s) with the Registrar, National Securities Depository

COIMBATORE CORPORATION * COIMBATORE *

Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of the Bonds, and execute other necessary document(s)/agreement(s) on behalf of the Corporation in relation to the issue of the Bonds as required by any statutory authority;

xii. designate and appoint one or more banker(s) for collection of application monies against subscription for the Bonds;

xiii. 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 issue as well as for the operation of 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 timely repayment of bond obligations;

xiv. prepare, sign, file and execute the Master Creation Form, Corporate Action Form and other necessary documents/agreements with NSDL and CDSL and the Registrars for dematerialization of the Bonds;

xv. designate a Compliance Officer for compliance with related regulatory/statutory issues and for redressal of any pre-issue/post-issue investor complaints/grievances such as non-credit of letters of allotment/bond certificates in the DEMAT account, non-receipt of refund orders, interest warrants, etc;

xvi. allot the Bonds under DEMAT facilities and to provide DEMAT facilities by entering into necessary agreements with NSDL/CDSL, Registrar and Transfer Agents in this regard;

xvii. affix the stamp/seal of the Corporation as may be required for the proposed issue of the Bonds, dematerialization, and listing thereof;

xviii. pay stamp duty as per the applicable Acts, laws and regulations;

xix. take decisions and/or action on any other matter(s) relating to the proposed issue(s) of the Bonds by the Issuer.

OfficeNote :to be Approved Roc.no.1887/2023/B7

Council Resolution No.328 Date 26.07.2024

125 MW for solar power project mentioned in 1st para is corrected as 25 MW solar power project and approved.

/True Copy/

Sign) R. Vetri Selvan
Deputy Mayor

31/7/24
Council Secretary i/c
Coimbatore Corporation

ABSTRACT

Coimbatore Corporation – Issuance of Municipal Bonds by the Coimbatore City Municipal Corporation for an amount upto Rs. 150.85 crore for financing of the Urban Local Body share in Semmozhi Poonga project and Kurichi and Kuniyamuthur Underground Sewerage System projects in Coimbatore City Municipal Corporation – Permission Accorded - Orders – Issued.

Municipal Administration & Water Supply (MC.4) Department.

G.O. (Ms) No. 222 **Dated 26.08.2025**

விசுவாசுவ, ஆவணி – 10
திருவள்ளுவராண்டு, 2056

Read:

1. G.O.(Ms)No.43, Municipal Administration and Water Supply (MA.2) Department, Dated 28.02.2019.
2. G.O (4D) No.16, Municipal Administration and Water Supply (MC-4) Department, Dated: 07.06.2024.
3. From the MD, TUFIDCO, Letter No. TUFIDCO/ AMRUT2.0/1087/M(M)/ 2025, dated 04.07.2025.

*****

ORDER:

In the Government Order first read above among others administrative sanction has been accorded for providing underground sewerage scheme (Kurichi and Kuniyamuthur) to Coimbatore Corporation, under implementation of Tranche-1 of Asian Development Bank (ADB) assisted Tamil Nadu Urban Flagship Investment Program (TNUFIP) at a cost of Rs.591.14 crore.

2. In the Government Order second read above, revised administrative sanction has been accorded for the establishment of Semmozhi Poonga in Coimbatore at an estimated cost of Rs.167.25 crore with the funding pattern of Rs.83.50 crore from the state budget and the remaining amount of Rs.83.75 crore by the Coimbatore Corporation from its own resources / State Finance Commission grants or other scheme funds subject to the following conditions:

(i) Any further increase in cost or any addition of new items during implementation has to be borne by the Coimbatore Corporation.

(ii) The release of the state share will be equivalent to the Corporation's share and will be based purely on achievement of milestones and progress of implementation.

3. In the letter third read above, the Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited has stated that Coimbatore City Municipal Corporation has decided to issue bonds to meet up the Urban Local Body contribution of upto Rs.150.85 crore in the Semmozhi Poonga project and Kurichi and Kuniyamuthur Underground Sewerage System projects as per the following details:

Project I - Semmozhi Poonga

Sl.No	Funding Pattern	Project Cost (in crore)
1	Government of Tamil Nadu Grant	83.5
2	Urban Local Body Contribution 50%	83.75
	Total Project Cost	167.25

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Project II Kurichi and Kuniyamuthur Underground Sewerage System projects

Sl.No	Funding Pattern	Project Cost (in crore)
1	Loan from Tamil Nadu Urban Development Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	106.41
2	Grant from Project Sustainability Grant Fund Under Asian Development Bank Assisted Tamil Nadu Urban Flagship Investment Program	183.34
3	AMRUT - Government of India share	145.86
4	AMRUT - Government of Tamil Nadu share	88.40
5	Urban Local Body Contribution	67.13
	Total Project Cost	591.14

4. The Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation has further stated that the Urban Local Body Contribution for the above two projects amounts to Rs.150.88 crore, out of which Coimbatore City Municipal Corporation will raise funds of Rs. 150.85 crore through Issuance of Municipal bonds. The Council has given approval for issuance of bonds to meet the Urban Local Body Contribution of the above projects as per the Resolution No. 166, dated: 28.03.2025.

5. The Ministry of Housing and Urban Affairs (MoHUA), Government of India (GoI), has also been incentivising the Urban Local Bodies for issuing Municipal Bonds, wherein Government of India will give incentive of Rs.13.00 crore for every Rs.100.00 crore of Bond issued, subject to maximum incentive amount of Rs.26.00 crore. This will significantly reduce the cost of borrowing through municipal bonds.

6. Considering the above, Coimbatore City Municipal Corporation has requested for approval to raise funds through issuance of Municipal Bonds for an amount upto Rs.150.85 crore for financing the Urban Local Body share in Semmozhi Poonga project and Kurichi and Kuniyamuthur Underground Sewerage System projects and carrying out all necessary actions, ancillary procedures in relation to the issuance of bonds, including but not limited to deciding the nature of instruments and terms of the issue, enter into agreements, creation of security and escrow mechanism on its revenues/ receivables / assets / bank accounts, bond allotment to the investors and finalization of all other terms and term sheet and carry out all other activities in relation to the issuance of bond.

7. Further, for issuance of the proposed bonds, the Corporation will have to open various bank accounts and create escrow mechanism and charge on its Property Tax [and any other tax/ revenues/ cash flow deposited in the account(s) where property tax is being collected (Collection Account(s)]. This will help the Corporation in meeting the Securities and Exchange Board of India regulations as well as credit enhancement of bonds for achieving the higher grade credit rating from the Credit Rating Agencies. The higher Credit rating will help in reducing the cost of the borrowing from the market through municipal bonds.

8. In the above circumstances, the Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation has sought approval on the proposal of the Commissioner, Coimbatore Corporation on the following:

i. Issuance of Municipal Bond for an amount upto Rs 150.85 crore for funding the Urban Local Body share in Semmozhi Poonga project and Kurichi and Kuniyamuthur Underground Sewerage System projects.

COIMBATORE CORPORATION COIMBATORE

ii. Approval for the authorization for Commissioner and/or any member of the Bond Issue Committee (as may be authorized by the Commissioner), on behalf of the bond issue committee, to carry out all necessary actions, ancillary procedures in relation to the issuance of bonds, including but not limited to deciding the nature of instruments and terms of the issue and entering into and signing of various agreements, deeds, .relevant documents, bond allotment, meeting the listing. requirements, creation of charge on fixed assets of Coimbatore City Municipal Corporation (if required) and ring fencing of appropriate revenue resources in favour of Bond Trustee, creation of security and escrow mechanism on its revenues/ receivables / assets / bank accounts, pay stamp duty as per the applicable acts, laws and regulations and to carry out / meet all other activities / requirements / appointments, related to pre and post bond issue process.

iii. Approve to open various bank accounts for the proposed municipal bond issuance and create escrow mechanism and charge on its Property Tax and any other tax/ revenues / cash flow deposited in the accounts where property tax is being collected.

9. The Government after careful examination, accept the proposal of the Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited requesting approval of the Government to raise funds through issuance of Municipal Bonds by the Coimbatore City Municipal Corporation for an amount upto Rs. 150.85 crore for financing of the Urban Local Body share in Semmozhi Poonga project and Kurichi and Kuniyamuthur Underground Sewerage System projects in Coimbatore City Municipal Corporation as well as for the matters connected therewith, as detailed at para 8 above and order accordingly.

10. This order issues with the concurrence of Finance Department vide e-File No. 632/Finance(Infra-III)/ 2025, dated 08.08.2025.

//BY ORDER OF THE GOVERNOR//

D. KARTHIKEYAN
PRINCIPAL SECRETARY TO GOVERNMENT

To:-
The Managing Director,
Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited
The Director of Municipal Administration, Chennai – 600 028.
The Commissioner, Coimbatore Corporation.

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 Environment, Climate Change), Chennai – 600 009.
The Finance (Infra.III) Department, Chennai – 600 009.
The Principal Private Secretary to the Principal Secretary to Government,
Municipal Administration and Water Supply Department, Chennai – 600 009.

//FORWARDED BY ORDER//

ஏ.ஜ.கு.பொன்னுசாமி.
SECTION OFFICER

COIMBATORE CORPORATION ★ COIMBATORE ★

Council Subject Sheet

Subject:

Subject	Coimbatore City Municipal Corporation - General Accounts Section - Issue of Municipal Bond - G.O. (MS) No. 222 MAWS Department Dated 26.08.2025 - Submitted to the Council for perusal and record - Regarding.	
Reference	1	Letter of the Director of Municipal Administration, Roc. No.16393/2024/AMRUT-1, dated 27.06.2024
	2	Council Resolution No. 328, dated 26.07.2024
	3	Council Resolution No. 166, dated 28.03.2025
	4	Council Resolution No. 321, dated 14.05.2025
	5	G.O. (MS) No. 222, Municipal Administration & Water Supply (MA.IV) Department, dated 26.08.2025

.....

As per the Council Resolution in reference 3rd cited, it was resolved to mobilize funds up to ₹150.88 Crores (including Greenshoe option) through the issue of Municipal Bonds to meet out the ULB contribution for the following ongoing projects viz., *Semmozhi Poonga Project* and *Kurichi-Kuniyamuthur Underground Sewerage Scheme (UGSS)*. The details of these projects are as follows:

Project I - Semmozhi Poonga Project

SlNo	Funding Pattern	Project Cost
1	Grant from Government of Tamil Nadu (50%)	83.5
2	ULB Contribution (50%)	83.75
	Total Project Cost	167.25

COIMBATORE CORPORATION ★ COIMBATORE ★

Project II - Kurichi & Kuniyamuthur UGSS

Sl. No	Funding Pattern	Project Cost
1	Loan from TNUDF under ADB Assisted TNUFIP	106.41
2	Grant from PSGF under ADB Assisted TNUFIP	183.34
3	AMRUT Grant from Government of India	145.86
4	AMRUT Grant from Government of Tamil Nadu	88.40
5	Incentive	32.00
6	ULB Contribution	67.13
Total (Excluding Incentive)		591.14

Accordingly, the ULB contribution required for the above projects is ₹83.75 Crores (Semmozhi Poonga Project) + ₹67.13 Crores (Kurichi & Kuniyamuthur UGSS) **₹150.88 Crores.**

Subsequently, as per Council Resolution in ref 4th cited, due to administrative reasons, the projects mentioned in **Sl. No. 3** were modified and replaced with the following four ongoing projects, and approval was accorded to mobilize ₹181.09 Crores through Municipal Bonds to meet out the ULB contribution:

1. Kurichi & Kuniyamuthur UGSS
2. Vadavalli, Veerakeralam, Kavundampalayam & Thudiyalur UGSS
3. Pillur III Water Supply Improvement Scheme
4. 24x7 Water Supply Scheme

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Now, as per the Government Order in reference 5th cited, permission has been granted to mobilize funds of ₹150.85 Crores through Municipal Bonds (including Greenshoe option)

towards the contribution for the projects referred in Council Resolution no. 3rd cited *Semmozhi Poonga Project* and *Kurichi & Kuniyamuthur UGSS*.

Hence, it is proposed that the Council Resolution referred in **Sl. No. 4** be cancelled and the Council Resolution referred in **Sl. No. 3** be approved. Further, the Government Order in the reference 5th cited is submitted to the Council for perusal and record.

OfficeNote: To be Approved **Roc. no:1887/2023/B7**

Council Resolution No. 527 Date 29.08.2025

Approved.

(Sign)KRANGANAYAKI

HONOURABLE MAYOR.

/True Copy/

Council Secretary
Coimbatore Corporation

COIMBATORE CORPORATION * COIMBATORE *

4/9/25

COIMBATORE CITY MUNICIPAL CORPORATION
COIMBATORE - 641001

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOND ISSUE COMMITTEE OF THE COIMBATORE CITY MUNICIPAL CORPORATION HELD ON December 11, 2025 AT COIMBATORE

ISSUE OF UPTO 2,155 (TWO THOUSAND ONE HUNDRED AND FIFTY FIVE) RATED, LISTED, UNSECURED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE MUNICIPAL BONDS, IN THE NATURE OF DEBENTURES, OF FACE VALUE OF RS 7,00,000 EACH, (COMPRISING OF 7 (SEVEN) SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPP") NAMELY 1 STRPP A OF FACE VALUE OF RS 1,00,000, 1 STRPP B OF FACE VALUE OF RS 1,00,000, 1 STRPP C OF FACE VALUE OF RS 1,00,000, 1 STRPP D OF FACE VALUE OF RS 1,00,000, 1 STRPP E OF FACE VALUE OF RS 1,00,000, 1 STRPP F OF FACE VALUE OF RS 1,00,000 AND 1 STRPP G OF FACE VALUE OF RS 1,00,000, FOR AN AMOUNT OF ₹70 CRORE (RUPEES SEVENTY CRORE) ("BASE ISSUE SIZE") WITH A GREEN SHOE OPTION OF UP TO ₹80.85 CRORE (RUPEES EIGHTY CRORES AND EIGHTY FIVE LAC)("GREEN SHOE OPTION") AGGREGATING UP TO RS 150.85 CRORE (RUPEES ONE HUNDRED AND FIFTY CRORES AND EIGHTY FIVE LAKHS ONLY) ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY COIMBATORE CITY MUNCIPAL CORPOPRATION ("CCMC" OR THE "ISSUER" OR THE "CORPORATION"), PROPOSED TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED.

"RESOLVED FURTHER THAT pursuant to the authority provided by the Municipal Commissioner vide their letter dated Dec 11, 2025 the preliminary placement memorandum dated Dec 11, 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 Dec 11, 2025 with the Securities and Exchange Board of India, National Stock Exchange of India Limited 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 the Assistant Commissioner (Accounts) may be furnished to the concerned parties and other regulatory and statutory authorities/bodies as may be required."

CERTIFIED TO BE TRUE COPY

FOR COIMBATORE CITY MUNICIPAL CORPORATION

Tmt. Y. Usha Rani
Assistant Commissioner (Accounts)

COIMBATORE CORPORATION * COIMBATORE *

M. SIVAGURU PRABAKARAN, I.A.S.,
Commissioner
Coimbatore City Municipal Corporation
Managing Director, Coimbatore Smart City Ltd.
Coimbatore - 641 001.

Ph : 0422 - 2396026
Fax : 0422 - 2390167
Mobile : 94425 46000
Email : commr.coimbatore@tn.gov.in
md.cscl.cbe@gmail.com

Dated: December 11 2025

To,

A.K. Capital Services Limited,
Unit No. 603, 6th floor,
Windsor, Off CST Road,
Kalina, Santacruz-(East),
Mumbai- 400 098, India.

(A.K. Capital Services Limited to be hereinafter referred to as the "**Merchant Banker**")

Sub: Proposed Issue By Coimbatore City Municipal Corporation ("Issuer") Upto 2,155 (Two Thousand One Hundred And Fifty Five) Rated, Listed, Unsecured, Taxable, Redeemable, Non-Convertible Municipal Bonds, in the nature of Debentures, of Face Value of Rs 7,00,000 each, (Comprising of 7 (Seven) Separately Transferable And Redeemable Principal Parts ("STRPP") Namely 1 STRPP A of Face Value Of Rs 1,00,000, 1 STRPP B of Face Value of Rs 1,00,000, 1 STRPP C of Face Value of Rs 1,00,000, 1 STRPP D of Face Value of Rs 1,00,000, 1 STRPP E of Face Value of Rs 1,00,000, 1 STRPP F of Face Value of Rs 1,00,000 And 1 STRPP G of Face Value of Rs 1,00,000, for an Amount of ₹70 Crores (Rupees Seventy Crore Only)) ("Base Issue Size") with a Green Shoe Option of up To ₹80.85 Crore (Rupees Eighty Crore And Eighty Five Lakhs Only)("Green Shoe Option") aggregating up to Rs 150.85 Crore (Rupees One Hundred And Fifty Crores And Eighty Five Lakhs Only) (Hereinafter Referred To As The "Bonds" Or "Debentures") In Dematerialised Form, on a Private Placement Basis ("Issue").

Dear Sir/Ma'am,

I, M. Sivaguru Prabakaran (I.A.S.), Commissioner of the Issuer, hereby confirm the following:

That Municipal Admisnistration and Water Supply Department, Government of Tamil Nadu vide its Order No. 222 dated August 26, 2025, had approved the bond issuance by Issuer for issuing Taxable Bonds in form of debenture for an amount up to Rs. 150.85 crores (Rupees One Hundred Fifty Crores and Eighty-Five Lakhs Only) under Section 66 of the Tamil Nadu Urban Local Bodies Act, 1998. ("**State Approval**").

M. SIVAGURU PRABAKARAN, I.A.S.,
Commissioner
Coimbatore City Municipal Corporation
Managing Director, Coimbatore Smart City Ltd.
Coimbatore - 641 001.

Ph : 0422 - 2396026
Fax : 0422 - 2390167
Mobile : 94425 46000
Email : commr.coimbatore@tn.gov.in
md.cscl.cbe@gmail.com

That vide the Council Resolution No. 328 dated July 26, 2024 had approved the issuance of bonds and the formation of Bond Issue Committee and authorised the members of Bond Issue Committee to take various decisions, activities and signing documents/ appointments/ agreements related to the bond issuance process.

That the Bond Issue Committee currently consists of the following members:

S. No.	Designation	Name
1.	Commissioner	Thiru M. Sivaguru Prabakaran (I.A.S.)
2.	Deputy Commissioner	Thiru. T. Kumaresan
3.	Deputy Commissioner	Tmt. A. Sulthana
4.	Assistant Commissioner (Accounts)	Tmt. Y. Usha Rani
5.	Chief Engineer	Thiru. T. Vijayakumar

That we shall immediately intimate the Merchant Banker to the Issue of any changes in the aforementioned details.

Yours Sincerely,

COIMBATORE CORPORATION ★ COIMBATORE ★

M. Sivaguru Prabakaran, (I.A.S.)
Commissioner

Copy to:
MV Kini, Law Firm
Kini House, 6/39,
Jangpura B,
New Delhi-110014

ANNEXURE - IV
Debenture Trustee Consent Letter

SBI Trustee

Ref. No.:5995/STCL/DT/2025-26/CL-6338 Date: 08th December 2025

To,

Coimbatore City Municipal Corporation
1, Corporation Building Big Bazaar Street,
Town Hall, Coimbatore,
Tamil Nadu-641001

AND

A.K. Capital Services Limited
Unit No. 603, 6th floor, Windsor,
off CST Road, Kalina, Santacruz- (East),
Mumbai- 400 098

(A.K. Capital Services Limited referred to as the "**Merchant Banker**")

Dear Sir/ Madam,

Sub: Proposed issue by Coimbatore City Municipal Corporation ("CCMC"/ "Corporation" / "Issuer") of 2,155 (Two Thousand One Hundred and Fifty Five only) rated, listed, taxable, unsecured, redeemable, and non-convertible municipal bonds in the nature of debentures, of face value of ₹ 7,00,000/- (Rupees Seven Lakh Only) with each NCD comprising of 7 (seven) Separately Transferable and Redeemable Principal Parts ("STRPPs") of face value of Rs. 1,00,000/- each namely STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F and STRPP G) for cash for an amount aggregating up to ₹ 150.85 crores (Rupees One Hundred Fifty Crore And Eighty-Five Lakhs Only) ("Issue") on a private placement basis.

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 ("**Offer Document**")(whether as a draft or otherwise) to be filed with the Securities and Exchange Board of India ("**SEBI**") and the National Stock Exchange of India Limited where the Bonds are proposed to be listed ("**NSE**" / "**Stock Exchange**") and also in all related communications sent pursuant to the Issue.

1. The following details with respect to us may be disclosed:

Logo	: SBI Trustee
Name	: SBICAP Trustee Company Limited
Address	: 4th floor, Mistry Bhawan, 122, Dinshaw Vachha Road, Churchgate, Mumbai 400020
Tel.	: 022 4302 5566
E-mail	: corporate@sbicaptrustee.com / dt@sbicaptrustee.com
Investor Grievance e-mail	: investor.cell@sbicaptrustee.com
Website	: www.sbicaptrustee.com
Contact Person	: Mr. Ardhendu Mukhopadhyay

SBI Trustee

Compliance Officer	**:Mr. Sandeep Poddar**
Tel. (Compliance Officer)	**: 022 4302 5517**
Email (Compliance Officer)	**: Sandeep.poddar@sbicaptrustee.com**
SEBI Registration Number	: IND000000536
CIN	: U65991MH2005PLC158386

We confirm that we are duly registered with the Securities and Exchange Board of India (SEBI), and that our registration remains valid and in force as of the date of this letter. A copy of our SEBI registration certificate is enclosed herewith as **Annexure A**, and a declaration confirming our SEBI registration, in the prescribed format, is annexed as **Annexure B**.

2. We further confirm that neither we have been prohibited by SEBI or any other regulatory authority to act as an intermediary including, without limitation, in capital market transactions, nor debarred or restrained from functioning by any regulatory authority, court, or tribunal.

3. We hereby authorize you and your representatives to submit a copy of this letter of consent and make disclosures in relation thereto to the Stock Exchange, SEBI or any other statutory/regulatory authority/court or tribunal, as may be required under applicable laws. We also authorize to share this letter, as necessary, with the 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 C***, during last five years. We further confirm that no enquiry/investigation is presently being conducted by SEBI on us.

5. We also agree to keep information strictly confidential, until such time as the proposed transaction is completed.

6. We also confirm that we are not an associate of the Issuer in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended.

7. We confirm that we do not have any conflict of interest with the Issuer.

8. We confirm that the information in relation to us in this letter together with the annexures is true, correct and complete in all respects and may be disclosed in the issue related documents/materials/communication.

9. We undertake that we shall immediately intimate the Issuer and the merchant banker to the Issue of any changes in the aforementioned details until the 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 listing and trading of Bonds on the Stock Exchange.

10. This letter may be relied upon by the Issuer, the merchant banker and the legal advisor to the Issue.

Sincerely,

SBI Trustee

For SBICAP Trustee Company Limited

Authorized Signatory
Name: Mr. Ardhendu Mukhopadhyay
Designation: CFO & COO

CC:

Legal Advisor to the Issue

MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

DDD256 (विनियम 8)
(Regulation 8) (Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र PERMANENT REGISTRATION
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा 12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

SBICAP TRUSTEE COMPANY LIMITED
202, MAKER TOWER, "E" WING
20TH FLOOR, CUFF PARADE
MUMBAI – 400005
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।
2) Registration Code for the debenture trustee is **IND000000536**

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।
3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange **Board of India**

स्थान Place : **MUMBAI**

तारीख Date : **OCTOBER 06, 2015**

MEDHA SONPAROTE
Authorised Signatory

SBI Trustee

Annexure B

Ref. No.:5996/STCL/DT/2025-26/CL-6338 **Date: 08th December 2025**

To,

Coimbatore City Municipal Corporation
1, Corporation Building Big Bazaar Street,
Town Hall, Coimbatore,
Tamil Nadu-641001

AND

A.K. Capital Services Limited
Unit No. 603, 6th floor, Windsor,
off CST Road, Kalina, Santacruz- (East),
Mumbai- 400 098

(A.K. Capital Services Limited referred to as the "**Merchant Banker**")

Dear Sir/ Madam,

Sub: Proposed issue by Coimbatore City Municipal Corporation ("CCMC"/ "Corporation" / "Issuer") of 2,155 (Two Thousand One Hundred and Fifty-Five only) rated, listed, taxable, unsecured, redeemable, and non-convertible municipal bonds in the nature of debentures, of face value of ₹ 7,00,000/- (Rupees Seven Lakh Only) with each NCD comprising of 7 (seven) Separately Transferable and Redeemable Principal Parts ("STRPPs") of face value of Rs. 1,00,000/- each namely STRPP A, STRPP B, STRPP C, STRPP D, STRPP E, STRPP F and STRPP G) for cash for an amount aggregating up to ₹ 150.85 crores (Rupees One Hundred Fifty Crore And Eighty-Five Lakhs Only) ("Issue") on a private placement basis.

1. 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	IND000000536
2.	Date of registration/ date of last renewal of registration	06th October, 2015
3.	Date of expiry of registration	Permanent
4.	If applied for renewal, date of application for renewal of registration	No
5.	Details of any communication from SEBI prohibiting from acting as an intermediary	No
6.	Details of any pending inquiry/ investigation being conducted by SEBI	No

SBI Trustee

S. No.	Particulars	Details
7.	Period up to which registration/ renewal fees has been paid	4th October 2024 – 3rd October 2027
8.	Details of any penalty imposed by SEBI	NA

2. We undertake to promptly inform the Issuer and the merchant bankers associated with the Issue of any changes, additions, or deletions to the information provided in this certificate, from the date hereof until the Bonds offered, issued, and allotted pursuant to the Issue are listed and commence trading on the relevant stock exchange ("Stock Exchange"). In the absence of any such communication from us, the information contained herein shall be deemed to be current, complete, and accurate until the listing and commencement of trading of the Bonds on the Stock Exchange.

Sincerely

For SBICAP Trustee Company Limited

SBICAP TRUSTEE COMPANY LIMITED

Authorized Signatory
Name: Mr. Ardhendu Mukhopadhyay
Designation: CFO & COO

Legal Advisor to the Issue

MV Kini, Law Firm,
Kini House,
6/39 Jangpura-B
New Delhi 110 014

SBI Trustee

Annexure C

S. No.	SEBI/ Regulatory Authority	Details of disciplinary action similar to any enforcement action/ adjudication taken by SEBI/ Regulatory Authority
1.	SEBI/ Name of regulatory Authority	NIL

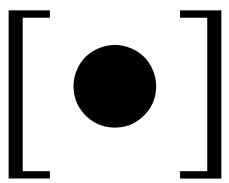
Sincerely

For SBICAP Trustee Company Limited

Authorized Signatory
Name: Mr. Ardhendu Mukhopadhyay
Designation: CFO & COO

ANNEXURE – V

Illustration of Bond Cash Flow



ANNEXURE - VI
Audit Reports/Audited Financials

LOCAL FUND AUDIT DEPARTMENT

COIMBATORE CORPORATION AUDIT

AUDIT REPORT FOR REVENUE AND CAPITAL FUND

FOR THE YEAR 2022-2023

PART-I

LOCAL FUND AUDIT DEPARTMENT

From
Mr.R.Pandiyan.
Deputy Director,
Local Fund Audit,
Coimbatore Corporation
Coimbatore-641001

To
Chairman,
Standing Committee,
Coimbatore corporation,
Coimbatore.

Roc.No.190/A1/2024 Date: 29.05.2024

Sir,

Subject: Audit- The Revenue and Capital Fund part -I Audit Report on Accounts of 2022-23 of Coimbatore corporation– Regarding the sending of audit report

The Revenue and Capital Fund of the Coimbatore Corporation Part–I for the year of 2022-2023 audit report is sent with annual accounts.

According to the Financial Administration Rules of the Coimbatore Corporation Act of 1981, Table 3 Part 3 (2) rule 18(2), the Revenue Fund and Capital Fund 2022-2023 Audit report of the Coimbatore Corporation Center Office is sent along with this.

Within six months after the receiving the audit report, it is requested to send to the audit office with three copies with the approval of the Municipal Council and approve the reference.

-sd-
Deputy Director,
Local Fund Audit,
Coimbatore Corporation

//True copy by Order//

10/12/2024

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

ANNEXURE:

Copies to:

1) Commissioner and Secretary Municipal Administration and Drinking Water Department, Tamil Nadu Government. Chennai-9.
2) Commissioner Coimbatore Corporation, Coimbatore.
3) The Director of Chief Audit, Special Director, Local Government Financial Audit Directorate is bowed to Chennai 35.
4) Coimbatore Local Government Audit, Regional Associate Director.

5

AUDIT CERTIFICATE (Qualified)

We have audited the attached Balance Sheet of COIMBATORE CORPORATION and the Income and Expenditure Account / Receipts and Payment Accounts for the year ended on that date under Section 10 of the Local Fund Audit Act, 2014. The Balance Sheet and Income & Expenditure Account / Receipt & Payment Account dealt with by this report have been properly drawn up. In our opinion, proper books of accounts and other relevant records have been maintained in so far as it appears from out examination of such books.

In our opinion and to the best of out information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated in Audit Report to this Audit Certificate give a true and fair view in conformity with accounting principles generally accepted in India.

a) In so far as it relates to the Balance Sheet, of the state of affairs of the Coimbatore Corporation for the year ended 31.03.2023.

b) In so far as it relates to Income and Expenditre Account of - the Excess of Expenditure / income over Income over Income / expenditure for the year ended 31.03.2023.

Date: 29/05/2024

Place: Coimbatore.

For and on behalf of the
Director of Local Fund Audit

29/05/2024

COIMBATOR DISTRICT-COIMBATORE

CORPORATION AUDIT REPORT FOR REVENUE AND CAPITAL FUND FOR THE YEAR 2022-2023 PART-I

1. Auditor Name and Designation: Mr.R.Pandian

Deputy Director

1.1 Details of the Deputy Directors holding office during the Period under audit

S.No	Auditor name and designation	Working Tenure	
1	Mr.M.Krishnamoorthy, B.B.A.,B.L Deputy Director	From	End
		01.04.2022	20.01.2023
2.	R.Gunasekaran , Deputy Director	23.01.2023	31.01.2023
3	Vacant	01.02.2023	12.02.2023
4	G.Ramesh, Deputy Director	13.02.2023	31.03.2023

1.2. Time Taken for Audit. Immediate Audit

1.3. Corporation officers who held office during the Period of audit

S.No	NAME Mr/Mrs	DESIGNATION	TENURE STARTS FROM	TENUREEND
1	S.Rajagopalsunkara	Commissioner	01.04.2022	01.06.2022
2	M.Prathap	Commissioner	02.06.2022	31.03.2023
3	M.M.Sharmila	Deputy Commissioner	01.04.2022	31.03.2023
4	SenthilKumararathinam	Assistant Commissioner (Income)	01.04.2022	31.03.2023
5	Sundharajan	Assistant Commissioner (Accounts)	01.04.2022	31.03.2023
6	V.Saravanan	Assistant Commissioner (Administrative)	01.04.2022	31.03.2023
7	P.Maariselvi	Assistant Commissioner (East)	01.04.2022	12.07.2022
8	Muthuramalingam	Assistant Commissioner (East)	13.07.2022	31.03.2022
9	V.saravanan	Assistant Commissioner (West)	01.04.2022	18.07.2022
10	M.Sekar	Assistant Commissioner (West)	19.07.2022	31.03.2022
11	R.Mohanasundhari	Assistant Commissioner (North)	01.04.2022	31.03.2023
12	N.Annadhurai	Assistant Commissioner (South)	01.04.2022	31.03.2023
13	E.Sankar	AssistantCommissioner (Center)	01.04.2022	09.09.2022
14	M.M.Kanagaraj	AssistantCommissioner (Center)	10.09.2022	31.03.2023
15	R.Tamilvendhan	Account officer(Water supply)	01.04.2022	31.02.2022
16	A.Amalraj	Secertory	01.04.2022	31.03.2023
17	R.Ramasamy	Chief Engineer	01.04.2022	09.06.2022
18	S.Arasu	Chief Engineer	11.06.2022	04.11.2022
19	G.Ilangovan	Chief Engineer	01.04.2022	31.03.2023
20	G.Murugesan	Deputy Corporation Engineer	01.04.2022	31.03.2023

21	G.Ilangovan	Deputy Corporation Engineer	01.04.2022	31.03.2023
22	K.Karuppathal	Corporation planner	01.04.2022	3003.2023
23	Maru.D.S.Sathish Kumar	Municipal Welfare officer	01.04.2022	05.07.2022
24	Maru.Pradeep.V.Krishna Kumar		06.07.2022	31.03.2023
25	Maru.Vasanthathivagar	Additional Municipal Welfare officer	01.04.2022	31.03.2022

1.4 Details of Divisions and Zones in Coimbatore Corporation.

Coimbatore Corporation is consisting total of 100 wards and 5 zones, 20 wards per one zone and central office. Totally 10 departments is functioning in Coimbatore corporation.

DEPARTMENTS

S.No	**DEPARTMENTS**
1	General category
2	Accounts Division
3	Engineering Division
4	Engineering Division (Drinking Water Supply)
5	Revenue Division
6	Education Division
7	Public health
8	JNNURM Division
9	Town Planning Division
10	Smart City

ZONES

ZONE	**LOCATION**
1	East Zone - Singhanallur
2	West Zone – RS Puram
3	North Zone - Gandhipuram
4	South Zone - Kuniyamuthur
5	Central Zone – Race course

Zones and Departments are working subject to the following detailed audits

S.No	Units	No
1	Topicana	5
2	Goat/Cow Shearing tank	5
3	Modern toll booth	36
4	Pharmacy – Allopathy	11
5	Pharmacy - Ayurvedic	3
6	Pharmacy - Siddha	2
7	Maternity Hospital	24
8	Social Welfare center	16
9	Flood relief center	1

UNITS FUNCTIONING UNDER DEPARTMENT

1	Automobile Workshop	1
2	Town Primary Health center	23
3	School for deaf and dumb	1
4	Amma Hotel	12
5	Public Health Laboratory	1
6	Center for AIDS control	5

2.1 DETAILS OBTAINED IN YEAR

According to The Tamil Nadu Local Government Audit Act2014 (Act No.24 of 2004)rule 7 (1) Yearly Accounts should be given by the Commissioner along with all register by June30 in the next financial year. The annual accounts for 2022-23 to be sent before 30.06.2023 which have been received on 30.06.2023 and same was returned for rectify the mistakes then it was received on 29.09.2023.Also, the accounts not made in UTIS CWBS mode and it was made in old FAS mode and it was informed to The Director of Local Government Audit by a letter Roc.No.4293/NT2/2021dated 23.02.2021.

2022-23 has been obtained in the financial accounting standard (FAS) for auditing.

2.1.1) Annual Accounts-Audit Certificate-Related.

The Chief Accountant and the government are urged by the government to certify the accounts of the Coimbatore Corporation. The annual arrears, collections and arrears of demand species and other demand shave not been able to rectify (account code 4039) the details of annual arrears should be given in year wise and it should be allotted.

In addition, the deficiency is constantly seen in 2022-23 accounts without being adjusted. However, On 31.03.2023 details and explanations given to the Deputy Director of the Local Finance Audit Division of the Coimbatore Municipal Corporation for the 2022 – 2023 Income and True and clear statement of the financial position of the Coimbatore Corporation has been made subject to the audit report annexed to the Expenditure Accounts.

2.1.2 ADMINISTRATIVE REPORT FOR THE YEAR 2022-2023 SENT TO GOVERNMENT-COIMBATORE CORPORATE

According to section 43 of the Coimbatore Municipal Corporation Act,1981, the Coimbatore Corporation has to prepare an administrative report for every financial year and after obtaining the approval of the Commissioner and the Council, the report must be sent to the Government in the first week of April of the following financial year. Accordingly, the Administrative report for the year 2022-23 has not been prepared by the Coimbatore Corporation and sent to the government.

2.2) GENERAL SCRUTINY OF ACCOUNTS OF COIMBATORE CORPORATION FOR THE YEAR 2021-22

Following are the general observations on the accounts for the year2022-23 issued by the Corporation.

Revenue Finance- Income and Expenditure

Total revenue for the year 2022-23 is Rs.700025.52 lakhs out of project supervision fees, interest receivables and recoverable amounting to Rs.44682.85 lakhs due to grants from central and state governments and remittances by Government is Rs.25342.67lakhs.

Total expenditure is Rs.76740.25 lakhs, depreciation is Rs.21456.20 lakhs and net expenditure is Rs.55284.05 lakhs.

Budget estimate

According to the revised estimate for the year 2022-23, only Rs.27758.79 lakh has been collected out of the tax revenue target of Rs.17803.00lakh

Rs.8448.13 lakhs out of the target of Rs.9054.00 lakhs in the subject of project estimate.

As per revised estimate of 2022-23 (expenditure excluding depreciation) a target of Rs.52808.00 lakhs has been fixed but the actual expenditure (excluding depreciation) for 2022-23 has been incurred at Rs.55284.05lakhs.

Details of property tax demand collection

Year wise	Demand in Crores	Collection in Crores	Balance (in Crores)	Collection in Crores
2018-19	380.82	203.88	176.94	53.53
2019-20	389.15	191.13	198.01	49.11
2020-21	417.41	217.77	199.64	52.17
2021-22	443.90	229.34	214.56	51.66
2022-23	651.80	433.89	217.91	66.56

The property tax collection balance of this Corporation for the current and previous years is as follows.

2022-23 demand has increased by Rs 207.90 crore over 2021-22. Demand collection was 51.66 percent in 2021-22. It has increased66.56 percentin2022-23.

Regarding non-increase in taxes and fees for along time

The following types of taxes have not been raised for many years. By increasing these, the revenue in taxes is likely to increase.

S.No	Tax type	The day the tax was finally raised.
1	Property tax	01.04.2022
2	Timber tax	Not applicable for Coimbatore corporation
3	Company tax	Not applicable for Coimbatore corporation
4	Profession Tax	01.04.2014 Coimbatore Corporation Council Resolution No.203dated 19.09.2013

non-determined demands

Proper documents are not maintained for following:

1. Document related about land and buildings

2. Business tax

3. Advertisement tax

4.Annual fee for cable television wire used the electricity transformer annual rental

5. Glass fiber cable track-annual rental

Expenses:

Employee details

According to the public sector report of the Municipal Corporation, there are a total of 4945 work places the description as follows

ABSTRACT

SL. NO	Name of the Posts	Sanctioned Strength	Added area (G.O.No.117,MAWS Dept Dt.19.12.2012 and G.O.No.196, MAWS Dept, Dt.18.12.2013	5th Zone (G.O.No.97, MAWS Dept Dt. 03.08.2016)	Total	In Position	Post Vacant	Remarks
1	CLASS – I OFFICERS	14	0	1	15	12	3	
2	CLASS – II OFFICERS	95	0	8	103	85	18	
3	CLASS-III OFFICERS	688	47	56	791	565	226	
4	CLASS-IV BASIC SERVICE	3723	312	1	4036	2741	1295	
	GRAND TOTAL	**4520**	**359**	**66**	**4945**	**3403**	**1542**	

The following works are being carried out by private sector in Coimbatore Corporation and the expenditure for this is as follows

S.No	Title	Account code	Amount in Lakhs
1	Cleaning work	2100	6746.31
2	Park maintenance	2084	308.47
3	General hygiene products	2101	184.57
Total			7239.35

Depreciation Expense

Depreciation expense for the year 2022-23 is Rs.21456.20 lakhs. This is Rs.964.70 lakhs more than last year's depreciation expense of Rs.22420.90 lakhs.

2.2.1) Revenue Fund and Capital Fund. Statement of Accounts Payable

Total under assets head is Rs.493536.43 lakhs and under liabilities head is Rs.269864.52 lakhs. (Excluding Accumulated Depreciation Rs.21456.20 Lakhs and Provision for Doubt Rs.17378.11 Lakhs excluding Rs.38834.31Lakhs)

Details of assets of local bodies newly merged with the Corporation

The assets and liabilities of the newly merged local bodies in the expanded Coimbatore Corporation have been fully accounted for and asset-recorded since 25.10.2011.

The liability to be paid is species revenue and capital funding

The following items are the responsible for payment by the Coimbatore Corporation for Rs.296211.64 lakhs

1	Government debt (4005,4006,4007)	10459.84
2	Types of Deposits (4018-4020)	18924.58
3	Public participation	1053.14
4	Govt grant	42297.41
5	Government share amount	185636.75
6	Other payables	37839.92
7	Other items	
	Total	296211.64

The items of credit to be collected is Rs.382391.72 lakhs

1	Property Tax (3002,3003)	13978.15
2	Business Tax (3005,3006)	1388.08
3	Work Advances (3051-3052)	822.72
4	Other Advances (30543055.3125,3131)	43365.40
5	Other species to be charged	33421.31
6	Employee Advances (3028-3046)	272.12
7	Net Assets (Excluding Depreciation	270230.95
8	Cash and Investments	36291.09
	Total	382391.72

According to the above studies, it is necessary to improve the funds of the Coimbatore Corporation.

2.2.2) Adequate administrative steps should be taken to reconcile the advance amounts balances as per the annual accounts with the pending balances as per the advance amount registers by verifying the relevant documents and making audit entries for the following detailed advance amounts.

S.No	Fund	Auditcode	Audit Head	Debit Balance amount in Lakshs
1	Revenue fund and Capital fund	3033	Immediate relief	40.57
2		3043&3044	Vehicle Advance	1.67
3		3046	Home building advance	48.70
4		3047	Employee Advance Interest	0.84
5		3045	Marriage Advance	3.89
6		3051	Advance payments to suppliers	609.56
7		3052	Contractor advance	213.16
8		3028	Festival Advance	176.06
9		3030	Khadi Advance	...
10		3032	Flood Advance	...
11		3037	Travel Advance	1.21
12		3038	Alternate travel advance	...
13		3041	Advance for computer	...
14		3054	Advances for expenses	242.24
15		3055	Miscellaneous advance	43078.16

2.3) Amount of expenditure accrued on the basis of appropriate documents for the following account heading balances as on 31.03.2023

S.No	Account code	Accounttitle	Debit Balances as on date31.03.2022 In lakhs
1	3056	Refundable Deposit (Electricity Revenue)	212.10

2.4) Demolition Payment Fund (Account Code No.1043)

The accumulated amount under the head of Demolition Fee Fund during 2022-23 is Rs.984.28 lakhs. But the amounts spent annually on the removal of building debris are not included in the account code 2044.Therefore, knowing the amount spent so far for demolition, the amount should be debited under the Demolition Fee fund and the remaining amount should be credited under the appropriate credit heading.

The remaining balance should be classified as an asset or found Progressive Expenses to be set off against balances.

2.5) Annual Accounts 2022-23 Advances outstanding for along time should be rectified.

During the audit of the accounts for the year 2022-23, the advances given under the following account headings have remained not verified for a long time (1995-96to2022-23).

S.No	Fund	Audit code	Audit Head	Debit Balance amount in Lakshs
1	Revenue fund and Capital fund	3033	Immediate relief	40.57
2		3043&3044	Vehicle Advance	1.67
3		3046	Home building advance	48.70
4		3047	Employee Advance Interest	0.84
5		3045	Marriage Advance	3.89
6		3051	Advance payments to suppliers	609.56
7		3052	Contractor advance	213.16
8		3028	Festival Advance	176.06
9		3030	Khadi Advance	...
10		3032	Flood Advance	...
11		3037	Travel Advance	1.21
12		3038	Alternate travel advance	..
13		3041	Advance for computer	...
14		3054	Advances for expenses	242.24
15		3055	Miscellaneous advance	43078.16

After examining the above items and collecting the amount, appropriate action should be taken and proper records should be made for verify the amount in the item that need to be rectified before collecting the amount without any balance.

Year wise balance details have not been submitted for audit therefore appropriate action should be taken to submit year wise balance details for these amounts for audit.

2.6) **A) Revenue and Capital Works Payment Book (Account Code 3123-1)-The details of work done by departments not mentioned properly-defect**

192.75 Crores (SFC Account CodeNo.1053) rupees in the state Finance committee for the financial year 15th Central Finance Commission Grants Rs.67 Crores during the audit year. No separate expenditure book is maintained for this. Therefore, the works expenditure book does not mention the details under which scheme the works have been carried out and the amount paid. Due to non-maintenance of projects register, it is not possible to know the details of the amount spent during the audit year. In the Corporation, the detailed reports of the financial work carried out are not attached to the annual accounts. Therefore, administrative arrangements should be made to provide details of planned expenditure of funds.

b) Annual Accounts 2022-23 Capital Balance Sheet details of work in progress.

In the capital balance statement for the year 2022-23, the following details are given under the heading 'Capital Projects in progress'.

S.No	Account code	Account Title	Amount in lakhs
1	3121	Works in progress	20762.86
2	3122	Government sanction	3111.24
Total			23874.10

a) In these the completed works should be owned and details of which should be shown for audit.

b) Appropriate steps should be taken to complete the pending works as soon as possible.

2.7) Share amount payable by Corporation of Coimbatore to Local Planning Group (L.PA)- Account Code no. 4053- Rs.939.15 lakh

As per account head 4053 during the audit year Rs.939.15 lakhs is outstanding due to Coimbatore Urban Planning Corporation. Action should be taken to pay this amount to the appropriate account head.

2.8) Library Tax

Library tax Rs. 5039.28 lakhs is outstanding in the year 2022-23 in the revenue fund and steps should be taken to pay it to the District Library Commission (4043).

01.04.2022 Initial stock at 2021	503928091.50
Credits in 2022-23	268366531.69
Total	772294623.00
Paid in 2022-23	366106724.00
31.03.2023 Closing Balance (Payable)	406187899.19

Advertising tax

2.9) Not applicable to Corporation of Coimbatore

2.10) Annual Accounts for the year2022-23 Non-sending of Schedules and other defects

It has been pointed out in the annual audit reports that various defects found in the preparation and submission of annual accounts should be rectified and complete annual accounts should be submitted for audit with appropriate detailed reports.

2022-23 annual accounts due detail reports pointing out the defects found in the annual accounts and insisting that appropriate administrative action should be taken to remove the defect

This defect should be rectified and appropriate detailed schedules as specified in the standard accounting practice manual should be sent along with the annual accounts.

2.11) The outstanding amount of Rs.1403621.50 on Fixed Advance Account 31.03.2023 is to be settle

As per accounts for the year 2022-23 Account Heading No.3058 in General Imprest Control Account shows Rs1401215.50 as unreimbursed balance. This amount is the amount outstanding as on 31.03.2023 in fixed advance accounts maintained in various Zones and Departments.

It should be ensured that the fixed advance accounts are properly expended in each financial year and the amount is recovered. Steps should also be taken to ensure the requirement of fixed advance amount in use by the officers maintaining fixed advance accounts and to collect unutilized amounts.

2.12) 2022-23 A STUDY ON AUDIT CONTRIBUTION PENSION FUND

According to Government Ordinance No.259 Finance (Pension) Department dated 06.08.2003, 01.04.2003 thereafter Government and Local Government Employees recruited contributory pension scheme is applicable

Government Ordinance No.430 Finance (Pension) Department dated 06.08.2004 and Government Letter No. 54950 Finance (Pension / 2005, dated 29.09.2005) have ordered that the amount of subscription deducted from the employees of local bodies should be paid into the Government account

Also, as per Government Ordinance No. 201 Finance (Pension) Department dated 21.05.2009,it has been ordered that the details of the local government employees should be sent to the Chennai Government Data Center and employee wise code numbers should be obtained.

Government Order No.172 Finance (PGC) Department, dt.16.06.2010, the subscription amount and management share amount thus deducted are DPC 8342-00-117-AK-80101 and DPC-8342-00-117-AL-80101 respectively advised to pay by topics

As on 28.02.2023, a total of 1884 employees in Coimbatore Corporation are benefiting under Contributory Pension Scheme. Contribution Retirement Account being maintained. through computer only.

1	Number of Contributory Scheme Employees as on 28.02.2023	1884
2	Recipients of Contributory Scheme Account No	1884
3	Those who have not received a contribution plan account number	..
4	Amount paid up to 2022-2023	5441.07

Subscription Share amount

	5441.07	5441.07
Paid	5441.07	5441.07
Payable	-	-

2.13 Regarding maintenance of provident fund accounts on computer

In the Coimbatore Corporation, the employees' welfare fund accounts under the welfare fund scheme have been uploaded in the computer since 2015-16 and the registers are being maintained. Provident Fund accounts up to 2004-05 audited and certified. 2005-06 to 2018-19 Provident Fund Concept has been revised as per HQ Study Note. The Revised Provident Fund Concept is pending as it has not been recovered.

2.13 Amma Unavagam Performance

According to government Ordinance No.21 Department of Municipal Administration and Drinking Water Supply (MC 1), dated 17.01.2013 permission has been given to open a total of 12 Amma restaurants in all the 05 zones of the Coimbatore Corporation for the benefit of the wage laborers and the lower class people to get healthy food at affordable prices.

S.No	Finacial year	Total Amma hotel	Administrative and maintenance cost	Amma reastarant collection	Expenditure in excess of revenue
1	2	3	4	5	6
1	2013-14	12	207211499.00	9741447.00	10980052.00
2	2014-15	12	27270013.36	11766315.00	15503698.36
3	2015-16	12	32916767.50	12125755.00	20791012.50
4	2016-17	12	30623758.00	11923582.00	18700176.00
5	2017-18	12	23692304.00	12370817.00	11322087.00
6	2018-19	12	26161053.00	10025359.00	16135694.00
7	2019-20	12	27395690.00	9946966.00	17448724.00
8	2020-2021	12	31014672.00	10752062.00	20262610.00
9	2021-2022	12	21365419.00	9227172.00	12138247.00
10	2022-2023	12	29381569.00	9030655.00	20350914.00
Overall total			**270543344.86**	**106910130.00**	**163633214.86**

Steps should be taken to claim the amount of Rs.163633214.86 from the government and its details should be shown for audit.

A schedule of works carried out on grant received during the audit year is mentioned on page number one of the annual accounts.

At the end of the audit year, the details of the unspent grant have not been provided to the audit. The works in progress should be completed and the property properly disposed of.

Unexpended funds should be used for project work or reimbursed to appropriate government accounts and reported to audit

3.Audit report for the year 2022-23

A) The Coimbatore Corporation Area Audit Report for the year 2022-23 is published in the Audited Annual Accounts (Accounts Summary Office) containing the main audit objections selected from the Audit Reports of Departments and Zones.

B) For the year 2022-23, the deficiencies observed on the operations of 05 Zones 10 Departments and Revenue and Capital Funds of the Corporation of Coimbatore have been compiled as audit notes and reported to the Commissioner and 15 Zonal Assistant Commissioners through separate Audit Report Part ii.

C) some major and critical deficiencies found in the audit reports have been pointed out in report of Zones and Departments. Sanctions including other deficiencies are all contained in Audit Reports of Zones and Sectors All should be considered as part of this financial report.

D) According to Rule 97 of Volume 2 of Municipal Administration and Ordinance No.145 / Department of Municipal Administration and Drinking Water Supply dated 22.10.2003, within two months of receiving the audit report, the Commissioner shall send the responses to the Audit Office with the approval of the Municipal Council.

4.1 Estimate and Revised Estimate for the year 2022-23 Expenditure Plan

Coimbatore Corporation passed Resolution No. 110 Dated: 08.03.2024 approve the budget estimate for the year2021-22 for all funds of is provided. Revenue and expenditure have varied in the following categories vide the Revised Estimates Scheme.

S.No	Headings of main account	Revised estimate for 2022-23 in Lakhs	Actualr evenue for 2022-23 in lakhs	Percentage of total revenue for 2022-23	Actual revenue for 2022-23 in lakhs	Percentage of total revenuefor 2022-23
1	**Property tax**	**17803.00**	**27758.79**	**39.64**	**12958.15**	**25.72**
2	Lease	5120.00	2189.08	3.13	2150.83	4.26
3	Assigned credit	5600.00	6067.28	8.66	4897.05	9.72
4	Service tax and Fees	7070.00	7915.70	11.30	5281.46	10.48
5	Income royalty and contribution	16202.00	19715.00	28.15	14241.86	28.25
6	Sale and rent Charges	264.00	120.60	0.17	82.14	0.16
7	Miscellaneous Income	5077.00	6259.05	8.94	10790.49	21.41
	Total	**57136**	**70025.5**	100	**50401.98**	100

Revenue has been collected as mentioned above, the revised estimate of 115.92,42.75,108.34 and 111.96 percent in item No.1,2,3 and 4 respectively.

S.No	Headings of main account	Revised estimate for 2022-23 in Lakhs	Actual revenue for 2022-23 in lakhs	Percentage of total revenue for 2022-23	Actual revenue for 2022-23 in lakhs	Percentage of total revenue for2022-23
1	Employees' wages	16821	16346.26	21.30	14372.90	17.82
2	Pension benefits	6730	9144.23	11.92	6303.52	7.81
3	Operation expenses and maintenance expenses	23462	22795.30	29.70	21401.49	26.53
4	Project costs	0.00	714.61	0.93	1643.56	2.04
5	Financial expenses	3580	1083.01	1.41	1303.61	16.24
6	Administrative and miscellaneous expenses	2215.00	5200.64	6.78	1430.85	1.77
7	Depreciation	0.00	21456.20	27.96	22420.90	27.79
	Total	**52808.00**	**76740.25**	**100**	**80676.83**	**100**

1) As per revised estimate provision for project expenditure is Rs.000 Lakhs but the actual expenditure is Rs 714.61 Lakhs. The excess expenditure over the revised estimate is Rs.761.61 lakhs

2) As per revised estimate provision for financial credits isRs.57136.00 lakhs. But the actual revenue is Rs.70025.50 lakhs.12889.50 lakhs less revenue than the revised estimate

3) Provision for finance charges as per revised estimate is Rs.52808.00 lakhs. But the actual expenditure is Rs.76740.25 lakhs. The additional expenditure over the revised estimate is Rs.23932.25lakh

	Expected as per Revised budget in lakhs	**Actual incident in2022-2023 in lakhs**
Total income	57136.00	70025.50
Total Expenses	52808.00	76740.25
Net surplus/scarcity	4328	(-) 6714.75

1) Revenue and capital fund of Coimbatore Corporation for the year 2022-2023 Rs.6714.75 Lakhs is insufficient
2) Accumulated Excess amount Rs.81399.24 lakhs in 01.04.2022 and Rs.98337.07 in 31.03.2023

4.2 A study on Audit accounts

1) According to Municipal Administration and Drinking Water Supply Government Ordinance No.03 dated 12.01.2000 in Coimbatore Corporation from 01.04.2000 the standard accounts system has been introduced. Based on that the following accounts have been prepared under Revenue and Capital Funds.

From the date 01.09.2020 only income in seven-digit system has been maintained. Since 01.04.2021 expenditure and receipts have been maintained in seven-digit format, but the annual accounts have been prepared in the standard accounts format.

1. Opening Balance Sheet on 01.04.2021

2. Income and Expenditure Statement for the year 2021-2022

3. Balance Sheet as on31.03.2022

2) The following three funds have been maintained since the audit year1985-86 A separate journal is being published.

1.Revenue and Capital Funding

2. Funding for drinking water supply and drainage

3. Primary Education Fund

3) Coimbatore Municipal Corporation was functioning till 2010-11 as 04 Zonal comprising 72 wards and in 2011-12 from 25.10.2017 vide Government Ordinance No.256 MAWS Department dated 26.12.2009 03 Third Level Municipalities 07 number of municipalities and 1 gram

panchayat have been merged and the Coimbatore Municipal Corporation has expanded into100 wards.

The Annual accounts have been functioning till date on a single account for the Corporation.

(4) The five-figure note as on 31.03.2022 attached to the annual accounts and the revenue and expenditure account for the year 2022-23 were audited by the Deputy Director of Local Government Audit in the Internal Audit Division of the Coimbatore Corporation.

5) The annual accounts annexed here to present a true and fair view of the financial position of the Corporation of Coimbatore. As standard accounts have been fully implemented in the Coimbatore Corporation, the receipts and payables as on March-31st have been calculated. Also attached are details of balance and liability for the audit year verified in the audit.

6) Property tax collection is the primary source of revenue in the Coimbatore Corporation. Property tax calculation is calculated based on the area of the building and is collected properly. Since 01.04.2000, the entire collection balance for all taxes has been computerized and annual accounts are prepared on the basis thereof. Only non-taxable species are maintained in registers rather than in the system of seven digits.

7) In all the Zones the Rent Demand Registers (MIR.S) of the arrears of rent due to the Corporation are maintained as specified in the Audit Note of the Zones.

8) A separate account is maintained for project expenditure incurred on the basis of Government (Government and loans from other financial institutions). But no consolidated expenditure register is maintained to monitor the utilization of Government grants and loans.

9) Annual accounts are consolidated through computer and not reconciled with any subsidiary register.

10) Advance cash register is maintained but the closing balance is not reconciled with the annual accounts. Over

The years the discrepancy between the register and the annual accounts has continued.

11) The deposit register is maintained and not reconciled with the annual accounts. A separate paragraph has been raised about this.

12) No such register has been maintained despite specific instructions to maintain a separate register of assets. The value of the assets is maintained only in the computer and their depreciated value is shown only in the annual accounts. Depreciation is calculated separately for each asset excluding land with a five-figure note and attached to the annual accounts. The total value and depreciation of assets of the Corporation of Coimbatore along with the annual accounts shall be directly verified and certified by the Corporation Engineer.

13) All works completed on 31.03.2023 have been properly deeded.

14) The closing balance of the bank accounts as on date 31.03.2023 as per general ledger is reconciled with the bank closing balance subject to various adjustments.

15) Audit could not confirm regularization of losses and waves due to inventory verification report carried out during the audit year and not attached to the annual accounts.

16) After the implementation of the first standard in Coimbatore 01.04.2000, separate account is being maintained for pension fund. Registers of pensioners and family pensioners are being properly maintained. The

Amounts disbursed during the audit year have been reconciled with the bank balance and certified.

4.21 Percentage of collection of taxes and charges

The percentage details of the amount collected against various taxes and fees during the year 2022-23 are given below.

S.No	Details of taxes and charges		Demand Amount in lakhs	Collection Amount in lakhs	Percentage
1	Property tax	Balance	12848.33	4303.03	33.49
		Current	22039.13	16606.27	75.34
2	Work tax	Balance	2748.39	1473.98	53.63
		Current	3565.01	3452.11	96.83
3	SWM user charge	Balance	0	0	0
		Current	1346.53	1170.05	86.89

where registration is completed, computerized due Collection is filled with details. Current and outstanding income of all taxable and non-taxable species should be paid close attention

4.3 Bank Balance Compliance Certificates

Bank closing balance as per general ledger at 31.03.2022 is taken as bank opening balance of liability at 01.04.2022. 31.03.2023 Bank closing balance of general ledger is reconciled with the pass book balances of all relevant accounts subject to bank account checks. Serious attention should be paid to current and outstanding collections on all duty and duty-free items.

4.4 Defects in Bank Account Checks

A total of 317 bank accounts are maintained in Coimbatore Corporation as 302 bank accounts in revenue fund account, 05 bank accounts in Amma restaurant account, 31 bank accounts in capital fund account, and 17 bank accounts in primary education fund. Bank account checklists are given as separate annexure to the annual accounts.

On checking the annual accounts of Coimbatore Corporation for the year 2022-2023, the bank accounts are inactive without any activity. No tables supporting these views are attached to the annual accounts. Despite these deficiencies being pointed out in the audit, no appropriate administrative action has been taken.

Appropriate action should be taken to close the accounts on the basis of appropriate files or documents as to the actual position of the balances under the above account heads.

4.5 Audit Bank Reconciliation Lists for the year 2022-2023 Uncashed Checks Bank Reconciliation List (Page No.1905.09 lakhs and minus heading and 517.58 lakhs in the subtraction heading are uncashed. Uncashed Checks Uncashed check items for more than three months should be canceled and the amount credited. The species shown in

the deduction heading should be credited to the bank and the details should be submitted for audit.

4.6) Coimbatore Corporation Main Office Bank Compliance Audit 2022-2023-Bank treasury slips not submitted for audit and bank compliance certificate not prepared Details of remittance to bank account could not be ascertained during audit-Defect.

a) Coimbatore Corporation Main Office, during Bank Compliance Certificate Verification Audit 2022-23 Annexure No.01 Bank/treasury handbills and bank compliance certificates for specific bank accounts were not submitted for audit. As a result, it was not possible to compare the balance and transaction details in the bank accounts with the budget in the ledger. Therefore, bank receipts and bank reconciliations for these bank/treasury accounts should be shown for audit.

b] Coimbatore Corporation Head Office for the year 2022-23 not submitted for audit 153 bank accounts in Annexure No. 02 have not been submitted for audit In this regard, letter No. 008/ A1/2022 dated 08.06.2022, 27.06.2022 and 05.07.2022 has been sent to the Assistant Commissioner (Accounts) to take appropriate action.

Since the bank receipts were not submitted for audit till date, the balance amount in the bank accounts is Rs1074.13 lakhs and any loss of funds in the budget will be the responsibility of the concerned officers and the amount of loss of funds should be collected from the relevant officers. Also the inactive bank accounts attached in Annexure No.2 should be completed and the details thereof submitted for audit.

4.7) Bank accounts which have been inactive for along time - no appropriate administrative action taken defects.

When checking the annual accounts of the Coimbatore Corporation for the year 2022-2023, the balances of bank and treasury accounts are being shown under the headings of assets without any activity for many years. No tables are appended to the annual accounts in support of these views. Despite continuous audits indicating non-operation of these accounts, no appropriate administrative action has been taken.

Office	Number of accounts	Amount (in lakhs)
Central Office	153	1074.13
Areas attached to the Corporation (Added Area).		
Total	153	1074.13

The funds shown in the above 153 accounts 55 only completed others should be taken to complete the bank's treasury account in the upcoming years and take appropriate action to take the appropriate corporation account

4.8) Bank Reconciliation Statements

31.03.2023, the Bank's closing balance has been taken as the opening balances on 01.04.2022 as per general ledger and 31.03.2023 closing balance as per general ledger is consistent with the passbook balances of all accounts subject to bank reconciliation.

1] Account title number.3123) Indian Bank Account No. 447868730 Unspecified Amount in Expenditure Register and Ledger Debit to Bank Loss Rs.269188/

a) In this account the amount disbursed in the audit year 2022-2023 under Add head is Rs.700178 (290931,361897,47350) un cashed till date Therefore, the amount of Rs.700178/- shown as uncashed cheques till date cannot be encashed any more. Therefore these cheques should be canceled and the amount should be credited.

b) Deduction of Rs.269188/ in the less head of this account has been mentioned as erroneously credited to SPS Associates. the necessary Action should be taken. The amount deposited in the bank should be submitted for audit

2. Account Heading no. 3066 Indian Bank Account Number 7119565694

a) In the above account the amount shown in the less head Rs.52430,00 in S.No.1to5 details of these amount (30700+2380+6860+8300+4250) credited should be submitted for audit.

3)Account Title No.3066 - Indian Bank Account No.447868729 Amount

a) In the audit year 2021-2022 under the add item Rs.186786101 is (15726152+3000+2000+9910+22500+2070+3000+2000+187756+10170 +5400+5000+10000+768096+7000+1167+400+110+14080+2800+1000+ 11162+2436+8053+176000+7213+31500+31850+4800+12892+.110+17 1+1536+25850+148750+12410+8810+9910+12679+1614+550000+2530 0+10582+3000+690+576+12813+11560+3662+14410+8810+9910+6189 675+11284605+35172586+100000000+2156000+7955565+11046+1241 0+20433+11150+14722+12333+1319185+2000000+1827901+3000000+ 580300+12000) Uncashed till date. Hence the cheque amount which are not encashed till the due date cannot be encashed anymore. Therefore these cheques should be canceled and the amount credited. or cashed

information should be submitted for audit.

b) The amount shown in the less head in this account is Rs 51413545/(87096+104978+102290+96240+10000+2000+10000+10000 +10000+10000+10000+10000+10000+10000+10000+10000+10000+100 00+1689+1689+7000+1689+1689+1689+1689+1689+13935+50000000+ 302184+ 513630+19500+25840+7000+1+28) details of the above amount credited in bank statement should be provided

4) Account Heading No. 3123(8) TURIF-IndusInd Bank 100027029212

a) The amount disbursed in the audit year 2022-2023 under add items is Rs. 1651888 (Cheque No. 272030/30.03.2023) remains uncashed till date. Therefore, the amount shown as un cashed cheques till date Rs.1651888 the cashed details should be submitted for audit.

5) Account Heading No.3124- CF- HDFC-Smart City-Account No.50100225081120

a) Amount disbursed to this account add items head for the audit year 2022-2023 amounting to Rs.776686/- (Cheque No.001400/30.03.2023) has not been uncashed till date.

Therefore the amount shown as uncashed cheques till date is Rs.776686 cashed details should be submitted for audit.

6)**Account Heading No.3123 - SRP TURIP Indian Bank Account No.51573**

a) Amount disbursed in the add items of this account for the year 2022-2023 Rs.573662 (Cheque No. 284773/30.03.2023) is uncashed till date. Therefore, these cheques should be canceled and the amount credited to the bank account.

5) Revenue and Capital Finance – Review of Expenditure – Public Finance

In Coimbatore Corporation since 01.04.2000 accrual based accounting system has been introduced and accounts are being maintained on the basis of which the source of funds and their utilization details for the year 2022-2023 are as follows.

D) Non-preparation of BRV and non-maintenance of receipt books for revenue and capital accounts 2022-23.

Revenue and Capital Fund receipts (Grants, State Finance Board Grants and Other Scheme Funds) audited by Central Office of Coimbatore Corporation for the year 2022-23. Dated Bank Receipts are not prepared for loan amounts investment receipts, remittance interest receipts and other receipts. But during the preparation of annual accounts, the receipts are shown only in the ledger without placing the bank receipt number. In this case, the cheque is issued only after the Bank Receipt (BRV) is prepared on the days when the amounts are due when the receipts are likely to be missed. Bank drafts should be sent to the banks and should be accompanied by the bank receipt while the amount is received through ECS.

Therefore grants, fund transfer, loan amounts, interest receipts and other receipts are not recorded in the receipt book directly while preparing the annual accounts and the practice of entering in the ledger is avoided and the receipt book should be maintained at the central office and shown for audit.

Revenue and Capital Fund – 2022-2023 Defects in preparation of Annual Accounts with only Ledger maintained and Expenditure Book not maintained.

In the 2022-23 audit of the Central Office of the Coimbatore Corporation, it was found in the audit that only the ledger was being maintained and the expenditure book was not maintained for the bank accounts in the revenue and capital funds. Month-wise summary of bank accounts in which expenditure register is maintained is not done and approval of proper officer is not done. In case of loss of funds incurred without the signature of the appropriate officer in the expenditure register, the appropriate officers shall be responsible. While preparing the annual accounts directly without recording in the expenditure book, the practice of incurring expenditure in the ledger is avoided and the expenditure book should be maintained at the central office and displayed for audit.

Revenue and Capital Funding 2022-2023 the opening balance and closing balance are shown as ending deficit as per ledger defects

Coimbatore Corporation's head office audit for the year 2022-23 revealed opening balance and closing balance of ledger accounts maintained in revenue and capital funds in deficit. The authenticity of the balances could not be confirmed as the bank signatures of these bank accounts were not submitted for audit. Therefore, approval steps should be taken to produce bank accounts for audit

REVENUE AND CAPITAL FUND -2022 - 2023 Non Production of Evidence for Bank Closing Balance / authenticity of Bank Closing Balance cannot be ensured - Defect.

In the 2022-23 audit of the Central Office of the Coimbatore Corporation, the bank final balance sheet for the bank accounts maintained in revenue and capital funds was not obtained and submitted for audit. As a result, the audit could not confirm the authenticity of all the bank accounts attached to the annual accounts.

a) Source of Funds (in Lakhs) Review of Balance Sheet 2022-2023

S.No	Financial source	Added/Decreased	Rupees in lakhs		Net
			2020-21	2022-23	
1	Debt	Added	10071.41	10459.85	388.44
	Capital 1.Corporation share				
	2. Government share	Added	186598.09	185636.75	-1321.34
3	Current Liabilities				
	1.Deposit amount	Added	17186.09	18924.60	1738.51
	2.Other Payable	Added	41645.51	37844.13	-3801.38
	3.other items	Added	14003.44	44024.11	30020.67
	4.Accumulatedsurplus	Added	98337.07	81399.24	-16937.8
	Total		382970.14	378288.68	10088.08

A) **usage**

S.No	Usage	Added/Decreased	Rupees in lakhs		Net
			2020-21	2022-23	
1	Fixed Assets	Added	458918.37	491372.50	32454.13
2	Jobs in Progress	Added	23715.14	23874.10	158.96
	Accumulated depreciation	Added	212402.56	233858.77	21456.21
3	Net assets	Added	270230.95	281387.78	11152.64
4	Balance	Equal	...	0.00	0
5	Taxes charges andother Receivables	Added	45976.16	33421.31	-12554.9
	Subtract the doubt full revenue	Equal	17582.74	17378.11	204.63
6	Advance amount	Added	44437.02	44566.62	129.6
7	Cash and investments	Added	25136.03	36291.09	1155.06
	Total		382970.14	378288.69	10087.08

capital fund of Rs.272902.65 lakhs against Rs.29203.26 lakhs

Fixed assets are additionally created Accumulated Depreciation Rs.233858.77 Lakhs and for Doubtful receipts total Rs.17378.11 Total Rs.251236.88 Lakhs has been absorbed out of accumulated surplus balance of Rs.81399.24Lakhs.

Current balances are less than current liabilities by Rs.7805.95 lakhs.

Project supervision the net income has been calculated after allocating the expenditure to capitalization of Rs.0.00 lakhs.

Similarly depreciation on expenses is Rs.21456.20 lakhs.

31.03.2022 at the end of the audit year earned for the audit year but receipts for uncollected receivables fund

	Rs.(in lakhs)
Property tax to be collected	13978.15
Other taxes to be collected are business tax. Rental Cable TV, Solid Waste Management Fee and Garbage Tax)	5690.40
Total	19668.55

The details of net income and expenditure for the year 2022-23 areas follows

	Rs. (in lakhs)
Credits are revenue	70025.52
Deduct: Project supervision expenses	-
Accounts receivable	5690.40
	64335.12
Expenses	
Expenditure excluding depreciation (76740.25 – 21456.20)	55284.05
Net deficit	9051.07

Rs.9051.07 Lakhs are calculated for corrections as above. Then as a deficit reserve Rs.9051.07 Lakhs shown as deficit balance in the revenue account for the year 2022-23 is to be taken as subject to the limit calculated in the above paragraph and subject to the limit indicated elsewhere in this budget report.

5.1.1) Credits Property Tax

Property Tax is collected under section 121 of the Coimbatore Corporation Act, 1981. Details of property tax demand and collection for the year2022-23

Current year	Previous year 2021-22inlakhs	Current year 2022-23 in lakhs
Retained earnings	10088.71	22039.13
Increased debt	1663.63	11950.42
Percentage of improvement	19.74	118.45
Actual collection	7951.68	16606.27
Collection percentage	78.82	75.34
Pending collection	2137.03	5432.85

31.03.2023 collection settlement details in asking balance

	31.03.2022	31.03.2023
Previous Year End Balance (01.04.2020)	9625.37	11870.65
Advance collections to be deducted	-	-
Balance pending debt	9625.37	11870.65
Current year collection on balance debt	2724.86	4303.03
Net balance	6900.51	7567.62
Composite: Balance Of Current year	2137.02	5432.85
Additional on initial	1185.00	977.68
Total (31.03.2022)	9625.37	13978.15

5.12 Accumulated property tax - over previous year end balance

Additional on initial debt for audit year -Rs.2833.12 lakhs Non-audit of file for promotion is deficient,

Detail	In lakhs
31.03. 2022.Arrears pending in 2021-22	9733.62
Pending in current	2137.02
Total	11870.64
on 01.04.2023 as per FY 2022-23	12848.33
Additional on initial	977.68

The initial demand for the audit year is Rs.977.68 lakh more than the accumulated property tax demand at the end of last year. The difference between the balance at the end of the previous year and the balance at the beginning of the audit year should be shown with details of zone ward and tax number wise for initial demand increase of property tax. Also property tax initial balance Files for promotion should be submitted for audit.

Total outstanding as on 31.03.2023 as per annual accounts is Rs.13978.15 lakhs year wise balance details should be attached with annual accounts. Following are the figures for property and other taxes at the end of the audit year.

5.13. 2022-23 Total property tax figures for the year end are as follows.

S.No	Tax details	Taxation count
1	Property Tax	554390
2	SUC	479819
3	Professional Tax	50436
4	Vacant Land Tax	71492

5.14 Property tax arrears year-wise and tax-wise 13978.15 lakhs outstanding at the end of the audit year as per annual accounts could not be verified. Therefore. Arrears of property tax should be collected before the expiry of the period or appropriate legal action should be taken.

Government Order No.117 Municipal Administration and Water Supply Department 25.06.2008 and Chennai Corporation Administrative Commissioners Circular no.70035/A1/2005 dated 11.03.2009 and according to section 245 of the District Act of 1920 the taxes for 12 years and the rates in one year and the lease items and years become 3 and 9 years lapsed and it is no longer legally possible to collect them.

Therefore, the officers who failed to collect this balance should be held responsible and collected.

5.15 To the engineering department which issues the building license and to the revenue department which levies the new property tax after completion of the building. Lack of coordination based on formal documents or office procedures is considered to be prone to lapses in property tax assessment. All constructions completed after obtaining building permit should be taxed without exemption and unauthorized constructions completed without obtaining building permit should be properly ordered and taxed.

Government Order No.117 Municipal Administration and Water Supply Department Dated 25.06.2008. Circular of the Administrative Commissioner of Municipalities, Chennai No.No.70035/A1/2005, Dated: 11.03.2009 and according to Section 245 of the 1920 District the Municipalities Act the expire in 3 and 9 years. It is now legally impossible to collect these.
therefore, the officers who failed to collect the balance should be held responsible and collected.

5.2 Industrial Tax

Business tax is levied as per Section 169 of the Coimbatore Corporation Act, 1981. Business tax target and collection details for last four years are as follows

S.No	Year	Rs in lakhs		Target collection	Collection percentage on target
		Pending	Collected (C)		
1	2015-16	4072.38	2851.91	(1220.47)	70.03
2	2016-17	4374.18	3146.62	(1227.56)	71.94
3	2017-18	3913.51	2585.42	(1328.09)	66.06
4	2018-19	5064.36	3668.56	(1395.80)	64.77
5	2019-20	4068.45	2678.55	(1389.90)	65.83
6	2020-21	5316.74	3930.94	1385.80	73.94
7	2021-22	5111.62	3784.79	1326.83	74.04
8	2022-23	3565.01	3452.11	112.90	96.83

The business tax revenue (current) collection in 2022-23 has decreased by 30.25% as compared to the collection percentage in 2021-22.

5.3 LAND AND BUILDINGS LAND RENT REVENUE ASK [Review of collection arrears

According to 2022-23 Land Building and Others include rental income derived from land as follows

Account code No	Details	Debtin Lakhs	Collection in 2022-23 (Rs.Lakh) (Current and Outstanding)	Collectionin 2020-21(Rs. Lakh) (Current and Outstanding)
3012 3011	Miscellaneous debt	5750.04	1839.99	3910.05
		5750.04	1839.99	3910.05

More than last year, the collection declined 13 percent collection 33.78 percent amounting to Rs.271.80 lakhs has been decreased intensive action should be taken to enhance the efficiency of collection.

The miscellaneous demand collection arrear register not submitted for audit, balance details as per annual accounts are not provided for audit and only the balance details in the annual accounts are mentioned as on date 31.03.2022.

6) Expenditure - Employee Expenditure

Expenditure for employee cost and pension benefits has been made as follows.

Details	2021-22	2022-23
	(Rs. in lakhs)	
Employee Expenses	14372.89	16346.26
Wages (Outsourcing)	9809.60	9824.86
Pension benefits	6303.51	9144.23

The said expenditure amount is Rs.35315.35 lakhs which is 50.43% of the total revenue amount of Rs.70025.52 lakhs in the year 2022-23. Total expenditure excluding depreciation is 63.08% of Rs.55284.04 lakhs. 4829.35 lakhs more than the previous year has been spent. This amount is 15.84% higher than last year's expenditure of 30486.00 lakhs.

Wages cost in addition to 49 percent of total revenue

According to the 2022-23 accounts of the Coimbatore Corporation, out of a net revenue inflow of Rs.700.25 crore, the salary expenditure of the employee of the Coimbatore Corporation was Rs.163.46 crore. G.O No.27 Municipal Administration and Water Supply, Revenue Department (Election) as per 14.03.2006, the local government has advised that 49 percent of the net income should be the salary expenses of the employees, in the year 2022-23 this ratio for the Coimbatore Corporation 23.341% is a percentage. Efforts should also be made to reduce staff costs.

6.1 Pension Expenditure

(a) Details of Expenditure on Pension and Family Pension Pension Contribution (DCRG) and Pension Package Amount in General Fund as per Revenue and Capital Fund Annual Account of Coimbatore Corporationfortheyear2022-23 are as follows.

Account Title	Account Code No	2021-22	2022-23
Revenue and Capital Fund		In lakhs	
Pension and Family Pension	2031	4913.28	6052.7
Commuted Value of Pension	2032	351.79	384.44
Pension Gratuity	2033	621.12	919.29
Group Insurance Scheme	2035	103.97	136.68
Pension and leave contribution forexpatriate workers	2053	-	--
Pension fund	2039	313.34	1651.52

In the above expenditure on pension and family pension, pension and family pension have been provided to retired teaching and non-teaching pensioners who served in Corporation Higher Secondary Schools prior to 01.04.1990.

b) G.O No. 702 Education Department Dt.23.05.1986 has orderedthat the accepted salary and other steps for teaching and non-teaching staff working in schools shall be received from the first fund. It has been decreedas per Ordinance No. 4 Finance (Pension) dated 15.11.1990 thatthe pension benefits of teaching and non-teaching staff should be spent first from the Coimbatore Corporation Fund. Pension granted from 01.04.1990 to 30.09.2002 Rs.94292026 written in Paragraph No. 6E of Primary Education Fund Audit Report 2022-23 has been raised to be requested from the government.

As per Ordinance No.171 Municipal Administration and Drinking Water Drainage, Ma.Na.111/Dept. Date 26.11.2002 action should be taken to recover the pension amounts paid to the retired employees during the period from 01.04.1990 to 30.09.2002.

Pension Expenditure of All Funds of Coimbatore Corporation for the year 2022-23

Details of pension benefits disbursed from General Fund, Water Drainage Fund and Primary Education Fund in2022-23

Pension benefits	**Account code**	**Public Finance**	**Water Fund**	**Elementary Education Fund**	**Additional**
		Rs.Inlakhs			
Pension and family Pension	2031	6052.27	..	..	6052.27
Collection of pension	2031	384.44	..	..	384.44
Pension Gratuity	2033	919.29	..	..	919.29

Pension and leave contribution for expatriate workers	2053	...	..	..	...
Total		7356.00	..	..	7356.00

Details of 31.03.2023 of Coimbatore Corporation and Education Department employees receiving pension and family pension are as follows.

	Public Fund	**Drinking water fund**	**Elementary Education**	**Total**
Number of Employees				
Corporation Employees	1139	..	..	1139
Academic	..	..	..	...
Staff (Secondary School Teachers)	..	..	..	..
Family Pensioner Number				
Corporation Employees	1312	..	..	1312
Academic staff(Secondary school teachers)	..	..	..	..
Total	2451	..	..	2451

6.11 Operating Expenses

According to the annual account 2022-23 the amount under this head is Rs.10076.11 lakhs (excluding Wages account head 2090) shown as expenditure while the expenditure amount for the previous year (2021-22) is Rs.8377.85 lakhs. 1698.26 lakhs and 20.27 % less than last year.

6.12 Movable Assets Vehicles

Steps should be taken to submit for audit the consolidated inventory register of various vehicles used for various public works in the Coimbatore Corporation.

6.13 Repairs and Maintenance

Repairs in heavy vehicle releases during 2022-23.An amount of Rs.2394.09 lakhs has been spent on vehicle rental charges and purchase of fuel from IPC (AccountCodeNo.2070). An

Expenditure of Rs.2106.55 lakhs has been incurred in the year 2020-21.

2) Rain Water Drainage Tunnel Street Lights Account Code No.2071Rs.1469.62 Buildings Roads Pavement Maintenance (Account Code No. 2089) An expenditure of Rs.775.47 lakhs has been incurred.

3) Credit to the below mentioned account headings during the year 2022-23. Allocations are made in the cost plan estimate. Less than expected expenditure has been incurred in some species. Some other species have incurred more than expected expenditure. Heavy vehicle maintenance expenditure of Rs.287.54 lakhs has been spent more than the revised estimate compared to the previous year. Therefore, the allocation in the budget estimate should be reviewed and steps should be taken to avoid unnecessary additional expenditure.

S.No	Account code	Account details	2021-22 in lakhs	2022-23 in lakhs	Amountin Lakhs	%
1	2070	Heavy vehicle maintained and Purchased fuel	2106.55	2394.09	287.54	13.64
2	2071 - 77	Building of rain water drainage path and Maintenance	369.03	1469.62	1100.59	298.23
3	2089	Street light Maintenance	445.90	775.47	329.57	73.91
Total			4341.11	4639.18		

Expenditure is higher than last year as mentioned above

Follow-up should be obtained from the appropriate superior officer for the execution

S.No	Account code	Account details	As per reversed value 2022-23	As per original expenses in Lakhs for2022-23	As per original expenses in Lakhs for2021-22
1	2070	Heavy vehicle maintained and Purchased fuel	2550	2394.09	2106.55
2	2071-77	Building of rain water drainage path and Maintenance	2372	1469.62	369.03
3	2089	Street light Maintenance	650	775.47	445.90
Total			5572	4639.18	4341.01

(5572.00-4639.10=932.82)

6.1.4) Advertising Expenditure (Account Code 2019)

An amount of Rs.168.23 lakhs has been spent in the year 2022-23 under the account of advertising expenses. Rs.12.00 lakhs 7.68% has been spent more than last year.

6.15) Interest and Finance Charges (Account Code 2029)

A total amount of Rs.264.88 lakhs has been spent during the year 2022-23 under the head of financial expenditure (2029). This expense is the amount of interest paid on various loans.
Expenditure has been carried out Rs.47.12 lakhs in the year in addition to expenditure

6.2.1) Election Expenditure (Account No. 2065)

Annual account code number 2065 shows an expenditure of Rs.129.47 lakhs as election expenditure for the year2022-.23.This amount should be claimed from the government.

6.2.2) Refundabledeposits

Contract deposits, security deposits received from suppliers of materials and contractors, etc.31.03.2023 totaling Rs.18924.58 lakhs are mentioned as refund able Register of Deposits for each year in Corporation Accounts Department maintained. But summing up the income in respective years prepared and carry the closing balance as the opening balance of the next year.

As the deposit register is not properly maintained, the annual The closing balance shown in the account is as per the deposit register Unable to verify. Hence deposit registers are properly maintained Year of preparation of budget summary with ethnic breakdown Actions are taken to reconcile the closing balance of accounts

S.No	Account code	Account Title	Amount inLakhs
1	4016	Depository Contractor	7950.00
2	4017	Depository Suppliers	96.75
3	4018	Savings Deposit Income	2579.91
4	4019	Security Depositary Officer	6.46
5	4020	Other Depository	8291.46
Total			18924.58

6.3) Previous year receipts (Account Code No 1088) Previous Year Expenditures (Account Code No.2041) Details of previous year in the audit year Annual Credits

As per the year 2022-23 balance sheet as on 31.03.2023 previous year receipts Rs.328326198.63 are shown in account codeno.1088. As the schedule for these items is not submitted for audit, it is not possible to ensure the correctness of the previous year's receipts and previous year's expenditure

Previous year Expenses

2022-23 Balance sheet as on 31.03.2023 shows previous year expenditure of Rs.1350636899.54 in code 2041. Due to non-submission of the earlier schedule audit could not ensure the correctness of receipts and expenditure of the previous year, appropriate action should be taken to prepare the schedule and submit it to the audit department.

6.4) Income tax, sales ax collected and not paid to appropriate department Details Rs.124.82lakhs

Coimbatore Corporation accounts for the year 2022-23 with holding of revenue and capital funds and outstanding to the respective departments.

S.No	Account Code No	Details	Amount(in Lakhs)
1	4037	Sales tax	90.42
2	4035	Income Tax Deduction Contractor	34.40
Total			124.82

31.03.2023 in which month the amount due was deducted. However, as per Section 201 of the Income Tax Act 196, if theincome tax withheld is paid late, an interest of 18% per annum shall be paid from the date of withholding. Hence action should be taken with prompt payment of Income Tax, Sales Tax, Service Tax and Deductions.

6.4.1 Study on Deficiency Balance

S.No	Fund	Account Code No	Details	Deficit Amount (in Lakhs)
1	Revenue Fund	3065	PersonalDeposit Treasury A/c	11311945
Total				11311945

The above account code number 3065 of 31.03.2023 is closing balance deficit for the day. Therefore, appropriate action should be taken to rectify the deficit situation.

6.4.2 <u>Defects in years should be removed</u>.

1) Instead of being produced in the seven-digit system, it is being produced in the four-digit system.

2) 24 Schedules to be attached to the Annual Accounts.

3).A detailed list of all receivables and all payables should be attached.

4.) Provision for doubtful accounts should be made and schedule attached (4039).

5) Fund wise detail list for amount Rs1319897792.93 mentioned under Heading Inter-Fund Transfer (Account Code3100). To be supported.

6) Schedules 4013 and 4014 should be prepared and annexed to the annual accounts.

7) A detailed report on works in progress is not attached to the Schedule for General Funds and Project Funds.

8) Credit statement should be attached.

9) Business license and lease license are not attached to the annual account along with the collection balance list of the items.

The above defects should be removed.

6.5) Revenue and Capital Finance 2022-23 Audit Fee Details as on31-03-2023

According to Ordinance No. 64 (Local Fund dated 17.01.1994 and section 63(a) of the Municipalities Act 1920 requires every municipality to pay 50 per cent of the audit expenditure to the Government as audit fee.

According to the following calculation, the expenditure for the audit of this Corporation for the year 2022-23 is Rs.25299040/- as stated in the above Ordinance. Out of which 50 percent of Rs.12649520/-should be paid as audit fee to Govt.

Govt Title

0070 - Other Administrative Services

60 - Other Services

110 - Fees for Govt. Audit.

AA - Fees for Govt. Audit

(DPC-0070-60-110-AA-22706)

As on opening balance (01.04.2021). RS.2,46,42,511/-

Audit fee payable

For the year 2022-23 Rs.1,26,49,520/-

Total **Rs.3,72,92,031/-**

……..

Paid in 2021-22 Rs.**61,89,675/-**

……..

31.03.2023 outstanding as on date Rs.3,11,02,356/-

Amount paid to audit details for 2023-2024

S.No	Challan No	Amount	Audit year
1	23230406021202 date 06.04.2023	61,89,675.00	2019/2020
2	20230609020151 date 09.06.2023	40,00,000.00	
3	20230621009200 date 21.06.2023	10,00,000.00	
4	20231205004007 date 05.12.2023	55,03,753.00	2020/2021

7.1) Conclusion of audit

According to Rule No. 10 of the Local Government Audit Act and Local Government Audit Rules 2014, the annual accounting for the year 2022-23 in the Coimbatore Corporations not being carried out in the Urban Tree Information System computer records which are currently implemented. On the contrary, computerized records were made according to the old practice of default accounting system consisting of 4-digit numbers. The 7digit accounting system in this Corporation was started on 04.10.2017 and was suspended on 04.11.2017due to administrative reasons. Then from 06.11.2017 4 digital accrual based system is followed again in old 4 digit system the system of formal registration in the computer is being continued.

7-digit computer registration has been implemented since 01.09.2022. The annual accounts for the year 2022-23 have been submitted for audit under the normal accounting system. Thus, the number of years 2022-23 has been reduced due to the fact that it is not possible to fully accept (a certificate of Qualified Certificate is issued).

Local Fund Audit Department

Coimbatore Corporation

Water and Drainage Funds

For the Year 2022-2023

Audit Report

Part-1

Local Fund Audit Department

From

Mr.R.Pandian
Deputy Director
Local Fund Audit Department
Coimbatore Corporation
Coimbatore

To

Chairman
Standing Commitee
Coimbatore Corporation
Coimbatore.

Roc.No:0192/A1/2024, Date:29.05 .2024

Sir,

Subject: Audit in connection with the submission of Audit Report of the Coimbatore Corporation for the year 2022-2023 of Drinking Water supply and Drainage –Regarding.

Audit Report of Drinking Water supply and Drainage Financial Accounts of Coimbatore Corporation for the year 2022-2023 is enclosed with audited annual accounts.

According to the Coimbatore Municipal Corporation Act, 1981 Section-171 Schedule 3 part –III, it is informed that the response to the audit objection contained in this audit report should be sent to the government through the Director of Local Finance Audit with the approval of the cabinet within six months from the date of availability of audit report.

It is requested that after receiving the audit report acknowledgement to be given.

-Sd-
Deputy Director
Local Fund Audit
Coimbatore Corporation
Coimbatore

//True copy by order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Annexure

Part-I Audit Report for the year 2022-2023

Copy to:

1.Secretary Municipal Administration and Drinking Water Department, Chennai-09.

2.Commissioner Coimbatore Corporation, Coimbatore.

3.Director, Local Financial Audit, Chennai-35.

AUDIT CERTIFICATE (Qualified)

We have audited the attached Balance Sheet of COIMBATORE CORPORATION and the Income and Expenditure Account/Receipts and Payment Accounts for the year ended on that date under Section 10 of the Local Fund Audit Act, 2014. The Balance Sheet and Income & Expenditure Account / Receipt & Payment Account dealt with by this report have been properly drawn up. In our opinion, proper books of accounts and other relevant records have been maintained in so far as it appears from out examination of such books.

In our opinion and to the best of out information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated in Audit Report to this Audit Certificate give a true and fair view in conformity with accounting principles generally accepted in India.

a) In so far as it relates to the Balance Sheet, of the state of affairs of the Coimbatore Corporation for the year ended 31.03.2023.

b) In so far as it relates to Income and Expenditure Account of the Excess of Expenditure /income over Income over Income / expenditure for the year ended 31.03.2023.

-sd-

For and on behalf of the

Director of Local Fund Audit

Date: 29-05-2024

Place: Coimbatore.

//True copy by Order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Annual Audit of Drinking Water Supply and Drainage Financial Accounts of Coimbatore District Coimbatore Corporation for the year 2022-23

Part-I

1.1 Auditing Details

Audit of the accounts of the Coimbatore Municipal Corporation for the year of 2022-2023 of the Local Fund Audit Act under Section 171 Schedule-3 part-III of the Coimbatore Municipal Corporation Act,1981, was conducted by the Finance Audit along with the Coimbatore Corporation Deputy Director of Audit, Coimbatore Corporation Inspectors and Central Office/Zonal Audit

S.No.	Name and Designation of the Auditor	Tenure	
1.	M.Krishnamoorthy Deputy Director	First	Final
		01.04.2022	20.01.2023
2.	R.Gunasekaran, Deputy Director	23.01.2023	31.01.2023
3.	Vaccancy	01.02.2023	12.02.2023
4.	G. Ramesh, Deputy Director (P)	13.02.2023	31.03.2023

1.2. Corporation Officers Holding office during the period under audit

S.No.	Name Mr/Mrs	Designation	Tenure	
			1.04.2022	31.03.2023
1	Mr. Rajagopal Sunkara I.A.S.	Commissioner	01.04.2022	01.06.2022
2	Mr.M.Pratap I.A.S.	Commissioner	02.06.2022	31.03.2023
3	M.M.Sharmila	Deputy Commissioner	01.04.2022	31.03.2023
4	Mr. Senthilkumar Rathinam	Assistant Commissioner (Revenue)	01.04.2022	31.03.2023
5	Mr.M.Sundarajan	Assistant Commissioner (Accounts)	01.04.2022	31.03.2023
6	Mr.V.Saravanan	Assistant Commissioner (Administration)	01.04.2022	31.03.2023
7	Mrs.P.Maariselvi	Assistant Commissioner (East)	01.04.2022	12.07.2022
8	Mr.T. Muthuramalingam	Assistant Commissioner (East)	13.07.2022	31.03.2023
9	Mr.V.Saravanan	Assistant Commissioner (P)	01.04.2022	18.07.2022
10	Mr.M.Sekar	Assistant Commissioner (West)	19.07.2022	31.03.2023
11	Mrs.R.Mohanasundari	Assistant Commissioner (North)	01.04.2022	31.03.2022

12	Mr.N.Annadurai	Assistant Commissioner (South)	01.04.2021	31.03.2023
13	Mr.A.Shankar	Assistant Commissioner (Central)	01.04.2022	09.09.2022
14	Mr.M.M.Kanagaraj	Assistant Commissioner Central(P)	10.09.2022	31.03.2023
15	Mr.R.Tamilvendham	Accounts Officer	01.04.2022	31.03.2023
16	Mr.A.Amalraj	Cabinet Secretary	01.04.2022	31.03.2023
17	Mr.R.Ramasamy	Chief Engineer(P)	01.04.2022	09.06.2022
18	Mr.S.Arasu	Chief Engineer (P)	11.06.2022	04.11.2022
19	Mr. G.Ilangovan	Chief Engineer (P)	28.11.2022	31.03.2023
20	Mr. G. Murugesan	Deputy Municipal Engineer	01.04.2022	31.03.2023
21	Mr. G.Ilangovan	Deputy Municipal Engineer	01.04.2022	31.03.2023
22	Mrs.K.Karuppathal	City Planner	01.04.2021	31.03.2023
23	M.D.S.Sathishkumar	Municipal Welfare Officer	01.04.2022	05.07.2022
24	M.Prathip.V.Krishnakumar	Municipal Welfare Officer	06.07.2022	31.03.2023
25	M.Vasanth Diwakar	Assitant Municipal Welfare Officer (P)	01.04.2022	31.03.2023

1.3) Coimbatore Corporation Departments and Zone-Details

Coimbatore Corporation consist of total 100 Wards and 1 Zone for 20 Wards total 5 Zonal and Central Office are functioning. A total of 09 departments are Functioning in this.

Departments:-

S.No.	Departments
1.	Revenue Division
2.	Department of Town Planning
3.	Engineering Division
4.	Public Health
5.	Accounts Division
6.	Water and Drainage Division
7.	Public Relations
8.	Department Of Education
9.	JNNURM Division

Zones:-

Zone	Location
1.	Eastern Zone-Singanallur
2.	Western Zone-R.S.Puram
3.	Northern Zone-Gandhipuram
4.	Southern Zone-Kuniyamuthur
5.	Central Zone-Racecorse

2.1) Details of the yearly Audit

According to Tamil Nadu Local Fund Audit Act 2014 (Act No 24 OF 2014) annual accounts along with accounting records must be

submitted by the Commissioner for audit by 30th June of the following financial year. Accordingly, the Annual accounts for the Year 2022-23 which should be sent before 30.06.2022 for the year of 2022-23 were received for audit on 30.06.2023. It was rectified again and received again 0n 29.09.2023. The Director of Municipal Administration has been informed as per Letter No:4293/NA.THA.2/2021 dated 23.02.2021 of the office of Director of Local Fund Audit that the annual accounts were not prepared in the UTS CWBS System but were prepared in the old FAS system. According to the letter from the office of the Director of Local Fund Audit, the accounts for the year 2022-23 has been received and audited in the Standard Account (FAS)mode.

2.1.1) <u>Yearly Audit - Audit Certificate – Regarding</u>

The Accountant General and the Government are demanding certification of the accounts of Coimbatore Corporation. Due to the fact that the annual demand and collection balance details of taxable and non-taxable types including drinking water tax which is a part of Property tax have not been submitted for audit, the deficiencies have not been addressed, schedules have not been attached to the relevant account title, assets and balance, and due to the non-compliance of relevant details it is not possible to certify the accounts of the Corporation. The audit pointed out various deficiencies in the accounts for the year of 2022-2023.

But these deficiencies are not rectified and continue to be seen in the accounts year of 2022-2023. However Coimbatore Corporation according to the details and explanations given to the Deputy Director of Local Fund Audit, Audit Division, the Five-Figure noted dated

31.03.2023 and the audit report attached behind the revenue and expenditure accounts for the year 2022-2023 reveal the true and clear state of the financial position of the Coimbatore corporation.

2.1.2) Details of the Coimbatore Corporation Management Report for the year 2022-23 sent to the Government

According to Section 43 of the Coimbatore Municipal Corporation Act 1981, the Coimbatore Corporation has to prepare administrative report for every financial year and send the report to the Government in the first week of April of the following financial year after obtaining approval of the commissioner and the council. Accordingly the management report for the year 2022-2023 has not been prepared by the Coimbatore Corporation and has not been sent to the Government.

2.2) Coimbatore Corporation Audit for the year 2022-2023 General Examination of Financial Accounts of Drinking Water Supply and Drainage

The General Study notes on drinking water supply and drainage accounts for the year 2022-23 provided by the Corporation are as follows.

2.2.1 a) Drinking Water Supply and Drainage Finance-Revenue and Expenditure

Out of total revenue of RS.21455.88 lakhs for the year 2022-2023, project supervision fees, interest credited and receivables are Rs.15908.66 lakhs. There are no central, State Government grants and no government earmarked revenue streams.

Total Expenditure is Rs.32574.92 lakhs, out of which depreciation is Rs.3628.82 lakhs and net expenditure is Rs.28946.10 lakhs

2.2.1 b) Review of Estimates and revised estimates for the budget year 2022-2023

The budget estimate and revised estimate for the year 2022-23 for drinking water supply and drainage fund of the Coimbatore Corporation has been approved as per Cabinet resolution No:110 dated 18.03.2024.

Income and expenditure in the following categories are different from those categorized in the project appraisal.

S.No.	Main Account heading of receivables	2022-23 Revised Estimates (in lakhs)	2022-23 True Revenue (in lakhs)	2022-23 Percentage of total revenue	2021-22 True Revenue (in lakhs)	2021-22 Percentage of total revenue
1.	Water tax in property tax	9525.00	10781.84	50.25	7634.32	41.96
2.	Subsidy	0	0	0	0	0
3.	Service tax and fees	13606.00	8175.27	38.10	8521.86	46.82
4.	Sale and rent charges	0	0.01	0	0.01	0
5.	Miscellaneous	405	2408.17	11.22	2007.50	11.02
6.	Assigned income types	0	90.59	0.42	36.84	0.20
	Total	**23236.00**	**21455.88**	**100**	**18200.54**	**100**

S.No.	Main Account Heading of Expenditure	2022-23 Revised Estimates (in lakhs)	2022-23 True Expenditure (in lakhs)	2022-23 Percentage of total Expenditure	2021-23 True Expenditure (in lakhs)	2021-22 Percentage of total Expenditure
1.	Employee Wages	1175.00	1046.29	3.91	961.91	3.91
2.	Pension Benefits					
3.	Operating Expenses	14627.00	1746.51	5.74	1413.32	5.74
4.	Repair and Maintenance charges		20050.87	53.93	13273.69	53.93
5.	Financial Expenses	1869.00	5787.50	21.82	5371.05	21.82
6.	Administrative Expenses	506.00	77.65	0.25	62.09	0.25
7.	Depreciation	0	3628.83	13.00	3196.70	13.00
8.	Project Cost	0	237.27	1.35	332.00	1.35
	Total	**18177.00**	**32574.92**	**100**	**24610.66**	**100**

	2021-2022 Expected Revised Budget (in lakhs)	2021-2022 Really Uneventful (in lakhs)
Total Credit	23236.00	21455.88
Total cost	18177.00	32574.92
Net Deficit	**5059**	**11119.04**

1) Coimbatore Municipal Corporation Drinking Water Drainage fund account Rs.11119.04 lakhs net ended up in deficit.
2) Accumulated Surplus of Rs.42407.76 lakhs on 1.4.2022 has decreased to Rs.32633.34 lakhs on 31.03.2023.

2.2.1(c) Statement of arrears of collection of drinking water supply and drainage tax (Pending and Current)

The pending collection of drinking water supply and quarter tax which is a component of property tax of this Corporation is as follows for the current and previous years.

Year wise	Demand (in lakhs)	Collection (in lakhs)	Balance (in lakhs)	Collection %
2014-15	5517.30	4692.10	825.20	85.00
2015-16	5839.88	4955.00	884.88	84.84
2016-17	6216.26	5377.37	838.89	86.50
2017-18	6746.90	6487.78	5184.82	55.58
2018-19	7370.89	7504.98	5546.27	57.50
2019-20	7693.62	6212.87	1480.84	80.75
2020-21	7933.54	6624.54	1309.00	83.50
2021-22	7634.32	6418.27	1216.05	84.07
2022-23	10781.84	9850.49	931.35	91.36

The current demand for the year 2022-23 has increased by Rs.3147.52 lakhs compared to the demand for the year 2021-22. since 01.4.2022 the demand has gone up due to the implementation of property tax levy. The collection for the year 2021-2022 was 84.07 percent. But despite the increase to 91.36 percent in 2022-23, the collection did not reach the full target.

2.2.1.d) Details of sewage maintenance charges and collection

Year	Demand	Collection	Debt (in lakhs)	Balance	Collection percentage	Total Collection
	(in lakhs)					
2022-2023.						
Current	1591.37	33.66	-	1575.71	2.11%	
Balance	6315.55	2.60	-	6312.95	0.04%	2.15%
Total	**7906.92**	**36.26**		**7888.66**		

Current demand collection is 0.01% for the year 2021-22 outstanding demand collection is 6.46%. Current demand collection is 2.11% percent for the year 2022-23. The collection on demand balance is 0.04%. Serious attention should be paid to current and outstanding collections.

2.2.1e) Regarding long-term non-increase in taxes and fees

The following types of taxes have not been raised for many years. By increasing these, revenue will increase. Therefore appropriate administrative action should be taken and drinking water tax and fees should be increased.

S.No.	Taxes	The day the tax was finally raised	Collection (in lakhs)
1.	Water Supply and drainage Tax	01.04.2022	11686.11
2.	Water Charges	01.10.2013	3182.52
3.	Sewage Usage charges	01.07.1998	33.66

Note: Underground sewer usage charges have been increased vide cabinet Resolution No:55/6.7.2009 but not implemented. Therefore, the amount of loss due to the corporation since 1.7.98 should be calculated on an annual basis and the corresponding collection and balance details should be given.

2.2.2.a) Expenditure

Depreciation Expense

The depreciation expenses for the year 2022-2023 is Rs.3628.82 lakhs. This is Rs.432.12 lakhs more than last Years's depreciation expense (Rs.3196.70). Higher depreciation expense is seen in storm water drainage and overhead storage tank and bore well segment.

2.2.2.b) Employees Details

According to a public sector report by the Coimbatore Corporation a total 4945 vacancies are available and their details are as follows: -

ABSTRACT

SL. NO	Name of the Posts	Sanctioned Strength	Added area (G.O.No.117,MAWS Dept Dt.19.12.2012 and G.O.No.196, MAWS Dept, Dt.18.12.2013	5th Zone (G.O.No.97, MAWS Dept Dt. 03.08.2016)	Total	In Position	Post Vacant	Remarks
1	CLASS – I OFFICERS	14	0	1	15	12	3	
2	CLASS – II OFFICERS	95	0	8	103	85	18	
3	CLASS-III OFFICERS	688	47	56	791	565	226	
4	CLASS-IV BASIC SERVICE	3723	312	1	4036	2741	1295	
	GRAND TOTAL	**4520**	**359**	**66**	**4945**	**3403**	**1542**	

1	**Town Planning**	Executive Engineer (Planning)	1	1	0	
2		Assistant City Planner	10	6	4	
3		Town Planning Inspector	10	0	10	
		TOTAL	**21**	**7**	**14**	

1	**Public Health**	City Health Officer	1	1	0	
2		Assistant City Health Officer	1	0	1	
3		Veterinary Medical Officer	1	0	1	
4		Woman Medical Officers (UHP)	0	11	0	11 – Excess
5		Medical Officer (DIS) (Allopathy)	0	9	0	9 – Excess
6		Medical Officer (DIS) (Siddha)	0	1	0	1 – Excess
7		Medical Officer (DIS) (Ayurvedic)	0	2	0	2 – Excess
8		Medical Officer PH Lab	0	1	0	1 – Excess
9		Conservancy Inspector	0	0	0	
10		Conservancy Supervisor	0	66	0	66 – Excess
11		Public Health Nurse / MCHO / SHN	0	19	0	19 – Excess
12		Sanitary Inspector	25	21	4	
13		Sanitary Officer	0	4	0	4 – Excess
14		Entomologist	1	0	1	
15		Urban Health Nurse	0	69	0	69 – Excess
16		Pharmacist	0	9	0	9 – Excess
17		Lab Technician	0	0	0	
18		Female Nursing Assistant / Male Nursing	0	2	0	2 – Excess
19		Class IV Women	0	1	0	1 – Excess
20		Dispensary Sweepers	0	13	0	13 – Excess
21		Cleanliness Workers	0	2382	0	2382 – Excess
		Total	**29**	**2611**	**7**	
		Total	**301**	**3220**	**99**	

2.2.3) Estimate cost for the Water supply and drainage cost for the year 2022-23 General Examination:

The total revenue earned and total expenditure for the year 2022-23 are **Rs.21455.88 lakhs** respectively and **Rs.32574.92 Lakhs.** Total receipts and total expenditure are calculated under various heads as follows.

Revenues

S.No:	Code Number	Type	Amount Rs (in lakhs) for the year 2022-23	Percent %
1	1002	Water Drainage tax	10781.84	50.26
2	1022 to 1079	Miscellaneous	2408.17	11.22
3	1016 to 1087	Charges	8175.27.	38.10
4	1046 to 1050	Assigned revenue types	90.58	0.42
5	1057 to 1063	Sales and rental charges	0.016	0.00
		Total	**21455.88**	**100**

Expenditure

S.No:	Code Number	Type	Amount Rs (in lakhs) for the year 2021-22	Percent %
1	2001-2011&2012-2055	Wages and others	1046.29	3.91
2	2031-2035.2039.2053	Pension	0	0
3	2043,2084,2086-2092,2096,2100-2102,2107-2110,2119-2121,2130	Operating expenses	1746.51	5.74
4	2016,2046,2049,2050,2064,2070,2076,2078,2079-2081,2085,2092,2125,2126,2128,2129	Repair and maintenance	20050.87	53.93
5	2052,2056,2065,2103,2105,2106,2064	Project Costs	237.27	1.35
6	2015-2020,2024,2026,2040,2046-2048,2053,2054,2061-2063,2095	Administrative expenses	77.65	0.25
7	2021-2023,2027-2030,2036	Financial Cost	5787.50	21.82
8	2038	Depreciation	3628.83	13.00
		Total	**32574.92**	**100**

Expenses has been undertaken in excess of the income earned for the year 2022-23.

Accumulated surplus as on 01.04.2022 is **Rs.42407.76** lakhs has decreased to **Rs.32633,34** lakhs as on 31.03.2023.

2.2.4) Source and Application of Funds

A) Source and application of drinking water supply and drainage funds for the year 2021-2022 were as follows according to the five-figure calculation.

S.No.	Funding	Additional/Decreased	In lakhs(Rs)		Net
			2021-22	2022-23	
1	Loans	Decreased	20856.02	25140.18	4284.16
	Capital 1.Corporation Share		0	0	
	2.Government Share	Additional	79050.94	134455.78	55404.84
3.	**Current Liabilities**				
	1.Deposit Amount	Additional	1062.65	1562.41	499.76
	2.Other Payables	Additional	5904.41	6130.45	226.04
	3.Miscellaneous	Additional	24972.61	340.45	-24632.20
	4.Accumulated surplus	Decreased	42407.76	32633.34	(-)9774.42
	Total		**174254.39**	**200262.61**	**26008.22**

S.No.	Uses	Additional/Decreased	In lakhs (RS.)		Net
			2021-22	2022-23	
1.	Fixed Assests	Additional	110656.11	123303.96	12647.85
2.	Work in Progress				
	Accumulated depreciation to be Deducted	Additional	21479.97	25108.80	3628.83
3.	Net Assets	Additional	89176.14	98195.16	9019.02
4.	Balance				
5.	Taxes and charges and other charges	Additional	-12533.30	-15753.69	-3220.39
	Deduct-provision for doubtful accounts	Additional	11834.76	12581.30	746.54
6.	Advance Payments	Additional	98511.19	113262.53	14751.34
7.	Cash and investments	Additional	10935.12	17139.91	6204.79
	Total	**Additional**	**174254.39**	**200262.61**	**2608.22**

Assets worth Rs.9019.02 lakhs have been created during the current year.

Accumulated Depreciation Rs.25108.80 lakhs has been created in accumulated surplus balance.

Current balance are more than current liabilities by Rs.16691.62 lakhs.

2.2.5) Details of the newly merged assets of the Local Government Bodies

The assets and liabilities of the newly incorporated local bodies of Coimbatore Corporation expanded since 25.10.2011 are fully accounted for and vested.

2.2.6) Types of liability to be paid

The following types are the liability to be Paid by the Corporation of Coimbatore.

S.No.	Type	Amount to be paid(in lakhs)
1.	Government debt	25140.18
2.	Types of deposits	1562.41
3	Employees pay deductions	44.09
4.	Interest payable on loan	0.00
5.	Income tax payable	14.69
6.	Sales tax payable	51.13
7.	Group Insurance Plan	0.00
	Total	**26812.50**

On verification of the annual accounts of Coimbatore Corporation for the year 2022-23 the below detailed assets/liabilities are showing debit/credit balances without any action for many years. No schedules are attached in support of the accounts. Despite these deficiencies being pointed in the audit, no appropriate administrative action has been taken.

2.2.7) Details of inactive account headings are as follows

S.No.	Account dated	Account title	Debit Balance	Credit Balance
			(Amount in lakhs Rs.)	
1.	4012	Stock in public		340.45
2.	4023	Recurring deposit scheme interest	-	Nil
3.	4031	Court Charges	-	0.02
4.	4051	Interest payable	-	0.00
5.	4059	Linen to be paid in advance	-	0.00

The actual position of the balance under the above account heads should be ascertained on the basis of appropriate files or documents

and appropriate steps should be taken to close the accounts and the details thereof should be shown to the audit.

2.2.8) Dormant Accounts

Accounts shown under the headings in Annexure No.02 are non-operating accounts as per the five-figure reference for the year 2022-23.

Audit to ascertain the correctness of the closing balances in the bank accounts was not provided with the corresponding bank slip and hence it was not possible to ascertain whether interest was earned on the balance in the bank till 31.03.2023. In this regard, letter No:01/2023 dated 12.04.2023 , 17.05.2023, 20.06.2023, 14.07.2023 and 15.04.2023 has been sent to the financial accounts officer of water and drainage.

Therefore due steps should be taken to show bank signature and closing balance certificate for audit and due investigation should be done regarding the continuation of these inactive accounts and appropriate action should be taken to terminate these accounts. After all the types receivables and payables have been completed the final balance and these accounts should be completed and the details to be submitted for audit.

2.2.9) Advances

Drinking Water Drainage Fund-Advance Details of advances for the year 2022-2023 are as follows and various deficiencies

As on date 31.03.2023 the advances are outstanding as per five digit note as follows.

S.No:	Account Code No	Details	Arrears as on 31.03.2023 (Rs)
1.	3028	Festival Advances	1127592
2.	3033	Immediate Relief Advance	87996
3.	3055	Miscellaneous Advance	1094725498
4.	3131	Tamil Nadu Drinking Water and Drainage Board Advance	9807780985
		Additional	**10903722071**

According to Tamil Nadu Finance Rules Volume 1 Rule No.99 and Government order No.349 Finance department dated 31.05.1996, it is directed that the advance should be settled within three months from the date of disbursement. But The aforesaid advance balance is not settled till date.

Therefore, administrative action should be taken to collect or correct these outstanding advances in an appropriate manner.

b) Also due to non-maintenance of advance payment records, the balance as on 31.03.2023 could not be confirmed in the audit. Therefore, appropriate action should be taken to prepare advance payment register and submit it for audit.

And it is advised in the audit that the concerned officers are responsible for any malpractice and they will be held responsible.

2.2.10) As on 31.03.2022 on the basis of appropriate documents for the following account heading balances, the accumulated amount of expenditure (Progressive Expenses) (Revenue / Capital Fund) should be identified and set off against the above balances and the remaining amount should be identified and classified as asset or liability.

S.No:	Account Code	Account Title	Balance as on 31.03.202	
			Debit	Credit
			Amount in Lakhs (Rs)	
01	3056	Refundable deposit	103.89	-

2.2.11) Building fee fund not applicable to Coimbatore Corporation.

2.2.12) Annual Accounts 202-23 Balance Sheet in progress Description of tasks

As per Account Code No. 3121 and 31226 during the audit year there is no Work in Progress.

2.2.13) Balance due on Fixed Advance Account 31.03.2023 Rs.1882 to be reimbursed.

As per 2022-2023 Account Heading No. 3058 (General Imprest Account) Rs.1882.53 is shown as outstanding balance. This amount is the amount outstanding as on 31.03.2023 in Fixed Advance Accounts maintained for various Zones and Departments.

It should be ensured that fixed advance accounts are properly spent and reimbursed in each financial year. Steps should be taken to confirm the requirement of fixed advance amount in use by the officers keeping the fixed advance account and cancel the unutilized amounts.

2.14) Investments

1)Drinking Water Drainage Fund –Investments - Details of Investments in 2022-23 as follows and various defects

Coimbatore Corporation has invested in various companies and banks for the year 2022-23 in drinking water supply and drainage fund details of amounts are as follows.

S.No	Accounts (Account Code)	Intial Balance	Investment	Interest on investment	Refund Amount	Balance as on 31.03.2023
			Add up		Subtract	
1.	3070 Water Drainage fund	128771812	867861069 (Reinvestment 552407111 + New Investment 315453958)	9000934	575707069 (Reivestment 552407111+Withdrawal 18400000+Interest withdrawals 4899958	429926746

Interest on investment is Rs.11280220/- as per bank statement. But as per above calculation it is Rs.9000934/-. Appropriate explanation for this should be communicated to the audit.

And various defects were found in it as follows.

2) Investments made at low interest rates –Mal Administration – Follow up of Municipal Administrative Commissioner to be received.

The following deficiencies were found during the audit of Investments Register and Securities.

a) While 7.75%-8% per annum is being provided for the amount invested in the Tamil Nadu Transport Development Fund Corporation, the corporation is losing interest as certain investments in the merger are invested in banks at low interest rates. The amount should be deducted from the responsible officers after calculating the loss or in case there is no way to recover the amount then appropriate administrative action should be taken against the responsible officers. Further action should be taken to get a follow-up from the Municipal Administrative Commissioner for this administrative deficiency and show it for audit.

And when investments are made in future, interest rates of different banks should be obtained and appropriate steps should be taken to invest in banks that offer higher interest.

b) On checking the details of investments in the annex with the register of investments, the details of investments of AMRUT 8 Added Area are not recorded in the register of investments and related securities not shown for audit. Thus AMRUT -8 Added Area Investment details could not be verified in audit. Therefore, steps should be taken to record the above details in the register of investments and present them for audit along with relevant collaterals.

3) Deficiency in record keeping of investments should be rectified.

During verification of investment records, the following defects are detected.

1) No attestation by the Seat Clerk and Accounts Officer after Verification of the particulars in the register. A certificate must be obtained and should be shown to audit.

2) In the register of investments, every year, the closing balance of the previous year is brought to the opening balance of the current year, and the new investments and withdrawals of the current year inventory should be prepared. But in the audit year 2022-2023 it has been written consecutively from previous years instead of being taken separately. This makes it difficult to find the remaining investment details in the current year. Therefore, in the audit year 2022-23, the remaining investment details should be taken separately and appropriate steps should be taken to show it to the audit.

Also the details of the total securities issued each year and a summary of the same should be prepared and. Signature should be obtained from the concerned officer and it should be shown to audit.

2.2.15) Loans

Following are the principal and interest payment details of Water and Drainage Fund Loans for the year 2022-2023 and various defaults.

Following is the balance of principal and interest paid on loans from the Water Drainage Fund for the year 2022-23 as per the Register of Loans.

S.No	Account Code No	Details of Loan and file No	Intial Balance	Credit	Paid		Finished
					Principal	Interest	
1.	4006	TUFIDCO	239800000	0	43600000	25250831	196200000
2.	4007	TNUDF, KVV,WSPF, ADB,UGSS	1845802053	506700000	34683928	213343945	2317818125
Total			2085602053	506700000	78283928	238594776	2514018125

Various defects were found in it as follows.

a) In the credit statement at annexure no-4; a total of 25 loan register and related documents were shown for audit.

2.2.16) Grants

Drinking Water Drainage Fund - Grants - Details of Grants Received in 2022-2023 and Various Defects

Following is the details of government subsidy received for the year 2022-23 for drinking water supply and drainage fund as per annual account.

Coimbatore Corporation			
Details of Government Subsidy 2022-2023			
Account Code No:4014			
S.No	**Details**	**Amount (Rs)**	**Date on credited to bank**
	AMRUT SAAP-II 24*7 (suez)		
1	A/c No 50100446680414	869200000	19.10.2022
	Total	**869200000**	
	MLA Fund		
2	A/c No 334502010010121	1498943	29.11.2022
3	A/c No 334502010010121	500000	16.12.2022
4	A/c No 334502010010121	1671586	10.02.2023

5	A/c No 334502010010121	1097984	09.03.2023
	Total	**4768513**	
	CGF, O&M-Land Acquisition		
6	A/c No 05470100031851	157900000	26.07.2022
	Total	**157900000**	
	15 th CFC GRANT		
7	A/c No 334502010010121	322500000	24.05.2022
	Total	**322500000**	
	AMURT SAAP III-Pillur III		
8	A/c No 05470100031851	550000000	19.08.2022
9	A/c No 05470100031851	450000000	02.12.2022
10	A/c No 05470100031851	250000000	16.02.2022
	Total	**1250000000**	
	Net Total	**2604368513**	

b) A separate grant register is not maintained for this purpose and it is not possible to compare it with the annual accounts (4014). So appropriate register should be maintained and signature should be obtained from concerned officer and present it to the audit and appropriate action should be taken to show it to the audit.

c) Also a detailed statement containing the details of opening balance of the above grants, grant received during the audit year, grant utilized during the audit year and closing balance is prepared and reconciled with the bank closing balance and signed by the Accounts Officer were not shown for audit. Due to this, it is not possible to verify these details in the audit, therefore appropriate steps should be taken to prepare and submit the above details for audit.

2.2.17) Contractor Deposits- Compliance with Annual Accounts and Register- Deficiency in non-maintenance of deposit register.

a) In the year 2022-23 Water Drainage Division Central Office Contractor Deposit (4016) as on 31.03.2023 as on 31.03.2023 records are fully completed and annual summary prepared and approved by the appropriate officer and not submitted for audit Opening balance, credit for the year 2022-23. Audit did not find reconciliation of cost, overdue deposit ledger and closing balance details with the annual accounts details.

Therefore, if any financial losses or malpractices are found later, the concerned officials will be held responsible.

Details	**Deposit Amount As per the register (Rs)**	**According to the annual account Rs.paise**	**Differences Rs.paise**
Intial Balance on 01.04.2022	-	55749352	0
Credit	-	67225013	0
Total	-	122974365	0
Expenses Refund of	-	19995756	0

deposits			
Time deposits taken to the registry	-	0	0
Closing Balance 31.03.2023	-	102978609	0

b) Records not shown

Account Title	Initial Balance	Credit	Expenses	Final Balance
4016 (Addi.WH)as per G.O 2% WH)	19962070	-	-	19962070
4016 (Tender Deposit Contract-Reg.Dif)	1382223	-	-	1382223
4016-(Wh-withheld Ref-4037 Vat Late Deduction)	12768	-	-	12768
4016-(Wh-withheld Ref-4035Pre GST Late Deduction)	12768	-	-	12768
4020-Deposit and Others	26663464	-	-	26663464

The relevant records are not shown to the audit for the particulars provided in the Annual Heading Account as above. Appropriate action should be taken to show. Also the deposits in the budgeted species

should be reconciled with the register and annual accounts and shown for audit.

c) Ending balance of year 2021-22 not brought into opening balance of year 2022-23 in the ledger is a deficiency

As per ledger and annual accounts for the year 2022-22 the closing balance amount under head 4016 (Tender Deposit Contractor Reg Diff) is Rs.43644563/- has not been brought as opening balance of the year 2022-23 in the pass book. Appropriate for explanation should be submitted for audit.

2.2.18) Annual accounts for the year 2022-23 Non-sending of relevant particulars statements (Schedules) and other defects.

It has been pointed out in the annual audit reports that various deficiencies found in the preparation and submission of annual accounts should be rectified and complete annual accounts should be submitted for audit with appropriate detailed reports.

The deficiencies pointed out in the annual accounts for the year 2022-23 and it is emphasized that it should be rectified and appropriate administrative action should be taken to eliminate the deficiencies. But it has been sent without proper detailed reports (Schedules).

This deficiency should be rectified and appropriate detailed reports (Schedules) should be sent along with the annual accounts.

2.2.19) Unscheduled Types

Correct audit could not be ascertained as the following schedules were not prepared/record were not maintained to verify the annual accounts during the audit year.

S.No.	New Account Title	Title Description	Accountable Sum
1	1088	Previous Year Income	319534346.96
2	2020	Miscellaneous Expenditure	3519792.00
3	2041	Previous Year Expenditure	185071897.68
4	4012	Contribution from Private Parties	34045000.00
5	4013	Contributions from Government	13445578409.00
6	4035	Income Tax	1469385.00
7	4036	Other Recoveries	115666.00
8	4037	Service Tax	5113600.00
9	4039	Doubtful Accounts Allotment	1258129594.42
10	4050	Miscellaneous Payable	44527454.00
11	4057	Payable-TWAD	54258912.00
12	4087	Other Items	0.00
13	3100	Interfund Transfer	-3085811890.08

2.2.20) Audit for the year 2022-23 – A Study on Contributory Pension Fund

The following is the detail of the subscription and payment to the respective fund for the year 2022-2023 in the Contributory Pension Scheme Fund of the Corporation and the closing balance.

Total Number of employees (Drinking and general category) having account number under the scheme as on 28.02.2023	64 Employees
2022-2023 Employee Share	Rs.241.68 Lakhs

Amount	
Amount paid into government account	Rs.241.68 Lakhs
Arrears	Rs.0.00 Lakhs
Management share payable by the corporation	Rs.0.00 Lakhs

2022-23 employees share amount has been paid till 04/2024. Moreover the management share is 3/2023 is paid without balance.

3) Audit report for the year 2022-23

a) Coimbatore Corporation drinking water drainage fund Part-1 audit for the year 2022-23. Audit report, Audited Annual Accounts (Summary of Accounts) is issued by the Central Office containing the main audit objections selected from the audit objections contained in the audit reports of the Departments and Zones.

b) The deficiencies observed on the activities of the Corporation's water and drainage funds for the year 2022-23 have been compiled and reported to the Commissioner and Zonal Officers and relevant department heads through a separate audit report Part -II.

c) Only some important and critical paragraphs found in the Part -II audit reports of Zones and Departments have been pointed out in the Part-I report. Constraints containing defects are all included in the part -II audit reports. All the audit reports of Zones and Departments Part-II should be considered as part of this audit report.

d) According to Section 171 of the Coimbatore Corporation Act 1981 the responses to the deficiencies pointed out in the audit report

received should be prepared and sent to the Standing Committee of the Corporation and submitted to the Local Government Finance Audit Department, Chennai through director and after obtaining the audit report it must be sent to the government within 6 months.

4) A Study of Annual Accounts

According to Government Order No.3 dated 12.01.2000 of Municipal Administration and Drinking Water Supply Department, normal accounting system has been introduced in Coimbatore, Coimbatore Corporation from 01.04.2000. Based on that, the following accounts have been prepared in the water and drainage fund.

1.OB Trial Balance to start on 01.04.2022
2.Income and Expenditure Statement for the year 2022-2023
3.Balance Sheet as on 31.03.2023

The attached five-figure note and the Income and Expenditure Account for the year as on 2022-23 dated as on 31.03.2023 were audited by the Deputy Director of Local Government Audit Department, Internal Audit Division, Coimbatore Corporation.

As per the particulars and explanations given to the audit as on 31.03.2023 the five-figure note as on date and the income and expenditure accounts for the year 2022-23 are annexed hereto. According to the report, Coimbatore Corporation has disclosed the true and clear financial position of drinking water and drainage.

Until the relevant records are examined, the necessary accounting records are maintained as per the notes in the audit report. A five-figure note attached to this financial statement is revenue. The Account count Code wise amounts shown in the cost accounts are reconciled with the amounts recorded in the relevant books of accounts subject to the notes in the audit report.

41(a) Delay in sending annual accounts should be followed up

According to Ordinance No. 145, Department of Municipal Administration and Drinking Water Supply, dated 22.10. 2002, the annual accounts of the Municipal Corporations must be sent to the Office of the Deputy Director of Local Government Audit by the 31st of May following the completion of the respective financial year. Accordingly the annual accounts for the audit year should have been sent by 31.05.2023.

Also as per Section 4.6 & 15 of the Tamil Nadu Local Government Financial Audit Act 2014 and Section 10 of the Tamil Nadu Local Government Financial Audit Act 2016, Coimbatore Municipal Corporation Act, 1981 under Schedule 3 Financial Management Fund No 15(2) accounts for the year ending on March must be sent to the Audit Office by 30th June. Accordingly the annual accounts for the audit year should have been sent by 30.06.2022.

But the water and drainage financial accounts for the year 2022-23 were received in the audit office only on .09.2023.

For this delay the Municipal Administrative Commissioner should sanction and presented to the audit. And in the future, appropriate

steps should be taken to send the annual accounts to the audit office without delay.

4.1(b) The following documents are not attached to the annual accounts. As a result, the details cannot be rectified by the audit. In case of any loss, the concerned officers will be held responsible in the audit.

1.2022-23 Zone wise five figure reference

2.2022-23 Computer wise Collection Balance Details

3.Details of the Schedules for the year 2022-23

4.2022-23 Statement of Government Share and Government Grant Received and Utilized

5.2022-23 Complete Schemes Details

4.2.1) Survey of collection percentage rate of taxes and fees

The percentage details of the amount collected against the demand for drinking water supply and drainage for the year 2022-23 are given below.

S.No	Invoice	Demand(In Lakhs)		Revenue (In Lakhs)		Percent	
		Balance	Current	Balance	Current	Balance	Current
1	Water tax in property tax	4004.24	10781.84	1835.63	9580.48	45.84	88.85
2	Water Charges	4795.55	4868.51	2422.53	3182.52	5051	65.36
3	Sewer Charges	6315.55	1591.37	26.01	33.66	0.41	0.23

88.85% of the current demand of drinking water tax is collected from property tax as the most important revenue source of the corporation.

The arrears collection in respect of drinking water drainage tax is 45.84% for the current year. Serious action should be taken in the collection of current and outstanding debts. Current and arrears collection capacity of drinking water drainage tax is not satisfactory. Serious action should be taken to increase the collection percentage.

The current collection of drinking water charges is 63.36%. The outstanding collection is 50.51% and the outstanding and current collection capacity needs to be increased.

The current collection of cellar fees is 0.23%. The outstanding collection is 0.41%. Outstanding and current collection capacity should be increased.

Arrears of sewerage charges and current collections are not satisfactory. Serious attention should be given to increase the collection percentage.

b) 2021-22 due to the fact that the details of the pending collection of water tax (drinking water tax in property tax) have not been submitted for audit, it is not possible to fill in the pending details of collection of drinking water tax in property tax in the above table. Appropriate action should be taken to submit it for audit.

4.2.2) Drinking Water Supply and Drainage Fund-2021-22- At the end of last year initial hearing of audit year (01.04.2021) is more than hearing as compared to previous year – Increase in demand of the previous year is shown as Income in account heading 1088 - Deficiency not showing files for increase in demand

On checking the outstanding details of collection of drinking water supply and drainage fund of Coimbatore Corporation for the year 2022-23, the initial demand of the audit year is more than the previous year demand and as follows.

S.No	Type	Demand as on 31.03.2022 (In lakhs)	Demand as on 01.04.2022 (In lakhs)	Additional Demand % (In lakhs)
1	Water tax	5572.22	4004.24	(-1567.96)
2	Water charges	4357.60	4795.55	437.95
3	Cellar charges	6317.86	6315.55	2.31
			Total	**(-1127.72)**

A proper explanation should be given for the decrease of Rs.1567.96 in drinking water tax as mentioned above. Increase in sewage charge of Rs.440.26 zone wise details are not provided. This amount is shown as prior year income on account heading no.1088.
Hence the tax no, ward wise increase in demand and Appropriate steps should be taken to provide files and documents for audit with the permission of the Commissioner.

b) Due to the fact that the 2022-23 computer collection balance details (water tax in property) have not been submitted for audit, it is not possible to fill the details of drinking water tax in the property tax in the above table. Appropriate action should be taken to sent it to the audit.

4.3.(a) Details of bank accounts maintained during the audit year 2022-23 of Coimbatore Corporation Drinking Water Supply and Drainage Fund

65 (Account Heading No. 3139 and 3061 respectively 19 and 46) Bank Accounts as mentioned in Annexure No. 01 of Coimbatore Corporation for Drinking Water Supply and Drainage Finance Department during the audit year 2022-23.

4.3(b) Non-Operating Bank Accounts

Accounts shown in the headings in Annexure No. 02 are non-operating accounts as per five-figure note for the year 2022-23.

No bank signature was provided for audit to ascertain the correctness of the closing balances in the bank accounts. Thus it is not possible to know whether interest has been received on the balance in the bank till 31.03.2023. In this regard, a letter has been sent to the Financial Accounts Officer, Drinking Water Drainage, vide letter No. 01/2023/A1 dated 12.04.2023, 17.05.2023, 20.06.2023, 14.07.2023 and 15.04.2023.

Therefore appropriate steps should be taken to show bank signature and final balance certificate for audit. And due investigation

should be done regarding the continuation of these inactive accounts and appropriate action should be taken to terminate these accounts. And these accounts should be finalized after all the types receivables and payables have been settled and the closing balance calculated. Details should be submitted for audit.

4.4(a) Coimbatore Corporation Drinking Water Supply and Drainage Fund 2022-23 Audit Year Bank Deficiency Corrections Deficiency

Coimbatore Corporation 2022-23 Drinking Water Supply and Drainage Financial Accounts 31.03.2022 as per Public Ledger Bank Closing Balance 01.04.2022 has been taken as Bank Opening Balance.

According to 31.03.2023 Bank Final Balance as per General Ledger are reconciled to the Pass Book Balances of the specified Bank Accounts in Annexure No. 01 subject to Bank Account Reconciliations.

Out of which total 65 **(Account Heading No. 3139 and 3061 respectively 19 and 46)** of the bank accounts respectively, only the bank reconciliations for 52 bank accounts **(Account Heading No. 3139 and 3061 respectively 19 and 46)** were submitted for audit and the remaining 13 Bank reconciliations for bank accounts were not submitted for audit and hence their correctness could not be verified in audit. Therefore appropriate action should be taken to submit the above bank reconciliations for audit.

Also, as the bank signatures of some of the bank accounts were not shown for audit, the bank was unable to verify the final balance. It has been repealed vide Section **No. 4.4(c)**.

4.4(b)Corporation of Coimbatore- Water Supply and Drainage Fund Audit Annual for the year 2022-23 Bank Balance Compliance Deficiencies -Certificate

The following deficiencies have been found in the verification of the bank reconciliation of Coimbatore Municipal Corporation drinking water and drainage financial account 2022-2023.

1. Account Heading No.3139 Union Bank Account no - 334502010010121

1) The following BPV Pay slip bank numbers are not mentioned in Cashed details in the category of uncashed checks in the joint heading. Also the cheque in V.NO.4 has been canceled and another cheque has been issued and should be encashed. Hence the above defects should be removed and brought to audit.

S.No	Cheque No	Date	Rupees	Date on which cash was made
1	521	27.05.2022	132241	Cash was not made upto date
2	587	27.05.2022	28224	Cash was not made upto date
3	1413	14.1.2022	25000	Cash was not made upto date
4	1780	02.02.2023	142320	Cancelled
			327785	

2) In the Deduction Heading, the amount received twice in the bank during the year 2019-2020 is Rs.31,20,813/-. But no details of this have been provided for audit. And since this deficiency is continuing from the year 2019-20, this deficiency should be corrected and appropriate corrective action.

3) Deductible Checks paid into bank on uncashed types the following checks for the year 2022-23 have not been cashed till date. Appropriate action should be taken to get the checks back from the appropriate persons and credited to these accounts.

S.No	Cheque No	Date	Rupees	Date on which cash was made
1	144121	28.04.2022	4500	Not cashed till date
2	304250	26.04.2022	4500	Not cashed till date

2. <u>Account Heading No. 3139</u>

<u>Bank of Baroda- Account Number 05470100031851</u>

1) Uncashed checks on joint title of BPV Bank Pay slip numbers details has not been mentioned. But in the bank ledger, the details of payment on specific days are mentioned directly to them.

Hence the above defects should be removed and pointed out.

S.No	Cheque No	Date	Rupees	Date on which cash was made
1	08/000024	03.11.2022	409100	Not cashed till date
2	28/000003	17.02.2023	28000	Not cashed till date
			437100	

4.4 c) Coimbatore Corporation - Drinking Water Supply and Drainage Fund for the Audit Year 2022-23 Year - Bank Balance Compliance Certificate defects

Banker's closing balance certificate for closing balance as on 31.03.2023 has not been received. Due to this, it is not possible to ascertain the authenticity of these amounts in the audit. So the bank should get the certificate of closing balance and show it for audit.

4.4 d) Bank Account Reconciliation - Defects

Coimbatore Corporation Bank accounts are being maintained under Water and Drainage Fund Accounts. Bank account checklists are given as separate annexure to the annual accounts.

No Bank Debit Credit slips have been shown during the audit year for the accounts shown under headings at Annexure no. Due to this, the balance in the bank could not be confirmed in the audit. So, the respective bank officer should be contacted and show the debit slips for audit.

S.No	Account No	Details of the bank	Balance as on 31.03.2023
10	3139	Indian Bank-Singanallur	11526.00
12	3139	Old bank account	54026.00
			65552.00

4.4(e) Reconciliation of bank balances - Appropriate records containing bank statements and budget details of bank statements not submitted for audit - Deficiency.

In the 2022-23 bank closing balance compliance audit of Coimbatore Municipal Water Drainage and Supply Division, as per Annexure No-01, out of a total of 65 (Account Heading No. 3061, 3139 respectively 46, 19) bank accounts, 17 (Account Heading No. 3139) bank accounts , bank signatures only were submitted for audit. The remaining 02 (Account Heading No. 3061) and 46 (Account Heading No. 3061) totaling 48 accounts are not submitted for audit. In this regard, a letter has been sent to the Financial Accounts Officer of Drinking Water Drainage vide letter No. 01/2022 dated 15.07.2022 and 23.12.2022. Appropriate action should be taken to submit the documents for audit.

Also as per Annexure No-01 out of total 78 bank accounts, 06 bank accounts having budget activities (3061- Serial No.-29,30, 33) (3139-Serial No.-2. 11. 14) receipt and expenditure records containing budget details for audit has not been shown. Due to this, the accuracy of the budget details of these accounts could not be confirmed in the audit.

Therefore appropriate steps should be taken to audit the relevant budget records as mentioned above.

Expenditure incurred in 06 bank accounts amounting to Rs.168,99,53,299/- is treated as loss and placed under audit embargo.

Also in budgeting activities in these bank accounts Audit advises that if any loss of funds is discovered later, the concerned officers are responsible and the amount should be recovered from the appropriate officers.

Non-preparation of Bank Lines of Credit (BRV) and non-maintenance of credit book for drinking water supply and drainage fund 2022-23

In the Central Office of Coimbatore Corporation for the year 2022-23, verification of water supply and drainage fund receipts (Grants, State Finance Board Grants and other project funds) shows that date-wise bank receipts have not been prepared for the categories of grants, loan amounts, investment receipts, transfer receipts, interest receipts and other receipts. But during the preparation of annual accounts, the receipts are shown only in the ledger without placing the bank receipt number. In this case, in the event that there is a possibility that the receivables amount will be released, the check / bank draft should be sent to the banks only after the Bank Receipt (BRV) is prepared on the days when the amounts are due. And in case of receipt of amount through ECS, Bank Receipt should be enclosed.

Therefore allowances, fund changes, loan amounts, interest receipts and other receipts are not recorded in the receipt book directly while preparing the annual accounts and the procedure of entering the ledger is avoided and the receipt book should be maintained at the central office and shown for audit.

Drinking Water Supply and Drainage Fund 2022- 2023 Expenditure book is not maintained and only ledger is maintained and annual accounts are prepared defective.

In the 2022-23 audit of Coimbatore Municipal Corporation's Central Office, it was found that the expenditure register is not maintained for the bank accounts maintained in the revenue and capital fund and only the ledger is maintained. Expenditure register of the bank accounts without monthly summary and without the

signature of the appropriate officer are present. If there is any loss the appropriate officers shall be responsible. While preparing the annual accounts directly without recording in the expenditure book, the practice of incurring expenditure in the ledger is avoided and the expenditure book should be maintained at the central office and displayed for audit.

According to the Water Supply and Drainage Schedule 2022-2023, the deficiency is shown as the initial balance and the final balance - Deficiency.

Coimbatore Corporation Central Office 2022-23 audit has concluded that the opening balance and closing balances for bank accounts maintained in revenue and capital funds are in deficit. As the bank signatures for these accounts were not submitted for audit, the authenticity of the balances could not be ascertained. Therefore, appropriate steps should be taken to submit the bank slips of these bank accounts for audit.

Drinking Water Supply and Drainage Fund-2022 2023 Bank Closing Evidence for Bank Closing Balance not provided for audit Deficiency Inability to ensure authenticity of Bank Closing Balance.

In the year 2022-23 audit of Central Office of Coimbatore Corporation , bank final balance sheet for bank accounts maintained in revenue and capital fund was not obtained and submitted for audit. As a result, it was not possible to verify the authenticity of all the bank accounts attached to the annual accounts.

Drinking Water Supply and Drainage Fund for the year 2022-2023. Difference between Final balance of last five year's quintile of 2022-2023 and opening balance

In the 2022-23 audit of Coimbatore Corporation Central Office, it was found that the closing balance of the 2021-22 five-figure note on

revenue and capital funds was not in harmony with the opening balance of 2022-23. A proper explanation should be given for the difference as per below.

2021-22 quintuple note final amount is Rs 20756912097.98

2022-23 quintuple note starting amount Rs 2364269192022

Difference Rs 2,88,57,79,822.70

5.1.1) Receipts- Water tax on property tax- Details and other deficiencies

(a) The total levy of property tax as on 31.03.2022 is 545854. The number of drinking water connections is 305668.

Current demand of property tax is collected as per Section-121 of the Coimbatore Corporation Act, 1981. Following are the demand collection and arrears of drinking water tax in property tax for the year 2022-2023.

	Previous year 2021-2022	**Current year 2022-2023**
	Rs in lakhs	
Accumulated revenue (demand) on water tax in property tax	7634.32	10781.84
Increase in demand	-299.21	3147.52
Percentage of increase	-3.77	41.22
Actual collection	6418.27	9850.48
Percentage of demand collection	84.07	91.36
Collection pending	1216.05	931.54

b) According to the above details, it is known that the current year's current demand is less than the current year's current demand. Appropriate explanation for this should be communicated to the audit.

c) Current demand as on 31.03.2023 collection pending details as follows

	As on 31.03.2022	**As on 31.03.2023**
	Rs in lakhs	
Previous year demand pending at the end	5853.75	4004.24
Deduct-Current year demand collection	1497.57	1835.63
Aggregate-Balance of the current year demand	1216.05	931.35
Total Balance	4356.18	3099.96

The entire property tax arrears register has been computerized. As on 31.03.2022 Total arrears of water tax on property tax amount of Rs.3099.96 Lakh Year wise Balance Details has not been linked to year account.

d) For the year 2022-23 computerized collection balance details (drinking water tax in property) have not been submitted for audit, so the above table could not be filled in the details of collection balance of drinking water tax in property tax. Appropriate action should be taken for audit.

5.1.1(b) Water Charges and Water and Sewerage Tax (collected along with property tax)- Overdue Rs.3099.96 lacs to be collected from the appropriate persons.

1) As per section 482 of Coimbatore Municipal Corporation Act 1981 and Government Ordinance No. 117 Municipal Administration and Drinking Water Supply Department dated 25.6.08 drinking water charges not collected by the end of the respective financial year shall be considered lapsed. There is no way to collect them legally. Therefore at the end of the financial year 2022-2023 i.e. on 31.03.2023 the uncollected current drinking water tariff amount of Rs.3099.96 lakhs as per public ledger becomes lapsed.

Therefore, the relevant officers are held responsible for the overdue drinking water charges and appropriate action should be taken to collect the amount of the amount of Rs. 3099.95/- lakhs and pay it to the Corporation account.

S.No	Zones	Rs in lakhs
01	Eastern Zone	463.15
02	Western Zone	320.70
03	Northern Zone	393.14
04	Southern Zone	390.31
05	Central Zone	1532.66
	Total	**3099.96**

2) Drinking water which is part of property tax of 2009-2010 and drainage tax for the year 2022-23 has become lapsed as it has not been collected within 12 years. Due to the fact that the annual balance details were not provided for the audit, the balance of drinking

water and drainage tax for the year 2010-11 so it could not be ascertained in the audit. Therefore, appropriate steps should be taken to submit the annual balance of drinking water and drainage tax for audit.

Also, appropriate action should be taken to collect and pay the outstanding amount of water and drainage tax for the year 2010-11 and appropriate officers should be appointed for this purpose and pay it to the corporation account.

5.1.2) Drinking Water Schemes existing in Coimbatore Corporation

1) Siruvani drinking water scheme

This project was started in 1962 with an estimate of Rs.1616 lakhs, a dam was built across the Siruvani river in the state of Kerala and drinking water is purified. This water reaches the main catchment level (MSR) at bharti park in the Coimbatore Corporation. After that, it is distributed daily to the Coimbatore Corporation through zonal service reservoiries located at various places in the Coimbatore Corporation. By this project 98 million litres of drinking water is supplied to the public of Coimbatore Corporation.

2. Pillur drinking water scheme

The project was started in 1985 by constructing a dam across the bhavani River with a World Bank loan at an estimated cost of Rs.7075 lakhs. 22 municipalities and 523 rural settlements are benefited through this scheme of Coimbatore Corporation. Coimbatore Corporation's share of Rs.4426.24 lakh has been paid to the Coimbatore Corporation for this project.

The water source for this project is from Neelimarathur in Pillur catchment area (through 4X400 H.P pump set) 131.25 MLD of water

reaches Velliangad Water Treatment Plant 3.85 km away. Thus purified drinking water passes through the 600 meter long Cotton Hill Cave through a 1500 mm diameter pipe through a 4X400 H.P pump set and then reaches the Coimbatore Corporation through a 500 mm to 1500 mm pipe.

Under this scheme, drinking water required for the benefited areas is distributed to 22 municipalities and 523 rural settlements through 126 main and sub water stations of the Coimbatore Corporation.

The drinking water required by the Coimbatore comes of the 30 lakh capacity is from Ramakrishnapuram Primary Water Station located near Ganapati. Thus the delimited Coimbatore Corporation II is divided into 5 Zones including connected areas. Siruvani, Pillur-1 Aliyar & Bhavani Project through Tamil Nadu Drinking Water and Drainage Board Goundampalayam Vadavalli Joint Drinking Water Project 46 MLD of potable water is distributed to the attached areas of the Corporation.

Drinking water is distributed through 2380 km long drinking water distribution pipeline through 125 water reservoir tanks (Service Reservoir) with a capacity of 549.30 lakhs in all the 5 zones of the Corporation. 2,81,445/ in number of domestic and non-domestic drinking water connections have been provided. 5516 number of public drinking water pipes are located.

3) Pillur Drinking Water Project-II

The Pillur Drinking Water Project II has been completed and is being used by the public at a cost of Rs.113.74 crore under the Jawaharlal Nehru Urban Development Scheme. Through this scheme, 125 MLD drinking water is distributed daily by the Coimbatore Corporation.

5.1.3)Drinking water scheme to be implemented

24X7 - Water Supply Scheme Rs. 496.81 Crores 24X7 - drinking water supply scheme for all areas of Coimbatore Corporation has been prepared and approval of Government of India has been received on 28.10.2013. For the year 2014-15, a price rate revaluation was prepared at Rs.556.57 crore and a detailed project report was sent to the Government of Tamil Nadu. Administrative permission for this has been obtained by Government Order (Status) No. 130 Municipal Administration (M) Drinking Water Supply Department, dated 27.08.2015. Approval of carrer E.No: 101/ 2014-5 Vide Lr.No 2003/2015-4 Do1 Received on 04.09.2015.

The project is being implemented through Private Public Partnership under the Tamil Nadu Infrastructure Development Corporation Act 2012.

The operation and maintenance of the existing drinking water supply network infrastructure and collection of usage details is in progress.

5.1.4) Particulars of grant received and utilised

a) It has been banned in Act No. 2.2.16.

b) Integrated Sewerage Scheme

The Central Sanctioning and monitoring Committee (CSMC) under the Ministry of Urban Development, Government of India has approved the Integrated Underground Sewerage Project on 28.06.2007 at an estimated cost of Rs.377.13 crore. The scheme has been extended to all areas of the Corporation along with the existing Underground Sewerage Scheme. For this purpose corporation has been divided into 8 zones.

This scheme is divided into 6 packages. That is three vessels are for waste water collection and remaining three vessels are for sewage treatment plant.

The Coimbatore Corporation will be divided into three divisions and the underground sewerage project will be laid for a length of 639.35 km.

Package-I

According to this package, the underground sewer pipe laying work has been completed and put into use in Zones I, II, V & VI of Coimbatore Corporation.

Package-II

According to this Package-II, the underground sewer pipe laying work in Zones III & VII of the Coimbatore Corporation has been completed and put into use.

Package-III

According to this report, the construction of underground sewers in Zones IV & VIII of the Coimbatore Corporation has been completed 95%.

Package-IV

Construction of 70 MLD Sewage Treatment Plant (STP) at Ukkadam at a cost of Rs.55 Crore has been completed and is operational from 07.01.2011.

Package-V

Construction of 40 MLD Sewage Treatment Plant (STP) at Nanjundapuram at a cost of Rs.33.79 crore has been completed 100% Currently the rest of the work is in progress.

Package-VI

Construction of 60 MLD Sewage Treatment Plant (STP) at Ondipudur has been completed and trial runs are now at operational.

Zone

Kurichi, kuniyamuthur and goundampalayam, Thudiyalur, Vadavalli, Veerakeralam, Saravanampatti, chinnavedampatti the works of sewage pumping station (Sewage lines) are currently underway in the areas.

5.1.5) Drinking water charges

Domestic and non-domestic drinking water pipe connections have been provided in 313207 areas under Coimbatore Corporation on 31.03.2023. 5516 number of public drinking water taps are located.

Coimbatore Municipal Council Resolution No. 173, dated 29-12-2009 has given permission to implement the revised drinking water tariff details and sub-rules as follows.

(a) Details of water charges for domestic water connection.

Serial no.	Water supply system	For household pipe connection
A.	One month usage	For every 1000 liters and fraction thereof
1)	Up to 15,000 litres	Rs.100.00 (minimum monthly payment)
2)	15,001 to 20,000 litres	Rs.6.00
3)	20,001 to 1,50,000 litres	Rs.8.00
4)	More than 1,50,000	Rs.10.00
	Minimum payment for month	Rs.100.00
	Water Charge Deposit	Rs.5,000.00

S.No	Water Supply System	The total distribution in domestic consumption mode is 20 mm and Part thereof for larger diameter pipelines.
	One month usage	For each 1000 litres
1.	Upto 7500 litres	Rs.5.25
2.	7501 to 10.000 litres	Rs.6.00
3.	10,001 to 1,50,000 litres	Rs.8.00
4.	More than 1,50,000 litres	Rs.11.00
	One month minimum payment	Rs.900.00
	Water Charges Deposit	Rs.10,000.00

b)Details of charges for non-domestic water supply

Cy No	**Water supply system**	**20 mm for household pipe connection**	**Total Distribution to public institutions etc. 20 mm for larger diameter pipelines**
For use other than domestic use		For every 1000 litres and fraction thereof	
One month usage			
1.	Upto 7500 litres	Rs.10.50	Rs.10.50
2.	7501 to 10.000 litres	Rs.13.50	Rs.13.50
3.	10,001 to 1,50,000 litres	Rs.18.00	Rs.18.00
4.	More than 1,50,000 litres	Rs.22.50	Rs.22.50
	One month minimum payment	Rs.525.00	Rs.525.00
	Water Charges Deposit	Rs.10,000.00	Rs.15,000.00

Pipeline water supply system

Piped drinking water for domestic use	Per month per pipeline	Rs. 50.00
Piped well water for domestic use	1.Pipe connection per month	Rs.50.00
	2.Additional pipe connection for each per month	Rs.60.00

At present, the Corporation pays charges Rs.4.50 per 1000 liters to the Drinking Water Drainage Board.

5.2) Drinking water charges are charged as per Section-478 of the Coimbatore Corporation Act, 1981. Following are the details of water bill demand and collection balance (outstanding and current) for the last five years.

S.No	**Year**	**Collection of Rupees (in lakhs)**		**Shortfall in Target collection (in lakhs)**	**Collection percentage on target**
		Target	Collection		
1	2014-15	4061.50	3288.95	832.55	79.50
2	2015-16	3958.18	2896.97	1061.21	73.18
3	2016-17	3938.40	3003.32	935.08	76.25
4	2017-18	3639.39	2623.39	1016.00	72.08
5	2018-19	4729.33	2502.71	2226.62	52.92
6	2019-20	7681.33	4126.74	3554.59	46.27
7	2020-21	8279.80	4280.90	3998.90	51.70
8	2021-22	9075.69	4538.08	4537.61	50.00
9	2022-23	9664.06	5605.05	4059.01	57.99

The water charges in 2021-22 have increased by 23,51 percent compared to the collection in 2022-23. Also the collection of target amount has decreased by Rs.4059.01 lakh. According to Section 204 of the Coimbatore Municipal Corporations Act, if the water bill is not paid within 15 days from the date of receipt of demand, the water connection should be disconnected. Due to non-implementation of this regulation, the amount of drinking water balance for the audit year is Rs.4059.01 lakhs. According to section-482 of the Coimbatore Municipal Corporation Act, 1981, drinking water charges that are not collected by the end of the respective financial year are deemed to have lapsed, so the arrears of drinking water charges cannot be collected according to law. So this amount should be collected from the responsible persons.

5.2.1)Expenditure- Staff Expenditure

The staff expenditure for the year 2022-2023 is mentioned below.

Details	Rs in lakhs	
	2021-22	2022-23
Staff Expenditure (2001-2014)	961.86	1046.28

The above expenditure amount is Rs.1046.28 lakhs in the year 2022-23 which is 3.62 % of total revenue of Rs.21455.80 lakhs excluding total depreciation. Rs.28946.10 lakhs less than earlier has been spent. The annual expenditure amount of previous year is Rs.84 .42 lakhs which is more than 7.16 percent. This amount is less than the previous year of Rs.961.86 which is 8.77 percent

Also employee wealth is only 4.87% of the total revenue and is restricted to not more than 49 percent.

5.2.2) Wage expenditure is restricted to 49% of total revenue.

According to Coimbatore Municipal Corporation's 2022-2023 Drinking Water Supply and Drainage Fund Annual Account, the net revenue is Rs.21455.88 lakhs and the employee's wage cost is Rs.1046.28 lakhs in the drinking water department of Coimbatore Corporation. As per Ordinance No.27 Department of Financial Services (Election) dated 14.03.2005, the employee salary expenses should not exceed 49% of the net revenue of the local body has been advised. This ratio for Coimbatore Corporation is 4.87 percent for the year 2022-2023. Therefore, expenditure has been incurred less than the ceiling specified in the said Government Order.

5.2.3) Operating expenses

According to the annual accounts of 2022-2023, the amount under this head is shown as expenditure of Rs.1746.51 lakh. The previous year's expenditure was Rs 1413.31 lakhs. This amount is less compared to previous year Rs.333.20 lakhs and 23.57%.

5.2.4) Movable assets -Vehicles

Coimbatore Corporation has 13 drinking water trucks and 5 mini jetting machines (tata ace) in use in the drinking water department.

5.2.5) Supply of Drinking Water through Trucks (Account No.-2130)

An expenditure of Rs.167.50 lakh has been incurred under this head during the audit year.

5.2.6) Repairs and maintenance

1. Rs.1841.01 lakhs have been spent as drinking water charges (Account Code No.2129) during the audit year to Tamilnadu Drinking Water Drainage Board and New Coimbatore Area Development Corporation. Similarly, Rs.883.30 lakh has been spent as road maintenance fee (account code no.2078) for the highway department.

2. An amount of Rs.51.88 lakhs has been spent during 2022-23 on maintenance and fuel expenditure on heavy vehicles (Account Code No. 2070). An expenditure of Rs.55.32 lakh has been incurred in the year 2021-22. This is Rs.3.44 lakh and 6.21 percent less than last year.

3. For the year 2022-23, allocations have been made in the Budget Estimates for the following account headings. Less than expected expenditure has been incurred in some types. Some other types have incurred more than expected expenditure. Therefore an administrative review of the allocation in the budget estimate should be taken to avoid unnecessary financial freeze and unnecessary additional expenditure.

S.No.	**Account No**	**Type**	**Actual expenditure for the year 2021-2022**	**Actual expenditure for the year 2022-2023**	**Excessive amount in lakhs**	**Percent**
			In lakhs			
1.	2070	Heavy vehicle maintenance and fuel	55.32	51.88	(-)3.44	6.21
2.	2078	Road maintenance Charges	167.83	883.30	715.47	426.30
3.	2125	Drinking and sewage maintenance of pipelines	9606.25	16859.60	7253.35	75.51

5.2.7)Advertising expenses

Not applicable to Coimbatore Corporation.

5.2.8) Interest and finance charges

Actual Expenditure spent in 2022- 2023 is 2385.94 lakhs under the head of financial expenditure. This cost is the cost of loan interest and audit fee. This amount is Rs 5371.05 lakhs less than the expenditure amount of Rs.2985.11 lakh for the year 2021-2022.

5.3.1) Provident Fund deductions payable

It is mentioned in Account Heading No. 4021 that the provident fund subscription and loan amount deducted from the employees is Rs.5000/- in the "D" Deposit account as on 31.03.2023.

5.3.2) Amounts of interest payable

(i) Rs.0.00 lakhs has been allocated to Account Code No. 4051 under Liability Head 31.03.2023 as interest amount on loan during the audit year Rs.2385.94 Lakhs has been paid under Account Head No. 2029.

5.3.3) Amounts overpaid should be corrected

At the end of the audit year, in the Annual Accounts of Water Supply and Drainage, there is a Minus Balance due to overpayment under the following liability headings in the five-figure note.

S.No	**Account Code No**	**Account Heading**	**Reserve amount in Rs.**
1.	4027	Home loan deduction	--
2.	4028	Explrorer's deduction	--
3.	4060	Khadi deduction	--
		Total	--

These balances represent overpayments. Total these overpayments will be avoided in the future as well as in the current year Overpayments made are to be corrected and the details should be sent to audit.

5.4) Drinking Water and Drainage Fund – Income Tax and Sales Tax Deducted – to be paid under appropriate head

Coimbatore Municipal Corporation Drinking Water Drainage Fund 2022-23 has income tax and sales tax deductions from contractors at the end of the audit year. No record is maintained to track these until they are returned. These are reimbursed only on the basis of payment slips. A register should be maintained itemized and reconciled with the closing balance of the annual accounts and submitted for audit.

S.No	Account Heading	Details	Amount in Rupees
1.	4035	Income tax deduction	1469385
2.	4036	Other deductions	115666
3.	4037	Sale tax deductions	5113600

5.5) Items of liability to be returned

Rs.445.27 lakhs as on 31.03.2023 as per species annual accounts such as wages payable, pension and amount payable to suppliers. No record is maintained to track these until they are returned. These are reimbursed only on the basis of payment slips. A register should be maintained itemized and reconciled with the closing balance of the annual accounts and submitted to audit.

S.No	Account Code No	Account Heading	Amount % (in lakhs)
1.	4050	Other deliverabls	445.27
Total		**445.27**	

5.6) Drinking Water Drainage Fund- 2022-23 Audit Fee Details as on 31.03.2023

Government Ordinance No.64. Finance (Local Finance) Department, dated.17.01.1994 and as per Section 63(a) of the Municipalities Act 1920 requires every Corporation to pay 50 per cent of the audit expenditure to the Government as audit fee.

As stated in the above order, the expenditure for the year 2022-2023 audit of the Drinking Water Drainage Division of this Corporation is Rs.1341405/- as per the following calculation. Out of which 50 per cent of Rs.670703/- should be paid to Government head as audit fee.

Govt Title

0070	-	Other Administrative services
60	-	Other services
110	-	Fess for Govt.Audit
AA	-	Fees for Govt.Audit
06	-	Audit Fees

(DPC-0070-60-110-AA-22706)

Opening balance as on 01.04.2021	Rs.2860110
Audit fee for the year 2022-2023	Rs.2313888
Total	Rs.5173998

Paid during the year 2022-23	Rs.-
Closing Balance as on 31.03.2023	Rs.5173998

Conclusion of Audit

Annual Accounts for the year 2022-23 in Coimbatore Corporation as per Rule No. 10 of the Local Government Audit Act and Local Government Audit Rules 2014 the Urban Tree Information System which is currently implemented with 7 digit numbers, computerized records are not carried out. On the contrary, the computer records were carried out according to the old practice of default accounting system consisting of 4-digit numbers. Registration of 7-digit numbering system in this Corporation was started on 04.10.2017 and was suspended on 04.11.2017 due to administrative procedures. Then from 06.11.2017 again the old 4-digit method of recording default accounts in the computer is being continued.

7 digit computer registration has been implemented from 01.09.2022. The annual accounts of the year 2022-2023 have been submitted for audit under the standard accounting system. Thus, as the annual accounts of the year 2022-2023 cannot be fully accepted, a certificate of "Qualified Certificate" is issued.

LOCAL FUND AUDIT DEPARTMENT

COIMBATORE MUNICIPAL CORPORATION

ELEMENTARY EDUCATION FUND AUDIT REPORT FOR THE YEAR 2022 – 2023

LOCAL FUND AUDIT DEPARTMENT

From

Thiru.R.Pandiyan,M.Sc.,
The Deputy Director
Local Fund Audit
Coimbatore Corporation
Coimbatore

To

The Chairman,
Standing Committee
Coimbatore Corporation
Coimbatore

Roc.No.191/A1/2024 Date: 29.05.2024

Sir,

Subject Audit- Sending of Coimbatore Municipal corporation Accounts for the year 2022-2023 of Elementary Education Funds audit report - regarding.

Audit report of Coimbatore Municipal corporation Elementary Education Funds Accounts for the year 2022-2023. Audit is being sent with the accounts of the year.

According to the Financial rules Rule 18(2) of Part III of Schedule III of The Coimbatore City Municipal Corporation Act, 1981, the audit report is being sent for the year 2022-2023 of Elementary Education Funds of the Coimbatore Municipal corporation central office.

Reply of two copies for the said audit report to be sent to the audit office within the six months of receiving the report with the approval of city forum. Also requesting to issue the acknowledgement after receiving the said audit report.

Sd.

The Deputy Director
Local Fund Audit
Coimbatore Corporation

//True copy by order//

10/12/2024

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Enclosed:

Audit report for the year 2022- 2023 of Elementary Education Funds along with the accounting year

Copy:

1. The Additional Government Chief secretary Municipal administration and TamilNadu Government Water department, Chennai-9.
2. The Commissioner, Coimbatore municipal corporation, Coimbatore.
3. Submitting to The Chief Audit Director/Special Director, Local Government Finance AuditMovement, Chennai-35.
4. Submitting to the Zonal joint Director, Local Government Finance Audit, Coimbatore.

AUDIT CERTIFICATE (Qualified)

We have audited the attached Balance Sheet of COIMBATORE CORPORATION and the Income and Expenditure Account/Receipts and Payment Accounts for the year ended on that date under Section 10 of the Local Fund · Audit Act. 2014. The Balance Sheet and Income & Expenditure Account/Receipt & Payment Account dealt with by this report have been properly drawn up. In our opinion, proper books of accounts and other relevant records have been maintained in so far as it appears from out examination of such books.

In our opinion and to the best of out information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated in Audit Report to this Audit Certificate give a true and fair view in conformity with accounting principles generally accepted in India.

a) In so far as it relates to the Balance Sheet, of the state of affairs of the Coimbatore Corporation for the year ended 31032023

b) In so far as it relates to Income and Expenditre Account of the Excess of Expenditure/income over Income over Income/expenditure for the year ended 3103.2023

- Sd -

For and on behalf of the
Director of Local Fund Audit

Date: 29/05/2024

//True COPY By Order//

Place Coimbatore

10/12/2024

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

FINANCIAL AUDIT OF THE ACCOUNTING YEAR

FINANCIAL AUDIT REPORT OF COIMBATORE MUNICIPAL CORPORATION ELEMENTARY EDUCATION FUNDS ACCOUNTS FOR THE YEAR 2022-2023, COIMBATORE DISTRICT

PART -I

1.1 Details of the Auditor

According to the Schedule 3 Section 171, Schedule 3, Part III of The Coimbatore City Municipal Corporation Act, 1981, Audit of the accounts year 2022 – 2023 of Coimbatore municipal corporation was undertaken by Deputy Director, Inspectors and Audit crew of Local Fund Audit, Coimbatore Corporation, concurrent Audit, Coimbatore.

S No.	NAME OF THE AUDIT INSPECTOR AND DESIGNATION	PERIOD OF SERVICE	
		FROM	TO
1.	M.Krishnamoorthy Deputy Director	01.04.2022	20.01.2023
2.	R. Gunasekaran, Deputy Director	23.01.2023	31.01.2023
3.	Vacant	01.02.2023	12.03.2023
4.	K. Ramesh, Deputy Director	13.02.2023	31.03.2023

2. Duration of audit - Concurrent audit

2.1. Designations held by the Municipal Corporation officers during the period of audit:

Municipal Corporation officers and staff's designation during the period of audit from 01.04.2022 to 31.03.2023, Coimbatore Municipal Corporation-Education Department					
S.No	Name Thiru/Thirumathi	Designation	Period of service		Seat No.
			From	To	
1.	K.Pandiyarasa Sekaran	Municipal Corporation Education Officer	20.10.2021	31.03.2023	
2.	P.Mahendran	Assistant	01.04.2022	31.03.2023	K-14
3.	S.Ambujatshi	Assistant	01.04.2022	31.03.2023	K-1
4.	S.Mohanraj	Junior Assistant	01.04.2022	31.03.2023	K-2
5.	P.Senthil kumar	Junior Assistant	01.04.2022	31.03.2023	K-3
6.	T.Sivakumar	Junior Assistant	01.04.2022	31.03.2023	K-4
7.	A.Jaganathan	Junior Assistant	01.04.2022	31.03.2023	K-6
8.	G.Kalaivani	Junior Assistant	01.04.2022	31.03.2023	K-7
9.	V.Ravi	Junior Assistant	01.04.2022	31.03.2023	K-8
10.	P.Lakshmanan	Junior Assistant	01.04.2022	31.03.2023	K-8 Nutritious Food Audit
11.	C.Vennila	Junior Assistant	01.04.2022	31.03.2023	K-9
12.	M.Latha	Junior Assistant	01.04.2022	31.03.2023	K-11
13.	R. Bharathidasan	Junior Assistant	01.04.2022	31.03.2023	K-13
14.	T.Prabu velayutham	Junior Assistant	01.04.2022	31.03.2023	K-14

3) Coimbatore Municipal corporation- Elementary Education Funds- Compliance certificate of Bank closure balance- Details-

A) Accounts of the Elementary Education funds of the year 2022-2023 of Coimbatore Municipal corporation closure balance as on 31.03.2023 reconciled with the closing balance of bank accounts, Subject to the adjustment pointed out in annexure-1, certificate issued for its compliance.

B) **Elementary Education Funds-Signatures of the Bank final balance amount as on 31.03.2023, Non issuance of the Proof of bank balance to the audit- Proof to be obtained and shown to the audit.**

In the Coimbatore municipal corporation, Income and expenditure of the Elementary Education funds are being maintained in the five zones and in the municipality's central office. Signatures with the bank seal issued by the banks is being produced to the audit.

Bank balance certificate not obtained from the bank officer of the final balance amount as on 31.03.2023. Hence, for the below mentioned bank accounts, the bank closure balance certificate as on 31.03.2023 must be shown to the audit.

S.No.	Account No.	Marked Account No.	Bank/ Treasury	Amount Rs.
1.	--	3065	Treasury(Old Account)	44963.00
2.	--	3068	SBI(Old)	114028.16
3.	7297593103	3069	INDIAN BANK CMBS	5965731.00
4.	15881450000101	3069	HDFC	122.00
5.	15881450000201	3069	HDFC	1.00
6.	447868707	3069	INDIAN BANK	22786237.91
7.	974101	3069	CITY UNION BANK	0.00
8.	161978	3069	IDBI	Bank accounts closed in financial year
9.	78001000684709	3069	CITY UNION BANK	
10.	27886	3069	CANARA BANK	
11.	50100309171075	3069	HDFC	
12.	50100308936081	3069	HDFC	
13.	50100309172167	3069	HDFC	
14.	50100309171915	3069	HDFC	
15.	50100309174901	3069	HDFC	

C) Drawbacks seen in the compliance of closure balance

1) Balance amount in (old account) treasury is Rs.44963.00. But the said treasury book has not been shown to the audit. In the said account there was no activities of income and expenses for long Period. Further, details of the said treasury account Number was not available in the registers. Hence, upon the inspection by administration the said account to be closed. Till the date of

closure of account, balance amount of Rs. 44963.00 to be transferred and obtained along with the interest amount.

2) In the State Bank of India account, the balance is Rs. 114028.16. But, for the said amount bank passbook was not shown to the audit. In the said account there were no activities of income and expenses for long period. Further, details of the said treasury account Number was not available in the registers. Hence, upon the inspection by administration the said account to be closed. Till the date of closure of account, balance amount of Rs. 114028.16 to be transferred and obtained along with the interest amount.

3) In the Canara bank account No. 27886, the amount of Rs.246560.00 mistakenly written in the debit and mentioned in deduction item of bank to be credited by enquiring the details with the banks. Otherwise, the amount to be collected from the individuals responsible and the said details to be informed to the audit.

4) 3069(M) under deduction head of Bank compliance in account No.447868707, for the contractor Marimuthu amount of Rs. 74750/-was issued via Cheque No. 189523 dated 29.12.2022. On 30.12.2022, Rs.82250/- have been debited from bank. The amount of Rs.7500/- have been issued in excess from education fund. This must be recovered from the respective individual and must be credited into the Corporation funds and details of the same to be sent.

5)Appropriate actions must be taken to close the Dormant HDFC Bank account Numbers 15881450000101 and 15881450000204.

D) Elementary Education funds- Non preparation of Bank receipt voucher (BRV) for the incomes and non-maintenance of credit book

Upon the audit for the year 2022-2023 of Coimbatore municipal corporation central office, on validating the items of Income of Education funds (Subsidy, State finance committee subsidy and other project funds) subsidy incomes, Debit amounts, invested incomes, incomes by fund transfer, incomes out of interest and other incomes, date wise Bank receipt vouchers have not been prepared. On preparation of accounting year, the incomes are shown only in the ledger without Bank receipt voucher number. At this juncture, since there are possibilities to miss out the incomes, only after preparation of the Bank receipt voucher (BRV), the cheque/ Demand draft must be complied and sent to the bank. Further, since (ECS) debited via electronic means, Bank receipt voucher must be placed along with it.

Therefore, subsidies, fund transfer, Debit amounts, incomes out of interest and other incomes shown directly in the ledger while preparing for the accounting year without entering in the receipt book may be avoided. Receipt book must be maintained in the central office and to be produced for the audit.

4.1.1 As per the Municipality administration and water supply department Government Order No.3 dated 12.01.2000, the Coimbatore municipal corporation on default accounts prepared below accounts for educational funds for the year 2022-2023.

1. Trial balance on 31.03.2023
2. Accounts on Income and expenditure for ELEMENTARY educational funds for the year 2022-2023.
3. Balance sheet on 31.03.2023.

4.1.2.1 The audit Income and expenditure of Elementary educational funds for the year 2022-2023 Coimbatore Municipal corporation audit was conducted by The Deputy Director, Local Fund audit.

4.1.2.2 The details/ explanations given for the audit about accounts of the Income and expenditure for ELEMENTARY educational funds for the year 2022-2023 and Balance sheet as on 31.03.2023 and observations of the audit report enclosed behind reveals the fiscal condition of Coimbatore Municipal corporation as true and clear.

4.1.2.3 Upon inspecting the relevant registers (subject to references in the audit report) the required accounts registers are being maintained.

4.1.2.4 On observing the audit report, the Balance sheet and the accounts of the Income and expenditure for ELEMENTARY educational funds enclosed along with the said audit report reconciles with the several other accounts register.

4.1.2.5 **Enclosing the Certificate of audit:**

4.2.1.2 On 01.04.2000 based on the valuation made by the Municipal corporation engineer, all the permanent properties (Except Lands) were carry forwarded to Trial Balance. These valuations binding the evidence in schedules for opening Balance sheets.

All the lands, Municipality properties and assessment of income must be estimated by the City Planning officer according to the rules laid in accounting practice Books in Tamil Nadu Municipalities as mentioned in page no.232 and 234 and to issue the concern certificate. To check the estimation of said lands, relevant documents were not shown during the audit.

4.2.1.3 The documents showing the complete details and layout locations of permanent Asset being maintained by the Municipal Corporation.

4.2.1.4 According to the audit of the accounting year 2021-2022, all the requirements to be returned has been added in the opening trial balance of the accounting year 2022-2023, which has also been confirmed.

4.2.2.1 On 31.03.2023 there is nothing about value of lands.

4.2.2.2 On 31.03.2023, the properties have not been verified directly by the Municipal corporation Engineer before certifying. And the officers have not certified by mentioning there is no material differences on direct validation also officers did not mention the properties are same as said in the documents.

4.2.2.3 No certificate was issued about the maintenance of Title deeds of the permanent properties at Municipal corporation treasury. But, the said title deeds have to be provided at the time of audit for validation.\

4.2.2.5 For the year 2022-2023, according to the Written down value method for all properties (except lands), the depreciation value of Rs.334.32 Lakhs have been added as cumulative depreciation sum.

5. Implementation of Plan/Project

In the Financial Year, out of the said fund, no expenditure for the plan/project was undertaken.

PART-2

6. INSPECTION OF THE FINANCIAL SITUATION

COMMON REVIEW OF EXPENDITURE ACCOUNTS OF EDUCATIONAL FUND FOR THE YEAR 2022-2023

6.1.1 Total income earned and total expenditure for the year 2022-2023 are **Rs.7537.08 lakhs** and **Rs.1262.58 lakhs**, respectively. Below mentioned are the accounts of total income and total expenditure under several headings.

INCOME

S.NO	INDEX NUMBER	CATEGORY/ITEM	AMOUNT Rs. (IN LAKHS) 2022-2023	PERCENTAGE Rs.
1.	1003	Elementary Education	7289.70	96.71
2.	1045 to 1069	Other incomes	247.38	3.29
		Total	**7537.08**	**100**

EXPENDITURE

S.NO	INDEX NUMBER	CATEGORY/ ITEM	AMOUNT Rs. (IN LAKHS) 2022-2023	PERCENTAGE Rs.
1.	2001, 2011,2090	Bonus and others	---	---
2.	2031,2035-1,2	Pension	1.70	0.12

3.	2048,2049,2073, 2100,2101,2108,2109, 2126	Operational cost	355.70	28.17
4.	2020,2028, 2046, 2064	Repair and maintenance	423.31	33.53
5.	2015-1,2,2017	Administration expenses	46.86	3.71
6.	2028	Funding expenses	88.68	7.02
7.	2038	Depreciation	334.33	26.49
		Total	**1262.58**	**100**

6.1.2 The expenses have been restricted Out of the earned income in the year 2022-2023.

6.1.3 Accrued surplus of Rs. 21762.20 lakhs as on 01.04.2022 has been rise to Rs. 29167.03 lakhs as on 31.03.2023.

INSPECTION ON TAX AND FEES-RECOVERY PERCENTAGE

Below mentioned are the percentage details regarding Recovery of amount claimed against the Education tax in the year 2022-2023.

S.No	**DETAILS OF INCOME**	**CLAIM Rs. (lakhs)**		**RECOVERY Rs. (lakhs)**		**PERCENTAGE Rs.**	
		Arrears	Current	Arrears	Current	Arrears	Current
1.	Education tax in Property tax	3275.99	7289.70	1308.26	6269.63	39.93	86.00

6.2.2 Current claim 86.00 % of Education tax which is the most important revenue of municipal corporation has been recovered.

6.2.3 As far as Elementary Education tax in the current year is 39.93%. Proceedings to be initiated to recover the arrears and current claim.

6.2.4 Recovery of Education tax arrears and current amount are not satisfied efficiently. Steps to be taken to increase the recovery rate.

SOURCE AND APPLICATION OF FUNDS

A) Following are the trial balance of the Source and application funds of Elementary education funds for the year 2022-2023.

S.NO	SOURCE OF FUNDS	SURPLUS/ SHORTFALL	Rs. LAKHS		TOTAL
			2020-2021	2022-2023	
1.	Debts				0.00
	Capital				
2.	1.Share of municipal corporation				0.00
	2.Share of Government	Equal	13.56	13.56	0.00
3.	**Current Liabilities**				0.00
	1.Deposit amount	Decreased	273.27	253.36	(-)19.91

	2.Payments to be made	Increased	42.84	49.81	6.97
	3.Other factors	Increased	0.00	0.30	0.30
	4.Cumulative surplus	Increased	22128.04	29167.09	7039.05
	Total	**Increased**	**22457.71**	**29484.12**	**7026.41**

S.NO	APPLICATION	SURPLUS/ SHORTFALL	Rs. LAKHS		TOTAL
			2020-2021	2022-2023	
1.	Permanent properties	Increased	10291.97	10626.92	334.95
2.	Works in progress	Decreased	0	0	
	Deduction: Cumulative Depreciation		4033.48	4367.82	334.34
3.	Net assets	Increased	6258.49	6259.11	0.61
4.	Balance		0.00	0.00	0.00
5.	Tax and fees	Increased	2296.15	20708.00	18411.90
	Deduction: Allocation of incomes for uncertain factors	Increased	253.98	521.25	(-)267.27
6.	Advance amounts	Increased	11.06	11.11	0.05
7.	Cash and Investments	Decreased	14145.99	3027.16	(-)11118.82
	Total	**Increased**	**22457.71**	**29484.12**	**7026.41**

6.3.1 In the current year properties for the worth of Rs. 0.61 Lakhs have been formed.

6.3.2 Cumulative Depreciation is Rs. 4367.82 lakhs and Cumulative surplus is formed in balance.

6.3.3 Current balance is higher than the current liabilities to the sum of Rs. 6.36 lakhs.

6.3.4 Claim of Education tax – 2022 Claim amount of the accounting year initial claim (01.04.2022) is higher than the claim of the end of preceding year. Rise in the claim is shown as the income of preceding year under the head 1088. Non-production of the files of rise in claim- is a flaw

On verifying the Coimbatore Municipal corporation's Education tax pending claim and recovery details of the year 2022-2023, the initial claim of the accounting year is higher than the end claim of preceding year are as follows:

Claim as on 31.03.2022 Rs. (Lakhs)	Claim as on 01.04.2022 Rs. (Lakhs)	Additional claim Rs. (Lakhs)
2296.14	3275.99	979.85

As mentioned above, rise in claim amount of Rs. 979.85 lakhs, the zone wise details of the accounting year is not produced. The said amount is shown as the income of preceding year under the head 1088.

Hence, the appropriate steps must be taken to produce the files, documents with necessary permission from commissioner to the audit regarding ward wise levying tax number.

6.3.5 Elementary Education funds- 2022-2023- The amount from the Elementary Education funds yet to be received from the zonal regions- to be obtained.

As per the instruction given by the Municipality commissioner via Circular letter No.Rc.No.65624/05/E3 dated 14.11.2005, The Elementary education tax collected in the Coimbatore Municipal corporation to be utilized for the development and maintenance and for the various infrastructure of the Coimbatore municipal corporation schools. Further, in the said Circular it is duly instructed that the funds of Elementary Education must not be transferred to any other funds for any other purposes.

On 01.04.2022	Opening Balance	1337673750.15
2022-2023	North Zone	811286964.00
2022-2023	Central Zone	234447162.00
2022-2023	West Zone	60448752.00
2022-2023	East Zone	133475517.00
2022-2023	South Zone	53026944.00
Amount transferred to Elementary Education funds from the last accounting year		134286892.00
Amount to be returned as on 31.03.2023		1765914097.15

Amounts to be received from the above zones and the same must be transferred to the Central office Elementary education bank account.

6.4 Audit Feedback

Opinion of the audit have been submitted as follows as, even though the Accounts of Income and expenditure ended up in surplus, the ability to collect the education tax is not sufficient. Even though the current balance is higher than the current liabilities, if the appropriate steps are not taken for recovery, the present scenario would not be continued in the future period.

7.Budgetary plan

Revised income and expenses budget for the year 2022-2023 have been approved in the resolution passed by the forum in No. 110/ dated 08.03.2024. Budgetary plan estimation of the Coimbatore Municipality has been prepared only in the manner of Conventional Budgeting for past so many years. For the systemic financial management, budgetary plan estimation must be prepared in the zero-based budgeting to restrict the expenses under control. Details of the income yielded lesser and additional expenses occurred than the estimated income and expenses in the budgetary plan prepared for the year 2021-2022 must be shown during the audit.

A) INCOME

S.No.	Category	Income as per budgetary plan in Rs. Lakhs	True income in Rs. lakhs	Additional/ Lesser	Percentage
1.	Education tax in property tax	3051.00	7289.70	(+)4238.70	138.92%
2.	Other revenues	3.00	120.17	(+)117.17	3905.66%
	Total	3054.00	7409.87	4355.87	

B) EXPENDITURE

S.No.	Category	Expense as per the budgetary plan in Rs. lakhs	True expense in Rs. lakhs	Additional / Lesser	Percentage
1.	Administration expenses	150.00	46.86	103.14	68.76%
	Total	150.00	46.86	103.14	68.76%

8.Volume -2

8) Major defects seen in the audit are explained in the following paragraphs.

Nothing

9) Dormant Old bank account – account code No. 3068

Merging of Cash book and bank closure balance as on 31.03.2023 of the below mentioned dormant accounts were not shown during the audit.

Accounts of Elementary Education Fund of 2022-2023 Account title No. 3065 – Balance according to Cash book of treasury old bank accounts	44963.00
Accounts of Elementary Education Funds (Old) Balance as per the mentioned old bank account (Marked account No.3068) 1) Bharat state bank, Coimbatore branch	114028.16
Total	158991.16

Necessary permission may be obtain for closure of accounts and after closure of the said accounts, amount must be transferred to the active bank accounts.

A) Elementary Educational tax – Income tax and sales tax recovered – Payment to be made under respective head Rs. /–

As per the Accounting year of Coimbatore Municipal corporation, at the end of Financial Year, the amount in Rs. 117867.00/- recovered for Income tax and sales tax from the contractors are as follows.

S.No	Account head	Details	Amount in Rs.
1.	4035	Income tax	39289.00
2.	4037	Sales tax	78578.00
Total			117867.00

With the above said details, steps must be taken to make the payment under respective heads of the Government.

B) Payables/Liabilities:

As on 31.03.23 Below mentioned are the details of various payables to be given according to the accounting year for salary, retirement benefits and for the individuals disbursing materials which is of total Rs.48.63 lakhs. No registers/records were maintained for monitoring the payments to be made. Liabilities are returned only based on the payment slips. Details of the payment maintained in registers to be merged with the closure balance of accounting year and the same to be produced for the audit.

S.No	Marked account No.	Account heads	Amount in Rs.
1.	4047	Accounts payable contractors	-
2.	4048	Accounts payable expenses	-
3.	4050	Other payable	4863381.00
Total			4863381.00

10) Results of the audit

According to the Rule No.10 of the Local Government fund audit Act and Local Government fund audit rules 2014, the accounting year i.e., 2022-2023 of Coimbatore Municipal corporation have not implemented the current Urban tree Information system consisting of 7digit numbers also not entered in the computer. Instead, the old method of Default account book consisting of 4digit numbers have been followed for registering in the computer. In our municipality, 7digit numbers computerization register has been accomplished on 04.10.2017 and due to the administrative reasons, it has been stopped on 04.11.2017. Later, on 06.11.2017 the old method of Default accounting consisting of 4digit numbers have been continued for registering in the computer.

From 01.09.2022, 7digit numbers computerization register came into force. The accounts for the accounting year 2022-2023 have been produced for the audit only in the default account method. Hence, the accounts for the accounting year 2022-2023 cannot be completely acceptable one- there are some drawbacks– therefore issuing Qualified certificate.

LOCAL FUND AUDIT DEPARTMENT

COIMBATORE MUNICIPAL CORPORATION

ELEMENTARY EDUCATION FUND AUDIT

COMPLIANCE AUDIT REPORT FOR THE YEAR 2022-2023

COMPLIANCE AUDIT REPORT OF COIMBATORE MUNICIPAL CORPORATION ELEMENTARY EDUCATION FUNDS ACCOUNTS FOR THE YEAR 2022-2023, COIMBATORE DISTRICT

PART -I

1.1Details of the Auditor

According to the Schedule 3 Section 171, Schedule 3, Part III of The Coimbatore City Municipal Corporation Act, 1981, Audit of the accounts year 2022 – 2023 of Coimbatore municipal corporation was undertaken by the Local Government Finance Audit Department of Coimbatore municipal corporation along with the present Deputy Director, Inspectors and Audit crew of central office/Zonal.

S No.	NAME OF THE AUDIT INSPECTOR AND DESIGNATION	PERIOD OF SERVICE	
		FROM	TO
1.	M.Krishnamoorthy Deputy Director	01.04.2022	20.01.2023
2.	R. Gunasekaran, Deputy Director	23.01.2023	31.01.2023
3.	Vacant	01.02.2023	12.03.2023
4.	K. Ramesh, Deputy Director	13.02.2023	31.03.2023

Duration of audit - Concurrent audit

AUDIT CERTIFICATE (Qualified)

We have audited the attached Balance Sheet of COIMBATORE CORPORATION and the Income and Expenditure Account Receipts and Payment Accounts for the year ended on that date under Section 10 of the Local Fund Audit Act, 2014. The Balance Sheet and Incomes Expenditure Account Receipt & Payment Account dealt with by this report have been properly drawn up. In our opinion, proper books of accounts and other relevant records have been maintained in so far as it appears from out examination of such books

In our opinion and to the best of out information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated in Audit Report to this Audit Certificate give a true and fair view in conformity with accounting principles generally accepted in India.

a) In so far as it relates to the Balance Sheet of the state of affairs of the Coimbatore Corporation for the year ended 31.03.2023.

b) In so far as it relates to Income and Expenditre Account of the Excess of Expenditure income over Income over Income expenditure for the year ended 31.03.2023

- Sd -
For and on behalf of the
Director of Local Fund Audit

Date: 29/05/2024

Place: Coimbatore.

//True copy by order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

1.2. Designations held by the Municipal Corporation officers during the period of audit:

Municipal Corporation officers and staff's designation during the period of audit from 01.04.2022 to 31.03.2023, Coimbatore Municipal Corporation-Education Department					
S.No	Name Thiru/Thirumathi	Designation	Period of service		Seat No.
			From	To	
1.	K.Pandiyarasa Sekaran	Municipal Corporation Education Officer	20.10.2021	31.03.2023	
2.	P.Mahendran	Assistant	01.04.2022	31.03.2023	K-14
3.	S.Ambujatshi	Assistant	01.04.2022	31.03.2023	K-1
4.	S.Mohanraj	Junior Assistant	01.04.2022	31.03.2023	K-2
5.	P.Senthil kumar	Junior Assistant	01.04.2022	31.03.2023	K-3
6.	T.Sivakumar	Junior Assistant	01.04.2022	31.03.2023	K-4
7.	A.Jaganathan	Junior Assistant	01.04.2022	31.03.2023	K-6
8.	G.Kalaivani	Junior Assistant	01.04.2022	31.03.2023	K-7
9.	V.Ravi	Junior Assistant	01.04.2022	31.03.2023	K-8
10.	P.Lakshmanan	Junior Assistant	01.04.2022	31.03.2023	K-8 Nutritious Food Audit
11.	C.Vennila	Junior Assistant	01.04.2022	31.03.2023	K-9
12.	M.Latha	Junior Assistant	01.04.2022	31.03.2023	K-11
13.	R. Bharathidasan	Junior Assistant	01.04.2022	31.03.2023	K-13
14.	T.Prabu velayutham	Junior Assistant	01.04.2022	31.03.2023	K-14

2) Coimbatore Municipal corporation - Elementary Education Funds- Compliance certificate of Bank closure balance- Details-

A) Accounts of the Elementary Education funds of the year 2022-2023 of Coimbatore Municipal corporation closure balance as on 31.03.2023 reconciled with the closure balance of bank accounts, Subject to the adjustment pointed out in annexure-1, certificate issued for its compliance.

B) **Elementary Education Funds-Signatures of the Bank final balance amount as on 31.03.2023, Non issuance of the Proof of bank balance to the audit- Proof to be obtained and shown to the audit.**

In the Coimbatore municipal corporation, Income and expenditure of the Elementary Education funds are being maintained in the five zones and in the municipality's central office. Signatures with the bank seal issued by the banks is being produced to the audit.

Bank balance certificate not obtained from the bank officer of the final balance amount as on 31.03.2023. Hence, for the below mentioned bank accounts, the bank closure balance certificate as on 31.03.2023 must be shown to the audit.

S.No.	Account No.	Marked Account No.	Bank/ Treasury	Amount Rs.
1.	--	3065	Treasury (Old Account)	44963.00
2.	--	3068	SBI(Old)	114028.16
3.	7297593103	3069	INDIAN BANK	5965731.00

			CMBS	
4.	15881450000101	3069	HDFC	122.00
5.	15881450000204	3069	HDFC	1.00
6.	447868707	3069	INDIAN BANK	22786237.91
7.	974101	3069	CITY UNION BANK	0.00
8.	161978	3069	IDBI	Bank accounts closed in financial year
9.	78001000684709	3069	CITY UNION BANK	
10.	27886	3069	CANARA BANK	
11.	50100309171075	3069	HDFC	
12.	50100308936081	3069	HDFC	
13.	50100309172167	3069	HDFC	
14.	50100309171915	3069	HDFC	
15.	50100309174901	3069	HDFC	

C) Drawbacks seen in the compliance of closure balance

1) Balance amount in (old account) of treasury is Rs.44963.00. But the said treasury book has not been shown to the audit. In the said account there was no activities of income and expenses for long period. Further, details of the said treasury account Number was not available in the registers. Hence, upon the inspection by administration the said account to be closed. Till the date of closure of account, balance amount of Rs. 44963.00 to be transferred and obtained along with the interest amount.

2) In the State Bank of India account, the balance is Rs. 114028.16. But, for the said amount bank passbook was not shown to the audit. In the said account there were no activities of income and expenses for long period. Further, details of the said treasury account Number was not available in the registers. Hence, upon the inspection by administration the said account to be

closed. Till the date of closure of account, balance amount of Rs. 114028.16 to be transferred and obtained along with the interest amount.

3) In the Canara bank account No. 27886, the amount of Rs.246560.00 mistakenly written in the debit and mentioned in deduction item of bank to be credited by enquiring the details with the banks. Otherwise, the amount to be collected from the individuals responsible and the said details to be informed to the audit.

4) 3069(M) under deduction head of Bank compliance in account No.447868707, for the contractor Marimuthu amount of Rs. 74750/-was issued via Cheque No. 189523 dated 29.12.2022. On 30.12.2022, Rs.82250/- have been debited from bank. The amount of Rs.7500/- have been issued in excess from education fund. This must be recovered from the respective individual and must be credited into the Corporation funds and details of the same to be sent.

5) Appropriate actions must be taken to close the Dormant HDFC Bank account Numbers 15881450000101 and 15881450000204.

D) Elementary Education funds- Non preparation of Bank receipt voucher (BRV) for the incomes and non-maintenance of credit book

Upon the audit for the year 2022-2023 of Coimbatore municipal corporation central office, on validating the items of Income of Education funds (Subsidy, State finance committee subsidy and other project funds) subsidy incomes, Debit amounts, invested incomes, incomes by fund transfer, incomes out of interest and other incomes, date wise Bank receipt vouchers have not been prepared. On preparation of accounting year, the incomes are shown only in the ledger without Bank receipt voucher number. At this juncture, since there are possibilities to miss out the incomes, only after preparation of the

Bank receipt voucher (BRV), the cheque/ Demand draft must be complied and sent to the bank. Further, since (ECS) debited via electronic means, Bank receipt voucher must be placed along with it.

Therefore, subsidies, fund transfer, Debit amounts, incomes out of interest and other incomes shown directly in the ledger while preparing for the accounting year without entering in the receipt book to be avoided. Receipt book must be maintained in the central office and to be produced for the audit.

3) Income Expenditure plan

Validation of corrected Income expenditure for the year 2022-2023 of Coimbatore Municipality has been approved by Resolution council No.110 / dated 08.03.2024. In our municipality Income Expenditure plan estimation have been prepared in conventional Budgeting method for the long period. To control the expenditure, preparation of Income Expenditure plan estimation in zero based Budgeting is the proper financial management. The income earned is less than the prepared estimated plan of income for the year 2021-2022 and expenses are higher than prepared estimated plan, the said details must be shown to the audit.

Below are the details of Validation of corrected Income expenditure of Elementary Education fund for the year 2022-2023 of Coimbatore Municipality and the Income expenditure of accounting year.

DETAILS	ESTIMATED COST	INCOME EXPENDITURE AS PER FINANCIAL YEAR IN LAKHS
INCOME		
Revenue incomes	3051.00	7289.70
Other revenue	3.00	120.17
Government special fund	0.00	127.20
TOTAL COST	**3054.00**	**7537.08**
EXPENDITURE (REVENUE)		
Expenses on Job setup	10.00	11.11
Administrative expenses	15.00	355.70

Maintenance of school buildings	600.00	423.30
Maintenance of nutritious food hall	50.00	25.20
Contract labourers - wages	200.00	355.70
Depreciation	0.00	334.32
EXPENDITURE (INVESTMENT)		
Maintenance of school buildings	800.00	
Logistics and equipment	100.00	
Special fund for zonal works	500.00	
TOTAL EXPENSES	**2275.00**	**1262.58**
	779.00	627.449

4) Elementary Education fund – Incomes – Education Tax- Arrears amount to be recovered – Loss of expired tax amount to be set proper. Rs. 302781039/-

A) According to the arrears list of claims and recovery of Elementary Education fund, below is the arrears of Education tax of Rs. 302781039/- as on 31.03.2023.

Arrears claim	Rs.196773730.00
Current claim	Rs. 106007309.00
Total	Rs. 302781039.00

B) For the above said arrears, year wise details are enclosed in Annexure No.02. According to Government Order No.43 Nani (m) kuva department dated 12.12.1996 and Section 345 of The Tamil Nadu District Municipalities Act, 1920, arears of Education tax above 12 years are time barred. Further, according to the Section 116 Schedule 3 of Indian Limitation Act, 1908, hereafter the said claims cannot be recovered legally. Arrears of the year 2010-2011 which is getting expired in the current audit year. Since the year wise arrears have not been sent to the audit, the said amount cannot be assured. Hence, appropriate actions must be taken to send the year wise arrear details to the audit. From the Officers and staffs who caused the expiration of amount to be collected, and the same must be shown as income in the Elementary education fund of the municipality and the said details must be informed to the audit. Appropriate actions must be taken to send the year wise arrear details to the audit.

C) Further, since the arrears amount are much higher, special attention to be given and distinct steps must be taken to recover the said arrear amount.

5) Implementation of Plan

None of the plans were achieved in elementary education funds of Coimbatore Municipal corporation for the year 2022-2023.

6) Elementary Education fund- Further action to obtain Share amount from Government for Teacher's Pension fund (Education fund) and pension benefits for employees other than teachers- amount to be obtained Rs. 18,83,73,683/-

File No.127331/92/K.11

According to the Government Order No. 1194 Financial (Pension) Department dated 15.11.1990. Retired teachers and employees other than teachers whose period of service under Government to be obtained pension benefit amount from the municipal corporation fund. Initially, Later, the proportionate share of the Government on the municipality fund to be requested and obtained from the Government on each quarterly basis.

According to the Government Order No.51 Municipality administration and water supply department dated 28.02.1997, pension proportionate share for the period from 01.04.1990 to 31.08.1994 to be recovered from the Government fund.

In our municipality from 01.12.1991 to 31.03.1999 the impediments written in the Para no 7 of the audit report for the year 2001-2002 and Para no 11 of the audit report for the year 2002-2003 that subsidy of Rs.104944161/- to be obtained from the Government's share amount. As per Municipality File No.127331/92/K.11 to obtain the subsidy on 31.03.1999 written letter has been sent to the Additional Secretary of school Educational Department also reminder has been sent on 12.02.2002, but still the recovery is pending. As described below Rs.18,83,73,683/- must be recovered from the Government including the recovery amount of Rs.53429522/- for the year 1999-2000. Steps must be taken Continuously by requesting the government for obtaining the proportionate share amount.

S.No.	**Year**	**Proportionate share amount to be obtained from the Government in Rs.**
1.	91-92 & 92-93	98,33,808.00
2.	93-94	89,30,334.00
3.	94-95	163,02,155.00

4.	95-96	1,40,77,131.00
5.	96-97	2,56,66,003.00
6.	97-98	2,12,20,850.00
7.	98-99	3,89,13,880.00
8.	99-2000	5,34,29,522.00
	Additional	**18,83,73,683.00**

Even though, the above details have been pointed out in the audit for so many years, no files were submitted to the audit of taking proper actions till date. Hence, respective files were not shown to the audit. Appropriate actions to be taken to recover the above said amount to overcome the continuous loss faced in the interest amount of municipality funds.

Details of the audit paras raised regarding this in the previous years

S.No.	Year	Para No
1.	1995-96 Audit report	9
2.	1997-98 Audit report	10
3.	2000-01 Audit report	12
4.	2001-02 Audit report	14
5.	2002-03 Audit report	11
6.	2003-04 Audit report	11
7.	2004-05 Audit report	14
8.	2005-06 Audit report	14
9.	2006-07 Audit report	15
10.	2007-08 Audit report	13
11.	2008-09 Audit report	14
12.	2009-10 Audit report	13
13.	2010-11 Audit report	12

14.	2011-12 Audit report	
15.	2012-13 Audit report	14
16.	2013-14 Audit report	15
17.	2014-15 Audit report	15
18.	2015-16 Audit report	15
19.	2016-17 Audit report	13
20.	2017-18 Audit report	10
21.	2018-19 Audit report	05
22.	2019-20 Audit report	05
23.	2020-21 Audit report	06
24.	2021-22Audit report	06

7) Elementary Education fund- Coimbatore Municipality- Teachers and Other than the teachers serviced and retired/yet to retire in the municipality corporation schools on or after 01.10.2002 must hand over their earned leave on retirement date- For the balance earned leave days as on 01.04.1990, municipality share amount to be paid to Government funds- Necessary steps to be taken.

In the Government order (stage) No. 248 M.A.W.S (Ma.N3) department dated 06.04.2004, orders have been published for the teachers and other than the teachers serviced and retired/yet to retire in the municipality corporation schools on or after 01.10.2002 must hand over their earned leave for which the expenses have to be borne by the Government and for the balance earned leave days of the retired employees as on 01.04.1990, share amount to be paid to Government funds from the municipality funds.

According to the letter sent to the Coimbatore municipality Education officer via Roc.No.8511/2003/K.11 dated 21.03.2012, upon

conducting audit of the service register and list of the 49 teachers and employees other than the teachers, Municipality's share amount Rs.15,58,255/- for earned leave days as on 01.04.1990, the said amount to be paid to Government funds from the municipality.

Even though, the above details have been pointed out in the audit for so many years, the said drawback/shortage is being continued in current audit year without being rectified. Appropriate administrative actions must be taken to make payment of the Municipality's share amount of Rs.15,58,255/- to Government funds.

Details of the impediments raised regarding this in the previous years

S.No.	Year	Para No
1.	2007-2008 Audit report	14
2.	2010-11 Audit report	13
3.	2012-13 Audit report	15
4.	2013-14 Audit report	16
5.	2014-15 Audit report	16
6.	2015-16 Audit report	16
7.	2016-17 Audit report	14
8.	2017-18 Audit report	11
9.	2018-19 Audit report	6
10.	2019-20 Audit report	6
11.	2020-21 Audit report	6
12.	2021-22 Audit report	6

8) Coimbatore Municipality- 2022-2023 - Elementary Education fund- Non-payment of labour welfare fund deducted board-Shortage of Rs.609980/-

As per the Government Order No.295 Department of Labor and employment dated 17.12.2013, 1% of the total value of the construction cost to be deducted and cheque must be sent to the labour welfare board, Chennai. Upon the audit of Coimbatore Municipality- 2022-2023 Elementary Education fund, came to know that, as per the details of the pay slip for work mentioned in appendix, the amount of Rs. 609980/- deducted from the contractor have not been sent to Construction Workers welfare board, Chennai.

In the Account title No.4050, Rs.4863381/- not paid to Worker's welfare board.

As per the circular of the Municipality administrative commissioner Na.Ka.No.28880/2018/DB3 dated 05.08.2020, local government organization must not include the fees paid to other departments with Municipality corporation funds, hereby informed that the amount recovered to be paid the respective departments within 5th day of every month. Also hereby informing that, if there are any flaws found in the work, then the Assistant, accountant and Commissioner are wholly responsible. Hence, appropriate actions must be taken to send the said amount to Worker's welfare board Chennai and the acknowledgment of the same to be informed to the audit.

Deduction of Elementary education fund and worker's welfare fund

S.No	BPV No	DATE	CONTRACTOR NAME	LWF
1.	002	12.04.2022	SAILAHAR ENGINEERS	5500.00
2.	05	25.04.2022	A. MANIMEGALAI	5000.00
3.	06	24.04.2022	M. RAMRAJ	8300.00
4.	27	01.06.2022	M/S. SAKTHIVEL & CO	59600.00
5.	30	17.06.2022	AMMAN BUILDERS	10000.00

6.	48	13.07.2022	M/S. PAT ENTERPRISES	14000.00
7.	49	13.07.2022	S. SUDHAGAR	5000.00
8.	55	19.07.2022	M/S. ARUN CONSTRUCTIONS	5000.00
9.	63	21.07.2022	M/S. SRI VARSHA BUILDER	4300.00
10.	64	26.07.2022	K. GOVINDARAJ	25000.00
11.	65	27.07.2022	A. SELVAPANDI	9900.00
12.	89	20.08.2022	N. GURUVAYURAPPAN	56000.00
13.	108	13.09.2022	P. ELANGO	15000.00
14.	125	29.09.2022	P. ELANGO	54000.00
15.	125	29.09.2022	M/S. PAT ENTERPRISES	52000.00
16.	131	06.10.2022	M/S. PALLIPARAD CONSTRUCTION	9500.00
17.	138	20.10.2022	M/S. SR ENGINEERS & BUILDERS	980.00
18.	139	20.10.2022	M/S. LAKSHMI ASSOCIATES	5000.00
19.	140	20.10.2022	M SQUARE ENTERPRISES	3000.00
20.	141	20.10.2022	AMMAN BUILDER	5000.00
21.	142	20.10.2022	AMMAN BUILDER	6000.00
22.	143	20.10.2022	M/S. MJ INFRA	6000.00
23.	144	20.10.2022	K. GOVINDARAJ	24750.00
24.	145	21.10.2022	ARTS PE INFRA PVT.LTD	30000.00
25.	146	21.10.2022	M/S. THIRMOORTHI CONSTRUCTIONS	8900.00

26.	148	28.10.2022	M/S. POOJA ENGINEERING	1000.00
27.	181	13.12.2022	R.R ENTERPRISES	500.00
28.	182	13.12.2022	R.R ENTERPRISES	500.00
29.	192	29.12.2022	K. MURUGESAN CONSTRUCTION	5900.00
30.	205	13.01.2023	M. RAMRAJ	10000.00
31.	206	13.01.2023	M. RAMRAJ	10000.00
32.	207	13.01.2023	AM. RAJAGOPAL	4800.00
33.	216	06.02.2023	M/S. SAKTHIVEL & CO	9450.00
34.	217	06.02.2023	K. SELVARAJ	2600.00
35.	218	06.02.2023	M. DHANDAPANI	10000.00
36.	237	06.03.2023	M. GURUVAYURAPPAN	31500.00
37.	238	06.03.2023	B. KANAGARAJ	5000.00
38.	252	30.03.2023	P. SELVARAJ	91000.00
			TOTAL	**609980.00**

9) Coimbatore Municipality - 2022-2023 –Payable

As on 31.03.23 the payable in Elementary education fund of Coimbatore municipality for the year 2022-2023 is Rs.4981248 /- as follows. No registers were maintained to monitor the said act of returning. Only based upon the pay slip, these are returned. Registers to be maintained and category wise details to be mentioned and that should merge with the closure balance of accounting year and then the register must be sent to the audit.

S.No	Marked Account No.	Title of the Account	Amount Rs. (Lakhs)
1.	4035	Income Tax	3928.00
2.	4037	Sales Tax	78578.00
3.	4050	Other payable	4863381.00
Total			4981248.00

10) Coimbatore municipality- Central office- Deposit amount of Education cess-2022-2023 not maintained properly in the register- Time lapse deposit amount registers not maintained- must be made proper.

A) According to the accounting year deposit amount of Coimbatore municipal corporation central office education fund2022-2023, below mentioned are the Income and expenditure

Account title No.4016- Deposit amount of Contractor

Details	Amount in Rs. Based on Accounting year	Amount in Rs. Based on Register
Opening balance as on 01.04.2022	10613889	10613889
Income	2461402	2461402
Additional	13075290	13075290
Expenditure	4234169	4234169
Taken time lapse deposit amount into registers	1275861	1275861
Closure balance as on 31.3.2023	7565260	7565260

4016 withheld as per G.o.2%

Details	Amount in Rs. Based on Accounting year
Opening balance as on 01.04.2022	1580174.00
Income	0.00
Additional	1580174.00
Reverted	0.00
Closure balance as on 31.3.2023	1580174.00

Marked account No. 4016, under the title of deposit of contractor, Income-expenditure details are printed. Only Income-expenditure details were verified. Page wise summary was written in register, but year wise brief was not written. Hence, register must be completed and the said details to be sent to audit.

Account title No.4020- Deposit amount of Contractor

Details	Amount in Rs. Based on Accounting year
Opening balance as on 01.04.2022	10562189.00
Income	0.00
Additional	10562189.00
Reverted	0.00
Closure balance as on 31.3.2023	10562189.00

B) In Marked account No.4020 under the head of other deposits Rs.10562189.00 is mentioned in the accounting year. But no registers were maintained for it. Hence, register must be maintained and sent to the audit.

1. Time lapse deposit amount not shown in the register

Deposit amounts for past 3 years from the year 2022-2023 must be noted in the time lapse deposit amount register. Accordingly, as on 31.03.2023, arrears of deposit amount as mentioned in the accounting years till 2019-2020 is Rs. 1275861/- which has been sent and noted down in the time lapse register. But in the appendix, details of the amount for the prescribed accounts of the specified years not registered in the register. The said entries to be made in the time lapse deposit amount register and the same register must be shown to the audit.

B) As per the deposit amount register and balance sheet for the year 2022-2023, as on 31.03.2023 details of the year wise pending deposit amount have not been maintained.

Further deposit amount register must be maintained in the respective manner. These continuing variations must be inspected and appropriate actions to be taken to get rid of it. Further, if any defects found, later then the respective officers are solely responsible.

11) Coimbatore Municipal corporation- Central office- Elementary education fund- Details of Advance amounts -Income-Expenditure-Arrears must be verified

A) Details of Income- Expenditure regarding Elementary education funds advance amount registers for the year 2022-2023 of our Municipality are as follows.

Details	3054 Rs.	3055 Rs.	Total
Opening balance as on 1.4.2020	235000	871000	1367000
(+) Advance amount given in the current year	0	0	0
Total	235000	871000	1367000
(-) Fixation and Income	0	0	0
Closure balance- 31.03.2021	235000	871000	1367000

Details of year-wise arrears of advance amount

S.No.	Year	3054	3055	Total
1.	2014-2015	0	871000	871000
2.	2015-2016	235000	0	235000
	Total	235000	871000	1106000

B) Appropriate administrative actions must be taken to reconcile the above said arrears amount.

C) Advance amount of Rs. 871000/- becomes time lapse as on 31.03.2023. Steps to be taken to recover the said amount from the respective officers.

D) As per the Rule 99 of Tamil Nadu Financial rules Coimbatore Part-1and Government Order No.349 of financial department dated 31.05.1996, it is hereby instructed that solution to be arrived within 3 months from the date of issuance of advance amount. But, as per following details even after the lapse of 5 years, arrears of advance amount have not been resolved.

1) Marked Account No.3054

S.No	Cost slip No/Date	Details	Amount Rs.
1.	275/23.12.2015	Municipality Education officer e-Corp activity	235000
		Total	**235000**

2) Marked Account No.3055

S.No	Cost slip No/Date	Details	Amount Rs.
1.	134/25.07.2014	Municipality Education officer To give mountain climbing training	96000
2.	175/19.09.2014	Municipality Education officer To paint and draw on the walls of school	775000
		Total	871000
		Total sum	**1106000**

The above said advance amount have not been resolved till date. Therefore, appropriate administrative actions must be taken to recover the advance amount from the respective Municipality Education officer and the same amount to be credited into the Municipality funds as income. Otherwise, the said arrears of advance amount must be resolved in appropriate manner and the details must be sent to the audit.

12)Schedule not produced details

Upon verifying the accounting year of Coimbatore municipal corporation Elementary education fund for the audit year 2022-2023, since the following schedules were not prepared/registers were not maintained, the correctness of the audit could not be obtained.

S.No	New account title	Details of the title	Amount as per the trial balance
1.	1088	Income of the previous year	113032939.00
2.	2020	Other expenses	232172.00
3.	4035	Income tax	39289.00
4.	4037	Service tax	78578.00
5.	4047	To be paid- Contractor	--
6.	4050	To be paid- Others	4863381.00
7.	4039	Allocation for doubtful incomes	52124838.00

13) Results of the audit

According to the Rule No.10 of the Local Government fund audit Act and Local Government fund audit rules 2014, the accounting year i.e., 2022-2023 of Coimbatore Municipal corporation have not implemented the current Urban tree Information system consisting of 7digit numbers also not entered in the computer. Instead, the old method of Default account book consisting of 4digit numbers have been followed for registering in the computer. In our municipality, 7digit numbers computerization register has been accomplished on 04.10.2017 and due to the administrative reasons, it has been stopped on

04.11.2017. Later, on 06.11.2017 the old method of Default accounting consisting of 4digit numbers have been continued for registering in the computer.

Hence, the accounts for the financial year 2022-2023 cannot be completely acceptable one- therefore issuing Qualified certificate.

14) Impediments in the outstanding audit

In our municipality at the end of the accounting year there was a total of 132 accounting obstacles/impediments. Below are the pending arrears of **Rs.7536.62** lakhs including the accounting impediments. To recourse the said accounting impediments, appropriate actions are to be taken.

The Deputy Director
Local Government Finance Audit
AMunicipality Corporation audit
Coimbatore

S.No	ACCOUNTING YEAR		PARA No.	TOTAL PARAS	AMOUNT (Rs.)
1	1974-75	F.Y	15	1	0
2	1975-76	F.Y	14	1	22956.00
3	1981-82	F.Y	21	1	0
4	1982-83	F.Y	21	1	0
5	9/82-10/82	F.Y	24	1	0
6	1984-85	F.Y	14,20	2	113742.00
7	1985-86	F.Y	12,13	2	0
8	1986-87	I. F.Y	1,3,13	3	34034.00
9	1987-88	F.Y	11	1	20250.00
10	1987-88	I. F.Y	3	1	0
11	1988-89	F.Y	13	1	84398.00
12	1988-89	I.F.Y	2,3,5	3	77322.00
13	1989-90	F.Y	14	1	13971.00
14	1992-93	F.Y	8,11	2	247504.00
15	1995-96	I.F.Y	2,3	2	21463.00
16	1996-97	F.Y	9,10	2	0
17	1996-97	I.F.Y	1,3,4	3	52279.00
18	1998-99	F.Y	9	1	0
19	1998-99	I.F.Y	6,7,8	3	12138.00
20	2001-02	F.Y	15	1	0
21	2006-07	F.Y	18	1	382468.00
22	2009-10	F.Y	15	1	0
23	2010-11	F.Y	14	1	0
24	2011-12	F.Y	10,11,14,15,16,17, 18,19,20,21	10	1558255.00
25	2012-13	F.Y	19,20	2	0
26	2013-14	F.Y	19(A-B),20	2	0
27	2014-15	F.Y	12,13,22,24,25,29	6	78823.00
28	2015-16	F.Y	19,20,21,22,24,26, 29	7	8272535.86
29	2016-17	F.Y	14,15,17,18,19,20, 21,22,24,25,26,28,29,30	14	17,33,52,029.25

30	2017-18	F.Y	10,12,13,14	4	807784.00
31	2018-19	F.Y	2(A,B,C,D),3,4,5,7,8, 9,10,11, 12	10	150580.00
32	2019-20	F.Y	2(A,B,C,D),3,4,5,7,8, 9,10	9	188412438.00
33	2020-21	F.Y	2(A,B,C,D)3,4,6,7,8, 9,10,11,12	10	189067733.00
34	2021-22	F.Y	2(A,B,C,D),3,4,6,7,8, 9,10,11,12,13,14	12	190262356.00
35.	2022-23	F.Y	2 (A,B,C,D),3,4,6,7,8, 9,10,11,12	10	617480.00
			TOTAL	**122**	**753662539.11**

2022-2023

DETAILS OF THE PARAS IN THE AUDIT IMPEDIMENTS

ELEMENTARY EDUCATION FUNDS

S.NO	PARA NO	AMOUNT (Rs.)
1.	2(AD)	7500
2.	3	
3.	4	
4.	6	
5.	7	
6.	8	609980.00
7.	9	
8.	10	
9.	11	
10.	12	
TOTAL		**617480.00**

The Inspector
Local Government Finance Audit
Municipality Corporation audit
Coimbatore

Local Fund Audit Department

Coimbatore Municipal Corporation Audit

Revenue and Capital Fund

Audit Report for the year 2023-24

Part-1

Audit Certificate on the Annual Accounts of Coimbatore Corporation for the Year 2023-24

The annual accounts of Coimbatore Corporation for the year 2023-24, along with the documents and registers furnished by the administration for verification, have been audited. The deficiencies observed in the annual accounts have been pointed out in the audit notes and audit report paragraphs relating to the Corporation's central office and its five zones.

Therefore, based on the losses, discrepancies in schedules, deficiencies such as improper preparation and non-furnishing of proper details identified in the audit of 2023-24, a Disclaimer Certificate is issued.

Disclaimer Certificate

As per the audit observations, due to non-production of bank reconciliations, non-preparation of schedules, absence or incompleteness of details, and non-reconciliation of subsidiary registers, demand, collection, and arrear statements with the annual accounts, it is not possible to provide a clear opinion. Hence, in accordance with Section 10 (7) (C) of the Tamil Nadu Local Fund Audit Rules, 2016 under the Tamil Nadu Local Fund Audit Act, 2014, a Disclaimer Certificate is issued for the annual accounts of 2023-24.

-Sd-
Deputy Director
Local Fund Audit Department
Coimbatore Corporation

Place: Coimbatore // True copy by order //

Date: 22.04.2025

10/12/2025

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Local Fund Audit Department

From
Thiru. R. Pandiyan
Deputy Director
Local Fund Audit,
Coimbatore Corporation,
Coimbatore – 641 001

To
Chairman
Standing Committee
Coimbatore Corporation
Coimbatore.

Roc.No.142/01/2025 Date: 22.04.2025

Subject: Audit – Transmission of Revenue and Capital Fund Audit Report (Part I) on the Annual Accounts of Coimbatore Corporation for the year 2023-24.

As per Rule No.18 (2), Part III, Schedule III of the Coimbatore City Municipal Corporation Act, 1981 Financial Administration Rules, the audit of the annual accounts relating to revenue and capital funds of Coimbatore Corporation for the year 2023-24 has been completed. The Part I Audit Report is hereby forwarded along with the audited annual accounts.

The replies to this audit report should be furnished to the Audit Office in three copies with the approval of the Corporation Council within six months from the date of receipt of this report. Further, acknowledgment of receipt of Part I Audit Report is also requested.

-Sd-
Deputy Director
Local Fund Audit
Coimbatore Corporation

Enclosure: Part I Audit Report

Copy to:

1. Commissioner, Coimbatore Corporation
2. Director, Directorate of Municipal Administration, Chennai
3. Special Director, Local Fund Audit, Chennai – 35
4. Regional Joint Director, U.T.A., Coimbatore – 1

//True copy by order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Coimbatore Municipal Corporation – Revenue and Capital Fund – Audit Report on the Annual Accounts for the Year 2023–2024 –

Part I.

1(a).	**Name and Designation of the Auditor**	:	**Mr. R. Pandian, B.Com, Deputy Director**
1(b)	**Period Covered by the Audit**	:	From 21.05.2024 to28.03.2025
1(c)	**Name, Designation of the Audit Supervisor and Date of Field Inspection**	:	Mr. D. S. Kathirvel, B.Com., B.L., Regional Joint Director, Local Fund Audit Department, Coimbatore – 09.04.2025

1(e)Details of Commissioners, Deputy Commissioners, and other officials who held office during the audit period.

Coimbatore Municipal Corporation – Central Office

	Name	Designation	Period of service		Current Posting Place
			From	To	
1.	Mr. M. Prathap, I.A.S.,	Commissioner	01.04.2023	18.10.2023	District Collector, Thiruvallur District
2.	Mr. M. Sivaguru Prabhakaran, I.A.S.		19.10.2023	31.03.2024	-
3.	Mrs. M. Sharmila,	Deputy Commissioner	01.04.2023	31.05.2023	District Revenue Officer, Coimbatore
4.	Mrs. S. Selvasurabi		01.08.2023	31.03.2024	District Revenue Officer, Sivagangai
5.	Mr. K. Sivakumar		06.04.2023	31.03.2024	Deputy Commissioner, Madurai Corporation
6.	Mr. G. Ilangovan,	Chief Engineer (I /c)	01.04.2023	07.05.2023	-
7.	Mrs. P.R. Sugandhi,	Chief Engineer	08.05.2023	31.10.2023	Retired from service
8.	Mr. G. Murugesan,	Chief Engineer (I /c)	01.11.2023	15.03.2024	-
9.	Mr. D. Anbazhagan	Chief Engineer	16.03.2024	31.03.2024	Chief Engineer, Greater Chennai Corporation
10.	Mr. G. Murugesan	Deputy City Engineer	01.04.2023	31.03.2024	-
11.	Mr. G. Ilangovan		01.04.2023	31.03.2024	-
12.	Mr. Karuppusamy,	Executive Engineer	17.04.2023	31.03.2024	-
13.	Mr. C. Sundararaj		17.04.2023	26.10.2023	Executive Engineer, Karur Corporation
14.	Mrs. S. Kalavathi		17.04.2023	11.08.2023	Retired from service
15.	Mrs. Karuppathaal	Executive	01.03.2023	31.05.2023	Retired from service

16.	Mr. S. Kumar	Engineer (Planning)	05.06.2023	31.03.2024	-
17.	Dr. R. Damodaran	Urban Welfare Officer	01.04.2023	29.11.2023	Retired from service
18.	Dr. Vasanth Divakar	Urban Welfare Officer (i/c)	01.12.2023	15.03.2024	
19.	Dr. K. Boopathi		16.03.2024	31.03.2024	
20.	Dr. Vasanth Divakar	Asst. Urban Welfare Officer (i/c)	01.04.2023	15.03.2024	
21.	Dr. K. Boopathi,	Asst. Urban Welfare Officer	16.03.2024	31.03.2024	
22.	Mr. R. Tamizhvendan,	Accounts Officer (Water Supply)	01.04.2023	05.12.2023	Assistant Commissioner, Salem Corporation
23.	Mr. A. Amalraj	Council Secretary	01.04.2023	22.08.2023	Council Secretary, Erode Corporation
24.	Mrs. K. Manickam	Council Secretary	23.08.2023	31.03.2024	Retired from service
25.	Mr. M. Sundararajan	Asst. Commissioner (Accounts)	01.04.2023	05.12.2023	Deputy Commissioner, Erode Corporation
26.	Mrs. K. Manickam		06.12.2023	27.02.2024	Retired from service
27.	Mrs. Y. Usharani		28.02.2024	31.03.2024	
28.	Mr. Senthilkumar Rathinam,	Asst. Commissioner (Revenue)	01.04.2023	27.09.2023	Assistant Commissioner, Tambaram Corporation
29.	Mr. R. Tamizhvendan		28.09.2023	05.12.2023	Assistant Commissioner, Salem Corporation
30.	Mr. Noor Ahmed		18.12.2023	31.01.2024	Retired from service
31.	Mr. S. Madhusudhanan		02.2024	27.02.2024	-
32.	Mr. K. Manickam		28.02.2024	31.03.2024	Retired from service
33.	Mr. V. Saravanan,	Asst. Commissioner (Administration)	01.04.2023	27.09.2023	Assistant Commissioner, Tirunelveli Corporation
34.	Mr. K. Manickam		28.09.2023	06.11.2023	Retired from service
35.	Mrs. Y. Usharani		07.11.2023	28.02.2024	-
36.	Mrs. R. Mohanasundari		01.03.2024	31.03.2024	-
Eastern Zone					
37	Mr. T. Muthuramalingam	Assistant Commissioner (East)	01.04.2023	09.05.2023	
38	Mr. C. Senthilkumaran		09.05.2023	06.11.2023	-
39	Mrs. A. Kavitha		07.11.2023	31.03.2024	-
40	Mrs. T. Lakshmi Prabha	Administrative Officer	01.04.2023	12.02.2024	Retired from service
41	Mr. J. Kirubakaran		01.03.2024	31.03.2024	-
42	Mrs. R. Ananthi	Superintendent	01.04.2023	28.02.2024	-
43	Mrs. M. Gomathi		09.10.2023	31.03.2024	Retired from service

44	Mr. N. Shanmugasundaram		04.03.2024	31.03.2024	
45	Mr. J. Kirubakaran	Assistant Revenue Officer	01.04.2023	28.02.2024	
46	Mrs. R. Ananthi		01.03.2024	31.03.2024	
47	Mr. C. Sundararaj	Assistant Executive Engineer	01.04.2023	11.05.2023	Executive Engineer, Karur Corporation
48	Mr. S. Ramasamy		20.06.2023	06.09.2023	-
49	Mrs. T. Hemalatha		06.09.2023	31.03.2024	-
50	Mr. S. Kumar	Assistant Executive Engineer (Project)	01.04.2023	22.06.2023	-
51	Mr. E. Babu		23.06.2023	13.10.2023	Assistant Executive Engineer, Tiruppur Corporation
52	Mr. Tamizselvan		25.10.2023	18.12.2023	Executive Engineer (Project), Tirunelveli Corporation
53	Mrs. T. Hemalatha		19.12.2023	31.03.2024	-
54	Mr. Paramasivam	Sanitary Officer	01.04.2023	31.03.2024	Sanitary Officer, Tiruppur Corporation

Western Zone					
55	Mr. M. Sekar	Assistant Commissioner (West)	01.04.2023	31.07.2023	Retired from service
56	Mr. V. Saravanan		07.08.2023	03.09.2023	Assistant Commissioner, Tiruchirappalli Corporation
57	Mrs. V. Sandhiya		04.09.2023	31.03.2024	
58	Mrs. Ya. Usharani	Administrative Officer	01.04.2023	06.11.2023	-
59	Ms. Mu. Vanitha	Administrative Officer (General)	12.12.2023	03.03.2024	-
60	Mr. S. V. Lakshmanan	Administrative Officer	04.03.2024	31.03.2024	-
61	Ms. Mu. Vanitha	Superintendent	01.04.2023	03.03.2024	-
62	Mr. P. Senthilkumar		22.09.2023	31.03.2024	-
63	Ms. P. Manoranjitham		04.03.2024	31.03.2024	-
64	Mr. Su. Madhusudhanan	Assistant Revenue Officer	01.40.2023	03.03.2024	-
65	Mr. K. Venkatasalam		04.03.2024	31.03.2024	-
66	Mrs. T. Hemalatha	Assistant Executive Engineer	01.04.2023	05.10.2023	-
67	Mrs. S. Yogachitra		06.10.2023	21.11.2023	-
68	Mrs. S. R. Savitha		22.11.2023	31.03.2024	-
69	Mrs. Su. Kalavathi	Assistant Executive Engineer (Project)	01.04.2023	10.05.2023	Retired from service
70	Mr. E. Babu		11.05.2023	21.06.2023	

					Assistant Executive Engineer, Tiruppur Corporation
71	Mr. R. Elil		22.06.2023	15.10.2023	-
72	Mrs. P. Vimala		16.10.2023	06.11.2023	-
73	Mrs. K. Kanthimathi		07.11.2023	31.03.2024	Assistant Executive Engineer (Project), Thoothukudi Corporation
74	Mr. Ramachandran	Sanitary Officer	01.04.2023	31.03.2024	Sanitary Officer, Madurai Corporation

Northern Zone					
75	Mrs. R. Mohanasundari	Assistant Commissioner (North)	01.04.2023	22.08.2023	-
76	Mr. Noor Ahmad	Assistant Commissioner (North) (i/c)	01.09.2023	24.10.2023	Retired from service
77	Mrs. N. Sridevi	Assistant Commissioner (North)	25.10.2023	31.03.2024	Deputy Director, Tamil Nadu Institute of Urban Studies
78	Mr. S. V. Lakshmanan	Administrative Officer (i/c)	01.04.2023	07.11.2023	-
79	Mr. M. M. Kanagaraj	Administrative Officer	08.11.2023	05.12.2023	-
80	Mr. K. Mani	Administrative Officer (i/c)	12.12.2023	28.02.2024	-
81	Ms. M. Vanitha	Administrative Officer	01.03.2024	31.03.2024	-
82	Mr. M. Murali	Superintendent (I/C)	17.04.2023	11.05.2023	-
83	Mrs. M. Gomathi	Superintendent	12.05.2023	20.09.2023	Retired from service
84	Mr. M. Murali	Superintendent	21.09.2023	03.03.2024	-
85	Mrs. K. Andal Easwari	Superintendent	21.09.2023	10.12.2023	Passed away while in service on 10.12.2023
86	Mr. K. Peroskhan	Superintendent	04.03.2024	31.03.2024	-
87	Mrs. R. Dhanalakshmi	Superintendent	01.03.2024	31.03.2024	-

88	Mr. K. Mani	Assistant Revenue Officer	01.04.2023	31.03.2024	-
89	Mr. Senthil Bhaskar	Assistant Executive Engineer	01.04.2023	12.10.2023	
90	Mr. R. Elil	Assistant Executive Engineer	14.10.2023	31.03.2024	-
91	Mrs. P. Vimala	Assistant Executive Engineer (Planning) (i/c)	01.04.2023	10.10.2023	-
92	Mr. R. Elil		11.10.2023	31.03.2024	-
93	Mr. Radhakrishnan	Zonal Sanitary Officer	01.04.2023	31.03.2024	Zonal Health Officer, Tiruppur Corporation

Southren Zone					
94	Mr. N. Annadurai	Assistant Commissioner (South)	01.04.2023	06.09.2023	Assistant Commissioner, Erode Corporation
95	Mr. J. Prem Anand	Assistant Commissioner (South)	11.09.2023	05.03.2024	Assistant Commissioner, Erode Corporation
96	Mr. G. Elangovan	Assistant Commissioner (South) (i/c)	08.03.2024	31.03.2024	-
97	Mrs. K. Manickam	Administrative Officer	01.04.2023	28.02.2024	Retired from service
98	Mr. E. Julfihar Ahmad	Administrative Officer	01.03.2024	31.03.2024	Administrative Officer, Salem Corporation
99	Mr. P. Senthilkumar	Superintendent	11.05.2023	20.09.2023	-
100	Mrs. V. R. Saraswathi	Superintendent	21.09.2023	31.03.2024	-
101	Mr. K. Venkatasalam	Superintendent	21.09.2023	04.03.2024	-
102	Mrs. T. Meenambika	Superintendent	06.03.2024	31.03.2024	-
103	Mr. E. Julfihar Ahmad	Assistant Revenue Officer	01.04.2023	28.02.2024	Administrative Officer, Salem Corporation

104	Mr. M. Murali	Assistant Revenue Officer	04.03.2024	31.03.2024	-
105	Mr. K. Karuppusamy	Assistant Executive Engineer	01.04.2023	10.05.2023	-
106	Vacant Position	Assistant Executive Engineer	11.05.2023	19.06.2023	-
107	Mr. S. Kanagaraj	Assistant Executive Engineer (i/c)	20.06.2023	31.03.2024	-
108	Mrs. K. Jayalakshmi	Assistant Executive Engineer (Planning)	01.04.2023	31.03.2024	Assistant Executive Engineer (Planning), Udumalpet Municipality
109	Mr. M. V. Andiyappan	Sanitary Officer (i/c)	01.04.2023	31.03.2024	-

Central Zone					
110	Mr. M. M. Kanagaraj	Assistant Commissioner, Central (i/c)	01.04.2023	06.11.2023	-
111	Mr. C. Senthilkumaran	Assistant Commissioner, Central	07.11.2023	31.03.2024	-
112	Mr. S. Ganeshkumar	Administrative Officer	01.04.2023	05.12.2023	Assistant Commissioner, Tiruppur Corporation
113	Mrs. R. Kaalammal	Administrative Officer (i/c)	01.01.2024	03.03.2024	-
114	Mr. M. Karthikeyan	Administrative Officer	04.03.2024	31.03.2024	Administrative Officer, Erode Corporation
115	Mrs. R. Kaalammal	Superintendent	01.04.2023	31.03.2024	-
116	Mr. S. K.Sureshkumar	Superintendent	26.08.2023	31.03.2024	Supervisor, Vellore Corporation

117	Mr. M. Karthikeyan	Assistant Revenue Officer	01.04.2023	28.02.2024	Administrative Officer, Erode Corporation
118	Mrs. C. Kalaimani	Assistant Revenue Officer	04.03.2024	31.03.2024	-
119	Mrs. Bhuvaneswari	Assistant Executive Engineer	01.04.2023	14.08.2023	-
120	Mr. P. Prabhakaran	Assistant Executive Engineer	18.08.2023	31.03.2024	Retired from service
121	Mr. E. Babu	Assistant Executive Engineer (Planning)	01.04.2023	10.05.2023	Assistant Executive Engineer, Tiruppur Corporation
122	Mrs. Sathya	Assistant Executive Engineer (Planning)	11.05.2023	14.12.2023	-
123	Mr./Mrs. K. Jayalakshmi	Assistant Executive Engineer (Planning)	15.12.2023	16.03.2024	Assistant Executive Engineer (Planning), Udumalpet Municipality
124	Mr. Govinda Prabhakar	Assistant Executive Engineer (Planning)	17.03.2024	31.03.2024	-
125	Mr. R. Gunasekaran	Sanitary Officer (i/c)	01.04.2023	31.03.2024	-

2)Divisions and Zones functioning under Coimbatore Municipal Corporation – Details

The Coimbatore Municipal Corporation comprises a total of 100 wards. For every 20 wards, there is one zone, thus making up 5 zones along with the central office. In total, 9 Sections are functioning under the corporation.

Sections –Details

S. No	Departments
1	General Department
2	Accounts Department
3	Engineering Department
4	Engineering Department (Drinking Water Supply)
5	Revenue Department
6	Education Department
7	Public Health
8	Town Planning Department
9	JNNURM / SMART CITY Department

Zones:

Zone No.	Zone
1	Eastern Zone- Singanallur
2	Western Zone-R.S. Puram
3	Northern Zone- Gandhipuram
4	Southern Zone- Kuniyamuthur
5	Central Zone - Race Course

3)Scope of the Audit :

The audit of Coimbatore Municipal Corporation for the year 2023–24 was conducted based on the provisions of Section 171 of the Coimbatore City Municipal Corporation Act, 1981, and Section 4 of the Tamil Nadu Local Fund Audit Act, 2014 and Rules, 2016, which stipulate that audits of local bodies shall be carried out by the Director of Local Fund Audit or by the officials authorized by the Director.

Part – I

Review of annual accounts, financial status reports, Balance sheet accounts and their detailed schedules, income and expenditure statement, details of receipts and payments, and cash flow statements.

4.Coimbatore City Municipal Corporation – Part I Report – Revenue and Capital Fund 2023–24

1.1) Details of Annual Accounts Received:

In Coimbatore City Municipal Corporation, for the year 2023–2024, the consolidated annual accounts for the five zones and the central office were prepared in the four-digit accounting system by the administration and submitted for audit. The received annual accounts were verified along with the annual audit. From the year 2024–25 onwards, necessary administrative action should be taken to prepare and submit the accounts in the seven-digit CWBS system.

As per Section 7(1) of the Tamil Nadu Local Fund Audit Act, 2016, the accounts of the concluded financial year must be submitted for audit by 30.06.2024. However, the 2023–2024 annual accounts, which were to be sent before 30.06.2024 after rectifying the defects pointed out in the audit, were submitted belatedly only on 22.08.2024. Hereafter, the municipal corporation's annual accounts should be prepared and submitted in the seven-digit accounting system by the end of June each year.

1.2) Annual Accounts – Issuance of Audit Certificate – Regarding

The accounts of Coimbatore City Municipal Corporation for the year 2023–2024 were verified and attached along with Part I report. As per Section 7 of the Tamil Nadu Local Fund Audit Act, 2014, the annual accounts were verified, and the following details are reported.

1.3) Coimbatore City Municipal Corporation – Non-submission of Administrative Report for the Year 2023–2024 – Deficiency

The administrative report for the year 2023–2024, prepared and approved by the council of Coimbatore City Municipal Corporation, should be submitted to the government, and such submission details must be provided for audit.

1.4) Coimbatore City Municipal Corporation – General Review of Audit on 2023–2024 Accounts

The general observations on the 2023–2024 annual accounts submitted by the Coimbatore City Municipal Corporation are as follows.

1.5) Revenue Fund – Income and Expenditure

Out of the total revenue of Rs.87,390.67 lakhs in 2023–2024, out of this the "assigned revenue" (Rs.6,135.18 lakhs), "state devolution fund" (Rs.28,839.23 lakhs), and "central/state government scheme grants" (Rs.637.22 lakhs) were received. The corporation's own revenue amounted to Rs.51,779.04 lakhs.

The total expenditure was Rs.1,00,142.38 lakhs, of which depreciation accounted for Rs.28,167.14 lakhs. Thus, the net expenditure was Rs.71,975.24 lakhs.

2.1) Budget Estimates of Income and Expenditure

As per the revised estimate for 2023–2024, the tax revenue target was Rs.1,63,337.00 lakhs, against which Rs.87,390.67 lakhs was realized.

As per the budget estimate (excluding depreciation), an expenditure of Rs.1,78,304.00 lakhs was allocated. The actual expenditure (excluding depreciation) during 2023–2024 was Rs.71,975.24 lakhs.

2.2) Property Tax Demand-Collection-Balance (DCB) Details

Based on Government Order No. 53, Municipal Administration and Water Supply Department dated 30.03.2022, and Coimbatore City Municipal Corporation Council Resolution No. 94 dated 26.05.2022, the general purpose property tax revision was approved and implemented w.e.f 01.04.2022.

Accordingly, the DCB details of property tax for the year 2023–24 are as follows. The table specifies only the Demand–Collection–Balance details related to "**General Purpose property tax**."

Description	Demand (Rs. in lakhs)	Collection (Rs.in lakhs)	Balance (Rs.in lakhs)	Collection %
Arrears	17780.00	4275.99	13504.01	24
Current	25345.90	17954.74	7391.16	70.83

2.3 Current Year - Property Tax Collection Details

The current property tax collection for the year 2023–2024 stands at 70.83%.

Compared to the current demand of Rs.22,039.14 lakhs in 2022–2023, the current demand for 2023–2024 has increased by Rs.3,306.76 lakhs. While the collection rate was 75.34% in 2022–2023, it has decreased to 70.83% in 2023–2024. Compared to the previous year, the property tax collection in the audit year has reduced by 4.51%.

2.4 Items Not Brought Under Assessment

Proper documentation relating to the "Revenue demand" for the following categories has not been maintained:

1. Annual fee for cable television wires carried on electric poles.

2. Annual rent for "fiber optic cable" trenching — relevant files related to outstanding balances and details of collected amounts must be properly maintained.

3. The amount collected under "license fees" is shown as demand, but institutions that have not paid the fees have not been brought under demand. Demand may be raised for this institutions also.

2.5 Expenditures – Staff Details

According to the 2023–2024 Administrative Report of Coimbatore City Municipal Corporation, the total staff positions are as follows. Subsequently, based on Government Order No. 152 MA&WS dated 20.10.2022, approval for staff positions has been granted as detailed below.

Department / Post Type	(Super Numeric Post)	Sanctioned Posts	Number in Service	Vacant Posts
General Department / Revenue Department	**173**	**137**	**298**	**12**
Engineering Department	**156**	**114**	**216**	**54**
Town Planning Department	**0**	**21**	**7**	**14**
Public Health Department	**2263**	**29**	**2287**	**5**
Total	**2592**	**301**	**2808**	**85**

2.6) Depreciation Expenditure

The depreciation expenditure for the year 2023–2024 amounts to RS.28,167.15 lakhs. This is Rs.6,710.94 lakhs higher than the previous year's depreciation expenditure (Rs.28,167.15 – Rs.21,456.21). (Schedule is attached.)

2.7) Revenue Fund – Liabilities Details

For the year 2023–2024, the accumulated surplus stands at Rs.74,358.83 lakhs. Compared to the previous year’s surplus, the current year’s accumulated surplus has decreased by Rs.7,050.41 lakhs.

Registers containing details of unaccounted assets have not been maintained.

Collectable Revenue Items Details:

S. No	Description	Amount (in Lakhs)
1	Property Tax & Vacant Land Tax (3002, 3003)	20895.17
2	Profession Tax (3005, 3006)	2656.44

3	Rent/Lease Items (3011, 3012, 3017, 3018, 3024)	5104.94
4	SUC (3162, 3163)	681.03
	Total	**29337.58**

2.8) Liabilities Payable:

The following items are the liabilities that need to be repaid by Coimbatore City Municipal Corporation as per annual accounts.

S. No	Description	Amount (in Lakhs)
1	Ways and Means Advance (4003)	3212.87
2	TUFIDCO (4006)	7555.40
3	TNUDP (4007)	2160.85
4	Contractor Deposit (4016)	10644.17
5	Suppliers Deposit (4017)	109.75
6	Lessee Deposit (4018)	3790.66
7	Employees Deposit (4019)	6.47
8	Other Deposits (4020)	8430.97
9	Income Tax Payable by Employees (4029)	3.26
10	Income Tax Payable by Contractors (4035)	65.59
11	GST Payable by Contractors (4037)	32.42
12	Other Payables (4050)	16962.91
13	Library Cess (4043)	6025.29
14	Amount Payable to Local Planning Authority (4053)	-2851.20
	Total	**56175.15**

Items in the Revenue & Capital Account Classified as Assets

S. No	Description	Amount (in Lakhs)
1	Advances and Receivables (3028–3046)	366.91
2	Permanent Investments (3070)	12561.30
	Total	**12928.21**

Based on the above observations, it is essential to take measures to strengthen the financial position of Coimbatore City Municipal Corporation.

2.9) Inoperative Accounts

Objections have been raised regarding in-operative accounts and non-submission of bank reconciliation statements in Coimbatore City Municipal Corporation.

2.10) Government Grant – Scheme Expenditure – Un-spent balance

The details of government grants received for scheme expenditures that remain un-spent and kept in balance, as per Account Code No. 4014, amount to Rs.87,745.52 lakhs.

Since the details of the expenditure incurred in subsequent years and the grant utilization schedule (showing un-spent grants) have not been prepared and submitted along with the annual accounts, an audit objection has been raised. (Paragraph No.)

2.2.2.) "The balances in the advance registers maintained by the Coimbatore City Municipal Corporation is reconciled with the balances in the annual accounts. Objections have been raised regarding unreconciled details and the failure to maintain advance registers properly.
(Para No …..)

2.3) "As on 31.03.2024, based on appropriate supporting documents, the progressive expenditure (Revenue / capital fund) related to the following account head balances should be determined. The amount of expenditure should be adjusted, and the remaining amount should be identified and classified as either an asset or a liability."

S. No	Account Code	Description	Balance as of 31.03.2024 (in Lakhs)
1	3055	Recoverable Amount	43217.11

2.11) Earmarked Revenue Funds:

In Coimbatore City Municipal Corporation, the following funds must be brought under earmarked funds:

1. Revenue Fund and Capital Fund

2. Water Supply and Drainage Fund

3. Education Tax and Water Tax

No fund transfers from these earmarked funds to other funds have been carried out.

2.12) Annual Accounts – Long Pending Advance Accounts (2023–2024)

During the audit of the 2023–2024 accounts, it was observed that advances issued under the following account heads have been pending for long time.

S. No	Account No (Revenue Fund)	Description	Amount (in Lakhs)
1	3051	Advances Provided to Suppliers	609.57
2	3028, 3034	Other Items	37.05
		Total	**646.62**

These items should be reviewed, and in cases where amounts are to be collected, necessary steps should be taken to collect them in full and clear the outstanding balances. Where advances are to be settled, proper entries should be made to settle the amounts accordingly.

2.13) Annual Accounts – 2023–2024 Revenue Fund and Capital Fund Balance Sheet – Details of Works in Progress

In the 2023–2024 annual accounts, under the capital fund balance sheet, details have been provided under the heading “Capital Work Projects in Progress.”

S.NO	A/C.CODE	A/C TITLE	AMOUNT in lakhs
1.	3121	Project in progress A/c.	21211.88
2.	3122	Project in progress Govt. A/c.	4080.21
TOTAL			**25292.09**

As per the accounts, items under Account Code Nos. 3021 and 3022 are listed as works in progress. Since a schedule detailing these projects has not been prepared and submitted for audit, it was not possible to ascertain during the audit whether these works have been completed or remain incomplete.

Therefore, details of completed works should be capitalized and presented for audit, and measures should be taken to identify and expedite the completion of works that are still pending.

2.14) Development Charges and Share Contribution Payable to Coimbatore District Local Planning Authority (LPA)

In the financial year 2023–2024, Coimbatore City Municipal Corporation has been shown to have overpaid Rs.2,851.20 lakhs (under Account Code No. 4053) as development charges and LPA share contribution to the Coimbatore Local Planning Authority.

However, during audit scrutiny of the ledger, it was observed that "I&A charges" and "Flag Day" expenses have also been included under expenditure, and that a 1% share allocation to the corporation's revenue for the year 2023–24 has not been set aside. As a result, the LPA Payable amount is reflected as debit balance. (Account Code No. 4053). This discrepancy should be rectified in the annual accounts and submitted for audit.

2.15) Library Cess:

As per the 2023–2024 annual accounts, Rs.6,025.29 lakhs is shown under Account Code No. 4043 as library cess in the revenue fund. Necessary action should be taken to remit this amount to the District Library Authority.

2023-24 Summary

Description	Amount
Opening Balance	406,187,899.19
Library Tax Collection Revenue for 2023-24	367,278,361.00
Total	773,466,260.19
Amount Paid in 2023-24	170,936,783.00
Outstanding Balance to be Paid as on 31.03.2024	602,529,477.19

In the register maintained for the collection and remittance of library cess for the year 2023–24, and in the reports sent to the Commissioner of Municipal Administration, it was noted that as of 31.03.2024, an amount of Rs.108,63,13,304/- is shown as outstanding to be remitted. The discrepancy between the register and the annual accounts has not been reconciled.

2.16) Trust Funds in Coimbatore City Municipal CorporationTrust funds have not been maintained.

2.17) Annual Accounts 2023–2024 – Non-submission of Required Schedules and Reports

A paragraph has been raised regarding the deficiency that schedules and reports related to Demand, collections, and outstanding balances required for the audit of the 2023–2024 annual accounts were not submitted within the prescribed time. (Paragraph No. ____)

2.18) Permanent Advance Account – Balance as on 31.03.2024

As per the 2023–2024 accounts, under Account Code No. 3058, Rs.14.66 lakhs is shown as unsettled in the Permanent Advance Account (General Imprest Control).

It must be ensured that in each FY the amounts under permanent advance accounts are spent and adjusted settled properly within each financial year. The necessity of the permanent advance amounts held by officers should be verified and any unused funds should be withdrawn.

2.19) Audit of Contributory Pension Fund – 2023–2024

The receipts and payments details of the Contributory Pension Scheme Fund of this Corporation for the year 2023–2024 are as follows:

Employee share amount

S. No	Summary	Amount (in Rs.)
1	Opening Balance	10,462,356
2	Revenue	89,653,124
3	**Total**	100,115,480
4	Expenditure	92,140,747
5	Closing Balance	7,974,733

Administration share Amount

S. No	Summary	Amount (in Rs)
1	Opening Balance	13,579,247
2	Revenue	85,437,691
3	**Total**	99,016,938
4	Expenditure	83,985,691
5	Closing Balance	15,031,247

2.20) Contributory Pension Fund Accounts – Not Fully Maintained in Computerized Form

As of 31.03.2024 employees are covered under the Contributory Pension Scheme in the Corporation, have their accounts maintained both manually and through computerized registers. Necessary arrangements must be made to maintain all such records entirely in digital form.

2.21) Details of Contributory Pension Fund Remittances under Government Head

In Coimbatore City Municipal Corporation, the remittances challans for the contributory pension amount deducted and the administrative share for the year 2023–2024 were submitted for audit and verified. The subscription and administrative share for February 2024 were remitted in the following month.

2.22) General Provident Fund (GPF) Accounts – Not Maintained in Computerized Form

As of today, the General Provident Fund accounts of employees under the GPF scheme in Coimbatore City Municipal Corporation are being maintained manually in ledgers. These accounts should be maintained in a computerized format.

For the years 2005–06 to 2011–12, the interest statements were obtained, discrepancies were pointed out, and the records were returned. These discrepancies must be rectified and resubmitted after recalculating the interest amounts. Additionally, the GPF interest proposal statements for the years 2012–13 to 2023–24 must be prepared.

2.23) Special Provident Fund – A Review

The receipts and expenditure details of the Special Provident Fund of this Corporation for the year 2023–2024 are as follows:

S. No	Summary	Amount (in Lakhs Rs.)
1	Opening Balance	194.32
2	Receipts	749.35
3	**Total**	943.67
4	Payments	928.56
5	Closing Balance	15.11

2.24) Amma Unavagam (Amma Canteen) Operations

As per Government Order No. 21, Municipal Administration and Water Supply Department (MC 1), dated 17.01.2013, Amma Canteens were opened in each of the five zones of Coimbatore City Municipal Corporation to provide hygienic food at subsidized rates for daily wage labourers and economically weaker sections. A total of 12 Amma Canteens are functioning in Coimbatore City Municipal Corporation.

The following food items are provided at subsidized rates in Amma Canteens:

Idly – Rs.1.00/ 1 per piece

Sambar Rice – Rs.5.00

Curd Rice – Rs.3.00

Income and Expenditure Details of Amma Unavagam (Community Kitchens) for 2023–24

S. No	Zone	Number of Operating Amma Unavagams	Administration & Maintenance Expenditure (Rs.)	Amma Unavagam Collection (Rs.)	Expenditure Exceeding Revenue (Rs) (Col 4 - Col 5)
1	East	2	5,484,247	5,677,894	0
2	West	2	5,339,111	3,976,036	1,363,075
3	North	2	4,624,475	4,719,528	0
4	South	3	6,516,692	6,682,196	0
5	Central	3	9,262,460	7,771,764	1,490,696
Total		**12**	**31,226,985**	**28,827,418**	**2,853,771**

2.25) Investments

The details of amounts invested by Coimbatore City Municipal Corporation in various institutions and banks for the financial year 2023–2024 are as follows:

SNo	Fund (Account Code)	Amounts in Lakhs				
		Opening Balance (Lakhs)	Investments (Lakhs)	Interest Earned (Lakhs)	Amount Recovered (Lakhs)	Closing Balance (Lakhs)
1	Revenue (and) Capital Fund	Details related to opening balance, receipts, expenditure, and closing balance in the investment register have not been fully maintained and reconciled with the annual accounts. Hence, Information not able to be provided in this table.				
2	Smart City – Sanganur Pallam					
3	NNT					
4	Library Cess					
5	Land Regularisation					
6	SBM					
7	SPF	1747.93	795.00	105.29	723.70	1924.52
Total		1747.93	795.00	105.29	723.70	1924.52

2.26) Scheme Grants

In the financial year 2023–24, a schedule showing the grants received from the Central and State Governments under various heads were not prepared and submitted along with details such as the bank account number where the grant amount was credited and the date of credit into the bank account, to audit.

Further, as the grant utilization statement for the year 2022–23 was not prepared and submitted, it was not possible to ascertain the opening grant balance in 2023–24, the grant receipts during the audit year, expenditure during the audit year, the unutilized grant balance, and the details of grants receivable. The grant utilization statement containing these details was not prepared and submitted.

Moreover, assessment allocation registers were not maintained to prepare these details. Consequently, the accuracy of the amounts shown under the following account codes in the annual accounts could not be verified during the audit.

S. No	A/C Code No.	Title	Amount as per Five Fund Accounts (in Rs.)
1	1046	Stamp Duty Share	478120378.00
2	1052	Scheme Implementation Grant	63722319.00
3	1053	State Shared Revenue Fund	2883923742.00
4	3023	Grant Receivable	0.00
4	4013	Contributions from Government	18563675459.80
5	4014	Grants from Government	8774552015.52

3)2023–2024 Audit Report

a) The audited annual accounts (account summary) of Coimbatore City Municipal Corporation for the year 2023–2024, along with the reconciliation audit reports of the central office and zonal offices, and the key audit objections selected from the audit notes have been compiled and published.

b) For the financial year 2023–2024, the shortcomings observed in the operations of the five zones of the Municipal Corporation and the three funds have been compiled as audit notes and communicated separately to the Commissioner and the five Assistant Commissioners through Part-II audit notes.

c) Only some of the significant and serious defects observed in the Part-II audit notes of the zones have been highlighted in the audit report. All other deficiencies have been included in the Part-II fund reconciliation audit notes. The audit notes of the five zones should be considered as part of the audit report.

d) As per the Coimbatore City Municipal Corporation Act, 1981, replies to the paras highlighted in the audit report and audit notes should be submitted to the Audit Office, with the approval of the Council, within two months from the date of receipt of the audit report.

4.1 Revenue and Expenditure Budget – Review of Estimates and Revised Estimates for the year 2023–2024

The revenue and expenditure budget estimates and revised estimates for all funds of the Coimbatore City Municipal Corporation for the year 2023–2024 were approved by Council Resolution No.110, dated 08.03.2024.

In the revenue fund, actual income and expenditure in the following items have differed from those classified in the budget estimates.

Revenue:

S. No	Major Revenue Account Head	Revised Estimate for 2023–24 (Cores)	Actual Revenue 2023–24 (Cores)	% of Total Revenue 2023–24	Actual Revenue 2022–23 (Cores)	Comparison with Previous Year (Increase/Decrease)
1.	Property Tax	242.44	253.46	104.55	241.15	Increase
2.	Other Taxes	45.38	47.49	104.65	36.43	Increase
3.	Assigned Revenue	46.96	61.35	130.64	60.67	Increase
4.	Service Charges and Fees	74.98	74.01	98.71	79.15	Decrease
5	Grants and Contributions	226.70	6.37	2.81	4.40	Increase
6	Sales and Rent Charges	55.46	1.11	2.00	1.20	Decrease
7	Other Revenues	113.10	141.71	125.30	84.48	Increase
8	State Shared Revenue	11.42	288.39	2525.31	192.75	Increase
9	Interest	4.58	0	0.00	0	–
	Total	**821.02**	**873.89**	**106.44**	**700.23**	**Increase**

Expenditure:

S. No	Major Expenditure Account Head	Revised Estimate 2023–24 (Rs. Crores)	Actual Expenditure 2023–24 (Rs. Crores)	% of Total Expenditure 2023–24	Actual Expenditure 2022–23 (Rs. Crores)	Comparison with Previous Year (Increase/Decrease)
1	Employee Salaries	192.46	171.74	89.23%	163.46	Increase
2	Pension Benefits (and) Others	84.65	99.91	118.03%	91.44	Increase
3.	Operating Expenses (and) Ongoing Maintenance	389.05	390.37	100.34%	252.00	Increase
4.	Scheme Expenditure	0.14	10.66	7614.29%	7.15	Increase
5.	Financial Expenditure	1.48	17.81	1203.38%	10.83	Increase
	Administrative Expenses (and) Miscellaneous Expenses	35.72	29.26	81.91%	28.94	Increase
	Total	**703.50**	**719.75**	**102.31%**	**553.82**	Increase

Description	Estimated as per 2023–2024 Budget Plan (Rs. Lakhs)	Actual in 2023–2024 (Rs. Lakhs)	Surplus / Deficit
Total Revenue	821.02	873.89	Surplus
Total Expenditure	703.50	719.75	Deficit
	117.52	**154.14**	

Excluding the amount appropriated for Project Overhead, the net revenue during the audit year stands at Rs 873.89 crore, and after excluding depreciation, the net expenditure is Rs 719.75 crore, resulting in a net surplus of Rs154.14 crore. As per the revised estimate, the allocation for expenditure was Rs 703.50 crore. However, actual expenditure incurred was Rs 719.75 crore.

Compared to the revised estimate, the actual revenue was Rs.52.87 crore higher, and the actual expenditure exceeded the revised estimate by Rs.16.25 crore.

The revenue and capital fund account of the Coimbatore City Municipal Corporation for the year 2023–2024 ended with a net deficit of Rs.127.52 crore.

4.2) A Study on the Annual Accounts

1. Coimbatore Municipal Corporation has been functioning as a municipal Corporation since 1981. The revenue and expenditure of the five divisions and a central office are consolidated, and the integrated annual accounts are maintained and subjected to audit each year.
2. In Coimbatore Municipal Corporation, all accounting activities in UTIS CWBS but are instead handled through the regular system (FAS) accounts prepared in 4- digit code .The details as follows:

i. 01.04.2023 Opening Balance sheet

ii. Income and Expenditure Statement for the year 2023–2024

iii. Balance Sheet as of 31.03.2024

At the end of the year, the following four fund accounts are maintained, and reports are published:

i. Revenue and Capital Fund
ii. Water Supply and Drainage Fund
iii. Primary Education Fund
iv. Provident Fund Account

The balance sheet as of 31.03.2024, attached with the annual accounts, and the Income and Expenditure Statement for 2023–2024 do not reflect the true and clear financial position of the municipality. The necessary schedules for verifying the details regarding the revenue to be collected and the expenditure to be paid, as well as information on reserves and liabilities, were not provided to audit.

In Coimbatore Municipal Corporation, property tax collection is the main source of revenue. Property tax is calculated based on the building area, and demands are raised and collected properly. While property tax, professional tax, and solid waste management fees are computerized for demand and collection, the annual accounts are not prepared based on this data.

The provision for the doubtful revenue for all tax and non-tax items, for the audit period was not provided. The previous year's closing balance was Rs.173,78,11,289/- (under code 4039).But details were not provided in the schedules or the details of tax and fee pending balances for the audit year, making it impossible to verify the accounts.

For the audit year, the solid waste usage charge (which is to be collected along with property tax) was not raised appropriately across all zones. As a result, the current demand under the account code 1101 stands at Rs.326,010,273/-, but in the DCB (Demand Collection Balance) statement it shows Rs.299,335,024/-. These demands, including property tax and solid waste collection fees, should be raised correctly and reflected in the annual accounts.

i. Government grants and project expenditures based on loans from other financial institutions are separately maintained with proper accounting. Utilization certificates issued by local fund audit department for these items. However, no separate accounts are maintained for project expenditures that do not require such certification.

ii. The deposit amounts, investments, and advance accounts as per the annual accounts were not reconciled with the subsidiary ledgers at the end of the year. Furthermore, the ledgers were not properly maintained. Therefore, objections have been raised in this regard

iii. All the works completed as of 31.03.2024 have been asseted in the annual accounts. However, the details of the assets, which are recorded with a separate code number in the UTIS software, were not provided for audit.

iv. The details of the assets mentioned in the annual accounts could not be verified as the ledgers were not maintained. The park allocations and public space allocations, roads, drains, overhead water tanks, street lights, and water pipelines, which were obtained automatically through the town planning division, were not included in the municipality's assets in the annual accounts. Additionally, the total value and depreciation value of Coimbatore Municipal Corporation's assets attached to the annual accounts were not verified directly by the municipal engineer.

v. The stock verification report conducted during the audit year was not attached to the annual accounts, making it impossible to verify the value of the stocks. As a result, the amount in the account number 3001 could not be verified.

4) A list reconciling the closing balance as of 31.03.2024, according to the general ledger (for both receipt bank and payment bank accounts), was prepared and reconciled with several adjustments at the end of the year. Appropriate action should be taken for items that have not been reconciled for a long time.

5) Due to the lack of proper receipts for payments made in the online collection account by the general public, and the failure to prepare daily BRV (Bank Reconciliation Vouchers), some unidentified items in the online collection were being recorded under account code 4015 (Advance collection of Property Tax) in the UTIS software. It was found that Rs.12,995.32/- lakhs had been continuously unreconciled over several years. This discrepancy needs to be rectified.

4.3) Tax and Fee Collection Percentage:

The details of the collection rates for various taxes and fees in 2023-2024 are as follows:

S. No	Details of Tax and Charges	Demand (Rs. Lakhs)	Collection (Rs. Lakhs)	% Collection
1	**Property Tax** – Current	25,345.91	17,954.74	70.83%
	Property Tax – Arrears	17,780.00	4,275.99	24.05%
2	**Profession Tax** – Current	4,676.18	3,758.20	80.36%
	Profession Tax – Arrears	3,126.68	1,774.13	56.74%
3	**Solid Waste Management** – Current	2,993.35	2,405.30	80.35%

	Solid Waste Management – Arrears	225.34	132.37	58.74%
4	**MDR** – Current	3,257.25	3,195.38	98.10%
	MDR – Arrears	215.77	157.25	72.87%
5	**D&O License Fee** – Current	89.05	89.05	100%

All current and arrears collections of both tax and non-tax items should be given focused attention.

4.4. Bank Balance Reconciliation Certificates

As provided in the annexure, the bank closing balance as per the general ledger on 31.03.2023 was taken as the opening balance on 01.04.2023. The closing balance as of 31.03.2024, as per the general ledger, has been reconciled and matches the closing balances of all bank accounts. Separate audit objections have been raised regarding discrepancies in the closing balance reconciliation certificate.

4.5. Bank Accounts Details:

In the Coimbatore Municipal Corporation, the following bank accounts are maintained under revenue and capital funds.

Zone	Revenue Fund	Capital Fund	Amma Unavagam	Total
Central Office	76	30	0	106
East Zone	4	0	1	5
West Zone	5	0	1	6
North Zone	4	0	1	5
South Zone	3	0	1	4
Central Zone	9	0	1	10
Total	**101**	**30**	**5**	**136**

4.6. Uncashed Cheques at the end of 2023–2024

At the end of 2023–2024, the value of uncashed cheques stands at ₹1,663.54 lakhs as detailed below.

Zone	Revenue & Capital Fund
Head Office	108711950
East Zone	3929251
West Zone	1380984
North Zone	45357689
South Zone	925571
Central Zone	6048606
Total	**166354051**

The majority of these uncashed cheques for the year 2023–2024 have been encashed. Appropriate action must be taken to resolve discrepancies of cheques that remain uncashed to date, for which audit objections were raised.

5.1. Review of Revenue and Capital Fund Expenditures – General Fund

As per the annual accounts for the year 2023–2024, the sources of funds and their usage are as follows:

1.Revenue Fund/Capital Fund Liabilities
a) Source of Funds

Account Title	31.03.2023 (in Lakhs)	Account Title (31.03.2024)	Net	Additional/Decrease
18983.22	Loans	12929.10	-6054.12	**Decrease**
1053.14	Capital (Own)	3180.98	2127.84	**Additional**
185636.75	Capital (Government Share)	185636.75	0	-
42297.41	Government Grants	87745.52	45448.11	**Additional**
	Current Liabilities		0	
18924.60	Deposits Amount	22982.02	4057.42	**Additional**
29009.73	Other Payables	35346.96	6337.23	**Additional**
81399.24	Accumulated Surplus	74358.83	-7040.41	**Decrease**
984.58	Other Items	261.48	-723.1	**Decrease**
378288.67	**Total**	**422441.62**	44152.95	

Assets

b) Application of Funds

31.03.2023 (in Lakhs)	Account Title	Value as on (31.03.2024)	Net Value	Increase/ Decrease
491,372.46	Fixed Assets	534647.06	43274.60	Increase
-	Other Assets			-
23,874.10	Work in Progress	25292.10	1418.00	Increase
515,246.56	**Total**	559939.16	44692.60	Increase
233,858.77	Less: Accumulated Depreciation	262025.92	28167.15	Increase
281,387.79	Net Asset Value	297913.24	16525.45	Increase
-	**Reserve**			-
19,854.46	Taxes, Charges, Subsidies, and Other Revenues Due	29337.62	9483.16	Increase
-17,378.11	Less: Provision for Doubtful Collection	-17378.11	-	-
-	**Other Species**			-
283,864.14	Net Value	309872.75	26008.61	Increase
44,673.21	Prepaid Expenses	44609.58	-63.63	Decrease
36,460.84	Cash and Investments	55065.01	18604.17	Increase
91.50	Other Assets (-)	91.50	-	-
13,198.98	**Total**	12502.80	-696.18	Decrease

1. Against a capital of Rs. 276,563.25 lakhs, additional fixed assets worth Rs. 43,274.60 lakhs have been created.

2. The accumulated depreciation amounts to Rs. 262,025.92 lakhs, and provisions for doubtful collections are Rs.0.00/, resulting in a total of Rs. 262,025.92 lakhs. This has been absorbed in the accumulated surplus of Rs. 74,358.83 lakhs.

3. Current assets exceed current liabilities by Rs. 41,175.63 lakhs [Rs. 99,766.09 – Rs.58,590.46].

After accounting of Rs.276,563.25 lakhs under capitalisation from the total income, the net income has been calculated.

Similarly, the expenditures excluding depreciation Rs.71,975.23 lakhs have been provided.

Based on the above reviews, the revenue and capital fund accounts are found to be satisfactory.

At the end of the audit year, as of 31.03.2024, the receivables accrued but not yet collected under the revenue fund amount to Rs.64,764.07 lakhs, as detailed below:

	Amount (Rs lakhs)
Property Tax and Other Taxes	Rs.19,854.49
Grants Receivable	-
Advances Receivable	Rs.44,909.58
Total	Rs.64,764.07

The details of net income and expenditures for the year 2023–2024 are as follows:

Description	Amount (Rs lakhs)
Receipts:	
Revenue	Rs.87,390.67
Less	
Interest on Projects Loans	-
Receivables to be collected	Rs.64,764.07
Net Total Income	Rs.22,626.60
Expenditure	
Total Expenditure	100,142.38
Expenditures excluding Depreciation	28,167.15
Net Total Expenditure	71,975.23

5.1.1. Income – Property Tax

Property tax is collected as per the Coimbatore City Municipal Corporation Act, 1981. The demand, collection, and arrears details of property tax for the year 2023–2024 are as follows.

Description	Current Year 2023–2024	Previous Year 2022–2023
	Rs in Lakhs	
Total Demand (including Education Tax and Street Light Tax)	25345.91	22039.14
Increase in Demand	3306.77	
Percentage Increase	15.00	
Actual Collection	17954.74	16606.28
Collection Efficiency (%)	70.84	75.34
Collection Arrears	7391.16	5432.86

Details of Arrear Demand Collection as on 31.03.2023 and 31.03.2024

Description	31.03.2023	31.03.2024
	Rs in Lakhs	
Previous year Arrear Demand balance	12848.34	17780.00
Actual Outstanding Arrear Demand	13978.16	
Less – Arrear Demand collection during the Year	4303.03	4275.99
Net arrear Demand balance	**8545.30**	**13504.01**
Add – Current Year Demand Outstanding	5432.86	7391.16
Total Arrear demand Outstanding	**13978.16**	**20895.17**

As of 31.03.2024, the total outstanding property tax amount is Rs.13,978.16 lakhs. However, the year-wise details of these outstanding amounts were not provided along with the annual accounts for audit. As a result, the exact amount that should be allocated under the Doubtful Collection Account (code 4039) could not be determined. Therefore, the year-wise outstanding details must be ascertained, and appropriate provisions should be made under the Doubtful Collection Account. Furthermore, property tax should be collected before it becomes overdue, or appropriate legal action should be taken.

5.1.2. Profession Tax

Profession tax is collected as per Section 169 of the Coimbatore City Municipal Corporation Act, 1981. The target and collection details of profession tax over the past three years are as follows:

Sno	Year	Demand (Rs. in Lakhs)		Collection (Rs. in Lakhs)	Shortfall in Collection (Rs. in Lakhs)
		Collection	Shortfall		
1	2019-20	4068.45	2678,55	1389.90	65.83
2	2020-21	5316.74	3930.94	1385.80	73.94
3	2021-22	5111.62	3784.79	1326.83	74.04
4	2022-23	3565.01	3452.11	112.90	96.83
5	2023-24	4676.18	3758.20	917.98	80.36

In the years 2022–23 and 2023–24, the demand has significantly decreased compared to the demand in 2020–21 and 2021–22. In fact, the profession tax collection in 2023–24 has decreased by 16.47% compared to the previous year's collection.

The reduction in demand is observed to be due to the practice of treating only the collected amount as the demand without formally assessing and fixing the demand. The collection percentage has also declined. Therefore, appropriate administrative actions must be taken to assess and fix the demand and to ensure the collection of profession tax accordingly.

5.1.3. Trade Tax

This tax is not levied in the Coimbatore City Municipal Corporation.

5.1.4. Tree Tax

This tax is also not levied in the Coimbatore City Municipal Corporation.

5.2.1. Expenditure – Employee Costs

The following expenditures were incurred in 2023–2024 towards employee salaries and pension benefits:

	(Rs. in Lakhs)		
Particulars	**2022–2023 (Rs. in Lakhs)**	**2023–2024 (Rs. in Lakhs)**	**Additional Expenditure (Rs. in Lakhs)**
1. Staff Expenses	16346.27	17174.00	827.73
2. Pension Benefits	9144.23	9990.60	846.37
Total	25490.50	27164.60	1674.1

Compared to the year 2022–23, employee expenditure in 2023–2024 has increased by Rs.827.73 lakhs. Under account code no. 2090 (2101009, 2101010), an amount of Rs.12,095.87 lakhs has been spent towards daily wage-based drivers and sanitation workers, resulting in a total expenditure of Rs.29,269.87 lakhs.

The number of daily wage workers engaged for carrying out public health works & expenditures included may be based on approval of Furthermore, appropriate measures should be taken to reduce daily wage expenditures.

Salary expenditure has been incurred within 49% of the total revenue.

According to the accounts of Coimbatore City Municipal Corporation for the year 2023–2024, the net revenue income is Rs.87,390.67 lakhs. The salary expenditure for the employees of the Corporation amounts to Rs.17,174.00 lakhs. Daily wage expenditure amounts to Rs.12,095.87 lakhs, making a total of Rs.29,269.87 lakhs. As per Government Order No. 27, Municipal Administration and Water Supply Department (Elections), dated 14.03.2006, it has been advised that employee salary expenditure of local bodies should not exceed 49% of the net revenue. In this context, the ratio for Coimbatore City Municipal Corporation in 2023–2024 stands at 33.49%.

However, the daily wage expenditures provided to sanitation workers, computer operators, vehicle drivers, technical workers, etc., have not been shown under the salary head but have been reported under the operating expenses head. Consequently, only 19.65% is reflected as salary expenditure. Proper action should be taken to report daily wage expenditure under the salary head in the annual accounts.

Vacant posts at various levels should be reviewed to reduce employee costs, and steps should be taken to reduce operating expenses by outsourcing sanitation work and streetlight maintenance. It is emphasized that vacant sanctioned posts should be filled and establishment expenditure should be kept within 49%. Additionally, if vacant posts are filled without appropriate measures to increase revenue sources, there is a possibility that the establishment expenditure will exceed 50%.

5.2.2. Pension Expenditure:

a) According to the accounts of Coimbatore City Municipal Corporation for the year 2023–2024, pensions, gratuity, and family pensions have been provided to municipal pensioners (Number of pensioners – 1,260 and number of family pensioners – 1,349), and the details of expenditure incurred from the revenue fund are as follows:

Account Head No.	Comparative Description	Rs in Lakhs		
		2022–23	2023 –24	Additional Expenditure (Rs. in Lakhs)
2103001 to 2104004	Pension / Commuted Pension / Gratuity	8154.21	8559.38	405.17
	Death Gratuity / Family Pension			

5.2.3. Movable Assets – Vehicles

In Coimbatore City Municipal Corporation, a consolidated inventory register of vehicles used for various public services has not been maintained. This register should be maintained and produced for audit.

It has been pointed out during the audit that vehicle repair and maintenance expenses should be kept under control. Proper monitoring of vehicle maintenance expenditures should be carried out to reduce the costs.

5.2.4. Interest and Finance Expenditure

Under the head of "Finance Expenditure," a total amount of Rs.1,781.46 lakhs was spent in the year 2023–2024. Compared to Rs.1,083.01 lakhs spent in the previous year, this is an increased expenditure.

5.2.5. Audit Fee of Rs.2,45,29,402 Not Remitted Under Government Head and Not Reconciled With Annual Accounts – Deficiency

In Coimbatore City Municipal Corporation, an audit fee of Rs.2,45,29,402 for the following years has not been remitted till date:

Sno	**Year**	**Amount (Rs)**
1	**2022-23 RF & EEF**	**12649520**
2	**2023-24 RF & EEF**	**11879882**
	Total	**24529402**

a) For the year 2023–24, an audit fee of Rs.1,18,79,882/- has not neither been debited under Account Head No. 2036 nor been credited to Account Head No. 4088. This discrepancy should be rectified and the audit fee should be properly accounted for in the annual accounts.

b) Furthermore, in the year 2023–24, a variation has been identified between the audit fee register and the annual accounts under Account head. No. 4088 as detailed below. This variation should be rectified in the annual accounts.

S. No.	**Description**	**Audit Fee Register (Rs.)**	**As per Annual Account (Rs.)**	**Difference (Rs.)**
1	Opening Balance (From 2019–20 to 2022–23)	37292031	31102356	6189675
2	2023–24 Demand	11879882	0	11879882
3	Total	49171913	31102356	18069557
4	Paid in 2023–24 (for 2019–20, 2020–21)	16693428	5000000	11693428
5	Closing Balance as on 31.03.2024	32478485	26102356	6376129

5.3. Refundable Deposits

Contract deposits, such as security deposits collected from suppliers and contractors, have been recorded as refundable deposits amounting to Rs.8,543.80 lakhs as on 31.03.2023. Proper subsidiary registers are being maintained for these. Until the amounts are refunded, the related files and measurement books should be monitored.

S. No.	Account No.	Account Head	Amount (Rs. in Lakhs)
1.	4016	Contractor Deposits	10644.17
2.	4017	Supplier Deposits	109.75
3.	4018	Lessee Deposits	3790.66
4.	4019	Employee Deposits	6.47
5.	4020	Other Categories	8430.97
Total			**22982.02**

5.3.1. Provident Fund Deductions Payable

In Coimbatore City Municipal Corporation, provident fund deductions amounting to Rs.110.88 lakhs (Account Head 4021) are outstanding. This amount should be remitted without delay.

5.3.2. Interest Payable

There is no interest amount pending payment in Coimbatore City Municipal Corporation. However, due to the non-preparation of a loan repayment schedule, it has not been possible to determine the exact amount of interest payable.

5.3.3. Non-Claim of Provident Fund Interest (T. Deposit)

From 2005–06 to 2023–24, no statements have been prepared or submitted for audit regarding claims for interest on provident fund deposits in Coimbatore City Municipal Corporation. This has been addressed separately in the Provident Fund Audit Report.

5.3.4. Library Cess Payable

Under Account Head No. 4043 (3503002), an amount of Rs.6,025.29 lakhs collected along with property tax towards the library cess is pending remittance to the District Library Authority. The amount should be remitted as soon as approval is obtained from the Commissioner of Municipal Administration.

5.4. Capital – Statement of Assets and Liabilities

The details of liabilities/assets have been provided under section 5.1.

5.5. Reserved Funds

No deficiencies were observed in this regard in Coimbatore City Municipal Corporation.

5.6. Review of Closing Balance Statement

S. No.	Fund Type	Account Code	Description		Expenditure (Rs. in Lakhs)
1.	Revenue and Capital Fund	3109001 3109002	Expenditure exceeds revenue income	Revenue	87390.67
				Expenditure	100142.38

5.7. Audit Conclusion

The deficiencies observed in the annual accounts must be rectified.

1. The annual accounts have been prepared and submitted using the four-digit accounting system. Although daily collections from the five zones under the Corporation have been carried out using the UTIS software, for receipts in the main office — such as contractor security deposit receipts, Town Planning section receipts, and online collection receipts — daily receipts are not prepared and submitted for audit (BRV). Additionally, expenditure-related vouchers such as BPV, EJV, GJV, CJV, and FAJV have not been uploaded in the software but have instead been manually prepared and finalized.

2. Bank reconciliation certificates and balance sheet, which are to be prepared and submitted for audit on a monthly basis, are currently reconciled only at the end of the financial year. This is an improper practice that prevents timely recovery of losses that might have occurred during the financial year.
3. The 24 schedules that are required to be attached along with the annual accounts must be appended.
4. Provisions for doubtful receivables must be made, and the relevant schedules should be attached.
5. Transfers of amount between funds, as indicated in the annual accounts, must be supported by fund-wise details and appended accordingly.

These deficiencies mentioned above must be rectified.

5.8. In the audit of Coimbatore City Municipal Corporation for the year 2023–2024, the audit objections (paragraphs) and related amount details raised in the main office and the five zonal audits are as follows:

S. No.	Audit Note Description	Number of Objection Paragraphs	Amount (Rs.)
1.	Central Office	78	3129498
2.	Eastern Zone	70	11404915
3.	Western Zone	80	221995207

4.	Northern Zone	76	26519247
5.	Southern Zone	101	196979287
6.	Central Zone	95	9673948
Total		500	469702102

5.9) In the Coimbatore City Municipal Corporation's Revenue and Capital Fund Audit Report for the year 2023–24 (Part II), a total of 52 audit paragraphs involving an amount of Rs.73,39,68,515.68 have been raised. The details of these are provided in the annexure.

5.10) The details of the audit paragraphs raised in Part I of the Coimbatore City Municipal Corporation's Revenue and Capital Fund Audit Report for the year 2023–24 are as follows:

S. No.	Summary of Objection	Paragraph Number	Amount (Rs.)
None			

– Sd –
Deputy Director
Local Fund Audit Department
Coimbatore Corporation

// True copy by order //

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Coimbatore City Municipal Corporation
Audit Report for the Year 2023–24 –
Details of Paragraphs in Part 2

S. No.	Para No.	Summary of Paragraph	Loss (Rs.)
1	4	Annual Accounts (2023–24) Audit – Defects found during audit – Required documents / registers need to be completed and submitted – Administrative follow-up action required	0
2	5	Annual Accounts – Liabilities – Amounts collected / withheld for Government and other departments were not remitted to the respective heads but used for revenue expenditure – Serious defect – Follow-up action required	0
3	6	Scheme Execution:	0
		Scheme Implementation – Work undertaken under schemes – Evaluation allocation register not maintained – Pending works need to be completed – Follow-up action required	0
4	7	Revenue and Expenditure Budget – Review of original and revised estimates for the year 2023–24	0
5	8	Head Office – Annual Accounts – Bank reconciliation not verified – Bank passbook and reconciliation certificate not provided – Bank reconciliation amount as per accounts could not be confirmed – Bank balance details should be presented for audit or loss must be recovered – Rs. 8,49,30,438.68	8,49,30,439
6	9	(1) Annual Accounts – Head Office – Revenue Fund – Account Code No. 3061 – Online Account – City Union Bank A/c No. 500101010973836 – Details of credited amount in the bank must be presented for audit	0
		(2) Annual Accounts 2023–24 – Head Office – Revenue Fund – Account Code No. 3064 – State Bank of India A/c No. 10583770797 – Details of credited amount in the bank must be presented for audit	0
		(3) Annual Accounts – Head Office – Revenue Fund – 2023–24 – Account Code No. 3064 – Devolution Fund A/c – State Bank of India A/c No. 10583770797 – Supporting documents for the expenditure shown must be presented for audit	0
		(4) Coimbatore City Municipal Corporation – Head Office – For the year 2023–24 – Account Code No. 3065 Personal Deposit Treasury A/c – Final closing balance of Rs. 7,27,578/- must be remitted to the	0

		Government account and presented for audit	
		(5) Annual Accounts – Head Office – Account Code No. 3066 – Expenditure Account – Indian Bank A/c No. 447868729 – Uncredited receipt cheques and excess accounted amounts must be credited to the bank and details presented for audit	**0**
		(6) Annual Accounts – Head Office – Account Code No. 3066 – Expenditure Account – Indian Bank A/c No. 447868729 – In bank reconciliation, cheque numbers were incorrectly mentioned for uncredited cheques – Authenticity of credited amounts could not be verified – Deficiency noted	**0**
		(7) Annual Accounts – Head Office – Expenditure Account – Account Code No. 3066 – Indian Bank A/c No. 447868729 – Cheques already encashed were still listed as unencashed in the reconciliation statement – Deficiency	**0**
		(8) Annual Accounts – Head Office – 2023–24 – Expenditure Account – Account Code No. 3066, Indian Bank A/c No. 447868729 – Bank Reconciliation Statement (BRS) was not properly prepared – Deficiency – Needs correction	**0**
		(9) Annual Accounts – Head Office – Account Code No. 3066 – Expenditure Account – Indian Bank A/c No. 447868729 – Details of credited amounts in the bank must be presented for audit.	**0**
		(10) Annual Accounts – Head Office – Account Code No. 3066 – Expenditure Account – Indian Bank A/c No. 447868729 – Supporting documents for the expenditures in the register and bank debits must be provided for audit	**0**
		(11) Annual Accounts – Head Office – 2023–24 Audit – Revenue Fund – 15th Central Finance Commission (CFC) – A/c Code No. 3066 – ICICI Bank A/c No. 0342010004352 – Rs. 69,00,000/- was transferred twice to the Revenue Fund Expenditure Bank A/c – Must be recovered and presented for audit	**0**
		(12) Annual Accounts 2023–24 – Central Office -Revenue Fund – Urban Road Improvement Scheme – Account Code No. 3066, SBI, NSMT, Parent A/c Control Chennai – Payment recorded as “payment through SNAFMS” in the expenditure register – Supporting documents not provided – Must be submitted for audit	**0**

		(13) Coimbatore City Municipal Corporation – Annual Accounts – 2023–24 – Revenue Fund – Account Code 3066 (SFC Salary) – Indian Bank A/c No. 7579852480 – Double expenditure entries made in the SNA account ledger – Bank passbook not presented – Closing balance could not be verified – Deficiency	**0**
		(14) Coimbatore City Municipal Corporation – Annual Accounts – Head Office – Capital Fund – 2023–24 Audit – National Health Mission (NHM) – Account Code No. 3123 – Indian Overseas Bank A/c No. 002001000336813 – Unexplained credited amount of Rs. 1,00,00,000/- – Details not submitted for audit – Deficiency	**0**
		(15) Annual Accounts – 2023–24 – Capital Fund – Central Office – Namakku Naamae Scheme – Account Code 3123, IOB (SNA) A/c No. 168101000016255 – Expenditure shown under "Sweep out" – Details must be presented for audit.	**0**
		(16) Annual Accounts – 2023–24 – Head Office – Capital Fund – Namakku Naame Scheme – Account Code 3123, IOB (SNA) A/c No. 168101000016255 – Amounts in ledger and statement not reconciled with bank passbook – Details must be presented for audit	**0**
		(17) Annual Accounts 2023–24 – Capital Fund – Account Code 3123(1) – Indian Bank A/c No. 447868730 – Uncashed cheques totaling Rs. 12,19,708/- – Details of bank credit must be submitted for audit	**0**
		(18) Coimbatore City Municipal Corporation – Annual Accounts – Central Office – Capital Fund – 2023–24 Audit – Smart City – Account Code 3124 – HDFC Bank A/c No. 50100225081120 – Unexplained credited amount of Rs. 12,26,940/- – Details not submitted for audit – Deficiency	**0**
7	**10**	(1) Coimbatore City Municipal Corporation – Town Planning Section, Central Office – 2023–24 – City Union Bank – Account Code 3061 – A/c No. 500101010973836 – Online payments received for plot/building plan approvals – Daily bank reconciliation not done – Administrative action required	**0**
		(2) Coimbatore City Municipal Corporation – Head Office – Revenue and Capital Funds (RF & CF) – 2023–24 Annual Accounts – Account Code 3061 – Development Charges (IOB A/c 332623) – Discrepancies between ledger and bank statements – defect	**0**

		(3) Coimbatore City Municipal Corporation – Head Office – Revenue Fund – Account Code 3061 – Development Charges for 2023–24 (IOB A/c 332623) – Investment of Rs. 60,67,01,725/- on 17.10.2023 appears in bank scroll but not in ledger (3070 Fixed Deposit – Land Regularisation) – Deficiency	**0**
		(4)Annual Accounts – Central Office – Revenue Fund – Audit for the Year 2023–24 – 3066–NSME TAICO BANK A/c. 718440153 – Differences found between the expenditure register and the ledger – Deficiencies	**0**
		(5) Annual Accounts – Central Office – Revenue Fund – Audit for the Year 2023–24 – 3066–NSME TAICO BANK A/c. 718440153 – Amount in expenditure register not reflected in the ledger – Details must be presented for audit	**0**
		(6) Annual Accounts – Revenue and Capital Fund – Account Code No. 3066 – MSME: TAICO Bank Account No. 718440153	**0**
		(7) Coimbatore City Municipal Corporation – Central Office – Audit for the Year 2023–24 – Special Provident Fund Scheme Account – Final balance shown in the ledger indicates a shortfall – Deficiency	**0**
		8)Central Office – Daily Direct Bank Receipts – Daily receipt vouchers, challan bundles, BRV and receipt register not prepared and presented for audit in UTIS software – Major defect,	**0**
8	**11**	A)Action needed to collect arrears from taxable and non-taxable categories – Rs.2,91,51,68,469/- and other deficiencies to be rectified	**0**
		B)Annual accounts not matching with demand and collection arrear report	**0**
		C)Vacant land tax arrears of Rs.1,91,69,08,002/- not brought into the annual accounts	**0**
		D)Year-wise arrear details report not provided – defect	**0**
9	**12**	Coimbatore City Municipal Corporation – 2023–24 – Action should be taken to collect time barred arrears of taxes and charges – Rs.28,02,26,246/-	28,02,26,246
10	**13**	Coimbatore Municipal Corporation – Audit of All Zones – Property Tax – Property tax and vacant land tax waivers were given under State Finance Commission recommendations without providing reasons for audit – Amount Rs.5,18,28,189/-	5,18,28,189
11	**14**	Coimbatore Municipal Corporation – Vacant Land Tax – For newly assessed categories, demand raised was lower without adhering to G.O. in UTIS software – Loss Rs.12,41,48,962/-	12,41,48,962
12	**15**	Coimbatore Municipal Corporation – Library tax was not included while assessing demand for vacant land tax – Loss Rs.6,32,56,340/-	6,32,56,340

13	**16**	Coimbatore Municipal Corporation – Audit of All Zones – Professional Tax – Based on EPF website uploads, professional tax demand not fully raised from non-government organizations and their employees – Loss Rs. 1,61,11,719/-	1,61,11,719
14	**17**	Coimbatore City Municipal Corporation – Audit of All Zones – Solid Waste Management User Fee along with Property Tax – User fee demand not raised as per property tax value – Loss Rs.7,01,11,740/-	7,01,11,740
15	**18**	Coimbatore Municipal Corporation – Central Office – 2023–2024 – Town Planning Division – Layout Approval – Charges collected were less than prescribed – Other defects – Amount to be recovered Rs. 69,925/-	69,925
16	**19**	Coimbatore Municipal Corporation – Central Office – 2023–24 – Town Planning Division – Building Permits – Fees collected for building permits were less than prescribed – Loss Rs. 3,75,590/- to be recovered – Infrastructure and Basic Amenities fee Rs.11,76,921/- and Labour Welfare Fund Rs.1,83,863/- to be paid under appropriate heads and details furnished	3,75,590
17	**20**	Coimbatore Municipal Corporation – Audit of All Zones – Trade Licenses – Trade licenses issued in the previous year were not renewed during the audit year – Total loss of renewal and penalty fees Rs.1,47,45,159/-	1,47,45,159
18	**21**	Coimbatore Municipal Corporation – Audit of All Zones – Lease Holders – Money Value form not printed and issued by Corporation; lessees themselves are printing – Non-compliance with Director Municipal Administration's Circular – Serious deficiency	**0**
19	**22**	Central Office – Administration Division – Rental Quarters for Officers – Rent not collected from officers; many quarters were left vacant without immediate allotment – Rent loss to be recovered.	**0**
20	**23**	Coimbatore Municipal Corporation – Revenue Fund – Details of salary deductions, administrative share, and proper accounting under relevant heads	**0**
21	**24**	(1) Coimbatore Municipal Corporation – West Zone – 2023–24 Revenue Fund – Expenditure – Establishment – Audit of Pay Records – Salary fixation – Re-fixation required for drivers – Excess salary paid to be recovered – Loss Rs.9,93,198/-	**25,93,534**

		(2) Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue Fund – Expenditure – Establishment – Audit of Pay Records – Salary fixation – Re-fixation required for drivers and excess salary to be deducted – Loss Rs. 9,31,416/-	
		3)Coimbatore Municipal Corporation – Revenue and Capital Fund – 2023–24 – Central Office – Audit of Service Registers – A Junior Assistant and Typist were demoted to Office Assistant – Excess salary of Rs. 1,91,906/- due to earlier promotion to be recovered.	
		4)Coimbatore Municipal Corporation – East Zone – Establishment – Retired driver Mr. K. Rangasamy was wrongly paid arrears after salary revision and re-fixation – Loss Rs. 4,33,261/-	
		5)Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue and Capital Fund – Expenditure – Establishment – Audit of Travelling Allowances Bills – Travel allowance paid in excess of permitted limit – Loss Rs. 43,753/-	
22	**25**	Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue Fund – Expenditure – Accounts Department – Annual accounts preparation was outsourced to a private agency – Expenditure of Rs. 12,39,648/- needs to be regularized	12,39,648
23	**26**	Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Engineering Department – Hired vehicles from private agency RVR Tours & Travels – Paid higher than the rate fixed by Coimbatore District Collector and Regional Transport Officer – Loss Rs. 4,16,308/- and other deficiencies noted	4,16,308
24	**27**	Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Engineering Department – Purchased and installed furniture and electronic equipment such as beds, tables, chairs, refrigerator, AC, TV for the Deputy Commissioner's quarters in violation of procurement norms – No details of previously used items – Deficiency – Loss Rs. 19,93,346/- to be recovered from responsible officers	19,93,346

25	**28**	1)Coimbatore Municipal Corporation – 2023–24 – Revenue and Capital Fund – Central Office – Expenditure Audit – Public Health – Purchased disinfectants for solid waste management and public health without following Tamil Nadu Medical Services Corporation price guidelines – Loss Rs. 20,80,000/-	
		2)Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue Fund – Public Health Department – Conducted sterilization surgeries for street dogs – Payment made for 463 more dogs than actually treated – Loss Rs. 3,24,100/-	
		3)Coimbatore Municipal Corporation – Central Office – 2023–24 – Public Health – Supplied grains for birds and animals at V.O.C. Zoological Park – Not recorded in stock register and amount miscalculated – Loss Rs. 39,825/- to be recovered	
		4)Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue Fund – Expenditure – Sterilization surgery for street dogs – 50% reimbursement not claimed from Animal Welfare Board of India – Loss Rs. 18,44,149/- and other deficiencies – Action required	**24,43,925**
26	**29**	1)Coimbatore Municipal Corporation – Central Office – Paid wages to sanitation workers through contractors – More workers than approved in work order were employed and paid – Proper work order to be submitted – Excess wages to be recovered – Loss Rs. 66,71,222/-	
		2)Coimbatore Municipal Corporation – Central Office – Public Health – Solid Waste Management – Engaged more workers than approved – Wages paid to excess workers by contractors – Loss Rs. 30,05,409/-	
		3)Coimbatore Municipal Corporation – Central Office – Public Health – Central Zone – Solid Waste Management – Double payment of wages to sanitation workers – Major deficiency – Loss Rs. 18,34,235/-	
		4)Coimbatore Municipal Corporation – Central Office – Public Health Department – Solid Waste Management – West Zone – Wages paid to more workers than mentioned in work order – Loss Rs. 4,11,672/-	
		5)Coimbatore Municipal Corporation – Central Office – General Fund – Revenue and Capital Fund Audit – Public Health Department – Central Zone – Drain workers (contract) wages paid – Relevant files not produced for audit – Authenticity of Rs.15,96,76,980/- expenditure could not be verified – Audit objection raised.	**1,19,22,538**

		6)Coimbatore Municipal Corporation – Central Office – 2023–24 Audit – General Fund – Revenue and Capital Fund Audit – Vehicle maintenance expenditure – Wages paid to drivers and helpers via contractors – Relevant records not submitted – Authenticity of Rs. 2,82,98,396/- expenditure could not be verified – Audit concern	
		7)Coimbatore Municipal Corporation – Central Office – 2023–24 Audit – General Fund – Revenue and Capital Fund Audit – Vehicle maintenance expenditure – Wages paid to drivers via contractors – Relevant records not submitted – Authenticity of Rs.1,11,02,226/- expenditure could not be verified – Audit concern	
27	**30**	Coimbatore Municipal Corporation – Central Office – Public Health – Hired tipper lorries on contract for garbage removal in zones – Payment approved for days with lesser garbage removal without following contract terms – Loss Rs.4,43,360/- – Supporting documents not provided for audit – Deficiency noted	4,43,360
28	**31**	1)Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – Revenue and Capital Fund Audit – Vehicle repair and maintenance expenses incurred – Excess expenditure Rs.3,07,37,256/- beyond Government Order – To be recovered	
		2)Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Engineering Department – Vehicle repair and maintenance – Work assigned to a firm whose GST number was cancelled – Payment made including 18% GST – Loss Rs.8,14,672/- and other deficiencies noted	
		3)Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Vehicle maintenance bills audited – Maintenance expenses made for a vehicle not owned by the Corporation – Loss Rs.3,08,806/- to be recovered	
		4)Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Engineering Department – Maintenance expenditure duplicated for the same vehicle by two firms – Loss Rs. 2,47,080/- and other deficiencies noted	**31,65,331**

		5)Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Vehicle maintenance bills audited – Maintenance performed on a vehicle not owned by the Corporation – Loss Rs. 2,23,964/- to be recovered	
		Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Vehicle maintenance – Excess expenditure Rs.1,67,555/- to be recovered	
		Coimbatore Municipal Corporation Audit – Central Office – 2023–24 – General Fund – Revenue and Capital Fund Audit – Vehicle maintenance bills audited – Maintenance performed on a vehicle not owned by the Corporation – Loss Rs.1,53,636/- to be recovered	
		8)Coimbatore Municipal Corporation Audit – Central Office – 2023-24 – General Fund – Revenue & Capital Fund Audit – Engineering Department – Vehicle repair and maintenance expenses incurred – Work assigned to a firm whose GST number was cancelled – Payment made including 18% GST – Loss Rs.1,20,124/- and other defect noted	
		9)Coimbatore Municipal Corporation Audit – Central Office – 2023-24 – General Fund – Revenue & Capital Fund Audit – Vehicle maintenance expenses – Excess expenditure Rs. 98,605/- needs regularization	
		10)Coimbatore Municipal Corporation – Central Office – 2023-24 – General Fund – Revenue & Capital Fund Audit – Engineering Department – Double billing for tyre replacement on the same vehicle – Amount Rs.56,393/- to be recovered and deposited in Corporation funds	
		11)Coimbatore Municipal Corporation – Revenue & Capital Fund – Central Office – Ward No. 82 – Central Zone – Expenditure Audit 2023-24 – Fuel not recorded in the logbook – 2022-23 purchase booked in current year – Loss Rs. 1,65,812/- to be recovered	

		12)Coimbatore Municipal Corporation – Central Office – General Fund – Revenue & Capital Fund Audit – Public Health Dept. – Solid Waste Management – Drivers and cleaners appointed on contract for heavy, light and battery vehicles – Contract terms not followed – Excess PF and ESI paid in one zone – Serious deficiency – Loss Rs.10,74,844/- – PF and ESI underpaid by Rs. 62,99,456/- – Other defect noted	
29	**32**	1)Coimbatore Municipal Corporation – Central Office – General Fund – Revenue & Capital Fund Audit – Public Health Dept. – Urban Health Centres – NQAS – Annual maintenance of medical equipment – Contract norms not followed – Payment made without specifying GST – Tax loss to government Rs.3,62,993/- – To be recovered from contractor/concerned officer and paid to government account	
		2)Coimbatore Municipal Corporation – Central Office – General Fund – Revenue & Capital Fund Audit – Engineering Dept. – Expenditure for Mobile Library – Contract conditions not adhered to – Other defect noted	
		3)Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue Fund – Expenditure – Laptops and accessories purchased and distributed to Assistant/Junior Engineers for office work – Tender procedures not followed – Acknowledgment signatures from 4 officials not obtained – defect – Rs. 20,35,761	
		4)Coimbatore Municipal Corporation – Central Office – 2023–24 – Revenue Fund – Expenditure – Tender procedures not followed – Procured goods not recorded in stock – Deficiency – Rs. 8,77,870	**3,62,993**
30	**33**	Coimbatore Municipal Corporation – Central Office – 2023–24 Audit – General Fund – Revenue & Capital Fund Audit – Payment made to Southern Solid Waste Management company for garbage removal – Quotation, agreement, and related supporting documents not submitted for audit – Expenditure authenticity not verifiable – Rs. 33,66,95,818	**0**

31	**34**	Work Expenditure – Construction of Integrated Bus Terminal at Vellalore – Work stopped and not resumed – Measurement books held by Vigilance Department – Payment not released to contractor – Other defects – Project cost Rs. 57.62 crores	**0**
32	**35**	Coimbatore Municipal Corporation – 2023–24 – MLA Fund – Work Expenditure – Excess weight and price recorded in estimate for paver block pavement in a park walkway – Loss to the corporation – To be recovered – Rs. 2,74,684	2,74,684
33	**36**	1)Work Expenditure – Fencing provided for land acquired for Coimbatore Airport expansion – Data price mentioned high in estimate – Loss ₹ 30,400 – Work carried out without Revenue Department map – Unspent grant Rs. 90,00,049 to be returned 2)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund Central Office – Works Audit – Excess data price mentioned in estimate for tar road – Loss to corporation – Amount to be recovered from engineers who prepared/approved the estimate –Rs.3,27,725 3)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund – Central Office – Works Audit – Incorrect data price used in estimate – Loss to corporation – Amount to be recovered from engineers who prepared/approved the estimate – Rs.1,10,073 4)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund – Central Office – Works Audit – Incorrect data price mentioned in estimate – Loss to the Corporation – Amount to be recovered from engineers who prepared/approved the estimate – Rs.99,072 5)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund – Central Office – Works Audit – Incorrect data price mentioned in estimate – Loss to the Corporation – Amount to be recovered from engineers who prepared/approved the estimate – Rs.30,494 6)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund – Central Office – Works Audit – Incorrect data price used in estimate – Loss to the Corporation – Amount to be recovered from engineers who prepared/approved the estimate – Rs.29,582	**6,67,525**

		7)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund – Central Office – Works Audit – Incorrect data price used in estimate – Loss to the Corporation – Amount to be recovered from engineers who prepared/approved the estimate – Rs.5,233	
		8)Coimbatore Municipal Corporation – 2023–24 – Revenue Fund – Work Expenditure – Higher price mentioned in estimate compared to data rate – No signature in supplementary bill from the recipient – was Amount to be recovered – Rs.34,946	
34	**37**	Coimbatore Municipal Corporation – South Zone – Reconstruction of damaged stormwater drain and culvert on Panchayat Office Road in Ward No. 98 – Transparency in Tender Act of 1998 & 2000 not followed – Deficiency and financial loss – Rs.1,38,072	1,38,072
35	**38**	1)Coimbatore Municipal Corporation – 2023–24 – Central Office – Namakku Naame Thittam (NNT) – Works Audit – South Zone – Ward No.14 – Stormwater drain modification work – Excess quantity wrongly entered in measurement book – Excess payment made to contractor – To be recovered – Rs.23,664	
		2)Coimbatore Municipal Corporation – 2023–24 – Revenue & Capital Fund – Central Office – Works Audit – South Zone – Ward No.87 – Stormwater drain modification work – Incorrect measurements recorded in the measurement book – Excess payment to contractor – Amount to be recovered – Rs.84,795	**1,08,459**
36	**39**	(1) Revenue Fund – Works – Contrary to Government Orders, the work was carried out with administrative approval from the Ward Committee without obtaining administrative sanction from the Corporation Commissioner – The same work was split into two – Serious irregularity.	
		(2) Revenue and Capital Fund – Works – Expenditure – Work carried out with administrative approval from the Ward Committee without obtaining Corporation Commissioner's approval – Government rules not followed – Irregularity.	**0**
37	**40**	Coimbatore City Municipal Corporation – Engineering Department – Works – Works not completed within the stipulated period – No explanation sought from the contractor and 5% penalty not imposed – Proper action required.	**0**

38	**41**	Coimbatore City Municipal Corporation – Central Office – Revenue and Capital Fund – LED Street Light Repair / Maintenance Expenditure – No documentation shown for assessment and ward-wise electric pole register – 2% GST not deducted from listed amount – Loss of Rs.98,604/-	**98,604**
39	**42**	Coimbatore City Municipal Corporation – Central Office – 2023-24 – Revenue Fund – West Zone – Ward No. 24 Gandhi Park Operation and Maintenance Work – Amount provided for 16 months instead of 12 months for weed and shrub removal – Loss of Rs.5,41,384/- to be recovered.	5,41,384
40	**43**	Coimbatore City Municipal Corporation – Central Office – 2023-24 – Revenue Fund – Income – Engineering Department – Contractor registration and renewal – Solvency certificate not obtained – Deficiencies – No proof of profession tax payment – Amount to be recovered – Rs.11,250/-	11,250
41	**44**	Coimbatore City Municipal Corporation – Central Office – Accounts Department – Work Expenditure – Measurement book and files not produced for audit – Action required – Expenditure subject to objection – Rs.1,981,724,853/-	**0**
42	**45**	Coimbatore City Municipal Corporation – Central Office – Engineering Department – Work Expenditure – Bids received from a single IP address – Serious irregularity.	**0**
43	**46**	Road Works – Soil testing, traffic survey, and other quality control protocols not followed while preparing estimates and executing road work – Irregularity.	**0**
44	**47**	Asset Register and Maintenance Records not properly maintained.	**0**
45	**48**	Revenue Expenditure – Comparative review with previous year's expenditure – Administrative action required to reduce expenditure.	**0**
46	**49**	Coimbatore City Municipal Corporation – Central Office – 2023-24 Audit – Investments – Mismatch between ledger and trial balance closing balances – Irregularity.	**0**
47	**50**	(1) Central Office – Revenue and Capital Fund – 2023-24 – Government Grants Scheme Accounts – Bank interest received on grant amount not remitted to government account – Rs.2,15,00,413/- (2) Central Office – Revenue and Capital Fund – 2023-24 – Government Grants Scheme Accounts – Bank interest received on grant amount not remitted to government account – Rs.85,14,055/-	**12,89,17,654**

		(3) Central Office – 2023-24 Capital Fund – Project Fund – Development work of Sanganoor Canal – Interest on Mobilisation Advance and Bank Investment Interest to be remitted to government account – Rs.2,74,14,636/-	
		(4) Coimbatore City Municipal Corporation – Central Office – Capital Fund – 2023-24 Audit – Smart City – Bank interest received for government grant – Amount remitted under appropriate government head – NoReceipt memo for the amount obtained – Authenticity of amount received could not be verified – Irregularity.	
48	**51**	Central Office – Annual Accounts – Loans – As of 31.03.2024, demand collection balance report and confirmation for loan balances were not obtained from the lending institutions – Loan balances could not be verified in the audit – Administrative action required.	**0**
49	**52**	(1) Coimbatore City Municipal Corporation – Central Office – Revenue Fund (General) – 2023-24 – Advances – Outstanding advances as on 31.03.2024 remained unrecovered/ unsettled for several years – Rs.2,750/-	
		(2) Coimbatore City Municipal Corporation – Advances – 2023-24 – Revenue and Capital Fund – Bank vouchers audit – From the Corporation's housing advance scheme, Rs.22,00,000/- was granted as loan to an employee – Deficiencies – Interest of Rs.2,750/- to be recovered.	**2750**
50	**53**	(1) Coimbatore City Municipal Corporation – Central Office – Accounts Section – 2023-24 – Deposit Audit – Scheme: TURIF 2017-18 – Amount earlier deducted from contractor was refunded in previous year, but re-issued again in current year – Major irregularity – Loss of Rs.5,92,270/- to be recovered.	
		(2) Coimbatore City Municipal Corporation – Central Office – Accounts Section – 2023-24 – Deposit Audit – Capital Fund 2022-23 – Amount deducted from contractor was refunded in excess – Major irregularity – Loss of Rs.4,52,268/- to be recovered.	
		(3) Coimbatore City Municipal Corporation – Central Office – 2023-24 – Deposit Audit – Revenue Fund 2022-23 – Amount deducted from one contractor was issued to another contractor – Major irregularity – Loss of Rs.50,000/-	**33,73,537**

		(4) Works – Central Office Revenue Fund – Concrete platform construction – Since the work was not started, re-tender was requested – Deposit amount should be forfeited – Rs.10,000/-	
		(5) Coimbatore City Municipal Corporation – Central Office – Accounts Section – 2023-24 – Deposit Audit – Capital Fund 2022-23 – Refund issued was more than the amount deducted from the contractor – Loss to be recovered – Rs.8,816/-	
		(6) Coimbatore City Municipal Corporation – Central Office – Accounts Section – Deposit Register Audit – Refund issued to contractors after 9 years – Loss of Rs.22,60,183/-	
		7)Coimbatore Municipal Corporation – Central Office – Deposit Amount – Payment made to contractor for work related to Smart City – Penalty amount of Rs. 2,00,000/- was deducted – Account was prepared stating that the deposit amount was kept on hold – Correction to be made and deposit account to be rectified.	
		8)Coimbatore Municipal Corporation – Central Office – Revenue Fund – Deposit Amount – The difference between the annual account and register must be reconciled.	
		9)Coimbatore Municipal Corporation – Central Office – Revenue Fund – Deposit Amount – Registers not produced and not fully completed – Major deficiency.	
51	**54**	Coimbatore Municipal Corporation – Special Provident Fund – Central Office Audit for the year 2023-24 – Details of deductions and disbursements	**0**
52	**55**	Audit fee of Rs. 1,18,79,882/- to be remitted under Government Head	1,18,79,882

******* The End of Statement ********

Local Fund Audit Department

Coimbatore City Municipal Corporation

Water supply and Drainage Fund Audit

Report for the Year 2023–2024

Part - 1

Department of Local Fund Audit

From:

Thiru.M.Kamaladas, M.Sc,
Deputy Director,
Local Fund Audit,
Coimbatore Corporation,
Coimbatore – 641 001.

To:

Chairman,
Standing Committee,
Coimbatore Corporation,
Coimbatore

Ref. No. 0000141/A1/2024 dated 30.05.2025

Sir

Subject: Regarding submission of Part I Audit Report on the financial audit of the Water Supply and Drainage Fund accounts of Coimbatore Corporation for the year 2023–24.

The financial audit report on the Water Supply and Drainage Fund accounts of Coimbatore Corporation for the year 2023–24 is hereby forwarded along with the annual accounts.

As per Rule No. 18(2) of the Financial Administration Rules under the Schedule of the Coimbatore City Municipal Corporation Act, 1981, the Part I Audit Report of the Water Supply and Drainage Fund for the year 2023–24 is enclosed herewith.

The replies to this audit report should be sent to the Audit Office within six months of receipt of this report, with the approval of the Municipal Council, in two copies. You are also requested to acknowledge receipt of this audit report.

-sd-
Deputy Director
Local Fund Audit
Coimbatore Corporation

Enclosure:
Financial Audit Report of Water Supply and Drainage Fund for the year 2023–24 along with annual accounts

Copy to:

1. Additional Chief Secretary, Municipal Administration and Water Supply Department, Government of Tamil Nadu, Chennai
2. Commissioner, Coimbatore Corporation, Coimbatore
3. Special Director, Directorate of Local Fund Audit, Chennai – 35
4. Joint Director, Local Fund Audit Regional Office, Coimbatore

//True copy by Order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Audit Certificate on the Annual Accounts of Coimbatore City Municipal Corporation for the year 2023–24

The annual accounts of Coimbatore City Municipal Corporation for the year 2023–24, along with the documents and registers produced by the administration for verification, have been audited. The deficiencies noticed in the annual accounts have been pointed out in the audit notes and Part I paragraphs of the audit report relating to the Corporation's central office and its five zones.

Therefore, based on the reasons such as losses, discrepancies, deficiencies identified in the audit of 2023–24, non-preparation of required schedules, and non-furnishing of proper details, which have led to denial of a clear opinion, a **Disclaimer Certificate** is hereby issued.

Disclaimer Certificate

As per the audit observations, due to non-production of bank reconciliation statements, non-preparation of schedules, absence or incompleteness of details, non-maintenance of subsidiary registers, mismatch in demand collection and arrear statements with the annual accounts, it is not possible to provide a clear opinion. Hence, under Section 10(7)(C) of the Tamil Nadu Local Fund Audit Act, 2014 and Rules, 2016, a Disclaimer Certificate is issued for the annual accounts of 2023–24.

-Sd-
Deputy Director
Local Fund Audit Department
Coimbatore Corporation
Coimbatore

Place: Coimbatore
Date: 22.04.2025

//True copy by Order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Audit Report on Water supply and Drainage Fund Accounts of Coimbatore City Municipal Corporation for the Year 2023–24

Name and Designation of the Auditor:

As per Section 171, Part 3 of Schedule 3 of the Coimbatore City Municipal Corporation Act, 1981, the audit of the Water Supply and Drainage Fund Accounts of the Coimbatore City Municipal Corporation for the year 2023–24 was conducted by the following officer under the jurisdiction of the Director, Directorate of Local Fund Audit, Chennai.

SNO	Name and Designation of the Officer	
1(a)	**Name and Designation of the Auditor**	Thiru R. Pandian, Deputy Director, Local Fund Audit Department
1(b)	**Period Covered by the Audit**	From 21.05.2024 to 28.03.2025
1(c)	**Name and Designation of Reviewing Officer**	Thiru T. S. Kathirvel, Regional Joint Director, Local Fund Audit Department, Coimbatore

The audit was conducted by the audit team consisting of K. Somasundaram, Audit Inspector, M. Saranya, Deputy Inspector, and A. Prabu, Assistant Inspector, attached to the Head Office Water Supply Division Audit Unit.

2023–2024 1(d)1.2 Officers of the Corporation who held office during the audited period				
S. No	**Name (Thiru / Thirumathi)**	**Designation**	**Period of Service**	
			01.04.2023	**31.03.2024**
1	Thiru. M. Prathap, I.A.S.	Commissioner	**01.04.2023**	
2	Maru. M.O. Sharmila	Commissioner (In-charge)		
	Thiru. Sivaguru Prabhakaran	Commissioner		**31.03.2024**
3	Maru. M.O. Sharmila	Deputy Commissioner	01.04.2023	31.03.2024
		Deputy Commissioner		
4	Thiru. Senthilkumar Rathinam	Assistant Commissioner (Revenue)	01.04.2022	31.03.2023
5	Thiru. M. Sundararajan	Assistant Commissioner (Accounts)	01.04.2022	31.03.2023
6	Thiru. V. Saravanan	Assistant Commissioner (Administration)	01.04.2022	31.03.2023
7				
8	Thiru. T. Muthuramalinkam	Assistant Commissioner (East)	13.07.2022	31.03.2023
9				
10	Thiru. M. Sekar	Assistant Commissioner (West)	19.07.2022	31.03.2023
11	Thirumathi. R. Mohanasundari	Assistant Commissioner (North)	01.04.2022	31.03.2023
12	Thiru. N. Annadurai	Assistant Commissioner (South)	01.04.2022	31.03.2023
14	Thiru. M.M. Kanagaraj	Assistant Commissioner (Central) (General)	10.09.2022	31.03.2023
15	Thiru. R. Tamilvendan	Accounts Officer	01.04.2022	31.03.2023
16	Thiru. A. Amalraj	Council Secretary	01.04.2022	31.03.2023
17		Chief Engineer (In-charge)		
18		Chief Engineer (In-charge)		
19	Thiru. G. Ilangovan	Chief Engineer (In-charge)	28.11.2022	31.03.2023
20	Thiru. G. Murugesan	Deputy City Engineer	01.04.2022	31.03.2023
21	Thiru. G. Ilangovan	Deputy City Engineer	01.04.2022	31.03.2023
22	Thirumathi. K. Karuppathal	City Planner	01.04.2022	31.03.2023
23				
24	Maru. Pradeep V. Krishnakumar	City Health Officer	06.07.2022	31.03.2023
25	Maru. Vasantha Divakar	Assistant City Health Officer (In-charge)	01.04.2022	31.03.2023

1.1) Details of Annual Accounts Received

For the year 2023–2024, the Coimbatore City Municipal Corporation prepared consolidated annual accounts for five zones and the head office, using the four-digit accounting system, and submitted them for audit. These annual accounts were verified along with the year-end audit. From the financial year 2024–2025 onwards, the accounts must be prepared and submitted using the seven-digit CWBS accounting system.

As per Section 7(1) of the Local Fund Audit Act, 2016, the accounts of the completed financial year must be submitted for audit on or before 30.06.2024. However, the annual accounts for 2023–2024, which were required to be sent before 30.06.2024, were submitted only on 30.08.2024, after rectifying the audit objections, resulting in considerable delay. Henceforth, the Corporation should ensure that the annual accounts are prepared and submitted within three months using the seven-digit accounting system.

2.1.1) Certification of Annual Accounts – Regarding:

The annual accounts of Coimbatore City Municipal Corporation for 2023–2024 were verified, and the Part I Audit Report is enclosed. As per Section 7 of the Local Fund Audit Act, 2014, the annual accounts have been audited and the following points are brought to notice.

2.1.2) Non-Submission of the Administrative Report for 2023–2024 – Deficiency

The administrative report for 2023–2024 should have been prepared by the Coimbatore City Municipal Corporation, approved by the Council, and forwarded to the Government. Details regarding whether this has been done should be furnished for audit verification.

2)Organizational Setup and Staff Details

According to the Administrative Report of Coimbatore City Municipal Corporation for the year 2023–2024, the total number of sanctioned posts are as follows. As per G.O. No.152 MA&WS dated 20.10.2022, approval has been granted for these posts.

Department / Section	(Super Numeric Post)	No. of Sanctioned Posts	No. in Service	Vacant Posts
General Section-Revenue Section	**173**	**137**	**298**	**12**
Engineering Section	**156**	**114**	**216**	**54**
Town Planning Section	**0**	**21**	**7**	**14**
Public Health Section	**2263**	**29**	**2287**	**5**
Total	**2592**	**301**	**2808**	**85**

Zones and Locations

SNO	Zone	Location
1	East	Singanallur
2	West	R.S.Puram
3	North	Gandhipuram
4	South	Kuniyamuthur
5	Central Zone	Race Course

3. Authorization to Audit:

Based on the authorization under **Section 171 of the Coimbatore City Municipal Corporation Act, 1981**, and **Rule 4 of the Local Fund Audit Act, 2014 and Rules, 2016**, the audit of Coimbatore City Municipal Corporation for the financial year **2023–2024** was carried out by the Director/authorized officers of the Local Fund Audit Department.

2.2) General Review of the Annual Accounts – 2023–2024

The general observations on the 2023–2024 annual accounts submitted by the Coimbatore City Municipal Corporation are as follows:

Water Supply and Drainage Fund – Receipts and Expenditure – by Head of Account wise:

For the year 2023–2024, the total revenue amounted to Rs.21,234.28 lakh, including supervision charges and interest income of Rs.888.03 lakh (revenue recorded under head 1701001 being Rs.3,33,17,333 + Rs.5,14,85,494.17 = Rs.8,88,02,828), collectible revenue of Rs.16,899.68 lakh (Annexure – Para 2.2), and grants/subsidies received from Central and State Governments totaling Rs.113.63 lakh.

The total expenditure for the year stood at Rs.42,984.81 lakh, which included depreciation of Rs.3,952.90 lakh. Hence, the net expenditure amounted to Rs.39,031.91 lakh.

Revenue and Expenditure - Budget Estimates

As per the revised estimate for 2023–2024, the target for tax revenue was fixed at Rs.15,020.00 lakh, against which Rs.11,835.32 lakh was actually realized.

According to the budget estimate for 2023–2024 (excluding depreciation), an amount of Rs.41,343.00 lakh was allocated for expenditure. The actual expenditure incurred (excluding depreciation) was Rs.39,031.91 lakh.

Property Tax Demand, Collection, and Balance Details

The property tax revision of this Municipal Corporation was carried out on 01.04.2022, and the demand–collection–balance details for the year 2023–24 are as follows. The table below shows only Property Tax (General Purpose – WS & D Tax).

Description	Demand (in lakhs)	Collection (in lakhs)	Balance (in lakhs)	Collection %
Arrears	3375.41	1301.08	2074.33	38.55
Current	11645.47	10534.24	1111.23	90.46

Property Tax – Current Demand and Collection Details

The current collection of property tax for the year 2023–2024 is 90.46%. The current demand for 2023–2024 is Rs.11645.47 lakhs, which has increased compared to the 2022–2023 demand of Rs.10784.61 lakhs.The collection percentage, which was 91.34% in 2022–2023, has decreased to 90.46% in 2023–2024. Thus, compared to the previous year, the property tax collection has decreased by 0.88% in the audit year.

Water Charges

Water Charge	Demand (in lakhs)	Collection (in lakhs)	Balance (in lakhs)	Percentage
Arrears	4868.51	3182.52	1685.99	65.37
Current	4997.87	3320.11	1677.77	66.43

Underground Drainage Connection Charges

Drainage Charge	Demand (in lakhs)	Collection (in lakhs)	Balance (in lakhs)	Percentage
Arrears	1600.14	42.42	1557.71	2.65
Current	2119.08	94.16	2024.93	4.44

EXPENDITURE DETAILS

Employee Details

As per the Administrative Report of Coimbatore City Municipal Corporation for the year 2023–2024, the total number of sanctioned posts is as follows. Further, post sanction has been granted based on G.O. No.152 MA&WS dated 20.10.2022.

Department / Category	Super Numeric Post	No. of Sanctioned Posts	No. of Employees in Position	Vacant Posts
General Section / Revenue Section	**173**	**137**	**298**	**12**
Engineering Section	**156**	**114**	**216**	**54**
Town Planning Section	**0**	**21**	**7**	**14**
Public Health Section	**2263**	**29**	**2287**	**5**
Total	**2592**	**301**	**2808**	**85**

Depreciation Expenditure

The **depreciation expenditure** for the year **2023–2024** amounts to **Rs.3952.91 lakhs**, which is **Rs.124.08 lakhs higher** than the previous year's expenditure of **Rs.3828.83 lakhs**.

2.2.1 Water Supply and Drainage Fund – Liability Balance Details

For the year **2023–2024**, the **accumulated surplus** amounts to **Rs.32633.34 lakhs**. When compared with the previous year's surplus, the **current year's accumulated surplus** has **decreased by Rs.11159.42 lakhs** (**a reduction of Rs.21473.92 lakhs**).

Records for **unaccounted properties** have **not been properly maintained**.

Liabilities to be Paid

The following are the loan liabilities to be repaid annually by Coimbatore City Municipal Corporation.

S.No	Particulars	Amount (Rs. in Lakhs)
1	TUFIDCO (4006)	1962.00
2	TNUDP (4007)	63297.17
	Total	**65259.17**

Receivable Revenue		
S.No	**Particulars**	**Amount (Rs. in Lakhs)**
1	Water supply & Drainage tax – in Property Tax (3013)	1111.13
2	Water supply & Drainage Tax- in Property Tax (3019)	2074.33
3	Water Charges (3014, 3015)	3732.76
4	Underground Drainage Charges (3166, 3167)	9906.66
5	Deposits Receivable (3056)	103.90
	Total	**16928.78**

Items under Revenue–Capital Account (Assets)

S.No	Particulars	Amount (Rs. in Lakhs)
1	Advances and Receivables (3028–3046)	12.46
2	Fixed Deposits -- Investments (3070)	9596.12
	Total	**9608.58**

According to the above audit observations, measures need to be taken to improve the financial position of Coimbatore City Municipal Corporation. The current assets amount to Rs.26537.36 lakhs, whereas the liabilities amount to Rs.2591.94 lakhs.

Payable Liabilities

S.No	Particulars	Amount (Rs. in Lakhs)
1	Advance Collection of Tax (4015)	122.01
2	Contractors' Advance (4016)	1,719.48
3	Other Deposits (4020)	558.04
4	Income Tax Deducted – to be Payable (4035)	78.98
5	Miscellaneous (4036)	1.72
6	Goods and Services Tax (4037)	64.76
7	Salary Deductions (4021–4034)	46.95
	Total	2,591.94

INOPERATIVE ACCOUNTS

A objection has been raised regarding inoperative bankaccounts and for non-production of bank passbooks of the Coimbatore City Municipal Corporation.

Government Grant – Allocated Scheme Funds – Unspent Amounts

The government grants received by Coimbatore City Municipal Corporation for various schemes remain unutilized and are kept pending.

Details regarding the utilization of these funds in the subsequent years have been reported separately under a separate audit objection paragraph number------.

2.2.2 Reconciliation of Advance Register Closing Balances:

The balances recorded in the advance registers and those shown in the annual accounts of Coimbatore City Municipal Corporation have been reconciled.

However, objection paragraph has been raised for the unreconciled details.

2.3 Verification of Balances as of 31.03.2024

As on 31.03.2024, based on proper documentation, the progressive expenditure (under Revenue / Capital Fund) must be identified, adjusted against the above balances, and the remaining amount should be classified either as an asset or liability accordingly.

S.No	Account Code	Details	Balance as on 31.03.2024	
			Debit	Credit
			(Rs.in Lakhs)	
1.	3055	Recoverable Amount	**10947.25**	

2.4) SPECIFICALLY EARMARKED FUNDS

In Coimbatore City Municipal Corporation, the following funds must be treated as Earmarked Funds:

1. Revenue Fund and Capital Fund

2. Water Supply and Drainage Fund

3.Education Tax and Water Tax

No transfer of funds from these earmarked funds to any other funds should be made.

2.5) Annual Accounts – 2023–2024 – Outstanding Advance Accounts

The advance accounts for the year 2023–2024 have remained unadjusted for a long period and must be regularized.

During the audit of the accounts for 2023–2024, it was observed that advances issued under the following account heads remain unsettled to date.

S.No	Account No. (Water Supply and Drainage Fund)	Particulars	Amount (Rs. in Lakhs)
1.	3051	Suppliers	113.27
Total			**113.27**

The above items should be reviewed, and appropriate action must be taken to recover amounts under receivable heads.

For advances yet to be settled, proper entries must be recorded and adjustments completed to clear all pending balances.

2.6) Annual Accounts – 2023–2024 – Water Supply and Drainage Fund – Statement of Balances

In the Capital Balance Statement of the 2023–2024 Annual Accounts, under the head "Capital Work Projects in Progress", the following details have been provided:

S.No	Account Code	Account Head	Amount (Rs. in Lakhs)
1.	3121	Project in progress A/c.	156.97
Total			**156.97**

(a) Completed works among these must be capitalized, and relevant details should be produced for audit verification.

(b) Works still pending completion must be identified, and steps should be taken to complete them at the earliest.

2.7) Payment of Development Charges and Share Amount to Local Planning Authority

No remarks have been made regarding payment of development charges and share amount to the Coimbatore District Local Planning Committee by Coimbatore City Municipal Corporation.

2.8) Library Tax

No remarks.

2.9) Trust Funds

No trust funds are maintained in Coimbatore City Municipal Corporation.

2.10) Annual Accounts – Supporting Schedules and Statements

For the annual accounts of 2023–2024, the necessary schedules, supporting statements, and demand–collection–balance reports were not attached and submitted on time, which has been pointed out as a deficiency under a paragraph number--------.

2.11) Permanent Advance Account

The **Permanent Advance Account** balance as on **31.03.2024** amounting to **Rs.14.66 lakhs** should be **adjusted**.

As per the 2023–2024 Annual Accounts, under Account Head No. 3058 (General Imprest Control), an amount of Rs.1882.53 remains unadjusted.

It must be ensured that permanent advance accounts are properly utilized and adjusted every financial year.The officers maintaining permanent advances must verify the necessity and utilization of such funds. Any unutilized amounts should be cancelled and recovered accordingly.

2.12) Audit for the Year 2023–2024 – Contributory Pension Fund - Review

This section pertains to the income and expenditure details of the Contributory Pension Scheme Fund of Coimbatore City Municipal Corporation for the year 2023–2024.

2.12.1 Contributory Pension Fund Accounts – Not Fully Computerized

As of 31.03.2024, employees of the Corporation are covered under the Contributory Pension Scheme. Their pension contribution accounts are maintained both manually in registers and partly through computer records.It is necessary to ensure that these records are fully maintained through a computerized system in the future.

2.12.2 Non-Submission of Payment Details to Government Account

The details of the contributory pension deductions and the employer’s share remitted to the appropriate Government account during the year 2023–2024 were not produced to audit by Coimbatore City Municipal Corporation.

2.13 Provident Fund Accounts Not Computerized

In Coimbatore City Municipal Corporation, the General Provident Fund (GPF) accounts of employees under the provident fund scheme are still being maintained manually in registers as of date. Hereafter, the provident fund accounts must be maintained in a computerized format. For the period 2005–06 to 2011–12, the interest calculation statements were prepared, deficiencies were pointed out, and the statements were returned for correction. These interest calculation deficiencies must be rectified, recalculated up to the current year, and resubmitted. Further, for the period 2012–13 to 2023–24, the provident fund interest statements are to be prepared and submitted.

2.14 Amma Unavagam (Amma Canteen) Operations

No remarks.

2.15 Investments

In Coimbatore City Municipal Corporation, the details of investments made during 2023–2024 in various institutions and banks have been provided separately.
The investment registers and annual accounts were verified.

It was observed that the interest rates earned on these investments were lower compared to the interest rates payable on the Corporation's borrowings during the audit year. Certain investment amount Rs. --------- lakhs were withdrawn during the financial year to meet expenditure needs.

The Corporation should control its expenditure and maximize investments.

It is also recommended that funds be invested in schemes offering higher interest returns.

2.16 Government Grants

The implementation of works undertaken using the grants received during the audit year has been recorded as follows.

The details of grants received during 2023–2024 are given below.

Any unspent grant amounts should be utilized in the subsequent financial year, and the ongoing projects should be completed and properly capitalized thereafter.

Sl.No	Grants	TOTAL
1	Grant in Fixed Deposit	4,12,78,172
2	Interest for Grants	4,79,167
3	Septic Tank Cleaning Charges (CHO)	8,63,500
4	MLA (From Ac Accts)	1,08,07,326
5	24x7 O & M of Reserve Fund (Suez Project) -HDFC(414)	2,05,35,84,000
6	AMRUT - SAAP I (Kfw) - 8 Added Indusind-6976	30,95,60,000
7	OCEMS Fund UBI – 10121	1,17,44,000
8	AMRUT SAAP-III Pillur III - SUIDF (Direct -ECS) 31851	7,99,99,000
9	AMRUT SAAP-III Pillur III - SUIDF (Direct -ECS) - BOB 2935	4,10,51,00,000
10	UGSS 2 Added Areas (IB - 1049) Grant	52,29,00,000
11	UGSS 2 Added Areas (IB - 1049) Loan	12,41,00,000
12	UGSS 4 Added Areas (ICICI - 805)	62,99,00,000
13	UGSS 4 Added Areas (ICICI - 805)	23,06,00,000
14	Bank A/c Closed Amt	6,64,565
	TOTAL	8,12,15,79,730

Details of Grants for the Year 2023–2024 – Coimbatore City Municipal Corporation

An examination has been carried out of the grants listed in the schedule where, there has been no change in the opening and closing balances (i.e., no receipts or expenditures during the year).

It is emphasized that:

If such grants are still eligible for expenditure, the funds should be utilized accordingly.

If the grant amount cannot be utilized, appropriate action should be taken to refund the unspent amount to the respective funding agency or department that issued the grant.

3. Audit Report for the Year 2023–2024

(a) The Annual Accounts (Account Summary) of Coimbatore City Municipal Corporation for the year 2023–2024, along with the compliance audit reports of the Head

Office and the five zones, and the major audit objections selected from the audit remarks, are compiled and published in this audit report.

(b) The defects observed in the functioning of the five zones and three funds of the Corporation for the year 2023–2024 have been compiled as audit notes and communicated separately to the Commissioner and the five Assistant Commissioners through Part-II of the audit notes.

(c) Only the significant and serious defects noted in the Part-II audit notes of the zones have been highlighted in this audit report.
All other minor or additional defects included in the observation paragraphs are contained within the Part-II financial compliance audit notes.
The audit notes of all five zones should be considered as an integral part of this audit report.

(d) According to the Coimbatore City Municipal Corporation Act, 1981, the replies or explanations for the deficiencies and objections pointed out in the audit report and audit notes must be submitted to the Audit Office within two months from the date of receipt of the audit report, with the approval of the Council.

4.1 Revenue and Expenditure Budget – Review of Estimates and Revised Estimates for 2023–2024

The budget estimates and revised estimates of revenue and expenditure for all funds of the Coimbatore City Municipal Corporation for the year 2023–2024 were approved through the Council Resolution dated 03.04.2023.

Details	Revenue Fund	Water Supply & Drainage Fund	Elementary Education	Total
Revenue Receipt	820.68	370.62	87.51	1278.81
Capital receipt	612.22	1,127.87	0.00	1740.09
Total	**1432.90**	**1498.49**	**87.51**	**3018.90**
Revenue Expenditure	701.61	271.86	16.35	989.82
Capital Expenditure	733.66	1,277.59	28.00	2039.25
Total	**1435.3**	**1549.45**	**44.35**	**3029.07**
Surplus / (Deficit)	-2.37	-50.96	43.16	-10.17

Water Supply and Drainage Fund – Income and Expenditure Details for the Financial Year 2023–2024

ABSTRACT OF GENERAL FUND, WATER SUPPLY & DRAINAGE FUND AND ELEMENTARY EDUCATION FUND

Receipts (Revenue)	**Code**	**GF**	**WS**	**EEF**	**TOTAL**
Tax Revenue	110	294.51	124.50	84.25	503.26
Assigned Revenues & Compensations	120	65.00	0.00	0.00	65.00
Rental Income from Municipal Properties	130	45.52	0.00	0.00	45.52
Fees & User Charges	140	103.40	188.02	0.00	291.42
Sale & Hire Charges	150	3.83	0.00	0.00	3.83
Revenue Grants, Contribution and Subsidies	160	240.00	54.00	0.00	294.00
Income from Investments	170	3.40	0.70	1.00	5.10
Interest Earned	171	2.90	1.40	0.00	4.30
Other Income	180	50.00	2.00	2.26	54.26
Grants, Contribution for specific purposes	320	12.12	0.00	0.00	12.12
		820.68	**370.62**	**87.51**	**1,278.81**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	432.68	675.76	0.00	1,108.44
Secured Loans	330	144.75	451.69	0.00	596.44
Other – Receipts	350	31.04	0.00	0.00	31.04
Advances	460	3.75	0.42	0.00	4.17
Total - Capital Receipts		**612.22**	**1,127.87**	**0.00**	**1,740.09**
Total - Rev & Cap		**1,432.90**	**1,498.49**	**87.51**	**3,018.90**

Particulars	Code	Actuals (2021-2022)	Budget Estimate (2022-2023)	Revised Estimate (2022-2023)	Budget Estimate (2023-2024)
Receipts (Revenue)					
Tax Revenue	110	79.09	92.25	107.39	124.50
Fees & User Charges	140	83.09	lkkj	72.48	188.02
R,Grants, Contribution and Subsidies	160	0.00	0.00	0.00	54.00
Interest on Investment	170	0.56	2.00	0.65	0.70
Interest Earned	171	1.40	1.52	1.22	1.40
Other Income	180	1.57	0.53	1.85	2.00
Total -Receipts - WS & DF		**165.71**	**232.36**	**183.59**	**370.62**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	385.93	662.09	229.42	675.76
Secured Loans	330	29.39	326.74	50.67	451.69
Advances	460	0.23	0.23	0.53	0.42
Total - Capital WS & DF		**415.55**	**989.06**	**280.62**	**1,127.87**
Total -Receipts -WS&DF		**581.26**	**1,221.42**	**464.21**	**1,498.49**
Payments (Revenue)					
Establishment Expenses	210	10.20	11.75	11.78	12.45
Administrative Expenses	220	3.43	5.06	3.20	4.93
Operations & Maintenance	230	146.95	146.27	174.42	213.26
Interest & Finance Charges	240	16.58	18.69	19.92	41.22
Total- Payment-WS&DF		**177.16**	**181.77**	**209.32**	**271.86**
					Payments (Capital)
Investments	320	0.00	5.00	30.60	5.00
Repayment of Secured Loans	330	5.85	6.41	6.25	50.06
Other Liabilities	350	0.00	0.00	0.00	24.00
Fixed Assets	410	428.24	1,032.77	269.73	1,198.20
Specific Schemes	412	0.00	0.00	0.00	0.00
Advances	460	0.20	0.33	0.46	0.33
Total - - WS & DF		**434.29**	**1,044.51**	**307.04**	**1,277.59**
Total - Rev & Cap.		**611.45**	**1,226.28**	**516.36**	**1,549.45**
(Deficit) - WS & DF		**(30.19)**	**(4.86)**	**(52.15)**	**(50.96)**

Details	As per 2023–2024 Budget Estimates (Rs. in Lakhs)	Actuals for 2023–2024 (Rs. in Lakhs)
Total Income	**149849,00**	**21234.28**
Total Expenditure	**154945,00**	**42984.81**
Deficit	**(-) 5096.00**	**(-) 21750.53**

As per the financial statement for 2023–2024, the total income amounted to Rs.21,234.28 lakhs, which includes, Supervision charges and interest income of Rs.888.03 lakhs (from account head 1701001, totaling Rs.3,33,17,333 + Rs.5,14,85,494.17 = Rs.8,88,02,828).

Central and State Government grants and assigned revenues amounting to Rs.113.63 lakhs.

The total expenditure for the year was Rs.42,984.81 lakhs, of which Rs.3,952.90 lakhs was depreciation. Hence, the net expenditure (excluding depreciation) stood at Rs.39,031.91 lakhs.

Budget Estimate Review

As per the Revised Estimate for 2023–2024, the target for tax revenue was Rs.15,020.00 lakhs, against which Rs.11,835.32 lakhs was actually realized.

As per the original budget estimate (excluding depreciation), an expenditure allocation of Rs.41,343.00 lakhs was made.
The actual expenditure (excluding depreciation) amounted to Rs.39,031.91 lakhs.

According to the Revised Estimate, Rs.1,04,715.00 lakhs was allocated for expenditures, but the actual expenditure was only Rs.42,984.81 lakhs, which is lower than the revised allocation.

Similarly, under the Revised Estimate, fund receipts were projected at Rs.1,09,117.00 lakhs, whereas the actual receipts amounted to only Rs.21,234.28 lakhs, indicating a shortfall in income compared to projections.

In conclusion, the Coimbatore City Municipal Corporation’s Water Supply and Drainage Fund for the year 2023–2024 ended with a net surplus of Rs.11,159.42 lakhs.

4.2) Review of Annual Accounts

1) General Overview

Coimbatore City Municipal Corporation (CCMC) has been upgraded in its status and is currently functioning accordingly. The consolidated annual accounts, combining income and expenditure of the five zones and the central office, are being maintained and produced to audit every year.

2) Accounting System and Records Submitted for Audit

In the newly introduced CWBS (Centralized web Based System) accounting method, not all accounting operations are fully implemented by the Corporation. However, under normal accounting practices, the accounts for 2023–2024 were submitted for audit and verified as follows:

i. Opening Balance Sheet as on 01.04.2023
ii. Income and Expenditure Statement for the year 2023–2024
iii. Balance Sheet as on 31.03.2024

During the financial year-end, the following four fund accounts were maintained and reports were prepared:

1) Revenue and Capital Fund
2) Water Supply and Drainage Fund
3) Primary Education Fund
4) General Provident Fund (GPF) Account

The Balance Sheet as of 31.03.2024 and the Income & Expenditure Statement attached to the annual accounts do not represent a true and fair view of the Corporation's financial position. Detailed subsidiary schedules should be prepared and submitted to verify outstanding receivables, payables, assets, and liabilities.

Water Charges and Receivables

Water charges constitute a major source of revenue for the Corporation. These charges are levied based on usage type — residential or commercial — and must be assessed, billed, and collected accordingly.

Although the billing and collection process for water charges has been computerized, the annual accounts have not been prepared based on this computerized data. For both tax and non-tax revenues, proper provisions for doubtful collection of receivables have not been made during the audit year.

The closing balance of the previous year, under account code 4039, stands at Rs.1,25,81,29,594.42.

Sewerage Connection Charges

Sewerage Connection Charges are to be collected during the year. The relevant demand, collection, and balance registers must be prepared for all zones. As per records, the current demand and balances are as follows:

Account Code	Description	Amount (Rs.)
1086	Current Year Demand	32,60,10,273
3166	Outstanding Balance	20,24,92,608
3167	Outstanding Balance	78,81,73,500

All these must be properly entered in the Demand, Collection & Balance (DCB) registers, and the outstanding Sewerage Connection Charges should be reflected in the annual accounts accordingly.

3) Review of Grants

i. Separate accounts are maintained only for project expenditures that are funded through government grants and institutional loans. For these, Utilization Certificates (UCs) are issued by the Local Fund Audit Department. However, for other project expenses that do not require UCs, separate accounts are not maintained.

ii. Deposit accounts, investments, and advance accounts were verified and reconciled with subsidiary registers at the end of the year. However, the deposit register was not fully completed or certified by the responsible officers — this has been raised as an audit objection.

iii. Works completed as of 31.03.2023 were not properly capitalized, and no schedule showing capitalization for 2023–2024 was attached to the accounts.

iv. Details of fixed assets, as shown in the annual accounts, were not supported by the corresponding registers. The total value and depreciation of the Corporation's assets should be physically verified and certified by the City Engineer.

v. No inventory verification report was attached to the annual accounts. Hence, the value of stock items could not be confirmed during the audit.

4) Reconciliation of Bank Balances

The closing balances as of 31.03.2023 were reconciled zone-wise and bank-wise (income and expenditure bank accounts). Necessary reconciliations and adjustments were carried out at the end of the year.

5) Pension Fund Management

When transitioning to the accrual accounting system, it was recommended that a separate account be maintained for pension funds. However, as of date, no such separate account has been maintained by the Corporation. Records regarding the number of pensioners and family pensioners are also not maintained. Further, the amount disbursed has not been reconciled annually.

6) Outstanding Advance Collection of Property Tax

Under account head 3504101 (Advance Collection of Property Tax), an amount of Rs.1,22,01,130.45 continues to remain un adjusted. This irregularity should be rectified immediately.

4.3) Percentage of Tax and Fee Collections

During the financial year 2023–2024, the percentage details of demand and collection for various taxes and fees are as follows:

Sl. No	Description of Tax / Fee		Demand	Collections	%
			(In Lakhs)		
1	**Water Tax**	Current	11645.47	10534	90.5
		Arrear	3375.41	1301	38.5
2	**Water Charges**	Current	4997.87	1265	25.3
		Arrear	4059.01	2004	49.4
3	**Miscellaneous Demand**	Current	2119.08	94.2	4.44
		Arrear	7870.66	0	0

All departments must take strict measures to ensure intensive follow-up and collection of both current and arrear dues under tax and non-tax categories.

4.4) Bank Balance Reconciliation Certificates

As per the statement attached, the closing bank balance as on 31.03.2023 in the General Ledger was taken as the opening balance on 01.04.2023, and the closing balance as on 31.03.2024 has been reconciled and matched with the balances of all bank accounts.

Number of Bank Accounts

According to the annual accounts, Coimbatore City Municipal Corporation maintains bank accounts under the following funds:

1. Revenue Fund
2. Capital Fund
3. Water Supply Fund
4. Education Fund

Any discrepancies related to these accounts have been discussed in separate paragraphs.

4.5) Bank Reconciliation Statements – Amount Transfers through RTGS – Long-standing Differences – No Defects Noticed

Transfers made through RTGS and the related differences shown for a long period were reviewed; no discrepancies were found.

4.6) Uncashed Cheques for the Year 2023–2024

Details of uncashed cheques have been attached along with the annual accounts and are also mentioned in the final bank reconciliation certificate.

Issues related to bank reconciliation differences and uncashed cheques have been raised in Part II of the audit report.

4.7) Central Account Group – Bank Reconciliation through CSL – Proper Reconciliation Not Done – No Defects Found

Though the Central Account Group made transfers through CSL, proper reconciliation has not been carried out, however, no material discrepancies were observed.

4.8) Central Account Group – Long-term Non-reconciliation Between Municipal Account and Bank Balances

There are no detailed records or explanations available regarding the long-standing non-reconciliation between the Municipal Corporation’s account balances and the final bank balances.

5.1 Financial Status Review

General Review of Income and Expenditure Account for the Audit Year

During the financial year, the total income earned and total expenditure incurred were Rs.21,234.28 lakhs and Rs.42,984.81 lakhs respectively. The breakup of major heads and sub-heads, along with their respective percentages, is given below:

Income (Rs. in Lakhs)

Sl. No	Item	2022-23		2023-24	
		Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
1	Water Supply & Drainage Tax	10781.84	50.28	11645.47	54.84
2	Other Revenues	2408.17	11.22	1787.58	8.42
3	Fees & Charges	8175.27	38.10	7687.61	36.20
4	Assigned Revenue	90.58	0.42	113.63	0.54
5	Grants	0.00	0.00	0.00	0.00
6	Sale and Rent Charges	0.00	0.00	0.00	0.00
7	Miscellaneous Income	0.00	0.00	0.00	0.00
	Total	21455.88	100	21234.28	100

Expenditure (Rs. in Lakhs)

Sl. No	Item	2022-23		2023-24	
		Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
1	Salaries	1046.29	3.91	1025.87	2.39
2	Pension	0.00	0.00	18.59	0.04
3	Operating Expenses	1746.51	5.74	5444.98	12.67
4	Repairs & Maintenance	20050.87	53.93	28231.22	65.68
5	Project Expenses	237.27	1.35	575.50	1.34
6	Administrative Expenses	77.65	0.25	1198.20	2.79
7	Financial Expenses	5787.50	21.82	2537.54	5.90
8	Depreciation	3628.83	13.00	3652.91	9.19
	Total	32574.92	100	42984.81	100

5.1.1 Review of Water Supply and Drainage Fund Expenditure – General

As per the 2023–2024 annual accounts, the financial sources and their utilization are presented below:

Liabilities

(A) Source of Funds

As on 31.03.2023 (Rs. in Lakhs)	Account Head	As on 31.03.2024 (Rs. in Lakhs)	Difference (Rs.)	Increase / Decrease
25140.18	Loans	65259.17	40118.99	Increase
134455.78	Capital (Govt. Share)	185713.8	51258.00	Increase
0.00	Municipal Share	340.45	340.45	
0.00	Government Grants	1000.00	1000.00	Increase
	Deposits			
1562.41	Other Payables	2277.52	715.11	Increase
6130.45	Other Items	5807.31	-323.14	Decrease
340.45	Accumulated Surplus	839.02	498.57	Increase
32633.34	Loans	11159.41	-21473.93	Decrease
200262.61	**Toatal**	**272396.66**	72134.05	Increase

Assets

(B) Utility of Funds

As on 31.03.2023 (Rs. in Lakhs)	Account Head	As on 31.03.2024 (Rs. in Lakhs)	Difference (Rs.)	Increase / Decrease
123303.96	Fixed Assets	134710.15	11406.19	Increase
	Other Assets		0.00	
0.00	Work in Progress	156.97	156.97	Increase
123303.96	**Total**	**134867.12**	11563.16	Increase
25108.8	Less: Accumulated Depreciation	29061.70	3952.90	Increase
98195.16	Net Asset Value	**105805.42**	7610.26	Increase
	Receivables Balance			
-15753.69	Taxes, Fees, Grants & Other Receivables	16912.11	32665.80	Increase
12581.30	Less: Provision for Doubtful Collection	12581.30	0.00	
	Miscellaneous		0.00	
-28334.99	Net	**4330.81**	32665.80	Increase
113262.53	Advances	168983.58	55721.05	Decrease
17139.91	Cash and Investments	25600.75	8460.84	Increase
0.00	Other Assets (-) IFT	-32323.90	-32323.90	Decrease
200262.61	**Total**	**272396.66**	72134.05	Increase

1.Against the capital amount of Rs.92,717.44 lakhs, fixed assets worth Rs.11,563.16 lakhs have been additionally created.

2.The accumulated depreciation amounts to Rs.29,061.70 lakhs, and the provision for doubtful collections totals Rs.12,581.30 lakhs. These have been included within the accumulated surplus balance of Rs.11,159.41 lakhs.

3.The current assets exceed the current liabilities by Rs.32,323.90 lakhs (Rs.1,98,915.14 – Rs.1,66,591.24 lakhs).

After capitalizing Rs.92,717.44 lakhs from the total receipts, the net income has been computed.
Similarly, in expenditures, after excluding depreciation, an amount of Rs.39,031.91 lakhs has been classified.

Based on the above analysis, the Revenue and Capital Fund Accounts are found to be satisfactory.

As of 31.03.2024, the total outstanding receivables for the financial year amount to Rs.1,85,895.69 lakhs, as detailed below:

Particulars	**Rs. in Lakhs**
Property Tax and Other Taxes	16,912.11
Grants Receivable	—
Advances Recoverable	1,68,983.58
Total	**1,85,895.69**

As of 31.03.2024, the total outstanding Water Tax arrears amount to Rs.1,111.13 lakhs. A year-wise arrear statement must be attached along with the annual accounts. The outstanding dues must be collected before they become time-barred, or appropriate legal action should be initiated for recovery.

5.1.2. Regarding Profession Tax

5.1.3. Regarding Company Tax

5.1.4. Regarding Tree Tax – This tax is not applicable in Coimbatore Corporation.

5.1.5. Regarding Revenue from Land and Building Rentals – Demand, Collection, and Arrear Review

As per the 2023–2024 Annual Accounts, rental income received under Miscellaneous Demands and Others has not been maintained under the Water Fund.

The subsidiary registers related to Miscellaneous Demands maintained at the zonal offices are not properly maintained or completed, nor are they submitted for audit within the prescribed time. Further, administrative action must be taken to recover the uncollected arrears that remain outstanding.

5.2.1. Expenditure – Staff Expenses

During the financial year 2023–2024, the following staff expenditure and pension benefit expenses were incurred:

	Amount in Lakhs	
Details	**2022 –2023**	**2023–2024**
1. Staff Expenditure	1046.29	1025.84
2. Pension Benefits	0.00	18.59
Total	**1046.29**	**1044.43**

The staff expenditure in 2023–2024 has decreased by Rs.20.45 lakhs compared to 2022–2023. It is advised that excessive expenditure due to engagement of daily-wage employees should be avoided.

The salary expenditure has been maintained within 49% of the total revenue.

According to the 2023–2024 annual accounts of the Coimbatore City Municipal Corporation, the net revenue receipt amounts to Rs.21,234.28 lakhs, while the staff salary expenditure stands at Rs.1,025.84 lakhs.

As per Government Order No.27, Municipal Administration and Water Supply (Election) Department, dated 14.03.2006, salary expenditure should not exceed 49% of the net revenue of the local body.In this case, the ratio for Coimbatore City Municipal Corporation in 2023–2024 is 2.39%, which is well within the prescribed limit.

5.2.2. Pension Expenditure

(a) According to the 2023–2024 annual accounts of the Coimbatore City Municipal Corporation, pensions, gratuity, and family pensions have been paid to retired municipal employees. The details of expenditure incurred under Revenue Funds are as follows:

Comparative Statistical Data	Amount in Lakhs	
	2022–23	2023 –24
Pension / Death-cum-Retirement Gratuity	0.00	18.59
Total Pension Expenditure	**0.00**	**18.59**

5.2.3. & 5.2.4. Repair, Maintenance, and Operational Expenditure

During 2023–2024, the Coimbatore City Municipal Corporation has spent Rs.28,231.22 lakhs towards repairs and maintenance expenses.

5.2.5. Movable Assets – Vehicles

A consolidated register of vehicles used for various public works by the Coimbatore City Municipal Corporation must be submitted for audit.

The audit has pointed out that the repair and maintenance expenditure should be kept under control. Proper monitoring of vehicle maintenance expenses should be carried out to reduce unnecessary expenditure.

5.2.6. Advertisement Expenses

Under the head Advertisement Expenses, an amount of Rs.380.81 lakhs has been spent during 2023–2024. The expenditure for the previous year (2022–2023) was Rs.0.63 lakhs. Thus, there is an increase of Rs.380.18 lakhs compared to the previous year. It is advised that economic measures be followed and expenses restricted to actual necessity in public and tender-related advertisements.

5.2.7. Interest and Financial Charges

Under the head Financial Charges, a total of Rs.2,385.95 lakhs has been spent during 2023–2024 towards interest on loans.

5.2.8. The audit fee for the years 2021 – 2022 and 2023 – 2024 amounting to Rs.46,15,192/- shall be paid under the Government head of account.

For the year 2023–2024, as per Government Order No. 62, Finance (Local Fund) Department, dated 17.01.1994, 50% of the remuneration of the audit staff has been calculated as the audit fee for the Revenue, Water Supply, and Drainage Fund audit, amounting to Rs.46,15,192/- as detailed in the annexure. This audit fee shall be paid under the following Government account head, and the payment details shall be reported on the same day.

For the year 2023–2024, an audit fee of Rs.16,30,601/- has been debited under Account Head No. 2036 but not transferred to Account Head No. 4088. This discrepancy shall be rectified, and the audit fee shall be properly reflected in the annual accounts.

Further, the audit fees for the years 2021–2022 and 2022–2023, amounting to Rs.6,70,703/- and Rs.23,13,888/- respectively, have not been paid till date. Hence, necessary action shall be taken to ensure that the audit fee for the year 2023–2024 is paid along with the pending audit fees.

Audit Fees Head of A/c :

0070 - Other Administrative Services
60 - Other Services
110 - Fees for Government Audit
AA - Fees for Government Audit - Controlled by the Director of Local Fund
2706 - Non Taxation Fees - Audit
(DPC : 0070 - 60 - 110 - AA - 2769)
(IFHRMS New Code : 0070 60 110 AA 22706)

5.2.9. Election Expenditure

Nil.

5.3. Refundable Deposits

The refundable deposits, such as security deposits received from suppliers and contractors, are stated as Rs.8,543.80 lakhs as of 31.03.2023. Proper subsidiary registers are being maintained. Until these deposits are refunded, the related files and measurement books must be closely monitored.

Sl. No.	Account No.	Account Head	Amount (Rs. in Lakhs)
1.	3401001	Contractor Deposits	1719.48
2.	3401002, 003, 004	Supplier Deposits	0.00
3.	3408001	Other Items	558.04
Total			**2277.52**

5.3.1. Payable Provident Fund Deductions

No arrears were found regarding Provident Fund deductions payable in the Coimbatore City Municipal Corporation.

5.3.2. Payable Interest Amounts

No deficiencies were observed in respect of interest amounts payable in the audit of Coimbatore City Municipal Corporation.

5.3.3. Non-receipt of Interest on Provident Fund (T. Deposit)

For the financial year 2023–2024, a separate audit report has been issued for Coimbatore City Municipal Corporation regarding this matter.

5.3.4. Payable Library Tax

No remarks.

5.4. Capital – Balance Sheet Statement

Details of Liabilities / Assets are provided in Paragraph 5.3.

5.5. Earmarked Funds

No deficiencies were observed under Earmarked Funds for Coimbatore City Municipal Corporation.

5.6. Review on Surplus Balance Statement

Sl. No.	Fund	Account Code No.	Particulars	Deficit (-) / Balance Amount	Dificiency (-)
1.	Water Supply and Drainage Fund	3109001 3109002	Expenditure exceeds Revenue	Revenue	21234.28
				Expenditure	42984.82
				Expenditure	21750.54

5.7. Audit Conclusion

The deficiencies observed in the annual accounts must be rectified as follows:

1) Although the annual accounts have been prepared and submitted in a seven-digit accounting system, the daily BRV/BPV (Bank Receipt Vouchers / Bank Payment Vouchers) were not uploaded in the software, and instead, GJVs (General Journal Vouchers) were prepared and finalized at the end of the year.
2) A monthly bank reconciliation statement and cash balance statement should be prepared and submitted for audit regularly.
3) The 24 Schedules required to be attached with the annual accounts must be enclosed.
4) The provision for doubtful receivables should be made, and the corresponding schedule must be attached.

5) Details of fund transfers between various funds must be attached, as mentioned in the annual accounts.
6) All the above-mentioned deficiencies must be corrected.

Regarding the Coimbatore City Municipal Corporation's 2023–2024 audit of the Water Supply and Drainage Fund, in Part–II of the audit report, paragraphs containing audit 84 objections amounting to Rs.804929785 have been raised.

In Part–I of the same audit report, the summary of audit objections for the Water Supply and Drainage Fund for the year 2023–2024 is as follows:

Sl. No.	Summary of Audit Objection	Paragraph No.	Amount (Rs.)
None			

Deputy Director
Local Fund Audit
Department
Coimbatore City
Municipal Corporation.

Local Fund Audit Department

Coimbatore City Municipal Corporation

Elementary Education Fund Audit

Audit Report for the Year 2023–2024

Local Fund Audit Department

Sender	Recipient
Mr. R. Pandiyan Deputy Director Local Fund Audit Municipal Corporation Audit Coimbatore	Chairperson, Standing Committee Coimbatore City Municipal Corporation, Coimbatore

Ref. No.: 000079 /A1/2025 Date: 22.04.2025

Sir,

Subject: Audit – Submission of the Elementary Education Fund Audit Report for the year 2023–2024 pertaining to the accounts of Coimbatore City Municipal Corporation – Regarding.

****

The Audit Report of the Elementary Education Fund of the Coimbatore City Municipal Corporation for the financial year 2023–2024, along with the annual accounts, is hereby forwarded.

As per Rule 18(2), Part 3, Schedule 3 of the Financial Administration Rules under the Coimbatore City Municipal Corporation Act, 1981, the audit report of the financial status of the Elementary Education Fund of the Coimbatore City Municipal Corporation Main Office for the year 2023–2024 is enclosed herewith.

You are kindly requested to send two copies of the replies to this audit report, along with the approval of the Municipal Council, to the Audit Office within six months from the date of receipt of this report. Kindly also acknowledge the receipt of this audit report.

– Sd –
Deputy Director
Local Fund Audit
Coimbatore Corporation

Enclosure: Audit Report of the Elementary Education Fund for the year 2023–2024 along with the annual accounts

Copy to:

1.Additional Chief Secretary, Municipal Administration and Water Supply Department, Government of Tamil Nadu, Chennai–9
2.Commissioner, Coimbatore City Municipal Corporation, Coimbatore
3.Principal Director / Special Director, Local Fund Audit Department, Chennai–35
4.Zonal Joint Director, Local Fund Audit, Coimbatore – Submitted respectfully

//True Copy by Order// 15.12.2025

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Cover Page

Coimbatore City Municipal Corporation

1)	Auditing Institution / Unit	:	Coimbatore
2)	Audit Year	:	2023-24
3)	Date of Receipt of Annual Accounts	:	20.08.2024
4)	Audit Commencement Date	:	30.06.2024
	Date of Issue of Audit Commencement Notification	:	30.06.2024
	Entry Level Conference Date	:	30.06.2024
5)	Approved Man-Days	:	Concurrent Audit
6)	Actual Man-Days Utilized	:	68days
7)	Audit Completion Date & Reconciliation Audit	:	07.03.2025, Compliance Audit: 31.03.2024
8)	Date of Submission of Draft Audit Report to Office	:	Compliance Audit: 31.03.2025
9	Reviewed by		Mr. D.S. Kathirvel
	Designation		Regional Joint Director
10	Date of Review / Final Approval		,04,2025
11	Declaration – Code of Ethics for Auditors Form Attached		Yes
12	Details of Written Requests for Submission of Audit Documents		Yes
13	Details of Letters Received from Auditee Institution		Yes
14	Details of Audit Objection Memos Issued		Yes
15	Details of Replies Received for Audit Objection Memos		Yes

16	Details of Resolution of Audit Objections		Yes
17	Amount Attracted by Audit Objection Memos		Yes
18) Work Allocation of Audit Team Members			
Sl. No.	**Name & Designation**		Work Allocation
1	Mr. K. Somasundaram Inspector	:	Works Audit, Annual Accounts Audit, and Procurement Audit
2	M. Saranya Deputy Inspector	:	Works Audit, Payroll Audit, and Procurement
3	A. Prabhu Assistant Inspector	:	Works Audit and Procurement Audit

-Sd-
Deputy Director
Local Fund Audit
Coimbatore Corporation

//True copy by order//

10/12/2025

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

Audit Report on the Elementary Education Fund Accounts of Coimbatore Corporation for the Year 2023 – 24

Auditor's Name and Designation

As per Coimbatore City Municipal Corporation Act, 1981 – Schedule 3, Section 171, Part 3, the audit of the Elementary Education Fund Accounts of Coimbatore Corporation for the financial year 2023 – 24 was conducted. This audit was carried out under the authority of the Director, Local Fund Audit Department, Chennai, by the following officer:

Sl. No.	Name and Designation of Officer
1	Thiru R. Pandian, Deputy Director, Local Fund Audit , Period: 01.04.2023 to 31.03.2024

Audit Team The audit was conducted at the Head Office – Water Supply Division by K. Somasundaram, Audit Inspector, Assisted by M. Saranya, Deputy Inspector, and Prabhu, Assistant

1.1) Details of Annual Accounts Received

The consolidated annual accounts for the year 2023–2024, covering the 5 zones and the central office of the Coimbatore City Municipal Corporation, were prepared by the administration in a four-digit accounting system and submitted for audit. The received annual accounts were verified along with the annual audit. From the financial year 2024–2025 onwards, accounts must be prepared and submitted using the seven-digit CWBS accounting system.

As per Section 7(1) of the Local Fund Audit Act, 2016, the accounts for the completed financial year must be submitted for audit by 30.06.2024. However, after addressing the audit objections raised during the 2023–2024 audit, the annual accounts were submitted only on 30.09.2024, with significant delay. Henceforth, the Corporation must prepare and submit the annual accounts within three months using the seven-digit accounting system.

2.1.1) Issuing Audit Certificate for Annual Accounts

The 2023–2024 annual accounts of the Coimbatore City Municipal Corporation have been verified and are attached with Part I of the report. As per Section 7 of the Local Fund Audit Act, 2014, the accounts have been audited, and the following details are reported: The closing bank balance certificate of the Primary Education Fund for the year 2023–2024 of the Coimbatore City Municipal Corporation:

The reconciliation certificate of the final balance for the year 2023–2024 of the Primary Education Fund accounts is found to be accurate as per Attachment No. 1. Bank-certified monthly and year-end balance statements with bank officials' signatures must be submitted.

2.1.2) Coimbatore City Municipal Corporation – Non-submission of Administrative Report for 2023–2024 – Observation

Although the administrative report for the year 2023–2024 was prepared by the Coimbatore City Municipal Corporation and approved by the council, details of whether it was sent to the Government must be reported for audit.

2.2) General Review of Primary Education Fund Accounts – Coimbatore City Municipal Corporation – 2023–2024 Audit

A general review of the Primary Education Fund accounts submitted for the year 2023–2024 by the Coimbatore City Municipal Corporation is presented below:

Primary Education Fund – Income and Expenditure

For the year 2023–2024, the total income was Rs8688.07 lakh. This includes interest income and collectable revenues of Rs202.96 lakh, and grants from the Central and State Governments and revenue allocations of Rs420.61 lakh.

The total expenditure was Rs1651.02 lakh, of which depreciation accounted for Rs359.19 lakh. Thus, the net expenditure amounted to Rs1291.83 lakh.

Income-Expenditure Budget Estimate:

In the financial year 2023–2024, Rs8688.07 lakh was collected as a component of the property tax.

According to the budget estimate for 2023–2024 (excluding depreciation), ₹1651.02 lakh was allocated for expenditure. Actual expenditure (excluding depreciation) for 2023–2024 was Rs1291.83 lakh.

Details of Education Tax – Demand, Collection, and Arrears (Component of Property Tax)

The property tax revision for this Corporation was carried out on 01.04.2022. The demand-collection-arrears balance (DCB) details for the year 2023–24 are provided below. The table mentions only the General Purpose component of the property tax.

Total Demands

Description	**Demand**	**Collection**	Arrears Balance	Collection
	(in Lakhs)	**(in Lakhs)**	**(in Lakhs)**	%
Arrears	3609.01	1076.8	2532.21	29.84
Current	8061.58	6685.92	1375.66	82.94
			3907.87	

The total arrears of ₹3907.87 lakh under education tax need to be documented and collected.

Description	**Account Head**	**Arrears (in Lakh)**
Arrears	3020- Education Tax Receivables-Arrrear	2532.21
Current	3016- Education Tax Receivables-Current	1375.66
Total		3907.87

Current Year Education Tax Collection Details

The current year education tax collection for 2023–2024 stands at **82.94%**.

The current demand in 2023–2024 has increased by ₹771.88 lakhs compared to the 2022–2023 demand of ₹7289.70 lakhs.

However, the collection percentage has dropped from **86.00% in 2022–2023** to **82.94% in 2023–2024**, showing a **3.06% decrease** in education tax collection under property tax compared to the previous year.

Employee Details

In the Coimbatore City Municipal Corporation's Elementary Education Fund, the following individuals served during the financial year 2023–2024.

Corporation Officers and Employees who served during the audited period from 01.04.2023 to 31.03.2024 – Coimbatore City Municipal Corporation – Education Department					
S. No.	Name Mr./Mrs.	Designation	Work Duration		Seat No.
			From	To	
1	Mr. K. K. Murugesan	Corporation Education Officer	07.08.2023	31.03.2024	
2	G. Kalaivani	Assistant	01.04.2023	31.03.2024	K-9
3	S. V. Nivedha	Junior Assistant	01.04.2023	31.03.2024	K-1
4	K. Mohanraj	Junior Assistant	01.04.2023	31.03.2024	K-2
5	P. Senthil Kumar	Junior Assistant	01.04.2023	31.03.2024	K-3
6	T. Sivakumar	Junior Assistant	01.04.2023	31.03.2024	K-4
7	A. Jeganathan	Junior Assistant	01.04.2023	31.03.2024	K-6
8	M. Latha	Junior Assistant	01.04.2023	31.03.2024	K-7
9	A. Ravichandran	Junior Assistant	01.04.2023	31.03.2024	K-8
10	Sri. Nithin	Junior Assistant	01.04.2023	31.03.2024	K-8 (Noon Meal Audit)
11	R. Bharathidasan	Junior Assistant	01.04.2023	31.03.2024	K-13
12	V. Rajasekar	Junior Assistant	01.04.2023	31.03.2024	K14

Depreciation Expenditure

The depreciation expenditure for the Elementary Education Fund for the year 2023–2024 amounts to Rs359.19 lakh. This is Rs24.87 lakh more than the previous year's depreciation expenditure (Rs359.19 – ₹334.32 lakh). (It has been shown as a separate audit objection.) The statements for total assets, net assets, and depreciation have not been prepared. Due to this, the amount mentioned in the annual accounts and the amount for the corresponding provision could not be verified during the audit.

2.2.1) Revenue Fund – Details of Accumulated Surplus

For the financial year 2023–2024, the accumulated surplus stands at Rs3678.53 lakh. Compared to the accumulated surplus of Rs2916.70 lakh in the previous year, the surplus has increased by Rs761.83 lakh in the current year.

2.2.2) Provision for Doubtful Collection of Revenue Items

In the consolidated accounts for the year 2023–2024, under the heading *"Provision for Doubtful Collection of Revenue Items"*, the following detail has been submitted:

Year	Account Title	Amount (in Lakh)
2023-24	4039	521.24

The balance outstanding for the current year and the previous years should be collected.

Payable Liabilities

As per the annual accounts, the Coimbatore City Municipal Corporation does not have any loan repayment liabilities.

Elementary Education Fund: Payable Liabilities		
S. No.	**Particulars**	**Amount (in ₹ lakhs)**
1	Property Tax & Vacancy Tax (3002, 3003)	
2	Profession Tax (3005, 3006)	
3	Rent Lease Items	
4	SUC (3162, 3163)	
5	Contractors Security Deposit (4016)	185.37
6	Distributor Deposit (4017)	2.99
7	Leaseholder Deposit (4018)	0
8	Employee Deposit (4019)	0
9	Other Deposits (4020)	105.62
10	Income Tax (4035)	1.31
11	GST (4037)	1.55
12	Other Payable (4050)	65.50
13	Library Cess (4043)	
14	Amount Payable (4053)	
	Total	**362.34**

The following items are shown as assets in the Elementary Education Fund account.

Current Liabilities

Head	Details	Amount Rs
4012	Private Contribution	253221434
4013	Contribution from Govt	1356000
4016	Tender Deposit Contractor	18537803
4017	Tender Deposit Suppliers	299025
4020	Deposit – Others	10562189
4035	Income Tax deduction	131715
4037	Sales Tax Deduction	155664
4050	Other Payable	6550385
4061-74 4078-86	Depreciation	472701238
	Total	**763515453**

Current Assets

Head	Details	Amount
3016	Education tax receivable-current	137566577
3020	Education tax receivable-arrears	253221434
3025	Interest	13127233
3054	Advance Receivable	235000
3055	Other Advance Recoverable	871000
3056	Deposit recoverable	5750
3065	Deposits	44963
3068	Closing Balance	114028
3069	EE Bank Balance	145036409
3070	Fixed Deposit	282889529
	Total	**833111923**

SNo	Description	Amount (in Lakh)
1	Fixed Investment (3070)	2916.95
	Total	**2916,95**

Based on the above observations, it is essential that steps be taken to improve the financial position of the Coimbatore City Municipal Corporation. Furthermore, all payable items must be settled within the due time to avoid the imposition of penalties.

All accounts should be prepared in the prescribed formats, and records and documents must be maintained completely and properly. Necessary measures should be taken to ensure that this situation does not persist.

The liabilities exceed the current assets by Rs695.96 lakh.

Inactive Accounts

Objections have been raised regarding inactive accounts and the non-submission of bank reconciliation statements in the Coimbatore City Municipal Corporation.

Unoperated Accounts - Elementary Education -2023-2024

Sl No	Account No	Opening Balance	Receipts	Total	Payments	Closing Balance
1	3065 Deposit at Treasury	44963	0	44963	0	44963
2	3068- SBI Account-Old	114028		114028		114028
		158991	0	158991	0	158991

In cases where the above-mentioned accounts are inactive and bank passbooks have not been submitted and not presented for audit to date, the respective officers and staff responsible for these accounts will be held accountable for any receipts and expenditures.

Unspent Government Grant – Scheme Expenditure:

A government grant of Rs13,56,000 received for the Elementary Education Fund has remained unspent and is still pending, as per Annual Account Ref. Account code No. 4013. Records or documents regarding the receipt and utilization of this grant have not been maintained.

As per the bank passbook opened specifically for this scheme and general ledgers, a total amount of Rs 1,29,87,919.10 has been accounted for. The discrepancy must be reconciled.

2.2.2) Non-maintenance of Cash Book Records for Elementary Education Fund:

There are no maintained registers to reconcile the balance in the cash book of the Elementary Education Fund with that of the annual accounts. No documents have been provided. Only annual account figures are available, which is noted as a deficiency and has been objected to.

2.3) As on 31.03.2024:

Based on appropriate documentation, the cumulative expenditure (Progressive Expenses) from the following account heads must be identified (Income / Capital Fund), reconciled with the balances, and the remaining amount must be classified as assets or liabilities. Details of deposit items are provided below:

S. No	Account Head (Account Code)	As per Annual Account	As per Register	Difference
1	Opening Balance	7565260	Not Accounted	7565260

2	Receipts	5957384	6060147	102763
3	Total	13522644		
4	Expenditure	1895184	1895184	
5	Closing Balance	11627460	Not Accounted	7565260

Likewise, for items such as investments, taxes receivable, doubtful items, depreciation, interest on investments, grants receivable/payable, and others, neither ledgers nor proper accounts have been maintained. Responsible officers and staff will be held accountable for these deficiencies.

Schedules for items requiring classification as part of receivable education tax (both current and liabilities), and items under the revenue and capital fund accounts, have not been prepared to date.

Registers for **fixed assets**, and **calculations and schedules for depreciation**, have also not been prepared or presented for audit. Similarly, details for adjustments made under the account heads **"Prior Year Income and Expenditure"** for both previous and current years have not been provided.

2.4) Specified Earmarked Funds:

In Coimbatore City Municipal Corporation, the following funds are required to be categorized under earmarked funds: 1.Revenue Fund and Capital Fund 2.Water Supply and Drainage Fund 3.Education Tax and Water Tax. Details regarding any fund transfers made from these earmarked funds to other funds have not been presented along with supporting reports and accounts.

2.5) Annual Accounts – 2023–2024 – Long-Pending Advance Accounts to Be Settled:

During the audit of the 2023–2024 annual accounts, it was observed that advances provided under the following account heads in the advance accounts have remained unsettled for a long period:

S. No	**Account No. (Revenue Fund)**	**Description**	**Amount (₹ in Lakh)**
1.	3054	Receivables (Expenditures)	2.35
2.	3055	Other Items	8.71
	3056	Other Deposits (Receivables)	0.06
Total			**11.12**

The above items must be reviewed. For those classified as recoverable, appropriate steps must be taken to collect the amounts in full without any pending balance. For advances, proper entries must be made and the amounts should be settled accordingly.

2.6) Annual Accounts – 2023–2024 – Education Fund Closing Balance Statement – Status of Capital Works in Progress:

As per the 2023–2024 account, under the Capital Fund Closing Balance Statement, the following details are provided under the head "Capital Work Projects in Progress":

S. No	Account Code	Account Title	Amount (₹ in Lakh)
1.	3121	Project in progress A/c.	227.05
Total			**227.05**

a) Completed works under this head should be capitalized and the details must be presented for audit.
b) Works that are still pending should be identified and necessary actions must be taken to ensure their timely completion.

2.7) Labour Welfare Fund Deducted from Works Undertaken through Elementary Education Fund – Payment Pending:

In the year 2023–2024, a Labour Welfare Fund amount of Rs65.50 lakh (Account Head 4050 – Other Payable) has been shown in the annual accounts for works undertaken through the Elementary Education Fund by the Coimbatore City Municipal Corporation. However, documentation related to arrangements made for the remittance of this amount to the respective board has not been submitted for audit.

2.10) For the financial year 2023–2024, the necessary schedules for annual verification, along with Demand, Collection, and Balance (DCB) reports for all account details, were not submitted within the prescribed time. This deficiency has been pointed out under the relevant audit paragraph.

2.11) Recovery of Advances and Other Advance Accounts Pending as of 31.03.2024 – Amount Rs11.06 Lakhs:

As per the 2023–2024 accounts, under account codes 3054 (Advance Recoverable – Expenses) and 3055 (Other Advances – Recoverable), a total of ₹11.06 lakhs is shown as outstanding and yet to be recovered.

It must be ensured that permanent advance accounts are properly utilized each financial year and that the spent amounts are duly reimbursed. Officers maintaining the permanent advance accounts must verify the necessity of the amount retained under their custody and steps should be taken to cancel unused funds.

2.12) 2023–2024 Audit – Contributory Pension Fund Not Maintained in This Section:

2.12.1 – No remarks provided.
2.12.2 – No details available regarding the Contributory Pension Fund amount remitted to government's head.

2.13) General Provident Fund (GPF) Accounts Not Maintained Digitally:

In Coimbatore City Municipal Corporation, the General Provident Fund (GPF) accounts of employees under the GPF scheme are currently maintained manually in registers up to this date. Moving forward, GPF accounts must be maintained digitally.

Interest statements for the years 2005–06 to 2011–12 were obtained, deficiencies were pointed out, and the records were returned. These deficiencies must be corrected and resubmitted with updated interest calculations.

Further, interest statements for the years 2012–13 to 2023–24 must also be prepared.

2.15) Investments

In Coimbatore City Municipal Corporation, the details of funds invested in various institutions and banks during the financial year 2023–2024 are as follows:

S. No	Fund (Account Code)	Amount (in Lakh)				
		Opening Balance	Current Year Investment	Withdrawals	Interest Earned	Closing Balance
	Education Fund	220944384				
			12,73,79,480	**7,23,79,480**	1,57,50,913	29,16,95,297 (as per register)
						282889529 (as per Audit)

The above amount has been provided to the audit, based on registers, showing opening balance, new investments, withdrawals, and interest earned. However, no details have been provided for how the closing balances were calculated.

The average interest rate earned during the audit year on these investments was lower than the interest rate applicable to loans taken by the Corporation. Certain investment amounts were withdrawn to meet expenses during the audit year. It is emphasized that the Corporation should control expenditures and aim to maximize investments.

It is also recommended that investments should be made in schemes that offer higher returns.

2.17) Grants

During the audit year, grants received specifically for schemes were examined. The implementation details of the works carried out using these scheme-specific grants were provided as follows. Un spent grant amounts remaining at the end of the audit year were verified to have been utilized in the following financial year. Works in progress must be completed and properly capitalized. However, no supporting documents such as grant receipts, income details, or administrative sanction orders were presented for audit.

An objection paragraph was raised regarding this issue. Based on the ledgers provided during audit, the following details were verified:

A total of Rs59,65,731 was carried forward in this scheme fund, This amount was used towards the current year's grant expenditures.

Grants Received for Elementary Education Fund - 2023-2024
CMBS Grant
Break-fast meal scheme for students of Municipal Schools

Date of Receipts	Particulars	Amount -Rs
18-4-2023	1052-Govt Grant for Scheme Implementation CMBS	6646638.90
7-7-2023		2402867.50
7-7-2023		4240178.80
20-9-2023		9590475.90
17-11-2023		9422222.00
9-2-2024		9758789.00
	Total	**42061172.10**
	Opening Balance as on 01.04.2023	5965731.00
	Grant Total	**48026903.10**

An interest amount of Rs2,34,101 has been earned on this specific bank account.

The details of the grant received and the amount released for scheme-related works are as follows:

Grants Received for Elementary Education Fund - 2023-2024
CMBS Grant

Date	Particulars	BPV-CMBS	Amount Rs
20-4-2023	4048:A/C Payable Suppliers-CMBS	01	4007387
23-5-2023	To Suppliers	01A	2663025
11-7-2023		02	2196882
5-9-2023		03	3467150
25-10-2023		04	6105938
11-12-2023		05	2501488
18-12-2023		06	4184400
11-1-2024		07	3043200
26-3-2024		09	3982025
26-3-2024			3226400
	Total		**35377895**

For the grant heads listed in the table, where there is no change in opening and closing balances (i.e., no receipts or expenditures), a review must be conducted. If the grants are still eligible for expenditure, appropriate steps should be taken to utilize them. If they are no longer usable, action should be taken to refund the grant amount to the respective funding institution. This is emphasized as a necessary corrective step.

3. Audit Report for the Year 2023–2024

a) The annual accounts of Coimbatore City Municipal Corporation for the year 2023–2024, the audit summaries, and the reconciliation audit reports of the Central office and zonal offices are consolidated and presented, including special audit objections extracted from the audit notes.

b) Audit notes have been compiled separately for the operations of five zones and three funds of the Corporation for the year 2023–2024. These have been communicated individually to the Commissioner and five Assistant Commissioners through Part-II Audit Notes.

c) Only a few major and serious audit objections from the Part-II audit notes of the zonal offices have been highlighted in this audit report. All other objections and audit paragraphs are detailed in the Part-II of Financial Compliance Audit Notes, which are part of the official record.

d) The audit notes for the five zones must be considered an integral part of the overall audit report.

e) As per the Coimbatore City Municipal Corporation Act, 1981, replies to the audit report and audit note objections must be submitted to the Audit Office within two months of receiving the audit report, with the approval of the Municipal Council.

4.1. Revenue and Expenditure Budget – Review of Estimates and Revised Estimates for the Year 2023–2024

The revenue and expenditure estimates and revised estimates for all funds of the Coimbatore City Municipal Corporation for the year 2023–2024 were approved under Council Resolution No. ___, dated 03.04.2023.

Compared to the categories classified in the budget estimate, the following heads in the revenue account have shown variations in income and expenditure.

Coimbatore City Municipal Corporation Budget Estimate for the Year 2023–2024					
Elementary Education Fund					
Details	**Code**	**Actuals 2021–22**	**Estimate 2022–23**	**Revised Estimate 2022–23**	**Estimate 2023–24**
Revenue Income (in lakhs)					
Tax Revenue	110	2506.00	3051.00	7130.00	8425.00
Interest on Investments	170	4.00	0.00	50.00	100.00
Other Income	180	0.01	0.03	1.32	2.26
Total Revenue		**2511.00**	**3054.00**	**7312.00**	**8751.00**
Capital Receipts					

Grants	320	0.00	0.00	0.00	0.00
Total		**0.00**	**0.00**	**0.00**	**0.00**
Grand Total		**2511.00**	**3054.00**	**7312.00**	**8751.00**
Expenditure (Revenue)					
Work Part	210	8.00	1.00	1.00	15.00
Administrative Expenditure	220	17.00	6.00	37.00	40.00
Operation and Maintenance	230	655.00	850.00	639.00	1580.00
Scheme Expenditure	250	2.00	0.00	0.00	0.00
Total		**660.00**	**866.00**	**686.00**	**1635.00**
Expenditure (Capital)					
Fixed Assets	410	378.00	1400.00	261.00	2800.00
Total		378.00	1400.00	261.00	2800.00
Grand Total		**1038.00**	**2266.00**	**947.00**	**4435.00**
Surplus		**1473.00**	**788.00**	**6365.00**	**4316.00**

Coimbatore City Municipal Corporation Budget Estimate for the Year 2023–2024

Elementary Education Fund

Code	Description	Actuals 2021–22	Estimate 2022–23	Revised Estimate 2022–23	Estimate 2023–24
	Revenue Income				
	Total	**2506.00**	**3051.00**	**7130.00**	**8425.00**
170	Interest from Investments	4.00	0	50.00	100.00
	Total	**4.00**	**-**	**50.00**	**100.00**
180	Other Categories	1.00	3.00	132.00	226.00
	TOTAL - 180	**1.00**	**3.00**	**132.00**	**226.00**
	Total	**2511.00**	**3054.00**	**7321.00**	**8751.00**
	Capital Receipts				
320	Special Category Grants	-	-	-	-
	Total	-	-	-	-
	Work part				
210	Pension	2.00	10.00	4.00	5.00
210	Share Amount	6.00	-	6.00	10.00
	Total	**8.00**	**10.00**	**10.00**	**15.00**

	Administrative Expense				
220	Stationery	11.00	6.00	28.00	3.00
220	Other Categories	6.00		9.00	10.00
	Total	**17.00**	**6.00**	**37.00**	**4.00**

Coimbatore City Municipal Corporation Budget Estimate for the Year 2023–2024

Elementary Education Fund

Code	Description	Actuals 2021–22	Estimate 2022–23	Revised Estimate 2022–23	Estimate 2023–24
	Operation and Maintenance				
230	School Buildings	471.00	600.00	271.00	1000.00
230	Noon Meal Kitchens	4.00	50.00	25.00	220.00
230	Wages	158.00	200.00	343.00	360.00
	Total (230)	**633.00**	**850.00**	**639.00**	**1580.00**
	Scheme Expenditure				
250	Election Expenses	2.00	-	-	-
	Total (250)	**2.00**	**-**	**-**	**-**
	Grand Total	**660.00**	**866.00**	**686.00**	**1635.00**
	Revenue Expenditure				
410	Buildings	378.00	800.00	248.00	2500.00
410	Furniture and Chairs		100.00	11.00	300.00
410	Development Works in Zones		500.00	2.00	-
	Total (410)	**378.00**	**1400.00**	**261.00**	**2800.00**
	Grand Total	**378.00**	**1400.00**	**261.00**	**2800.00**

Coimbatore City Municipal Corporation – 2023–2024

Comparison

Details	Revenue Fund	Drinking Water Fund	Elementary Education Fund	Total
Revenue Income	820.68	370.62	87.51	1278.81

Capital Receipts	612.22	1127.80	0.00	1740.02
Total Income	**1432.90**	**1498.42**	**87.51**	**3018.83**
Revenue Expenditure	701.61	271.86	16.35	989.82
Capital Expenditure	733.66	1277.59	28.00	2039.25
Total Expenditure	**1435.27**	**1549.45**	**44.35**	**3029.07**
Surplus / Deficit	**-2.37**	**-51.03**	**43.16**	**-10.24**

Coimbatore City Municipal Corporation – Income & Expenditure

Elementary Education Fund (2023–2024)		
Details	**Budget Estimate (2023–24)**	**As per Accounts (2023–24)**
Tax Revenue (Education Tax)	8425.00	8061.59
Allocated Revenue	0.00	
Rental Income	0.00	
Sales and Rent Charges	0.00	1.54
Special Government Fund	0.00	420.61
Interest on Investments	100.00	179.75
Bank Interest	0.00	23.22
Other Revenues	226.00	1.36
Total	8751.00	8688.07
Grants, Share Amount	0.00	0.00
Loans	0.00	0.00
Other Receipts	0.00	0.00
Advance Payments	0.00	0.00
Grand Total	**8751.00**	**8688.07**

Expenditure Details	**Budget Estimate (2023–24)**	**As per Accounts (2023–24)**
Staff Expenses (Pension)	5.00	1.51

Staff Expenses (Share Amount)	10.00	
Stationery	30.00	73.72
Other Expenses	10.00	66.86
Maintenance – Schools	1000.00	888.69
Maintenance – Noon Meal Kitchens	220.00	21.48
Wages	360.00	204.12
Financial Expenses	0.0000	12.67
Administrative Expenses		3.34
Computer Operator (Administration)		7.93
Scheme Expenses	0.00	22.77
Grants and Allocations	0.00	
Depreciation		359.20
Total	**1635.00**	**1662.29**

The net revenue, excluding the Project Overhead approval amount, is Rs8688.07 lakh. The net expenditure, excluding depreciation, is Rs1303.29 lakh, resulting in a net surplus of Rs7384.78 lakh for the financial year. According to the revised estimate, the allocation for expenditures is Rs1635.00 lakh. However, the actual expenditure incurred is Rs1662.29 lakh, which is Rs27.29 lakh more than the revised estimate.

As per the revised estimate, the allocation for financial revenues were Rs8751.00 lakh. However, the actual revenues collected were ₹8688.07 lakh, resulting in a revenue surplus of Rs62.93 lakh compared to the anticipated revenue. The Coimbatore Municipal Corporation's financial position for the year 2023-2024 shows a net surplus of Rs7025.77 lakh.

4.2) Review of Annual Accounts

1) The Coimbatore Municipal Corporation has been operating with enhanced standards. The revenue and expenditure for the five zones and one central office have been consolidated, and integrated annual accounts have been maintained. These annual accounts are subject to audit.

2) Under the newly introduced CWBS accounting system, all accounting activities are carried out by the corporation, following standard procedures. Based on the accounts, the 4-digit figures for the year 2023–2024 have been submitted for audit and verified as follows:
i. Opening Trial balance as of 01.04.2023
ii. Income and Expenditure Statement for 2023-2024
iii. Closing balance as of 31.03.2024

At the end of the year, the following four financial statements are maintained, and reports are published:

1. Revenue and Capital Funds

2. Water supply and Drainage Funds

3. Elementary Education Fund

4. Provident Fund

The balance sheet as of 31.03.2024 and the income and expenditure statement for 2023-2024 do not fully reflect the true and clear financial status of the Municipal Corporation. During the audit, details about the expected revenues and liabilities to be paid, including balance and responsibility, must be verified, and appropriate schedules should be provided. The calculation of revenue for taxable and non-taxable items was not performed during the audit. The closing balance for the previous year (Account No. 4039) stands at Rs5,12,24,838.00. Proper calculations should be prepared accordingly.

3) i. Separate accounts are maintained only for project expenditures based on loans received from government grants and other financial institutions. A Utilization certificate from the local government finance audit is issued for these expenditures. Separate accounts are not maintained for other project expenditures for which a utilization certificate is not required.

ii. The balances of cash, investments, and advance accounts were verified and matched with the subsidiary records at the end of the year.

iii. All works completed as of 31.03.2024 have been properly capitalized.

iv. The details of assets, as stated in the annual accounts, were not provided for audit, and the records maintained were not made available for inspection. The total value and depreciation value of the assets of the Tiruchirappalli Municipal Corporation, as attached to the annual accounts, should be directly verified and certified by the municipal engineer.

v. No verification report of stock items for the audit year was attached to the annual accounts, and hence, their value could not be confirmed during the audit.

4) A reconciliation schedule was prepared for the bank balances as of 31.03.2024 in accordance with the general ledger (separately for revenue bank and expenditure bank accounts), and reconciliations were carried out subject to various adjustments at the end of the year.

5) When transitioning the municipal accounting activities to a normal system of accounts, it was suggested that a separate account be maintained for pension funds. However, as of the present date, no action has been taken by the Tiruchirappalli Municipal Corporation to maintain a separate account for pension funds. Additionally, details regarding the number of pensioners and family pensioners are not being recorded, and the amounts disbursed are not reconciled annually.

6) Account Head Numbers: From 4112001 to 4113203, regarding depreciation, records for land, buildings, and movable assets have been maintained for both past and current assets. Proper records for ongoing and under-construction buildings have been maintained, but depreciation has not been calculated, and the values have only been presented in the annual accounts under the respective headings. Therefore, a committee consisting of appropriate engineers and staff members should be formed to assess the current status of the assets and ensure that depreciation is calculated at the correct rates.

4.3) Tax and Fee Collection Ratio

The collection ratio details of various taxes and fees for the year 2023-2024 are as follows:

Description	Demand	Collection	Arrears	Collection
Description	**(in Lakhs)**	**(in Lakhs)**	**(in Lakhs)**	**(%)**
Arrears	3609.01	1076.8	2532.21	29.84
Current	8061.58	6685.92	1375.66	82.94
			3907.87	

Intense focus should be given to the collection of current and arrears taxes and fees.

4.4. Bank Reconciliation Certificates

As provided in the annexure, the closing balance of the general ledger as of 31.03.2023 was taken as the opening balance on 01.04.2023, and the closing balance for the general ledger as of 31.03.2024 has been reconciled with the closing balances of all bank accounts and matches accordingly.

Bank Account Numbers

The following bank accounts are maintained for the revenue fund, capital fund, water fund, and education fund in Coimbatore Municipal Corporation:

Division	Revenue Fund	Capital Fund	Water supply Fund	Education Fund	Amma Canteen	Total
Main Office	24	18	11	4		**57**
Ward Office-I	10		4	2	1	**17**
Ward Office-II	4		4	1	1	**10**
Ward Office-III	5		2	1	1	**9**
Ward Office-IV	7		4	1	1	**13**
Ward Office-V	6		2	1	1	**10**
Other Projects	5					**5**
Total	**61**	**18**	**27**	**10**	**5**	**121**

4.5. Central Accounting Group 2022–2023 Audit – Bank Reconciliation Statement – RTGS Fund Transfers – Long-term Unreconciled Amount – Issues Should Be Resolved Quickly:

There are no such issues in the Coimbatore Municipal Corporation.

4.6 No uncashed cheques for the year 2022–2023 have been cashed in 2023–2024.The issues noted in the bank reconciliation certificate and the uncashed cheque have been mentioned in Part II of the audit report.

4.7. Central Accounting Group 2022–2023 Audit – Bank Reconciliation – Funds Transferred via CSL – Failure to Properly Reconcile – Issue to be Resolved Quickly

There are no such issues in the Coimbatore Municipal Corporation.

4.8. Central Accounting – 2022–2023 Audit – Bank Reconciliation Statement –The amount remitted through CSL - Non-Reconciliation Between Municipal Corporation's Bank's Closing Balance – Long period difference -Major Issue

There are no such issues in the Coimbatore Municipal Corporation.

5. Review of Revenue and Capital Expenditure – Public Funds

According to the annual accounts for the year 2023-2024, the financial resources and their usage are as follows:

Review of Balance Sheet Position

1)Primary Education Fund Liabilities

A) **Financial Resources**

As on 31.03.2023 (In Lakh)	Account Head	**As on 31.03.2024 (₹ Lakh)**	**Net Change**	**Increase / Decrease**
	Loans			
13.56	Capital (Government Share)	13.56	-	-
	Government Grants			
Current Liabilities				
253.36	Deposit Amount	293.99	40.63	**Increase**
49.83	Other Payable	65.50	15.67	**Increase**
0.30	Other Items	2.87	2.57	**Increase**
29167.09	Accumulated Surplus	36785.65	7618.56	**Increase**
29484.12	**Total**	**37161.57**	**7677.45**	**Increase**

Assets

B) Utilization of Funds

As on 31.03.2023 (In Lakhs)	Account Head	As on 31.03.2024 (Rs. Lakhs)	Net Change	Increase / Decrease
10626.92	Fixed Assets	11501.03	874.11	**Increase**
	Other Assets			
	Works in Progress	227.05	227.05	**Increase**
10626.92	**Total**	**11728.08**	**1101.16**	**Increase**
4367.82	Less: Accumulated Depreciation	4727.01	359.19	**Increase**
6259.10	**Net Asset Value**	**7001.07**	741.97	**Increase**
	Balance			**Increase**
20708.00	Taxes, Fees, Grants & Other Receivables (3016,3020,3100)	26258.46	5550.46	**Increase**
521.25	Less: Doubtful Receivables	521.25	--	--
0.00	Other Items			
20186.75	**Net Receivables**	**25737.21**	**5550.46**	**Increase**
11.11	Advances	11.11	--	--
3027.16	Cash and Investments	4412.18	1385.02	**Increase**
	Other Assets			
29484.12	**Total**	**37161.57**	7677.45	

1. Fixed assets amounting to Rs874.11 lakh have been created additionally against the capital fund.

2. Accumulated depreciation amounts to Rs4727.01 lakh and provisions for contingent liabilities total ₹521.25 lakh. These have been adjusted against the accumulated surplus of ₹36785.65 lakh.

3. Current assets exceed current liabilities by Rs29798.14 lakhs (i.e., ₹30160.50 – Rs362.36 lakhs).

From the total income, after allocating Rs13.56 lakh towards capitalization, net income has been calculated.
Similarly, from the expenditures, excluding depreciation, Rs1303.09 lakh have been allocated accordingly.
Based on the above analysis, the income and capital fund accounts are found to be satisfactory.

As of the end of the audit year, on 31.03.2023, revenues earned but not yet collected for the audit year amount to Rs13538.72 lakh. They are as follows:

Description	₹ in Lakhs
Education Tax (Arrears + Current)	3907.87
Grants Receivable	—
Advances to be Collected	11.11
Total	**3918.98**

Details of Net Income and Expenditure for the Year 2022–2023

Description	₹ in Lakhs
Income	8688.07
Less:	
Interest on Plan Loans	—
Receivables (to be collected)	—
Net Income Surplus	**8688.07**

Expenditure	₹ in Lakhs
Total Expenditure	1662.29
Expenditures excluding Depreciation	359.20
Net Income Surplus	**7384.98**

5.1.1. Income – Education Tax

Details of demand, collection, and arrears for education tax for the year 2023–2024 in Coimbatore City Municipal Corporation are as follows:

	Demand	Collection	Arrears	Collection
Description	**(in Lakhs)**	**(in Lakhs)**	**(in Lakhs)**	**%**

Arrears	3609.01	1076.8	2532.21	29.84
Current	8061.58	6685.92	1375.66	82.94
Total			3907.87	

As on 31.03.2023, year-wise break-up of the total education tax arrears should be submitted along with the accounts.

The arrears must be collected before they become time-barred or legal action should be taken.

Appropriate actions must be taken on regular tax assessments under process.

5..1. Expenditure – Employee Expenses

The following expenditures have been incurred for employee expenses and pension benefits during the year 2023–2024:

	Rs (in Lakh)	
Description	**2023 –2024**	**2022–2023**
Pension Benefits	1.51	4.06

	Rs (in Lakh)	
Description	**2023 –2024**	**2022–2023**
Employee Expenses (Wages)	204.11	355.70

Compared to the year 2022–2023, there is a reduction of Rs2.55 lakhs in pension benefit expenses in 2023–2024 (i.e., 4.06 – 1.51).

Wages of Rs204.11 lakhs have been incurred using daily wage employees.

The practice of incurring excessive expenditure through employment of daily wage workers should be avoided.

Salary expenditure has been accounted under both revenue and capital funds.

5.2.2. Pension Expenditure

a) As per the accounts of Coimbatore City Municipal Corporation for the year 2023–2024, pensions, gratuity, and family pensions have been provided to retired employees, and the related expenditure has been accounted for under the Revenue Fund, as detailed below:

	Rs in Lakh	
Details		
Worker Wages	204.11	355.70

5.2.3. & 5.2.4. Repairs, Maintenance, and Operating Expenses

In the year 2023–2024, under the Elementary Education Fund, the following maintenance expenses have been incurred:

Purpose	Amount (₹ in Lakh)
Maintenance of Noon Meal Centers	21.48
Other Maintenance Expenses	888.69

5.2.5. Movable Assets – Vehicles

A consolidated stock register of vehicles used for various public works by the Coimbatore City Municipal Corporation should be submitted for audit.

The audit highlights the need to control the expenditure on repairs and maintenance. Proper monitoring must be ensured for vehicle maintenance expenses to reduce overall spending.

5.2.6. Advertisement Expenditure

No advertisement expenses were incurred during the financial year 2023–2024.

5.2.7. Interest and Finance Charges

Under the head Finance Charges, no interest payments on loans were incurred in the year 2023–2024.

5.2.8. Mention in Revenue and Capital Fund Audit Report

As per Government Order No. 62, Finance (U.Ni.) Department, dated 17.01.1994, 50% of the audit officer's salary must be paid as Audit Fees by the Corporation to the below Government Account:

Audit Fees Head of A/c :
0070 - Other Administrative Services
60 - Other Services
110 - Fees for Government Audit
AA - Fees for Government Audit - Controlled by the Director of Local Fund
2706 - Non Taxation Fees - Audit
(DPC : 0070 - 60 - 110 - AA - 2769)
(IFHRMS New Code : 0070 60 110 AA 22706)

The amount must be remitted to the Government Account.

5.2.9. Election Expenses

No election-related expenditure has been incurred under the Elementary Education Fund for the financial year 2023–2024.

5.3. Refundable Deposits

Contractors deposits, such as security amounts collected from suppliers and contractors, have been reported as refundable to the extent of Rs293.98 lakhs as on 31.03.2024. Proper subsidiary

registers are maintained. Until these amounts are refunded, the related files and measurement books must be monitored.

S. No.	Account Code	Account Head	Amount (in Lakh)
1.	3401001	Contractor Deposits	185.37
2.	3401002	Supplier Deposits	2.99
3.	3402001	Lessee Deposits	0
4.	3408001	Other Categories	105.62
Total			**293.98**

5.3.1. Provident Fund Deductions Payable

There are no outstanding dues regarding labour welfare fund deductions payable by Coimbatore City Municipal Corporation.

5.3.2. Interest Amounts Payable

There are no pending interest amounts payable.

5.3.3. Provident Fund Interest Not Claimed (T. Deposit)

During the 2023–2024 audit, it was noted that interest on provident fund deposits was not claimed by Coimbatore City Municipal Corporation.

5.3.4. Library Cess Payable

No remarks have been made under this head.

5.4. Capital – Inventory Statement

Details of liabilities/assets have been provided.

5.5. Earmarked Funds

In this head , No such deficiencies have been observed in Coimbatore City Municipal Corporation.

5.6. Review on Accumulated Surplus Statement

(Only heading is provided. Content is not included in the original.)

Coimbatore City Municipal Corporation – 2023–2024 Financial Statement

Comparison

Description	Revenue Fund	Water Supply	Elementary Education	Total
Revenue Income	820.68	370.62	87.51	1278.81
Capital Income	612.22	1127.80	0.00	1740.02
Total Income	**1432.90**	**1498.42**	**87.51**	**3018.83**
Revenue Expenditure	701.61	271.86	16.35	989.82
Capital Expenditure	733.66	1277.59	28.00	2039.25
Total Expenditure	**1435.27**	**1549.45**	**44.35**	**3029.07**
Surplus / Deficit	**-2.37**	**-51.03**	**43.16**	**-10.24**

5.7. Audit Conclusion

Deficiencies found in the annual accounts - should be rectified.

1. The annual accounts are prepared in a seven-digit format and provided; however, the daily BRV/BPV entries are not uploaded into the software and only the final GJV is created at the end of the year.

2. Monthly bank reconciliation statements and five summary notes should be prepared and submitted for auditing.

3. The 24 schedules that need to be attached with the annual accounts should be provided.

4. Provision for income with errors should be made, and the schedule should be attached.

5. The detailed fund transfer report should be attached with the annual accounts, as specified. The aforementioned deficiencies should be rectified.

Projects Implementation

Honorable Chief Minister's "Excellence Breakfast Scheme"

This pioneering scheme, introduced in the country under the name "Chief Minister's Breakfast Scheme," is being implemented by forming district- and school-level monitoring committees, as per the Government Order (GO) No. 43, dated 27.07.2022, which authorizes the Director of Social Welfare to appoint officials from the departments listed in Annexure-2 of the GO. Based on this, a very important scheme for the student community is planned and implemented following the principles mentioned in the GO issued by the Social Welfare and Women's Rights (SNO4-1) Department on 27.07.2022.

Referring to the lines from *Purananuru 173* — "Has the physician, who healed the hunger, succeeded in healing hunger?" — the king of the Sangam period was praised for feeding the poor and eradicating hunger. Following this tradition, many leaders in Tamil society have

introduced various pioneering schemes throughout the ages to eradicate poverty and protect students' educational welfare.

With persistent social challenges, poverty often prevents children from poor families from accessing education. A hundred years ago, the Chennai Corporation, under the leadership of Sir. Pitti Thiagarayar, introduced the mid-day meal program in schools. Based on a decision made at a Chennai Corporation meeting on 16.09.1923, this was the first such initiative in India. The total enrollment of students in the schools where the program was implemented increased from 811 in 1922-23 to 1,671 in 1925-26.

Later, in 1957, former Chief Minister Mr. K. Kamaraj introduced the mid-day meal scheme for poor children attending primary education. Subsequently, former Chief Minister M.G. Ramachandran expanded the program in July 1982 to include children aged 2 to 5 years in pre-primary education, as well as children aged 5 to 9 years in primary schools. The first nutritional meal program under this scheme was launched in Pappakurichi, Trichy District, on 01.07.1982.

To further enhance the functioning of the nutritional meal program, in 1989, former Chief Minister Mr. M. Karunanidhi introduced the provision of eggs every two weeks along with the meal. Later, from 15.07.2006 (Education Development Day), it was announced that eggs would be provided once a week, and this was implemented. Subsequently, on 15.07.2007, a scheme to provide three eggs per week was introduced, and from 15.07.2008, a plan was introduced to provide bananas to children who did not consume eggs. Later, the scheme of providing eggs five times a week with the nutritional meal was introduced, and the nutritional meal program has been implemented very effectively.

According to a report by economists and nutrition experts from Washington University and the International Food Policy Research Institute, during the period from 2006 to 2016, the height-for-age (Z-scores) of school-going children increased by 13% to 32%, and the nutritional meal program was identified as a significant factor in this improvement. The report also states that one-third of children in India either suffer from stunted growth or fail to achieve age-appropriate height, mainly due to persistent nutritional deficiencies. Similarly, it is observed that some children in Tamil Nadu's government schools are still not reaching age-appropriate heights, and their growth is being stunted. Furthermore, due to nutritional deficiencies, these children are unable to focus on their studies. Therefore, to encourage the education of poor children studying in government schools in Tamil Nadu, combat nutritional deficiencies, and prevent learning interruptions, Honorable Chief Minister of Tamil Nadu, Mr. M.K. Stalin, issued a notification on 7.5.2022 under Rule No. 110 of the Tamil Nadu Legislative Assembly, which states:

"From now on, breakfast will be provided to government school students. Children in both urban and rural areas, who leave for school early in the morning, often miss having breakfast due to various reasons, including long distances to schools and family circumstances. This program is being implemented to address these issues.

In the first phase, this program has been initiated in some municipal corporations, municipalities, and remote villages. Nutritional snacks will be provided to students from first to fifth grade on all school days through local bodies during the morning hours, and gradually, the scheme will be expanded to all areas.

The objective of this program is to provide hot, cooked, nutritious, and tasty breakfast to students studying in government primary schools (from 1st to 5th grade) across all districts of the state, including those in urban, rural (village panchayat), and hilly areas."

This program is being implemented through local bodies by the Commissioner of the Greater Chennai Corporation, the Director of the Municipal Administration, and the Managing

Director of the Tamil Nadu Women's Development Corporation in Greater Chennai, other municipal corporations, municipalities, and rural (village panchayat) and hilly areas.

The responsibilities for the overall implementation of this program, which involves providing breakfast to primary school children, are entrusted to the local bodies, following the general guidelines outlined in Annexure-2 of the Government Order. The local bodies have been authorized to implement this program. If additional expenses arise during the execution of the program, decisions will be made separately regarding these costs. Furthermore, the government has planned the implementation of this program in 1,545 schools.

For the implementation of the breakfast scheme, a budget of Rs33.56 crore (Rs33.56 million) has been approved, and an amount of Rs31.91 crore (Rs31.91 million) has been received. Of this, Rs1.66 crore (Rs1.66 million) will be allocated to the Commissioner of Greater Chennai Corporation, Rs15.43 crore (Rs15.43 million) to the Director of Municipal Administration, and Rs14.82 crore (Rs14.82 million) to the Managing Director of Tamil Nadu Women's Development Corporation. Additionally, Rs1.65 crore (Rs1.65 million) will be allocated for administrative expenses and evaluation studies, which will be conducted and documented at the appropriate time. The Director of Social Welfare has been authorized to manage these funds.

In the announcement made on 13.01.2023 by the Honorable Chief Minister, it was stated that, based on the positive outcomes of the Chief Minister's Breakfast Scheme, the program will be expanded to benefit all primary school students in Tamil Nadu.

According to Government Order No. 1008, Local Self-Government Department, dated 07-06-1922, the financial statement for the year 2023-2024 states that, on 20.03.2023, it was announced that the Chief Minister's Breakfast Scheme would be expanded from the upcoming academic year to cover 18 lakh students from first to fifth grade in 30,122 government primary schools in Tamil Nadu, with a budget allocation of Rs500 crore for the scheme in the upcoming financial year.

According to Government Order (No. 43), Social Welfare and Women's Rights (SNO4-1) Department, dated 27.07.2022, the Chief Minister's Breakfast Scheme will be implemented for 1,14,095 primary school students (from 1st to 5th grade) studying in 1,545 government schools in municipal, municipal corporation, rural (village panchayat), and hilly areas. A total of Rs33.56 crore was allocated for the first phase of implementation of this scheme in the year 2022-2023.

According to Government Order (No. 33), Social Welfare and Women's Rights (SNO4-1) Department, dated 07.06.2023, the Chief Minister's Breakfast Scheme has been expanded to include all government schools in urban and rural areas, covering primary school students (from classes 1 to 5) from the academic year 2023-2024.

As per Government Order (No. 01), Social Welfare and Women's Rights (SNO4-1) Department, dated 13.01.2023, the Chief Minister's Breakfast Scheme has been implemented in the existing schools in urban local bodies (excluding the Greater Chennai Corporation), and the scheme has been extended to 433 municipal/municipality government schools and higher secondary schools, benefiting 56,098 primary school students from classes 1 to 5, as well as 62 students from one primary school in the Greater Chennai Corporation Area-1, bringing the total number of beneficiaries to 56,160 students. This extension has been implemented following the existing guidelines and cost rates.

According to the letter from the Director of Social Welfare (No. 3652/-2(1), dated 16.05.2023 and 31.05.2023), the food items to be provided under the Chief Minister's Breakfast Scheme, the general procedures to be followed, state-level guidelines, monitoring details at district, block, and school levels, and the necessary documents regarding the procurement and

distribution of cooking gas connections, records, and administrative/project expenses, have been outlined.

It has been instructed that the Chief Minister's Breakfast Scheme will be implemented through the relevant departments—Greater Chennai Corporation, Municipal Administration Department, and Tamil Nadu Women's Development Corporation. For schools in urban areas (municipalities, municipalities, and panchayat areas close to those regions), breakfast will be prepared in centralized kitchens under the Greater Chennai Corporation/Municipal Administration Department and provided to the respective distribution centers.

For all other panchayat and rural areas, permission has been granted for breakfast to be prepared and served directly at the schools, and the departments responsible for implementing this program have been authorized to allocate funds accordingly.

The Director of Social Welfare has authorized the expansion of the Chief Minister's Breakfast Scheme in 31,008 government schools across all urban (municipality/municipality/panchayat) and rural areas of Tamil Nadu. A total of 18.54 lakh primary school students (from classes 1 to 5) will benefit from this scheme in the 2023-2024 academic year. A total allocation of Rs539.88 crore has been approved for this expansion.

The Government has issued the necessary orders to expand the Chief Minister's Breakfast Scheme for the year 2023-2024, as outlined in the details below.

1. Based on the average attendance of students and the average percentage of those consuming the food during the implementation of the first and second phases of the Chief Minister's Breakfast Scheme, the government has ordered the expansion of the scheme to 15,75,900 primary school students (from classes 1 to 5) studying in 31,008 government schools across urban areas (municipality/municipal corporation/panchayat) and rural areas in Tamil Nadu for the academic year 2023-2024.

2. In order to expand the Chief Minister's Breakfast Scheme, a total allocation of Rs404,41,31,980/- has been approved for the current financial year 2023-2024.

3. 2022-2023 62 Schools 7612 students in Coimbatore Corporation

4. 2023-2024 121 Schools 13561 from Coimbatore Corporation

1.Recurring Expenses	
Beneficiaries Count	**Food Expenditure - in Rs**
April 121 schools, 13,561 students, Rs12.50 per student	26,63,025
121 schools, 13,561 students, Rs12.50 (up to June 2023)	21,96,150
121 schools, 13,561 students, 07/2023,22 days in July 2023, Rs12.50	34,67,150
121 schools, 12,525 students, 21 days in August 2023, Rs12.50	32,87,813
121 schools, 12,525 students, 21 days in August 2023, Rs12.50	28,18,125

121 schools, 13,561 students 10/2023, 15Days, Rs12,50	25,01,488
121 schools, 13,561 students 11/2023,21 Days, Rs 12,50	41,84,400
121 Schools15216 Students, 12/2023, 16 Days, Rs 12,50	30,43,200
Staff Wages	
121 schools, monthly wages for 175 workers, Rs1500 per month for 2023-2024	23,91,000
Other Recurring Expenses	
a. Cooking Equipment	81321
b. Gas connection (with additional charges)	32,98,218
c. Registers	500
d. Administration and evaluation expenses	350
Total Non-Recurring Expenses	33,79,539

The **Chief Minister's Breakfast Scheme** in Municipal Schools – Implemented from 15.09.2022.

5. The Commissioner of Greater Chennai Corporation has been assigned the responsibility to implement the Chief Minister's Breakfast Scheme in 358 schools of the Greater Chennai Corporation. Similarly, the Director of Municipal Administration has been assigned the responsibility to implement the scheme in 2,253 schools located in other Municipalities, Town Panchayats, and Village Panchayat areas. The Managing Director of Tamil Nadu Women's Development Corporation is tasked with overseeing the implementation in the 28,397 schools in rural areas and those adjoining village panchayat areas. In total, the responsibility for implementing the Chief Minister's Breakfast Scheme in 31,008 government schools listed in the annexure of the Government Order has been assigned to these officials.

6. Under the Chief Minister's Breakfast Scheme, the snacks mentioned in Annexure II of this order must be provided on the designated day in all school working days. Additionally, at least two days per week, a snack should be prepared based on the local, available grains and served, as permissible.

7. To implement the Chief Minister's Breakfast Scheme, the general procedures listed in Annexure III of this order have been outlined and instructed.

8. For schools in Greater Chennai Corporation, other Municipalities, and all Town Panchayat areas, breakfast will be prepared in integrated kitchen units and delivered to the respective distribution centers. For schools located in Village Panchayats near Municipal/Town Panchayat areas, breakfast will be prepared through integrated kitchen units under the Municipal Administration Department and delivered to the respective distribution centers. For all other schools located in Village Panchayat and rural areas, breakfast will be prepared and served directly at the school.

9. The approved recurring and non-recurring expenses for the implementation of this scheme have been separately allocated to the relevant departments, and permission has been granted to the Director of Social Welfare for distribution.

10. The purchase and distribution of cooking equipment across districts should be done using the funds allocated under Government Order Paragraph 8(ii), following the existing guidelines.

11.The expenditure allocated under Government Order Paragraph-8(ii) is categorized under "2236- Supplementary Nutrition 02- Provision of Snacks and Beverages 102- Midday Meal - State Expenditure BG Chief Minister's Breakfast Scheme," to provide morning snacks to students of Government Primary Schools on all school days. The expenditure must be recorded under the accounting heading "309 – Assistance 03 – Assistance for Specific Schemes (IFHRMS Code: 2236 02 102 BG 30903)."

According to Government Order (File) No. 33, Social Welfare and Women's Rights (S.N.4-1) Department, Dated 07.06.2023, under Annexure II, a total of 121 schools in the Coimbatore Corporation have been identified for the scheme. The details of the approved allocation are as follows:

Grants Received for Elementary Education Fund - 2023-2024		
CMBS Grant		
Date	Particulars	Amount Rs.
18-4-2023	DMA's Proceedings 17404 /22 /MCA2, Dated: 21.09.22	6646638.90
7-7-2023	ROC No.17404/2022/M1, Date: 04.07.2023	2402867.50
7-7-2023	ROC No.17404/2022/M1, Date: 04.07.2023	4240178.80
20-9-2023	ROC No.17404/2022/M1, Date: 13.09.2023	9590475.90
17-11-2023	ROC No.17404/2022/M1, Date: 30.10.2023	9422222.00
9-2-2024	ROC No.17404/2022/M1, Date: .11.2023	9758789.00
	Total	**42061172.10**
	Opening Balance as on 01.04.2023	5965731.00
	Grant Total	**48026903.10**

Interest on Grant - 2023 – 2024

Date of receipt	Particulars	Amount - Rs
30-6-2023	1068-Interest From Bank	49458.00
30-9-2023	1068-Interest From Bank	74043.00
31-12-23	1068-Interest From Bank	110600.00
31-03-24	1068-Interest From Bank	104810.00
	Total	**234101.00**

Grant received along with Interest Earned	**42400083.10**
Opening Balance	5965731.00
Total	**48365814.10**

DMA's Letter Roc.No. 17404/2022/M1, Date : 02.11.2022, Collect the attendance and verification certificate of the food distributors every month from the concerned HM and disburse a fixed payment of Rs 1500 per month as honorarium to the food distributors from EE Fund or Revenue Fund.

According to this, a monthly amount of Rs1500/- should be provided to those responsible for food distribution, as per ROC No. 17404/2022/M1, Dated: 02.11.2022.

This scheme was implemented in Coimbatore Corporation based on the proceedings of the CCMC Commissioner, R.C No: 17404/2022/MC2, Dated: 18.08.2022. The company named "No Food Waste" was selected to implement the scheme from 09/2022 onwards for the years 2022-2023 and 2023-2024. The scheme is currently operational.

The allocation for the 2023-2024 financial year should be adjusted in 2024-2025 and subsequent years. Until the allocation is received, the expenses should be covered from the general or initial fund and reimbursed later. Further, a report containing the identified shortcomings in the implementation of the scheme has been issued separately.

The procedure orders, government orders, and circulars related to this scheme are attached in Annexure 1.

Primary Education Fund 2023-24
Audit Para No: 02/2023-24
Coimbatore Corporation – 2023-24 Primary Education Fund
Central Office – Accounts for 2023-24: The audit documents / bank Pass books were not provided. The loss amount is ₹159,134/-

When the accounts for the 2023-24 primary education fund for Coimbatore Corporation were audited, the following discrepancies were found. As a result, the accuracy of the income, expenses, assets, and liabilities in the 2023-24 financial accounts could not be verified. Therefore, the following deficiencies should be addressed, and appropriate administrative action should be taken to ensure the proper records / documents are provided for audit.

1. UTIS – In the audit year, all the revenues from the five zones of Coimbatore Corporation were recorded daily using the UTIS software. At the end of the year, the annual accounts were prepared using the TALLY software.

2. For the audit year, the relevant bank / treasury pass book for account title 3065 were not provided. However, the annual accounts show a balance of ₹44,963/- as both the opening and closing balance. No bank pass book are available, and no cash book was maintained for this. The relevant records were not available for the audit period.

3. For the audit year, the relevant bank pass book for account code no. 3068 with the State Bank of India was not provided. However, the annual accounts show a balance of ₹114,028.18/- as both the opening and closing balance. No bank pass books are available, and no cash book was maintained for this. The relevant records were not available for the audit period.

4. For the audit year, the relevant bank pass book for account title 3069, account number 15881450000204 (HDFC Bank), was not provided. Moreover, the opening and closing balance for account number 15881450000101 was ₹122/-. No bank pass book are available, and no cash book was maintained for this. The relevant records were not available for the audit period.

5. The accuracy of the income, expenses, assets, and liabilities for the 2023-24 financial year could not be verified during the audit.

Appropriate administrative action should be taken to provide the required records / documents for the audit.

Bank Pass books - In the bank accounts mentioned in the above, the balance as of 31.03.2024 was shown in the accounts, but the bank pass books were not presented for the audit. The bank account number details and branch information for these accounts were provided, but the bank informed that these account numbers were inactive as of the audit date. Therefore, the balance shown in the financial accounts appears to be non-existent in the bank.

S.No	**Particulars**	**Closing Balance as on 31/03/24**
1	3065 personal deposit account / Treasury	44,983.00
2	3068 State Bank of India	114028.16
3	3068 Account No 15881450000204 (HDFC Bank)	1.00
4	3069 Account No15881450000204 (HDFC Bank)15881450000101	122.00
	Total	159,134.16

1. Bank Balance in Accounts – The balance of ₹159,134.16 in the accounts listed under the bank title in the schedules has been shown as a closing balance in the table. However, the bank pass book required to verify the existence of this balance in the bank account were not provided for the audit. As a result, the bank balance could not be verified during the audit.

2.Bank Reconciliation Statement (BRS) – According to the bank summary report maintained at the central office for the year 2023-24, monthly income and expense summaries for the four accounts mentioned above were not prepared, nor was the reconciliation statement between the bank closing balance and the account closing balance prepared. The identified deficiencies, despite repeated attempts, were not rectified with the bank and have persisted for several years, including this year. Therefore, administrative action should be taken to investigate and resolve the issues with the bank reconciliation statement.

3. **Schedules** – The following schedules were not attached with the annual accounts. As a result, the authenticity of the amounts shown under the respective account headings could not be verified during the audit.

Primary Education Fund 2023-24
Audit Para No: 03/2023-24
Primary Education Fund - Revenue: The educational tax arrears must be collected, and the expired tax amount should be written off. The arrears amount is ₹302,781,039/-.

According to the arrears collection report for the Primary Education Fund as of 31.03.2023, the following educational tax arrears are pending: ₹196,773,730/- for previous arrears and ₹106,007,309/- for current arrears, totaling ₹302,781,039/-.

This amount should be accounted for annually, indicating the details of the arrears for the previous and current years, as well as any adjustments for write-offs or cancellations in the 2023-2024 financial year.

Details		Arrears	Current
	Opening Balance as per 2022-2023	196773730	106007309
Add	Added in 2023-2024	No details	
Less	Canceled in 2023-2024	No details	
	Closing Balance for 2023-2024	360901709	806158949

However, the document and records containing the details for the opening balance for the year 2023-2024 have not been provided for audit to date. The annual arrears details should be specified, and the arrears that were canceled or deemed uncollectible should be deducted. New additions for 2023-2024 should be accounted for. Actions taken through judicial processes should also be considered, and arrears for previous years raised in the current year should be included in the opening balance and accounted for.

The arrears, collection, and outstanding details for the year 2023-2024 are as follows.

Description	Demand Rs	Collection Rs	Arrears Rs
Arrear	360901709	107680275	253221434
Current	806158949	668592372	137566577
	1167060658	776272647	390788011

As per Government Order No. 43, dated 12.12.1996, and under Section 345 of the District Municipalities Act, 1920, educational tax arrears older than 12 years are considered obsolete. Further, as per Section 116, Table 3 of the Indian Limitation Act of 1908, these cannot be legally collected anymore. The arrears from the year 2010-11 are now considered expired. Since the annual arrears details were not provided for audit, the verification of this amount was not possible. Therefore, necessary action should be taken to provide the annual arrears details for audit. The amount that became obsolete should be collected from the officers and staff responsible for the delay, and the details should be reported in the municipal primary education fund accounts.

Special actions should be taken to collect the arrears amount, as it is excessively high, through targeted measures.

Primary Education Fund 2023-24
Audit Para No: 04/2023-24

Education Fund – Cleaning of School Toilets, School Premises: The amount for hiring private staff for cleaning services provided – Rs1,81,67,980/-

As per Government Order No. 166, Urban Administration and Water Supply Department, dated 23.11.2016, private staff have been engaged through the municipal primary education fund to clean the toilets, classrooms, and school premises of elementary, middle, and high schools within the municipal limits on working days. The respective files for various regions, such as

File No. 2501, 2500/2018/MD5 (Central Zone),

File No. 215/2018/MD5 (North Zone),

File No. 2765/2015/MD5 (South Zone),

File No. 2499/2018/MD5 (Central Zone),

File No. 6633/2018/MD5 (East Zone),

File No. 2761, 2762/2015/K-11 (West Zone), are associated with this process.

In Government Order No. 166, the following conditions are outlined:

1 Privatizing the house keeping activities of the school to look after the functions includes cleaning of Toilets, removal of bushes around the toilets, sweeping the class rooms & dining hall, attending the plumbing and electrical works, removal of cob webs in the class room once in a week.

2 The service provider shall maintain a daily cleaning register with the endorsement of Headmaster.

3 The successful Private Service provider should have an agreement with the local Body and should have the witness of Head master of the concerned school. This agreement may be terminated if the service is not satisfied.

4 The private service provider shall be paid on monthly basis, for the amount quoted in the tender duly after getting the performance satisfaction letter of the Head Master of the concerned school.

5 The Sweeper shall be engaged for full working day for maintaining the toilets.

6 The toilets should be cleaned thrice in the morning and twice in the afternoon.

Accordingly, the District Education Officers are instructed to monitor and oversee the attendance and work of all staff responsible for maintenance and cleaning activities under their jurisdiction. The headmasters of all higher secondary, secondary, middle, and primary schools are required to ensure these duties are carried out as per the government order. They are also instructed to submit details regarding staff attendance and cleaning activities to the municipal office by the 5th of every month.

As per Resolution No. 67, dated 31.08.2016, cleaning activities in the municipal schools located in various zones have been planned as follows:

West Zone: 20 schools

South Zone: 7 schools

North Zone: 11 schools

East Zone: 21 schools

Central Zone: 26 schools

The Commissioner's procedural order No. 6632/2026/MC3 - 41.50 Lakh and 6633/2016/MD3 - 49.50 Lakh, under the relevant decision No. 73/07.03.2019, approves the works from 11.03.2019 to 10.02.2020.

Since the new contract work is ongoing and it is urgent, an extension is requested at the same contract price until a new contractor is appointed. As per government orders and circulars, the work has been categorized as follows.

1. Nature of works Supply of Sanitary Workers, Sweepers and Security for Corporation High School, Middle School and Elementary School in East Zone for 8 months, As per the requisition of ward councilors and Instruction by the EE , AEE / CE estimate prepared for Rs 41.50 lakh,
2. Sanitary Workers 11 x 11 Month = 2728 Workers X 428.84=1169875.52
   With uniform, Hand Gloves, Cloth Masks, Boot and Caps.

Sweeper for Sweeping and mobbing dust, 13x11 = 3025 Sweeper X 428.84 =1297241, Securities with Uniform shoe, belt and cap, 8x31 =3575 Security X 428.84 = 1533103, LWF = 41500, Contingencies 108280.48 and Total = Rs 4150000/-

According to the terms of contract, the order for this work was only provided until 16.03.2019. However, for the year 2023-2024, an amount of Rs. 1,81,67,980/- has been allocated to the contract holder, Sanitz Technologies. Additionally, a new contract point should have been requested for the maintenance work during the 2023-2024 period, and the work should have been carried out accordingly. However, without requesting a new contract point, approval should have been granted by the Municipal Administration Director as per Government Order No. 158, Municipal Administration and Water Supply, dated 02.11.2022, and Government Order No. 89, Municipal Administration and Water Supply, dated 04.07.2023.

However, no administrative action was taken, and the work was awarded to the company Sanitz Technologies for the years 2022-2023 and 2023-2024, with an amount of Rs. 1,81,67,980/- for 2023-2024, without any competitive bidding. This is pointed out as a deficiency during the audit. The officers responsible for the administrative approval breach should be held accountable, and the amount of Rs. 1,81,67,980/- should be rectified accordingly.

Elementary Education Fund 2023-24

Audit Para No: 05/2023-24

The organization selected to prepare food for evening snacks for high school and higher secondary school students under the municipal corporation did not have food safety and quality certification. This is a violation of rules and other deficiencies, with a financial loss amounting to Rs. 41,10,724.

From February 10, 2023, to March 31, 2023, evening snacks were provided to students of 10th, 11th, and 12th grades attending evening classes in selected schools from the areas under the Coimbatore Municipal Corporation. A list was prepared, and the amount was released for the evening snacks provided.

Details are as follows:

BPV	BPV /162/06/23-24/EF/00000120, Date : 07.09.2023
Order No / R.Oc.No	467, 469 /2023/ K1-EEF

Estimate	Rs 58,55,400
Bill Amount	Rs 41,10,724
Contractor	No Food Waste
CGST	Not collected and no report filed in the proper form
SGST	Not collected and no report filed in the proper form
IT	Not collected and no report filed in the proper form
EMD:	Not received
Security Deposit:	Not collected
Fund:	Elementary Education Fund
Administrative Approval Order:	Not received
Contract Point Requested:	Contract point not requested in a transparent manner
Evaluation / Estimate:	Not prepared

According to the Food Safety and Standards Act, 2006, Regulations 2.1.2, 2.1.3, and 2.1.7 Form 'B': Prices were requested from accredited organizations, and a permission order was issued by the concerned authorities for the food and snacks to be prepared and distributed by a food/snack preparation and distribution company. However, contrary to the systematic operational procedures, the following deficiencies are noted:

1. Without any Government order, government letter, guidelines, circulars, or relevant administrative officer's approval, snacks worth Rs. 41,10,724/- were provided as per the list.

2. No allocation was made in the revenue-expenditure plan for the Elementary Education Fund for the year 2022-2023. No resolution from the Board was obtained.

3. In the revenue-expenditure report for the year 2022-2023, this program was not included. Moreover, in the 2023-2024 revenue-expenditure report, this program was not placed in the board meeting or discussed, hence there are no documents confirming the proper implementation of the program.

4. For the 2022-2023 academic year, there was no planning of the required quantity, quality, or cost of snacks for each student, the total number of beneficiaries, and the calculation of the total required days, nor was an evaluation for the total standard value made. The plan was not presented to the board or approved by the government.

5. No basic documentation such as names of students in classes 10, 11, and 12, selected students, and the list of beneficiaries with attendance records, along with the approval of teachers and principals, was maintained, and the expenses were claimed without such documentation, leading to a loss for the municipal corporation.

6. The program was executed without any defined plan, which is a major deficiency.

7. According to Municipal Office Document 6963/2022/K-14, the director approved snacks for students attending evening classes in March/April 2022 under the revenue-expenditure plan of 2022-2023, but the same program incurred expenses of Rs. 41,10,724/- in 2023-2024, which is noted as a major deficiency in the audit.

8. As per Municipal Commissioner's Note 6963/2022/K-14, dated 04.01.2023, snacks were to be provided to 5701 students (2029+1728+1944 = 5701) for 60 days at a cost of Rs. 30 per student per day, amounting to Rs. 1,02,61,800/- in total. However, a rough estimate was not prepared.

9. The nutritional contents of the planned snacks (including protein, carbohydrates, fat, vitamins, and minerals) were not determined by a team of nutrition experts. Also, the price determination was not finalized, and a public contract request was not made from accredited food preparation companies as per the FSSAI Act, 2006. Therefore, the estimated expenditure for the program was not calculated beforehand.

10.The rough total expenditure was not calculated in advance, and instead of receiving price points from accredited food preparation companies through a transparent tender process, the amount of Rs. 41,10,724/- was spent in an ordinary retail manner.

11.According to Municipal Commissioner's Note 469/2023/K-1, dated 12.04.2023, approval was given to provide snacks worth Rs. 58,88,400/-. However, this amount was not placed before the board, and previous year's expenditure for the same category was noted as Rs. 1,34,19,840/-. Moreover, no price was fixed based on the value of the food items from certified food manufacturers, and the public contract request was not made following the proper procedure.

12. The details of the submitted price points are as follows:

(1) Tirupur NALAN Hotel, - No Signature of Proprietor, No GSTN Registration, No FSSAI Registration vide Fssai Act-2006, No Trade license from Local Bodies
(2) No Food WASTE - No GSTN Registration, No FSSAI Registration vide Fssai Act-2006, No Trade license from Local Bodies, Coimbatore City Municipal Corporation.
(3) SREE Annapoorna SREE Gowrishankar Hotels Private Limited – No Date of submission, No FSSAI Registration vide Fssai Act-2006, No Trade license from Local Bodies, Coimbatore City Municipal Corporation.

As mentioned above, three companies were reportedly selected for providing food services. However, none of the companies received approvals such as the P.F.A. (Prevention of Food Adulteration) Licence or permissions under the Dangerous and Offensive Trades regulations from the local authorities. As a result: It could not be verified whether these companies were legally operational. There was no evidence or documentation submitted regarding how many years of experience these companies had in food production. No proof was submitted showing whether income tax had been paid by these companies on revenue earned in previous years.

Important tax documents such as the ITR-3 (for individual directors) and ITR-5 (for the company or organization) as per Clause (vii) of Section 2(31), Clause (vi) of Section 2(31) for local authorities, and Section 160(1)(iii) for representative assesses were not obtained or reviewed. Furthermore, no banking profile or financial details of the company to whom the payment was made were collected, reviewed, or kept on file. Therefore, the legitimacy of the disbursed amount could not be verified during the audit. Hence, if this payment is deemed irregular or fraudulent, it should be recovered from the responsible officials and staff of the relevant administrative office who approved or facilitated the payment.

Elementary Education Fund 2023–2024

Audit Para No.: 06/2023–2024

Construction of Men's Sanitation Facility Building at Peelamedu Pioneer Road Higher Secondary School – Online tender process was conducted – Work order was issued to a contractor who was not registered under the Goods and Services Tax (GST) – GST amount was paid to the contractor – The amount was not paid using government funds – Severe audit violation – Amount of Rs. 5,31,858/- must be recovered – Administrative action showed lapses and rule violations.

During the expenditure audit of the Elementary Education Fund for the financial year 2023–2024, it was observed that a men's sanitation facility building was constructed at Peelamedu Pioneer Road Higher Secondary School through an online tender process. The details of this work are as follows:

BPV	BPV /162/06/23-24/EF/0000085, Date : 26.07.2023	
R.Oc.No:	989/2022/MD2-EEF-Construction of Boys toilet at Corporation Higher Secondary School in W-26N	
Estimate :	Rs1600000	
Bill Amount	Rs1530406	
Contractor	Rs1411734	
LWF	Rs16000	
CGST	Rs12834	
SGST	Rs12834	
IT	Rs12834	
Retention	Rs64170	
Total	Rs1530406	
Fund	MLACD	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. R.C.No : 989/22 / MD2, Date : 04.03.2022	
Technical Sanction	04.08.22	File Not Attached
Work Order	989 / 2022 / MD2, Date : 02.06.2022	
Work Order	989/2022/MD2, Date : 01.03.2023	
Agreement	01.03.2023	
Commencement : 01.03.2023		measurement recording date 23.11.22
Completion	24.05.2023	Trial measurement recording date, 24.11.22

In this regard, the tender quotations were submitted, and the price comparison report was downloaded from the Tamil Nadu e-Procurement portal. The details of the online tender submission are as follows:

Organisation Chain	MAWS// Coimbatore City Municipal Corporation

Tender ID	2022_MAWS_229165_1
Tender Reference No	e10/2022
Tender Title	Construction of Boys toilet at Corporation Higher Secondary School, Pioneer Mill Road, Peelamedu, in Ward :26, North Zone

Bids List

S.No	Bid Number	Bidder Name	Submitted Date	Status	Remarks	Status Updated On
1	507245	K.M.Murugesan	20-Apr-2022 01:40 PM	Admitted Fee/PreQual/Technical/Finan		21-Apr 2022 06:56 PM
2	507278	K.Sundaram	20-Apr-2022 02:23 PM	Admitted Fee/PreQual/Technical/Finan		21-Apr 2022 06:56 PM
3	507166	R.Natarajan	20-Apr-2022 11:48 AM	Admitted Fee/PreQual/Technical/Finan		21-Apr 2022 06:56 PM

Bid Opening Summary

Type :	**Finance**
Summary :	**Three Bids were Admitted in this tender**
Updated By :	**Senthil Baskar A**
Updated On :	**21-Apr-2022 06:56 PM**
Document :	None
BOQ Comparative Chart :	BOQ Comparative Chart

The **BOQ Comparative Chart** was downloaded through the online portal, and the details are as given below.

Sl. No	Description of Work / Item(s)	No.of Qty	Units	Estimated Rate	R,NATARAJAN, (GSTN 33ACHPN9297P1Z1)		K.Murugesan (GSTN 33ALAPM1276F1ZH)		K SUNDARAM (GSTN-33ALYPS2538Q1Z1)	
					Rate	Amount	Rate	Amount	Rate	Amount
						1317649		1359446		1360797

Deficiencies Identified During the Audit:

1.Absence of Price Breakdown in Estimates:

For each work unit, the rate and total cost details were not uploaded in the estimate. Consequently, before the tender stage was opened, rates and pricing were finalized without comparing them against market rates. As a result, it was not possible to compare the planned estimates with actual rates and prices. This deficiency was neither monitored by the technical

department nor by senior administrative officials. Furthermore, it was found during the audit that conditions were created in favor of the contractor, which was pointed out as a serious deficiency.

2.Non-submission of Online Tender Acceptance:
The tender points related to online tenders submitted by contractors were neither submitted for online audit approval nor presented before the Scrutiny Committee. Therefore, it could not be confirmed whether the tenders were submitted by the appropriate contractors. Despite this, the tender points were opened and approved, which was identified during the audit as a serious lapse.

3.Absence of Type Design with Measurements:
The preliminary report and the type design with measurements required for the construction of toilet blocks were not attached. As a result, it was not possible to confirm the exact dimensions and internal measurements for each construction during the audit.

4.Invalid GSTIN for the Contractor:
Upon reviewing the comparative report downloaded online, the GST number (GSTN 33ACHPN9297P1Z1) mentioned against contractor R. Natarajan was verified through the official GST portal (https://services.gst.gov.in/services/searchtp), and it was found to be invalid ("The GSTIN/UIN that you have entered is invalid"). Therefore, it was concluded that the contractor did not have a valid GST registration. Despite this, the contractor was allowed to submit the tender, awarded the contract, and a payment of Rs12,83,395/- was calculated. GST at 18%, amounting to Rs2,31,011/-, was also sanctioned and included in the bill. Accordingly, a total amount of Rs14,11,734/- was disbursed via cheque number 654657 dated 25.07.2023.

As per **Section 16(2)(c) of the CGST Act**, it must be ensured that the GST claimed has actually been paid by the contractor and filed within the appropriate time. However, the relevant GSTR-2B report (Statement consisting of invoice details as per the deduction documents) was not available in the bill file. Since GST amounting to Rs2,31,011/- was paid to a contractor without valid GST registration, this amount should be recovered from the responsible administrative officers.

5) Non-deduction of TDS as per Section 194C of the Income Tax Act, 1961:
According to Section 194C of the Income Tax Act, 1961, if a contractor does not furnish a PAN number, tax must be deducted at 20% of the payable amount. Since the above-mentioned contractor did not have a valid GSTIN registration, and in the event of failure to submit a PAN number, 20% of the amount Rs12,83,395/- should have been deducted, which equals Rs2,56,679/-.
Moreover, there is no report or document in the file confirming whether the contractor paid income tax or filed tax returns. Therefore, this amount of Rs2,56,679/- should be recovered from the responsible administrative officers.

6) Delay in Payment of Additional Security Deposit and Penalty:
As per the order issued by the Coimbatore City Municipal Corporation office (Order No: 989/2022/MD2 dated 02.06.2022), an additional security deposit of Rs16,000 (1% of the estimated amount) was to be paid within 10 days of receiving the order, i.e., by 12.06.2022.
However, it was paid much later, on 01.03.2023 – a delay of 8 months and 18 days (i.e., 261 days).
According to the same order, for each day of delay in submitting the agreement document, a penalty of Rs100 per day must be paid. Thus, a penalty of 726,100/- (261 days × Rs100) should have been remitted to the Municipal Corporation under the appropriate head.
These actions were not taken, nor was the situation monitored by the concerned officers. Therefore, this amount of Rs26,100/- should be recovered from the responsible officials.

7) Unapproved Labour Charge Payment:
During the audit of the online downloaded comparative report, it was found that the work item

"Labour Charge for Removal of Existing Damaged Shed" was not included in the estimate. However, an amount of Rs6,500/- was paid to the contractor Mr. R. Natarajan as per the bill for this work. This amount should be recovered from the responsible officers.

8) Rate Fixation for Earth Materials Not in Accordance with Government Schedule:
As per the 2022–2023 Schedule of Rates published by the Tamil Nadu Public Works Department, the rates for materials such as earth, silted soil, sand, and the excavated earth should be fixed based on their quality per cubic meter. (Note: The detailed list is implied to follow but not included in your original message.)

SNo	Para SNo	Description	Unit	Price
75	57	Gravel	cum	222.70
76	57A	Well Gravel	cum	166.50
77	57B	Screened Kankar Gravel	cum	121.90
80	58B	Pond Ash (wed / dry)	cum	95.65
85	62	Clay for Puddle and Masonry	cum	37.35

Excavated soil from within the school premises was not evaluated and paid for as per the appropriate rate category. The type of soil excavated should have been identified and valued accordingly. However, the cost for 44.17 cubic meters of additional excavated soil has not been compensated.
Based on the lowest rate for silt-type soil at Rs121.90 per cubic meter, the total payable amount is Rs5,384/- (44.17 × 121.90 = 5,384), which should be recovered.

9) Unapproved Earth Excavation Work:
According to the online downloaded estimate, an unapproved work item labeled as "Earth Excavation" was included, and an amount of ₹6,184/- was sanctioned. This amount should also be recovered.

Para No	Amount (in Rs)
4)	231011
5)	256679
6)	26100
7)	6500
8)	5384
9)	6184
Total	**531858**

The total amount of Rs5,31,858/- must be recovered from the responsible officials.

Elementary Education Fund 2023 – 2024

Audit Report Para **Number – 07/2023-2024**

Coimbatore Corporation – South Zone – Construction of additional classrooms and toilets for children at Muthu Colony Primary School – Tender invited through online mode – Work order issued to a contractor not registered under Goods and Services Tax (GST) – GST amount paid – Amount not disbursed from government funds – Major irregularity – A sum of Rs2,33,952/- to be recovered – Deficiencies and rule violations in administrative actions taken.

In the expenditure audit for the year 2023-2024 related to the Elementary Education Fund, it was found that tenders were invited through online mode for the construction of additional classrooms and toilets for children at Muthu Colony Primary School. The details of this work are as follows.

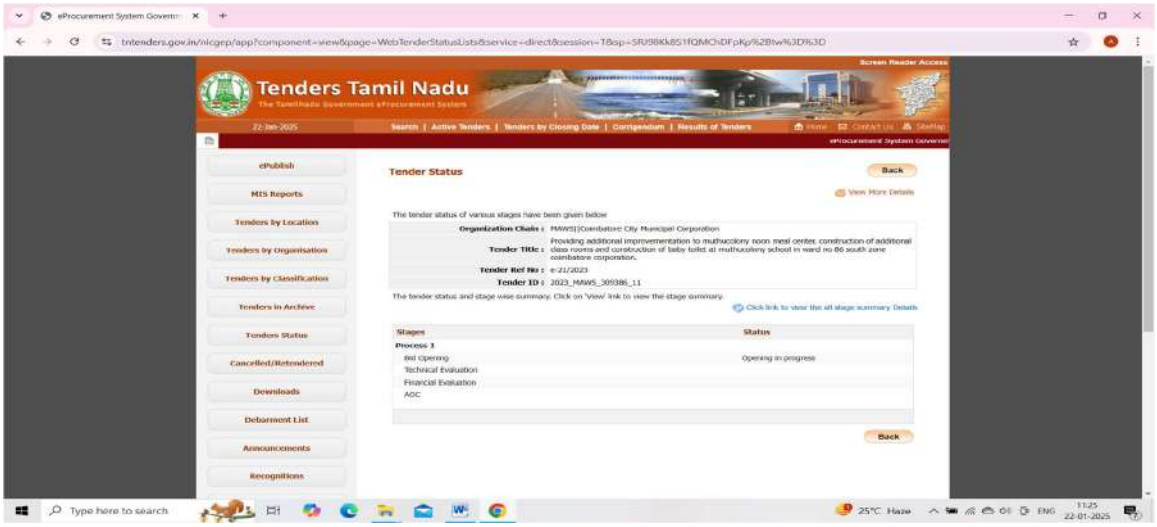
BPV	BPV /162/23-24/0009983, Date : 11.04.2023	
R.Oc.No:	927/23/MD4-EEF-Construction of additional classrooms and Baby toilet at Muthu Colony Primary School , South Zone, Ward-86	
Estimate :	Rs 1170000	
Bill Amount	Rs 1169845	
Contractor	Rs1069811	
LWF	Rs 11700	
CGST	Rs 9815	
SGST	Rs 9815	
IT	Rs 19630	
Retention	Rs 49074	
Total	Rs1169845	
Fund	Elementary Education Fund	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. Roc.No : 927/2023/ MD4, Date : 23.02.2023	
Technical Sanction	04.08.22	
Work Order	927 / 2023 / MD4, Date : 31.07.2023	
Agreement	31.07.2023	
Commencement : 31.07.2023		Date of Measurement 23.11.22
Completion	20.10.2023	Date of Trial Measurement 18.10.2023

In this connection, the tender submissions and price comparison report were downloaded from the Tamil Nadu online procurement platform. The details of the tenders submitted online are as follows:

Organization Chain	MAWS// Coimbatore City Municipal Corporation

Tender ID	2023_MAWS_309836_11
Tender Reference No	E21/2023
Tender Title	Additional Improvementation to Muthu Colony Noon Meal Centre, Construction of additional classrooms and construction of baby toilet at Muthu colony school in ward No 86 of South Zone, Coimbatore Corporation

It has been stated in the file submitted for audit that two companies submitted their tenders for the said work and that their tenders were accepted on 11.05.2023. The following issues were pointed out:



1. Online Acknowledgement Slip Not Submitted:
The *Online Acknowledgement Slips* for the tenders submitted by the contractors were not submitted for audit and were also not presented before the *Scrutiny Committee*. As a result, it is not possible to confirm whether the tenders were genuinely submitted by the respective contractors. However, the tenders were opened and approved, which has been identified as a major irregularity during the audit.

2. Lack of Rate and Cost Breakdown:
The price rates and cost details for each unit of work were not uploaded in the estimate. Therefore, price rates and costing were not compared with market rates before the tender process was initiated. As such, it is not possible to compare the estimated costs with the prices quoted. These deficiencies were not monitored by the technical division or senior administrative officials. It has been identified during the audit that a favorable environment was created for the contractor, which is a serious irregularity.

3. Tender Status Still "Opening in Progress":
As of the audit date, the online tender with ID 2023_MAWS_309836_11 still shows the status "Opening in Progress." Hence, it is not possible to confirm whether the entire tender process for this work was completed.

4.Improper Award to L1 Bidder:
In the file for the online tender 2023_MAWS_309836_11, the *Bid Opening Summary* and *BOQ*

Summary Details were completely matched, and the work was awarded to M/s ASP & Co. as L1 (Lowest Bidder). This is noted as a serious irregularity.

5. Missing GST and PAN Details:
The GST and PAN details of the said company were not attached with the file. As a result, their authenticity could not be verified during the audit.

6. GST Number Missing, Tax Reimbursement Improper:
Since the GST number of the awarded contractor, M/s ASP & Co., was not attached, a total payment of Rs10,69,811/- (including GST of Rs19,630/-) was issued via Cheque No. 039812, dated 09.11.2023. According to Section 16(2)(c) of the CGST Act, in order to confirm that GST has been correctly paid and filed by the contractor, the *GSTR-2B* statement (which consists of invoice details as per deduction documents) should have been submitted. However, it is missing in the file. Therefore, the GST amount of Rs19,630/-, which was paid to the contractor, must be recovered from the responsible administrative officers.

7. Non-submission of PAN, TDS Not Deducted:
As per Section 194C of the Income Tax Act, 1961, if a contractor fails to submit a valid PAN, 20% TDS must be deducted from the payment. Since the contractor did not have a GSTIN and did not submit a PAN number, 20% TDS amounting to Rs2,13,962/- should have been deducted from the total payment Rs10,69,811/-. Additionally, there is no evidence in the file confirming that the contractor paid income tax and filed returns. Hence, this amount of Rs2,13,962/- should also be recovered from the responsible administrative officers.

Para No	Amount Rs
6	19630
7	213962
Total	233592

Total Amount to Be Recovered: Hence Rs2,33,592/- should be recovered from the concerned officers.

Elementary Education Fund 2023 – 2024
Audit Report Para Number – 08/2023-2024
Amount of Rs33,44,307/- Paid to M/s Universal Graphics for Supplying Study Materials to 10th and 12th Standard Students in Corporation Schools – and other Irregularities Found:

During the academic year 2023–2024, in schools under the jurisdiction of the Coimbatore City Municipal Corporation, study materials were to be printed and supplied to students of Class 10 and Class 12 who attended evening classes, with the aim of helping them score higher marks in the public examinations.

For this purpose, tenders were called to print and supply subject-wise study materials. As per Corporation Note No. 7543/2023/K.6, administrative sanction was sought in the council meeting. Resolution No. 307, dated 22.12.2023, was passed and signed by the Secretary of the Corporation Council. For 1,644 Class 12 students, the following study materials were supplied: Tamil Medium: 6,403 study material booklets English Medium: 7,094 study material booklets. A total amount of ₹14,84,982/- was disbursed for this purpose.

Details are as follows

BPV	Voucher No: 205/23-24/EF, Date : 19.01.2024
Roc.No:	Corporation Note No. 7543/2023/K.6 submitted for approval in the council meeting. Resolution No. 307 dated 22.12.2023 was passed and signed by the Corporation Council Secretary.
Estimate :	Not Estimated
Bill Amount	Rs 14,84,982/-
Work Order	Corporation Commissioner Order No 7543/2023/K-6,Date.29.12.2023
Contractor	M/s Universal Graphics
CGST	No details available regarding deduction or submission in proper forms
SGST	No details available regarding deduction or submission in proper forms
IT	No details available regarding deduction or submission in proper forms

The work order was issued on 29.12.2023. However, Delivery Challans (Nos. 136, 138, and 140) attached in the file show that the materials were delivered on 27.12.2023, 29.12.2023, and 02.01.2024 respectively—*i.e., some deliveries were made even before the official work order was issued*.

Furthermore, an invoice copy (with no clear date) numbered "31" from Universal Graphics (GSTIN: 33APRPK9889F1Z3) was attached to the file. As per this invoice, a total of Rs14,84,982/- was claimed, along with GST of Rs7,425 + Rs7,425, totaling Rs14,99,832/-.

For Class 10 students, based on the invoice dated 04.01.2024 (Invoice No. 33) from the same company, M/s Universal Graphics (GSTIN No: 33APRPK9889F1Z3), a total payment of Rs18,59,325/- was released for the printing and supply of 3,590 Tamil medium and 7,015 English medium study material booklets, benefiting 2,059 students. According to the attached Delivery Challans No. 135 and 139, the materials were delivered to the schools on 27.12.2023 and 29.12.2023, respectively.

As per the municipal corporation's note, an order was proposed to be issued to Universal Graphics for a total amount of Rs18,77,910/- (Rs18,59,325/- for study materials + Rs18,592/- CGST + Rs18,592/- SGST).The proposal for printing and supplying the study materials was submitted for administrative approval through Corporation Note No. 7544/2023/K.6, which was subsequently approved by Council Resolution No. 306 dated 22.12.2023, signed by the Secretary of the Council. Administrative approval was formally granted by the Corporation Commissioner on 29.12.2023.

BPV	Voucher No: 194/23-24/EF, Date : 06.01.2024
Roc.No:	Deduction and submission details not provided in required formats Paid
Estimate :	Not Estimated /
Bill Amount	Rs 18,59,325/-
Work Order Issued By	As per Corporation Note No. 7544/2023/K.6, administrative approval was sought in the council

Work Order No & Date	M/s Universal Graphics
Contractor	Deduction and submission details not provided in required formats
CGST	Deduction and submission details not provided in required formats
IT	Deduction and submission details not provided in required formats
EMD	Paid

Several key procedures were not followed. No verification of required documents related to company eligibility, comparison with other vendors, or confirmation of the actual service provider was carried out. Despite these omissions, the payment proposal was submitted and the amount was released to M/s Universal Graphics without proper scrutiny.

1)An amount of Rs14,84,982 and Rs18,59,325, totaling Rs33,44,307, was released without any Government Order (G.O.), government communication, guidelines, or circular for implementing the scheme. No allocation for this expenditure was made in the 2023–2024 Elementary Education Fund income-expenditure plan.

2) This scheme was not included in the 2023–2024 income and expenditure budget report, nor was it placed or discussed in the council as part of the 2024–2025 budget report. Hence, there are no documents available to validate that this expenditure was properly undertaken.

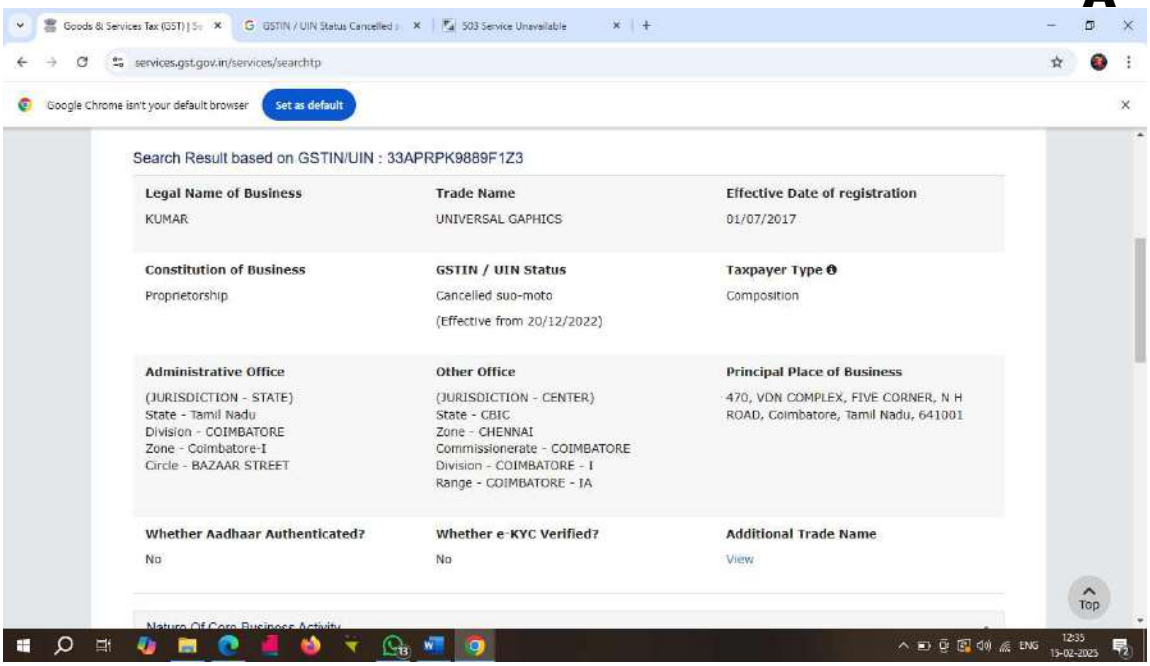
3) For the year 2023–2024, there is no record in the file of the list of actual beneficiaries, such as names of students, schools, subjects, and the details of the study materials distributed. Also, there are no documents confirming receipt and acknowledgment of the study materials by the students. Therefore, it is not possible to verify whether the intended beneficiaries actually received the materials.

4) There is no expert committee report available in the file to confirm whether the study materials were prepared as per the curriculum and whether the content was finalized by a panel of subject matter experts.

5)The Commissioner of the Corporation issued an order only on 29.12.2023 for the preparation, printing, and compilation of subject- and language-wise study materials.

6)However, according to the documents, study materials were delivered even before the order was issued, i.e., on 27.12.2023 and 29.12.2023. This contradiction shows that the materials could not have been legally or officially distributed before approval, yet the documents claim they were delivered and payments were processed based on that.

7) There are no documents available to verify whether the involved company is operational, has prior experience in producing such materials, or has filed income tax returns indicating such income in previous years. Specifically, there is no evidence of having obtained or reviewed: ITR-3 (for individual/proprietor directors), ITR-5 (for partnerships or firms) or relevant filings under section 2(31) clauses (vi), (vii) and section 160(1)(iii) of the Income Tax Act concerning local authorities or representative assess.



8) Based on the attached photocopy of the invoice from Universal Graphics (GSTN No: 33APRPK9889F1Z3), the amount was released as per the payment list. However, the official order for this payment was only issued on 29.12.2023 through the Corporation Commissioner's orders: **Order No. 7543/2023/K-6**, dated **29.12.2023**, and **Order No. 7544/2023/K-6**, dated **29.12.2023**.In contrast, documents in the file indicate that the expenditure amount and applicable Goods and Services Tax (GST) for distribution of the materials were submitted to the council based on notes dated 22.12.2023.It was verified through the GST portal (https://services.gst.gov.in/services/searchtp) that the GST registration of Universal Graphics (GSTN No: 33APRPK9889F1Z3) had been canceled by the Commercial Tax Department as of 20.12.2022. Therefore, the company was not legally authorized to provide any GS-compliant services during the 2023–2024 financial year. Despite this, Universal Graphics was chosen by the public body, Coimbatore Corporation, for preparing and distributing study materials to students, and a total payment of ₹33,44,307/- was released based on the canceled GST registration and attached photocopies. This expenditure is therefore considered irregular and unauthorized.

9) Furthermore, no banking details (Banking Profile) of the company to which the amount was released were collected, verified, or filed. As a result, the audit could not confirm the legitimacy of the payment. Hence, if this amount was released in violation of norms, the entire sum of Rs33,44,307/- must be recovered from the responsible administrative staff and officers, and the matter should be regularized properly.

Primary Education Fund 2023 - 2024
Audit **Para** Number - 09/2023-2024
Primary Education Fund – Coimbatore Corporation
The teachers and non-teaching staff who have worked in the corporation schools and have retired or will retire on or after 01.10.2002, and the leave accumulated by them on the day of retirement, has not been transferred to the government share as per the municipal funds. The leave accumulated on 01.04.1990 is yet to be settled and is pending with an amount of Rs. 15,58,255/-.

The Government Order (No.) 248 dated 6.4.2004 in the Department of Municipal Administration states that the accumulated leave for teachers and non-teaching staff who have worked in corporation schools and retired or will retire on or after 01.10.2002, will be settled and

the government will bear the cost. The order further specifies that the municipal share for the accumulated leave on 01.04.1990 should be paid from the government funds.

In accordance with this, the Coimbatore Corporation Education Officer sent a letter (No. 8511/2003/K11) on 21.03.2012, listing 49 teachers and non-teaching staff's service records and their details, which have been audited. It was noted that the municipal share for the accumulated leave on 01.04.1990, amounting to Rs. 15,58,255/-, is pending and should be transferred from the municipal funds to the government funds. This issue has been pointed out in the audit reports for several years. In the 2023-2024 audit report, it is highlighted under paragraph 7 as a pending issue. However, this shortcoming has not been addressed, and it continues into the audit year. Therefore, appropriate administrative action should be taken, and the municipal share of Rs. 15,58,255/- should be transferred to the government funds.

Primary Education Fund 2023 - 2024
Audit **Para** Number - 10/2023-2024
Labor Welfare Fund – Pending Amount ***-An amount of Rs. 65,50,385/- collected as labor welfare fund has not been paid to the board and is pending.***

According to Government Order No. 295 dated 17.12.2013, 1% of the total construction value should be deducted and sent to the Chennai Labor Welfare Board. It was found in the Coimbatore Corporation's Primary Education Fund 2023-2024 audit that the deducted amount from the contractors for the additional costs related to construction works has not been sent to the Chennai Labor Welfare Board. The amount of Rs. 65,50,385/- under the account head No. 4050 is still pending and has not been paid to the board.

As per the circular of the Municipal Administration Commissioner, Ref. No. 28880/2018/DB3 dated 05.08.2020, it has been stated that local bodies should not credit the amounts payable to other departments into the municipal funds. Furthermore, any such collected amounts must be remitted to the respective departments by the 5th of every month.It is also mentioned that if any shortcomings are found in these transactions, the concerned clerks, accountants, and the commissioner will be held fully responsible.Therefore, appropriate action must be taken to remit the amount of Rs. 65,50,386/- to the Chennai Labour Welfare Board, and the confirmation details of the remittance should be reported to the audit department.

Primary Education Fund 2023 - 2024
Audit **Para** Number – 11/2023-2024
Coimbatore Corporation – Eastern Zone – Maintenance and Repair Works Carried Out at Karupparayanpalayam Primary School – Administrative Lapses and Rule Violations – Loss of Rs. 5,58,071/-

Observed Irregularities:
During the expenditure audit of the Primary Education Fund for the year 2023-2024, it was found that maintenance and repair works were carried out at Karupparayanpalayam Primary School in the Eastern Zone. The following irregularities were noted:

The work was tendered through an online contract process. A work order was issued to a contractor who did not possess a valid Goods and Services Tax (GST) registration. Payment was made including the GST amount. However, the GST amount was not remitted to the government fund.

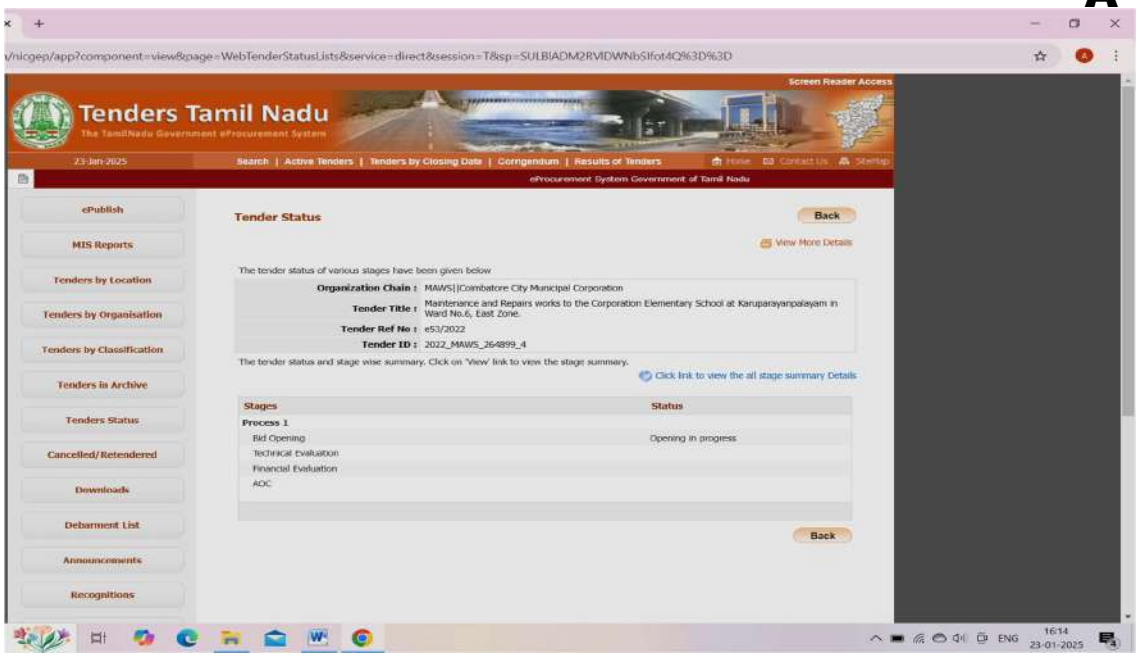
This constitutes a serious violation, resulting in a loss of Rs. 45,290/-.

BPV	BPV /162/06/23-24/EF/0000088, Date : 03.08.2023	
Roc.No:	4974/2022/MD3-EEF-MR Works to Corporation School at Ward-6 , East Zone	
Estimate :	Rs2700000	
Bill Amount	Rs2558906	
Contractor	Rs 2349478	
LWF	Rs27000	
CGST	Rs 22645	
SGST	Rs 22645	
IT	Rs 22645	
Retention	Rs 113221	
Total	Rs2558906	
Fund	Elementary Education Fund	
Administrative Sanction	Works Committee Resolution No: 17, Date : 20.09.2022	
Technical Sanction	19.09.2022	File Not Attached
Work Order	927 / 2023 / MD4, Date : 31.07.2023	
Agreement	31.07.2023	
Commencement : 18.01.2023		Measurement Record Dated 24.03.23
Completion	08.05.2023	Trial Measurement Record Dated 25.03.23

In this regard, the tender details and the price comparison report were downloaded from the Tamil Nadu e-Procurement Portal. The details of the e-tender submission are as follows:

Organisation Chain	MAWS// Coimbatore City Municipal Corporation
Tender ID	2022_MAWS_264899_4
Tender Reference No	E53/2022
Tender Title	Maintenance and Repair Works to the Corporation Elementary School at Karuparayanpalayam in Ward -06 of East Zone

It has been stated in the file submitted for audit that three companies submitted their tenders for the said work, and their bids were accepted on 24.11.2022. However, the following discrepancies have been pointed out in the audit:



As per Tender Notice No. (e) 53/2022 dated 07.11.2022 (Page 1, Line 3), it was announced that "e-tenders will be accepted only through the e-tender website until 3:00 PM on 23.11.2022."However, in contradiction to this, on Page 1, Serial No. 11 of the Standard Contract Terms and Conditions, it is mentioned that "The Tenders may have the option to present the tender directly." This allowance of two different methods for tender submission is considered a serious irregularity in the audit.

1.The Online Acknowledgement Slip for the tenders submitted through the e-procurement portal was neither submitted for audit purposes nor presented to the Tender Scrutiny Committee. Therefore, the proper submission of tenders by the contractors could not be confirmed. Despite this, tenders were opened and accepted, which is considered a serious lapse in the audit.

2.The unit-wise price rates and cost details were not uploaded in the estimates. As a result, tender quotations were not called only after pricing had been estimated and compared with prevailing market rates. Thus, price and rate comparisons with planned estimates could not be made. These lapses were not monitored by the technical or higher administrative officials. It has also been found in the audit that favorable conditions were created for the contractor, which is viewed as a serious irregularity.

3.The online tender with ID 2022_MAWS_264899_4 remains in "Opening in Progress" status to date. Therefore, it could not be confirmed during the audit whether the online tender process for this work was completed.

4. In the same tender file, the Bid Opening Summary and BOQ Summary Details were completely manipulated, and the work was awarded to M/s Muthuraja as the L1 (Lowest Bidder), which is also identified as a serious audit violation.

5. The GST and PAN details of the three bidding companies were not attached with the file, so their authenticity could not be verified during the audit.

6. The company M/s RR Enterprises was allowed to submit a tender without including the crucial document "Standard Contract Terms and Conditions", which questions the credibility of the entire tender process.

7. The GST number of Mr. Muthuraja, to whom the work was awarded, was not provided. Despite this, a total amount of Rs9,35,828 (including Rs45,290 towards GST) was paid through cheque number 654661, dated 03.08.2023. According to Section 16(2)(c) of the CGST Act, it must be ensured that the GST was paid under the appropriate head by the contractor and that the return was filed on time. However, the GSTR 2B statement (which includes invoice details supporting deductions) is missing from the file. Therefore, the GST amount of Rs45,290 must be recovered from the responsible administrative officers.

8. As per Section 194C of the Income Tax Act, 1961, in the case of a contractor without a valid PAN number, 20% tax must be deducted at source. Since the above contractor has no registered GSTIN and has not submitted a PAN number, 20% of the amount Rs25,58,906, which is Rs5,11,781, should have been deducted. There is no report or record in the file confirming that the contractor has paid income tax and filed returns. Hence, this amount Rs5,11,781/- should be recovered from the responsible administrative officers.

9. Work Start Date: 18.01.2023
Work Completion Date: 08.05.2023

Although a period of only three months was allowed for this work, the Completion Report should have been submitted by 18.04.2023. However, the work was completed late, on 08.05.2023—about 20 days overdue. Therefore, a penalty of Rs50 per day (20 x Rs50 = Rs1,000) must be collected from the contractor.

Para No	Amount Rs
7	45290
8	511781
9	1000
Total	558071

This amount of Rs5,58,071/- must be duly recovered from the responsible officials.

Primary Education Fund 2023 – 2024
Audit **Para** Number – 12/2023-2024
Coimbatore Corporation – Central Zone – Additional Development Works for Classrooms and Toilets at Ramalingam Colony Higher Secondary School, Ward No. 69 – Administrative Lapses and Rule Violations – Loss of ₹1,600/-

Observed Irregularities:
During the expenditure audit of the Primary Education Fund for the year 2023–2024, it was found that additional development works were carried out for classrooms and toilets at Ramalingam Colony Higher Secondary School, located under Ward No. 69 in the Central Zone. Tenders for this work were invited through the online e-procurement system. The details of this work are as follows:

BPV	BPV /162/06/23-24/EF/000097, Date : 14.08.2023
Roc.No:	5101/2022/MD5-Maintenanace and Repair works to existing classroom buildings and Toilets are Ward- 69 of Central Zone
Estimate :	Rs 21,50,000
Bill Amount	Rs 21,50,000

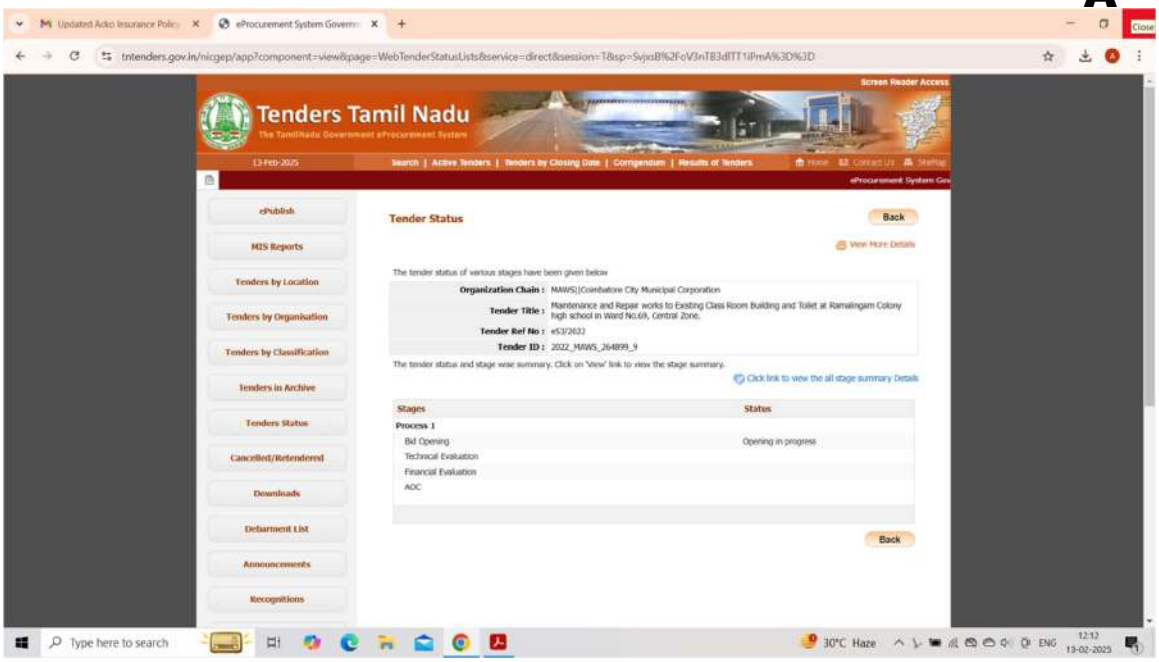
Contractor	Rs1984192	
LWF	Rs 21500	
CGST	Rs 18039	
SGST	Rs 18039	
IT	Rs18039	
Retention	Rs 90191	
Total	Rs21,50,000	
Fund	Elementary Education Fund	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. Roc.No : 5101/2022/MD5, Date : 29.09.2022	
Technical Sanction	01.11.2022	
Work Order	5101/2022/MD5, Date : 09.03.2023	
Agreement	03.03.2023	
Commencement : 28.03.2023		Measurement Record Dated 06.07.23
Completion	06.07.2023	Trail Measurement Record Dated 07.07.2023

In this regard, the tender submissions and the price comparison report were downloaded from the Tamil Nadu e-Procurement Portal. The details of the online tender submissions are as follows:

Organisation Chain	MAWS// Coimbatore City Municipal Corporation
Tender ID	2022_MAWS_264899_9
Tender Reference No	E53/2022
Tender Title	Maintenance and Repair works to Existing Class room building and Toilets at Ramalingam Colony high school in Ward No: 69 , Central Zone

It has been stated in the file submitted for audit that two companies submitted their tenders for the aforementioned work, and that these tenders were accepted on 24.11.2022.

The following discrepancies have been pointed out in the audit:



(1)(a) The Online Acknowledgement Slips confirming that the contractors submitted their bids via the e-procurement portal were not submitted for audit and were not presented to the Tender Scrutiny Committee. As a result, the submission of tenders by the respective contractors could not be verified. However, the tenders were opened and accepted regardless, which is pointed out in the audit as a serious irregularity.

(b) The contractor's classification (Class of the Contractor) and the Contractor's Registration Certificate, which is to be renewed annually and required for assigning works in the Corporation, were not attached in the file.

(2) Unit-wise price rates and detailed cost estimates were not uploaded in the estimate. Consequently, pricing and rate comparisons were not made with market rates prior to the opening of tenders, and tender calls were issued afterward. Therefore, prices and rates could not be compared with the planned estimates. These lapses were not monitored by the technical or senior administrative officials. It was also identified in the audit that conditions favorable to the contractor were created, which is considered a serious procedural violation.

(3) The e-tender with ID 2022_MAWS_264899_9 still shows the status "Opening in Progress", even as of the current date. Hence, it could not be confirmed in the audit whether the online tender process for this work was completed.

(4) The Bid Opening Summary and BOQ Summary Details provided in the tender file for 2022_MAWS_264899_9 were found to be completely manipulated, and the construction work was awarded to M/s R. Selvaraj (Thillai Nagar) as the L1 (Lowest Bidder), which is considered a serious audit violation.

(5) In the letter No. 5101/2022/MD5 dated 30.01.2023, the contractor was instructed to pay the additional deposit amount and sign the contract agreement within a week. However, the deposit was paid only on 24.02.2023, and the agreement was signed only on 03.03.2023. Therefore, a penalty of Rs100 per day must be levied for the 16-day delay from 08.02.2023 to 23.02.2023, totaling Rs1,600, which must be collected and deposited into the Municipal Corporation account and reported to the audit.

(6) In the Item Rate BOQ document submitted by L1 contractor M/s R. Selvaraj (Thillai Nagar), under Serial No. 35, the following amount is specified:(*The specific amount and content from Serial No. 35 presumably follow in the next section.*)

35. Supply & delivery of Pipes &7 Specials

Sl No	Item	Qty	Rate (Rs)	Quoted by the vendor	Actual	Difference
1.	63mm PVC Pipe	24	95.00	3420	2280	(+) 1140.00
2.	110mm PVC Pipe	36	260.00	3120	9360	(-) 6240.00
3.	110 mm PVC Elbow	12	145.00	1740	1740	
4.	63 mm PVC Elbow	6	44.00	440.00	264.00	(+) 176.00
5.	½" Push Type Tap	10	650.00	1300.00	6500.00	(-) 5200.00
6.	Solvent Cement	2 Kg	200.00	4000.00	400.00	(+) 3600.00
7.	Shellock Bottle	20 Each	20.00	1880.00	400.00	(+) 1480.00

Sl No	Item	Qty	Rate (Rs)	Quoted by the vendor	Actual	Difference
36	Painting with Enamel paint two coats for old iron work of approved colour etc complete	94 M^2	135.00	1485.00	12690.00	(-) 11205.00
37	Painting with Black Board Paint with work of approved colour etc complete	11 M^2	148.00	1924.00	1628.00	(+) 296.00
38	Supply and fixing of Rolling Shutters (With ISI Monogram)	13 M^2	2370.00	137460.00	30810.00	(+) 106650
39	Conveying the excavated Earth from Site to 15 Kms outside	58 M^3	162.00	0	9396.00	(-) 9396.00

Although the contractor incorrectly quoted the amounts for items listed under Serial Nos. 35 to 39, the comparison report prepared on 29.11.2022 reflects the correct amounts for all items, and the total amount was calculated and finalized with a 0.27% deduction. The relevant documents confirming this must be submitted for audit verification.

The tender submitted by L1 contractor M/s R. Selvaraj (Thillai Nagar), along with the file-attached tender document (e)53/2022 dated 07.11.2022 and the Standard Contract Terms and Conditions, was accepted despite not being signed by the contractor, which constitutes a serious irregularity.
According to Page No. 4, Serial No. 14:

"If the tender is made by an individual, it shall be signed by him or his power of attorney, in which case a certified copy of the registered power of attorney shall accompany the tender."

As per Serial No. 21, an Income Tax Clearance Certificate must be attached.

According to Serial No. 24, any tender lacking such mandatory documentation should be rejected, and the Scrutiny Committee has the authority to do so.

"The tenders received without the certificates as afore mentioned are liable to be rejected".

Para No	Amount
5	1600
Total	1600

Primary Education Fund 2023–2024

Audit Para No: 13/2023–2024

Coimbatore Corporation – North Zone – Repairs to Toilets at KNG Pudur Corporation Primary School – Irregularities and Rule Violations in Administrative Procedures – Loss: ₹1,85,329/-

During the audit of expenditures under the Primary Education Fund for the year 2023–2024, it was found that repairs were carried out on the toilets of the KNG Pudur Corporation Primary School. The file submitted for audit mentions that two firms submitted tenders for this work. The following issues were pointed out:

(1) For each work item, unit price rates and amount details were not uploaded in the estimate. As a result, pricing and rate determination were done before the tender opening, compared against market rates, and only afterward were tenders called. Because of this, the prices and rates could not be compared with the planned estimates. This lack of oversight by the technical and senior administrative officials is a major lapse. The audit noted that a favorable environment was created for the contractor, which is a serious procedural violation.

(2) This work was meant for the maintenance of toilets. However, during the preparation of the estimate, a Water Doctor (75 Litres) unit was added at a cost of Rs54,280/-. Later, during the course of the work, another Water Doctor unit was included in the revised estimate. This raised the following audit queries:

(a) What is the total number of students enrolled in this primary school?

(b) If only one water purifier was initially required, why was a second added after the work began?

(c) Out of the total estimate of Rs7,10,000/-, Rs1,08,000/- was spent only on Water Doctor units, which constitutes 15% of the total estimate.

(d) The original agreement was for Rs5,72,870/-, but the amount was increased to Rs6,55,245/-. What is the reason for this variation?

(3) The PAN details of the contractors were not attached to the file, and therefore the audit could not verify the authenticity of these contractors.

(4) According to Section 194C of the Income Tax Act, 1961, if a contractor has not submitted a PAN number, 20% of the payable amount must be deducted. Since the contractor in question did not provide a PAN number, 20% of Rs6,55,245/-, i.e., Rs1,31,049/-, should have been deducted. Also, no documents were submitted to confirm that the contractor paid income tax and filed returns. Therefore, the amount of Rs1,31,049/- must be recovered from the responsible administrative officials.

.NO	Nature of Payment	TDS Rate	TDS Rate if PAN Not Available
1	Payment to Resident individual or HUF	1%	20%
2	Payment to any Resident person other than individual / HUF	2%	20%
3	Payment to Transporters	NIL	20%

The details and documents regarding the construction of the existing toilets at the above-mentioned school, the school's maintenance register, and the number of currently enrolled students must be submitted for audit verification.

Para No	Amount Rs
2	54280
4	131049
Total	**185329**

The amount of Rs1,85,329/- must be recovered appropriately from the responsible officers.

Primary Education Fund 2023 – 2024

Audit **Para** No: 14/2023–2024

Coimbatore Corporation – Central Zone – Engineering Department – Construction of Compound Wall at Anupparpalayam Higher Secondary School, Ward No: 83 – Irregularities and Rule Violations in Administrative Procedures – Loss: Rs92,288/-

BPV	BPV /162/23-24/0000163, Date : 02.11.2023
R.Oc.No:	4007/2022/D1(M)-EEF-Construction of Compound Wall at Anuparpalayam High School in Ward No:83 of Central Zone
Estimate :	Rs 500000

Bill Amount	Rs 500000	
Contractor	Rs 461440	
LWF	Rs 5000	
CGST	Rs 4195	
SGST	Rs4195	
IT	Rs4195	
Retention	Rs 20975	
Total	Rs 500000	
Fund	Elementary Education Fund	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. 4007/2022/D1(M)-EEF	
Technical Sanction	08.02.23	
Work Order	4007/2022/D1(M)-EEF, Date : 23.09.2022	
Agreement	25.04.2023	
Commencement	: 27.04.2023	Measurement Record Dared: 28.06.23
Completion	28.06.2023	Trial Measurement Record Dared: 29.06.2023

During the audit of expenditures under the Primary Education Fund for 2023–2024, it was found that a compound wall was constructed at Anupparpalayam Higher Secondary School (Ward No: 83 – Central Zone – Engineering Department). The audit file states that only one contractor submitted a tender for this work. The following issues were identified:

1. The contractor, Mr. P. Elango, who was awarded the work, is marked as Class 5 eligible, but his registration certificate is not found in the Corporation's official records.
2. According to the Tamil Nadu Tender Transparency Act, 2000, if it is a second call and only one bid is received, it must be rejected and a third call should be issued. Receiving a single bid can eliminate the possibility of healthy competition. The PAN details of the contractor were not attached in the file, and hence, the authenticity of the contractor could not be verified during the audit.

3. The second tender call was not supported by essential documents such as the e-Tender Acknowledgement Slip, Bid Summary, BOQ Details, and Scrutiny Report, nor were they included in the file. These must be submitted to confirm that the e-tender process was properly followed.

4. According to Section 194C of the Income Tax Act, 1961, if the contractor has not submitted a PAN number, 20% of the payment must be deducted. Since the contractor in this case did not provide a PAN, 20% of the contract amount Rs.4,61,440/-, i.e., Rs92,288/-, must be deducted.
As there is no record or report submitted to show that the contractor has paid income tax and filed returns, the amount of Rs92,288/- must be recovered from the responsible administrative officers.

Para No	Amount Rs
5	92288
Total	92288

Primary Education Fund 2023 – 2024

Audit **Para** No: 15/2023-2024

Coimbatore Corporation – Eastern Zone – Ward No: 56 – Construction of Toilets at the Primary School in Ondipudur (North) Area – Irregularities in Administrative Procedures – Rule Violations – Loss: Rs1,072,176/-

Observed Irregularities:

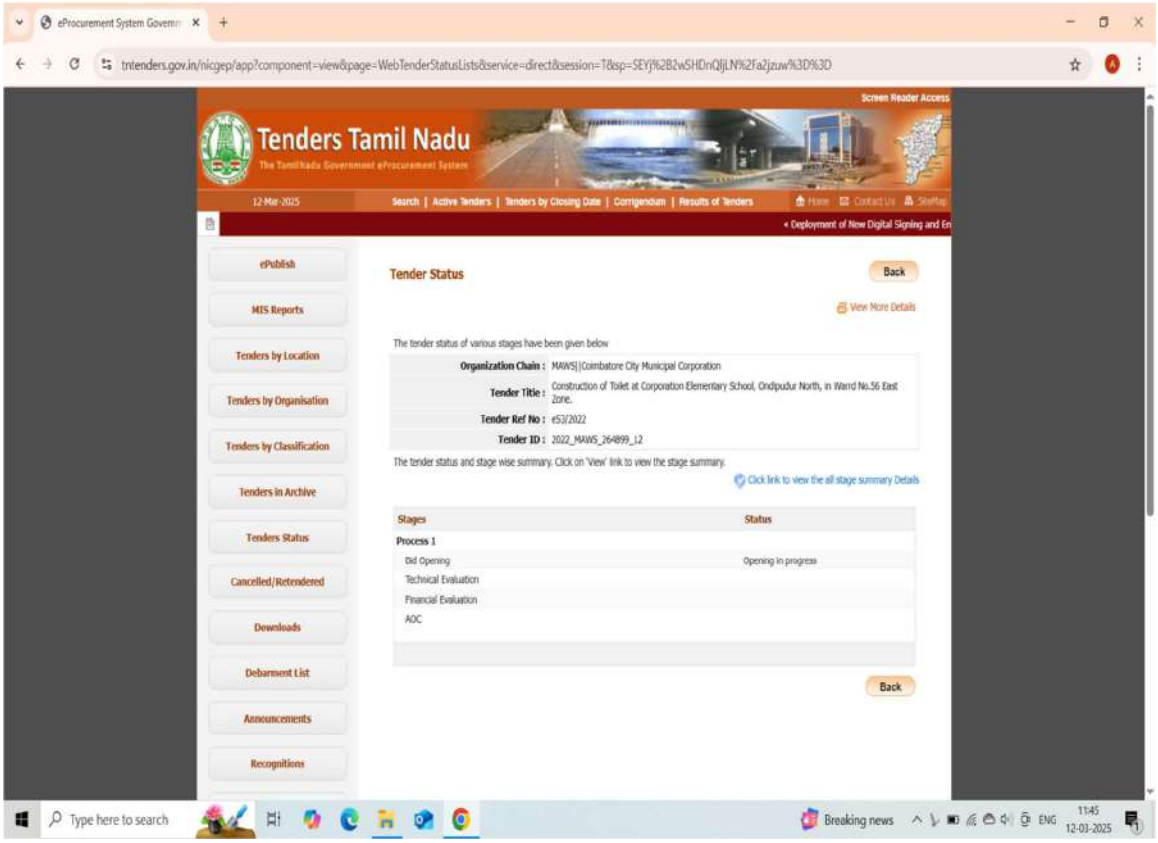
In the expenditure audit for the Primary Education Fund for 2023–2024, it was found that the work of constructing toilets at the Primary School in the Ondipudur (North) area (Ward No: 56 – Eastern Zone) had been carried out. The details of this work are as follows:

BPV	BPV /162/06/23-24/EF/000153, Date : 11.10.2023	
R.Oc.No:	5741/2022/MD3- Construction of Toilets at Corporation Elementary School Ondipudur (North)- 56 of East Zone	
Estimate :	Rs 15,50,000	
Bill Amount	Rs15,50,000	
Contractor	Rs 14,32,662	
LWF	Rs 15500	
CGST	Rs12730	
SGST	Rs 12730	
IT	Rs 12730	
Retention	Rs 63648	
Total	Rs 21,50,000	
Fund	Elementary Education Fund	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. R.C.No : 5741/2022/MD3, Date : 19.09.2022	
Technical Sanction	01.11.2022	
Work Order	5741/2022/MD3, Date : 30.01.2023	
Agreement	14.03.2023	
Commencement : 15.03.2023		Measurement Record Dated 06.08.23
Completion	08.08.2023	Trail Measurement Record Dated :07.08.2023

An **online tender** was called for this work. The **tender document** was uploaded on the Tamil Nadu Online Procurement Portal. The online tender details are as follows:

Organization Chain	MAWS// Coimbatore City Municipal Corporation
Tender ID	2022_MAWS_264899_12
Tender Reference No	E53/2022
Tender Title	Construction of Toilet at Corporation Elementary School, Ondipudur North, Ward No: 56 , East Zone

Two companies submitted their tenders, and their bids were accepted on 24.11.2022, as per the file provided for the audit.The following issues were pointed out in the audit:



(1) Contractor's Classification and the Contractor's Registration Certificate, which is updated annually for allocating works in the corporation, were not attached to the file.

(2) Pricing details for each work unit, including price rates and total amounts, were not uploaded in the estimate. As a result, the price rates and prices were determined and compared with market price rates before opening the tender, and only after that, the contract was requested. This means the planned estimates could not be compared with the actual prices and price rates. These deficiencies were not monitored by the technical division and senior administrative officers. Additionally, it was pointed out that favorable conditions were arranged for the contractor, which was identified during the audit as a significant deficiency.

(3) The online tender address 2022_MAWS_264899_12 remained in the "Opening in Progress" status until yesterday, so it was not possible to confirm during the audit whether the online tender process for this work was completed.

(4) The Bid Opening Summary and BOQ Summary Details provided in the file for the online tender 2022_MAWS_264899_12 were completely linked, and the construction work was awarded to M/s K. Selvaraj as the L1 (Lowest 1) bidder. This is a significant deficiency.

(5) A letter dated 30.01.23, N.K. No: 5741/2022/MD 5, instructed the contractor to pay the additional tax amount within a week and sign the contract. However, the additional tax amount was paid only on 14.03.2023, and the contract was signed on the same day. Therefore, a penalty of Rs100 per day should be levied for 65 days from 08.02.23 to 13.03.23, amounting to Rs6,500, which was collected and should be submitted to the corporation's account for audit review.

(6) The Contract Bill submitted by L1 Contractor Mr. K. Selvaraj for the work raised the following issues during the audit.

Sl No	Item	Qty	Rate (Rs)	As per Estimate	As per Contractor Bill	Difference
34	Supply and Fixing of PVC Pipe and Essentials	1	72000	-	72000	(+) 72000
35	Supply & Fixing of 1 HP Monoblock Motor	1	7996.80	-	7996.80	(+) 7996.80
8	Conveying the excavated Earth	131.46 M^2	20999.42	-	20999.42	(+)20999.42
10	Random Rubble masonry in Cement mortar 1:5 Mix	24.06 M^2	135747.96	0	135747.96	(+)135747.96
11	Filling with Pallam Sand for Bbasement	65.86 M^2	37486.19		37486.19	(+)37486.19
31	Supply and Erecting 900mm dia RCC Rings	1	17640	-	17640.00	(+) 17640.00
40	Labour charges for Plumber- Removing a& Refixing the Damaged Sintex Water Tank	1	26800	-	26800	(+) 26800.00

(1) In the Revised Estimate prepared on 11.08.2023, it is stated that additional works were carried out for an amount of Rs779972.70/-, and works for Rs779860.81/- were carried out less.

The revised estimate is meant to be made based on changes/requirements that occur when a work starts. However, revising the estimate after the date of measurement, 07.08.2023, is a significant deficiency. The works carried out for approximately Rs779860.81/- through deviation should be placed under audit scrutiny.

(2) In Item No. 34, Supply & Fixing of 1 HP Monoblock Motor, a payment of Rs7996.80/- was made, and documents supporting this payment were provided in the file. The details of the motor that was already installed/used in the school should be provided, and the details of the new motor purchased should be given. Furthermore, the Material at Site remarks in the measurement book, page number 55, were not written, so the Make, Specifications, Warranty Card, Waybill, and Purchase details of this motor should be provided for the audit.

(3) In Item No. 35, Supply and Fixing of PVC Pipe and Essentials, a payment of Rs72000/- was made, and documents supporting this payment were provided in the file. The details of the failure to include the requirement for such materials in the estimate for building a toilet should be provided for the audit.

(4) In Item No. 8, Conveying the excavated Earth, a total of 131.46 m3 was paid for at a cost of Rs20999.42/-, as per the documents in the file. The estimate approved for the work was for 40.00 m3 - Earthwork Excavation In all Soils. However, according to the revised estimate, only 29.52 m3 was excavated, as per the measurement book, page 07 (204/2022-23). The charges for the Conveyance of Earth Work totaling 131.46 m3, including the removal of dismantled RCC, PCC, Brickwork, and Tiles, for a distance of 15 km, are being rejected during the audit. The additional 101.94 m3 (i.e., 131.46 - 29.52 = 101.94 m3) should be recovered, which amounts to Rs16284/- (i.e., 101.94 m3 x ₹159.74), from the concerned individual.

7. L1 Contractor M/s K. Selvaraj submitted the contract points along with the documents (e) 53/2022, dated 07.11.2022, and the Standard Contract Terms and Conditions. However, the contractor did not sign these documents, which is a serious deficiency. As per page 4, Item No. 14, it is mentioned:

"If the tender is made by an individual, it shall be signed by him or his power of attorney, in which case a certified copy of the registered power of attorney shall accompany the tender."

In Item No. 21, the Income Tax Certificate should have been attached. In case of its absence, the contract points may be rejected, as per Item No. 24, and the Scrutiny Committee has the authority to do so.

"The tenders received without the certificates as aforementioned are liable to be rejected."

8. On 11.08.2023, the revised estimate, which was approved by the City Engineer, is stated on Page 1.

S No	Description of Work	Original Estimate	Revised Estimate	Difference
01.	Centering with Steel Plates for Column	8262	0.00	8262
02.	Centering with Steel Plates	91674	0.00	91674
03.	Supply & Fabrication of RTS Rod	133063.50	49987.51	83075.99
04.	RCC 1:1.5:3 Mix using 20mm	131427.00	44907.71	86519.29
			Total	269531.28

In the estimate, approximately 1/5 of the centering works were added for an additional amount of Rs2,695,313.28/- without accurately measuring the actual requirement, and later reduced. However, the submitted photographs indicate that centering works were carried out.

Para No	Amount Rs
5	6500
6 (A)	779860.81
6 (D)	16284
8	269531.28
Total	**1072176**

Primary Education Fund 2023–2024
Audit **Para** No. – 16 /2023-2024

Coimbatore Municipal Corporation – North Zone – Subramaniampalayam, Municipal Middle School – Repairs to Toilets – Deficiencies and Rule Violations in Administrative Procedures – Loss of Rs1,56,890

Observed Deficiencies:

During the audit of expenditure under the Primary Education Fund for the year 2023–2024, it was stated in the file submitted for audit that two firms had submitted their bids for the repair work of the toilets at Subramaniampalayam Municipal Middle School. The following deficiencies were noted:

BPV	BPV /162/23-24/0000163, Date : 02.11.2023	
Roc.No:	5747/2022/MD5-EEF-MR to the Corporation Middle School Toilets at Ward 15 of North Zone	
Estimate :	Rs 850000	
Bill Amount	Rs 850000	
Contractor	Rs784450	
LWF	Rs 8500	
CGST	Rs 7131	
SGST	Rs 7131	
IT	Rs 7131	
Retention	Rs35657	
Total	Rs 850000	
Fund	Elementary Education Fund	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. 5747/2022/MD5-EEF, Date : 23.09.2022	
Technical Sanction	07.11.2022	
Work Order	5747/2022/MD5-EEF, Date : 23.09.2022	
Agreement	30.06.2023	
Commencement : 30.06.2023		Measurement Record Dated 29.05.2023
Completion	11.09.2023	Trail Measurement Record Dated : 30.05.2023

1. The estimated rates and amounts for each unit of work were not uploaded in the estimate. As a result, the cost and pricing could not be compared with market rates before opening the tender bids. Hence, it was not possible to compare the estimated costs with the actual rates. This shortcoming was not monitored by the technical and senior administrative officers. Furthermore, conditions favorable to the contractor were created, which was flagged as a serious deficiency during the audit.

2. Discrepancies in Cost Estimates:
Clarification must be provided for the variation between:

Rs7,02,355.45 as per the Revised Estimate prepared on 04.11.2022,Rs6,89,380.32 as mentioned in the Comparative Statement for Tender prepared on 29.11.2022,Rs6,88,910 as the contract amount signed with Mr. N. Murugesan on 30.06.2023.

3. Contract Signing Date Mismatch:
Though the work order was issued on 15.05.2023 and the work reportedly commenced on 29.05.2023 (as per Measurement Book No. 357/2023-24, Page No. 01), the contract was only signed on 30.06.2023. This is a contradiction.

4. Missing PAN Details:
PAN (Permanent Account Number) details of the participating firms were not attached with the file, hence their authenticity could not be verified during the audit.

5. Income Tax Deduction Non-compliance:
As per Section 194C of the Income Tax Act, 1961, if a contractor does not submit a PAN number, 20% of the amount payable must be deducted as TDS. In this case, since the contractor had not submitted a PAN, 20% of Rs7,84,450 (i.e., Rs1,56,890) should have been deducted. Moreover, there is no record or proof in the file showing whether the contractor paid income tax or filed returns. Therefore, the amount of Rs1,56,890 must be recovered from the responsible administrative officers.

Para No	Amount Rs
5	156890
Total	156890

The amount of Rs1,56,890 should be duly recovered from the responsible officers.

Primary Education Fund 2023–2024

Audit Para **No. – 17 /2023–2024**

Coimbatore Municipal Corporation – East Zone – Development Works at Uppilipalayam Municipal Primary School under Ward No: 64 – Deficiencies – Loss of Rs80,400

Observed Deficiencies:

During the audit of expenditure under the Primary Education Fund for the year 2023–2024, it was noted that development works were carried out at Uppilipalayam Municipal Primary School under Ward No: 64 of the East Zone. The tender process was conducted through the Tamil Nadu e-Procurement Portal. However, the contract was signed after the stipulated time period and the work was completed as well. Photographs taken with GPS locator were not submitted. There were discrepancies between the approved estimates and the actual completed work.

The following issues were identified during the audit:

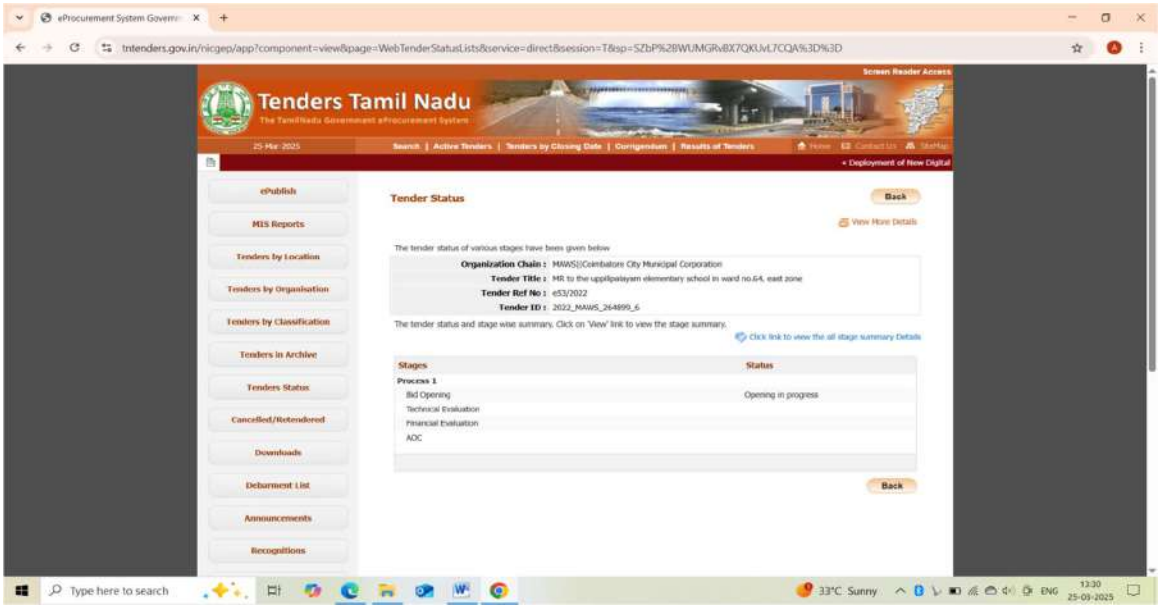
BPV	BPV /162/06/23-24/EF/000184, Date : 09.11.2023
R.Oc.No:	238/2022/MD3-Maintenanace and Repair works to Uppilipalayam Elementary School in Ward 64/60 of East Zone
Estimate :	Rs 1540000
Bill Amount	Rs1539999
Contractor	Rs 1421237
LWF	Rs 15400
CGST	Rs 12920
SGST	Rs12920
IT	Rs 12920

Retention	Rs 64622	
Total	Rs 15,40,000	
Fund	Elementary Education Fund	
Administrative Sanction	09.03.2022	
Technical Sanction	08.12.2021	
Work Order	238/2022/MD3, Date : 14.03.2023	
Agreement	14.03.2023	
Commencement : 05.04.2023		Measurement Record Dated 30.07.23
Completion	31.07.2023	Trail Measurement Record Dated : 31.07.2023

The maintenance register was not provided, making it impossible to verify the details of the most recent maintenance works. There were deficiencies and rule violations in the administrative procedures undertaken.

Organisation Chain	MAWS/Coimbatore City Municipal Corporation
Tender ID	2022_MAWS_264899_6
Tender Reference No	E53/2022
Tender Title	Maintenance and Repair works to Uppilipalayam Elementary School in Ward No: 64 , East Zone

The tender and price comparison reports related to this project were downloaded from the Tamil Nadu e-Procurement website. It was mentioned in the file submitted for audit that two companies had submitted their bids for the above-mentioned work, and their tenders were accepted on 24.11.2022.The following shortcomings were pointed out:



1. (a) The contractor's classification (Class of the Contractor) and the annually updated Contractor's Registration Certificate, which is mandatory for work allocation by the Municipal

Corporation, were not attached in the file.
(b) The PAN, banking profile, and GST details of the contractors were also not included in the file, nor were these verified in the comparative statement. This was noted as a deficiency during the audit.

2. The cost estimate did not include unit-wise cost rates and amount details. Therefore, the rates were not compared with market rates before opening the tender. This means that it was not possible to compare the estimated rates with the tendered rates. These issues were not monitored by the technical section and senior administrative officials. It was also noted that conditions were created that favored the contractor, which is a serious deficiency as per the audit.

3. The e-Tender with the reference 2022_MAWS_264899_6 is still listed as "Opening in Progress" on the website, even as of the audit date. Therefore, it could not be verified whether the online tender process was fully conducted and completed for this project.

4.In the tender file for reference 2022_MAWS_264899_6, the Bid Opening Summary and BOQ Summary Details were combined, and the work was awarded to M/s K. Selvaraj, identified as L1 (Lowest 1). This is noted as a major deficiency.

"Rule 33 of the TamilNadu Transparency in Tenders Rules, 2000 prescribes the limit for low value procurement. If the Tender Inviting Authority chooses to follow the Open Tender procedure for more than Rs.5 lakh and within Rs.10 lakh, and for all procurement in excess of Rs.10 lakh, they have to follow the guidelines as ordered in the G.O.Ms.No.307, Finance (Salaries) Department, Dated 1st November, 2011.

[Govt. Lr. No.11746/ Finance (Salaries)/2012, Dated 1st March, 2012]

5. A letter dated 27.12.2022 (Ref. No: 238/2022/MT3) instructed the contractor to pay the additional deposit and sign the contract within one week. However, the additional deposit was only paid on 14.03.2023, and the contract was also signed on the same day.
Hence, a penalty of Rs100 per day for 34 days (from 08.02.2023 to 13.03.2023) amounting to Rs3,400 should be collected and deposited in the Municipal Corporation account and presented during the audit.

6(a) The bid report (Tender Document No. (e) 53/2022 dated 07.11.2022) and the Standard Contract Terms and Conditions submitted by Mr. K. Selvaraj, the L1 contractor, were not signed by the contractor. Despite this, the bid was accepted, which is a serious irregularity.

"If the tender is made by an individual, it shall be signed by him or his power of attorney in which case a certified copy of the registered power of attorney shall accompany the tender".

(b) As per Serial No. 21, an income tax certificate must be attached.
As per Serial No. 24, tenders without the required certificates can be rejected by the Scrutiny Committee.

"The tenders received without the certificates as afore mentioned are liable to be rejected".

7. The work that commenced on 14.03.2023 was supposed to be completed by 14.06.2023. However, according to the completion report attached to the file, the work was actually completed only on 31.07.2023.
Therefore, a penalty of 5% of the contract amount (5/100 × ₹15,40,000 = ₹77,000) should be collected for the delay and deposited into the Municipal Corporation account and submitted for audit review.

"…a sum not exceeding ¼ %value of the work for each and every day which may lapse between the extended and actual dates of completion and stipulated date of completion subject to maximum of five percent (5%) o of the value of the work such payment shall not in any degree release the contractor from any further or other obligations and liabilities under this contractor or from the complete execution and performance of this contract."

Para : 49 of Standard Contract Terms and Conditions

9. Before starting the work, during its progress, and after completion, photographs with GPS location, date, time, and geographical data must be attached to the file. These were missing.

However, upon examining the data from the submitted photographs, the required details such as location, date, and geographical data were missing. Hence, it was not possible to confirm the authenticity of the claimed work based on these photographs.

9. In the Completion Report, several painting works that were not included in the original estimate were carried out under the pretext of "Deviation".

These include: Emulsion Paint: 166.39 m²,Plastic Emulsion Coat: 1382.94 m²,Enamel Paint on Wall Surface: 335.5 m²,Enamel Paint for Old Iron Works: 175.69 m²,Black Board Painting: 96.51 m²

The value of these works amounts to Rs4,01,763, which constitutes approximately one-third of the total completed work value of Rs12,92,032. This was identified as a serious irregularity.

Para No	Amount Rs
5	3400
6	
7	77000
Total	80400

Primary Education Fund 2023–2024
Audit Para No. – 18/2023–2024
Coimbatore Municipal Corporation – Central Zone – Engineering Section – Repair Works at Kembatti Colony Primary School – Deficiencies and Rule Violations in Administrative Procedures – Loss: Rs6,33,754

During the expenditure audit of the Primary Education Fund for the year 2023–2024, construction of a compound wall was carried out at Anupperpalayam High School under Ward

No: 83, Central Zone, Engineering Section. The file submitted for audit stated that two firms had submitted their bids for this work. The following deficiencies were identified:

BPV	BPV /162/23-24/0000163, Date : 02.11.2023	
R.Oc.No:	6257/2022/D2(C)-EEF-Maintenanace and Repair works to Kempatty Colony Elementary School in Ward No:80 of Central Zone	
Estimate :	Rs 998000	
Bill Amount	Rs 997183	
Contractor	Rs 920274	
LWF	Rs 9980	
CGST	Rs8366	
SGST	Rs 8366	
IT	Rs 8366	
Retention	Rs 41831	
Total	Rs 997183	
Fund	Elementary Education Fund	
Administrative Sanction	Proceedings of Commissioner of Coimbatore Corporation. 6257/2022/D2(C)-EEF Date: 16.12.2022	
Technical Sanction	19.10.2022	
Work Order	4007/2022/D1(M)-EEF, Date : 23.09.2022	
Agreement	25.04.2023	
Commencement : 23.08.2023		Measurement Record Dated 07.12.23
Completion	07.12.2023	Trail Measurement Record Dated: 08.12.2023

1. According to Contract Notification No. S1/2023 (M), Serial No: 40, only Class 4 registered contractors were eligible for the work. However, the selected contractors did not submit their Municipal Corporation registration certificate, making them ineligible.

2. The GST and PAN details of the firm were not attached to the file. Hence, their authenticity could not be verified during the audit.

3. Although the estimate summary was prepared on 01.12.2022, the tenders were opened only on 24.02.2023, and the deviation order was issued by the Assistant Executive Engineer on the same day the agreement was signed (31.08.2023). This is a serious violation of procedure.

4. Even though the tenders were opened on 24.02.2023, and Mrs. A. Manimekalai was finalized as the L1 (lowest) bidder, and was instructed to pay the additional deposit of Rs9,980 and sign the agreement within one week (from 15.05.2023), she failed to do so until 31.08.2023.
Therefore, for the 100 days delay (from 22.05.2023 to 30.08.2023), a penalty of Rs100/day totaling ₹10,000 should be recovered and deposited in the Municipal Corporation account and presented for audit.

5. As per Section 194C of the Income Tax Act, 1961, in cases where the contractor does not provide a PAN number, 20% of the payment must be deducted at source.
In this case, since the PAN was not submitted, Rs1,99,436 (i.e., 20% of Rs9,97,183) should have been deducted. Additionally, there is no documentation proving whether the contractor has filed income tax returns or paid taxes. Therefore, the amount of Rs1,99,436 must be recovered from the responsible administrative officials.

6. The Completion Report also highlights the following serious deficiencies:

S No	Description of Work	Qty	Original Estimate	Revised Estimate	More	Less	Remarks
1.	Supply & fabrication of RTS Rods	4 Qtls	35483	11087		24396.10	
2.	Brickwork cement Mortar 1:5	10 m^3	65994	41844		24150.00	
3.	Supply & delivery of PVC Chairs	03 Nos	2850	0		2850.00	
4.	Floor finishing 1st Quality ceramic tiles	12.00 m^2	10402.8	0		10402.80	
5.	Floor finishing 1st Quality vitrified tiles	68.00 m^2	69489	0		69489.00	
6.	Painting Emulsion-02 coats	404 m^2	73932	0		73932.00	
7.	Supply & fixing MS Steel doors and frames	31.00 m^2	107780	0		107780.80	
8.	Fininshing roof top pressed tiles 23x23 cm	48 m^2	59760	0		59760	
9.	Provision for Plumbing works	1	25000	0		25000	
10.	Supply & delivery of 1000 Ltrs Sintex Tank	1	7905	0		7905	
11.	Supply & Fixing Indian Make Earthware wash Basin	4	18673.20	0		18673.00	
						424338.70	

In the aforementioned works, it has been found during the audit that nearly half of the assessed value of Rs9,98,000/- worth of work was not carried out. Instead, other works were performed through a Deviation Report, which is not accepted in the audit.

(7) In the Completion Report (second page), an expense of ₹1,13,974/- has been recorded for the work "Removing and Relaying Footpath." However, the audit points out that, based on photographic evidence, the footpath has merely been renovated using the previously installed footpath tiles.

Para No	Amount Rs
4	9980
5	199436
6	424338
Total	633754

Elementary Education Fund 2023–2024

Audit **Para** No. – 19 /2023–2024

Coimbatore Corporation – In the Midday Meal Scheme (CMBFS) in Corporation Schools – Unauthorized items supplied under the supply order – Other work deviations – Loss: Rs5,99,855/-

During the expenditure audit for the Sarva Shiksha Abhiyan Fund for the year 2023–2024, the following discrepancies have been pointed out in the Midday Meal Scheme (CMBFS) implemented in the Corporation schools:

1.Items not approved in the supply order were supplied – additional sambar was provided. Loss: ₹5,99,855.40/-

(a) As per the work order issued by the Commissioner of Coimbatore Corporation on 18.08.2022, even though various types of food are to be provided, it is clearly mentioned in the contract that only ₹12.50/- will be provided per day. However, in the Letter of Request dated 15.09.2022 from M/s. NO FOOD WASTE, it is stated that sambar is planned to be provided on all days of the week, including Tuesdays and Fridays, during which sambar was not part of the originally approved menu.

> " With Reference to the inputs provided on the trial supply, we are planning to provide Sambar on all days of the week including Tuesday and Friday during which Sambar is not added in the initially provided menu."

As the request for approval to supply additional sambar at ₹40/- (Rupees Forty Only) per liter has not been documented in the file, the amount spent on supplying additional sambar during this financial year must be recovered from the responsible official.

S. No	**Month**	**Quantity of Sambar Supplied (in Litres)**	**Amount Disbursed (Rs)**	**Invoice No. & Date**
1.	March 2023	3009.6 lt	120384	122/31.03.23
2.	March 2023	4286.94 lt	171477	132/31.03.23
3.	April 2023	1512.480 lt	60499.20	11/30.04.23
4.	April 2023	2119.080 lt	84763.20	13/30.04.23
5.	June 2023	2388.30 lt	95532	29/30.06.23

6.	June 2023	1680 lt	67200	24/30.06.23
7.			**5,99,855.40**	

Furthermore, as per Government Order (G.O.) No. 33 dated 07.06.2023 issued by the Principal Secretary of the Department of Social Welfare and Women's Rights, it has been stipulated (on page no. 14 of the circular) that a nutritious breakfast including vegetable sambar must be provided on all days. In this context, the additional supply of sambar to the value of ₹5,99,855/- is objected to during the audit.

2.The company M/s. NO FOOD WASTE had submitted a form on 15.09.2016 requesting income tax exemption under Section 12AA. The same form has been attached in the file for the contract executed in 2022. The current status of this exemption must be verified during the audit. In Serial No. 7 of that letter, it is clearly stated:

"Granting of Registration under section 12AA does not confer any automatic exemption of Income from Taxation"

Hence, the audit highlights that the organization's current claim for income tax exemption must be reviewed based on this statement.

3.According to the letter ROC No: 17404/2022/M1 dated 02.11.2022 from the Director of Municipal Administration, it is mentioned on page no. 1 that replies were given to clear doubts raised by various stakeholders. However, the daily student attendance report for a particular day, which was supposed to be downloaded from the CMBFS website, has not been provided for audit verification. Due to this, the authenticity of the number of breakfast meals claimed to have been provided cannot be confirmed during the audit.

> "In this connection, it is clarified that the payment to the contractors should be made on the basis of number of meals cooked everyday by verifying the daily excel report generated in the CMBFS website link".

SNo	**Month**	**Phase –I**	**Phase-II**
1.	March 2023	5600*17+5480*05	7961*17+7861*05
2.	April 2023	5480*12+3168*4+5600*1	7861*12+3774*4+7961*1
3.	June 2023	5600*12	7961*12
4.	July 2023	5600*2+5153*20	7961*2+7122*1+7372*19
5.	August 2023	5153*21	7372*21
6.	September 23	5153*18	7372*18
7.	October 23	5685*11+6813*4	6840*3+7025*8+8403*3
8.	November 23	8407*22	6809*22
9.	December 23	8407*16	6809*16

10.	January 2024	8407*14+8227+8297+8137	6809*17
11.	February 2024	8407*19+8177*1+8227*1	6809*19+6545*1+6509*1

Furthermore, since the daily attendance of children varies, processing financial transactions based on a constant average number of beneficiaries, as shown in the records, contradicts the orders issued by both the Commissioner and the Director of Municipal Administration (DMA).

Therefore, to facilitate comparison and verification, the MS Excel report downloaded from the CMBFS website for the year 2023–24 must be submitted for audit.

Para No	Amount Rs
2	599855
Total	599855

The amount of ₹5,99,855/- must be duly recovered from the responsible officials.

Elementary Education Fund 2023–2024

Audit Para No. 20 / 2023–2024
Details of Salary Payments to Breakfast Servers under the Tamil Nadu Chief Minister's Breakfast Scheme Not Provided for Audit – Irregularity Amounting to Rs26,53,500/-

During the verification of the Sarva Shiksha Abhiyan Fund expenditure for the year 2023–24 in Coimbatore Corporation, it was found that breakfast servers were paid Rs1,500 per month per person in schools. These payments were made through the headmasters' bank accounts.
However, the audit noted that the following information was not provided:

S. No	Voucher No / Date	Month(s)	No. of Servers	No. of Schools	Salary per Person (Rs)	Total Amount (Rs)
1	16 / 20.04.23	March 2023	75	62	1500	112500
2	18 / 02.05.23	March 2023	84	59	1500	126000
3	31 / 15.15.23	April 2023	156	121	1500	234000
4	81 / 11.07.23	June 2023	189	121	1500	216000
5	82 / 11.07.23	June 2023	159	12	1500	31500
6	101 / 16.08.23	March & April 2023	1	1	1500	3000
7	124 / 14.09.23	July 2023	146		1500	388500
		August 2023	147		1500	
8	125 / 19.09.23	July & August 2023	34		1500	51000
9	143 / 11.10.23	September 2023	17	14	1500	25500
10	144 / 11.10.23	September 2023	130	107	1500	195000
11	169 / 06.11.23	October 2023	17	14	1500	25500
12	170 / 06.11.23	October 2023	130	107	1500	195000
13	187 / 11.12.23	November	19	14	1500	28500

		2023				
14	188 / 11.12.23	November 2023	156	107	1500	234000
15	199/11.01.24	December 2023	19	14	1500	28500
16	200/11.01.24	December 2023	156	107	1500	234000
17	216/09.02.24	January 2024	19	14	1500	28500
18	217/09.02.24	January 2024	156	107	1500	234000
19	256/26.03.24	February 2024	19	14	1500	28500
20	257/26.03.24	February 2024	156	107	1500	234000
						2653500

The number of schools, Bank account numbers of the headmasters, and Names of the schools.

Elementary Education Fund 2023–2024

Audit Para No. 21 / 2023–2024
Evening Snack Distribution to High School and Higher Secondary School Students under the Corporation – Food Provided by a Non-FSSAI Certified Agency (AGS Agencies) – Financial Loss of ₹61,61,730/- and Other Irregularities

In the academic year 2023–2024, in schools under the jurisdiction of Coimbatore Corporation, selected students from Classes 10, 11, and 12 attending evening classes were provided with evening snacks. A list of these students was prepared and the corresponding funds were disbursed.

Details are as follows:

BPV	Voucher No: /162/06/23-24/EF/227, Date : 21.02.2024 and 242, Date : 07.03.2024
R.Oc.No:	No supporting file provided /2023/ K1-EEF
Estimate :	Not Estimated
Bill Amount	₹30,43,863 and ₹31,17,867 – Total: ₹61,61,730
Contractor	AGS Agencies – No documentation available to confirm the organization
CGST	100% procedural violation
SGST	Deducted – But no proper forms or filed statements provided
IT	Deducted – But no proper forms or filed statements provided
EMD	Deducted – But no proper forms or filed statements provided
Security Deposit	No documents available
Fund Source	No documents available
Administrative Sanction	Sarva Shiksha Abhiyan Fund
Tender Process	Not obtained
Estimate Preparation	Tender not called in a transparent manner

According to the Food Safety and Standards Act, 2006, particularly Regulations 2.1.2, 2.1.3, and 2.1.7, food/snacks must be sourced from institutions recognized under Form 'B', which are approved and certified under food safety regulations. Permission must be granted to the food manufacturing and distribution companies for providing such food.

However, in violation of proper project procedures, the snacks were supplied as described below, and the audit highlights the following deficiencies:

13.Snacks were provided by AGS Agencies, which is not a certified food manufacturer under the required safety and quality standards.This resulted in a financial loss of Rs61,61,730/- and raises serious concerns regarding food safety compliance.

14) In the income and expenditure plan for the year 2023–2024 under the Sarva Shiksha Abhiyan Fund, no allocation was made for this scheme, and no resolution was passed by the council.

15) The scheme was not included in the 2023–2024 income and expenditure report, and it was also not discussed or placed before the council in the 2024–2025 income and expenditure report. Therefore, there are no supporting documents to confirm that the expenditure was carried out in a proper manner.

16) For the year 2023–2024, a standard plan was not prepared showing: The quantity, quality, and number of snacks to be provided per student; The total number of beneficiaries (Total Requirement);The number of days for which snacks were to be provided; The Total Standard Value estimated for the scheme. No approval from the council or Government Order (GO) was obtained, and the scheme was not implemented systematically.

17) No basic documentation was provided regarding: List of all students from Classes 10, 11, and 12 in the selected schools; List of selected beneficiaries; List of students who actually received the snacks; Attendance registers; Records validated and signed by the concerned monitoring teachers and headmasters. Despite the absence of these, the fund was disbursed, resulting in a financial loss to the Municipal Corporation.

18) This expenditure was made without any defined project framework, which is a serious irregularity.

19) The composition of the meal to be provided (with sufficient contents of protein, carbohydrates, fats, vitamins, and minerals) should have been determined by a panel or organization of nutrition experts. Based on that, the type, quality, and quantity of food must be fixed and priced. Then, through a transparent open tender process, contracts should be awarded only to food manufacturers certified under the FSSAI Act, 2006. Additionally, a proper or approximate project estimate should have been prepared and placed before the council for approval. None of these procedures were followed.

20) An approximate total expenditure should have been estimated in advance, and contracts should have been obtained transparently through newspaper tenders from FSSAI-certified food manufacturers. Instead, an expenditure of Rs61,61,730/- was carried out as if it were a regular petty expense, which is a serious deviation.

21) Even if it is claimed that the matter was placed before the council and that such expenses were incurred in previous years for similar schemes, it must still be backed by: Documentation showing approved food types with cost estimation; Tendering done transparently in the open market.

However, the company mentioned as the contractor was not approved by the local body for a PFA (Prevention of Food Adulteration) license or Dangerous and Offensive Trades license. Hence, there is no evidence to confirm whether the company is operational, how many years of experience it has in food production, or whether it has paid income tax on past revenues from such operations. There are no submitted ITR-3 forms for the directors, or ITR-5 forms for the company/organization under: Clause (vii) of Section 2(31) – applicable to firms, Clause (vi) of Section 2(31) – applicable to local authorities, Section 160(1)(iii) – for representative assesses.

No Banking Profile of the company that received the funds has been obtained or verified, and no documents are available in the file. As a result, the authenticity of the fund disbursement could

not be confirmed during the audit. Therefore, if this fund disbursement of ₹61,61,730/- is determined to be irregular, the amount should be recovered from the responsible administrative officers and staff and regularized accordingly.

Primary Education Fund 2023 – 2024
Audit Para No. – 22/2023-2024

Primary Education Fund – Pension Fund (Education Fund):
Pension benefits provided to teaching and non-teaching staff require follow-up action to claim the Government's share of ₹18,83,73,683/-.

File No. 127331/92, K.11

As per Government Order No. 1194, Finance (Pension) Department, dated 15.11.1990, the pension benefits for retired teaching and non-teaching office staff who served in government service must initially be paid from the Municipal Corporation fund. Later, the Government's share of the amount, in proportionate terms, should be claimed from the Government every quarter and reimbursed to the Municipal Corporation fund.

Further, as per Government Order No. 51, Municipal Administration and Water Supply Department, dated 28.02.1997, the pension contribution for the period from 01.04.1990 to 31.08.1994 should be reimbursed from Government funds.

In this Municipal Corporation, it was noted in Audit Report Paragraph No. 7 of 2001–02 and Paragraph No. 11 of 2002–03 that a grant of Rs10,49,44,161/- should be received as Government's share for the period from 01.12.1991 to 31.03.1999. As per Municipal Corporation File No. 127331/92/K.11, a letter was sent to the Additional Secretary of the School Education Department on 31.03.1999, and a final reminder was sent on 12.02.2002, but the amount is still pending recovery. In addition to this, for the financial year 1999–2000, an amount of Rs5,34,29,522/- is also pending recovery from the Government. Thus, a total of Rs18,83,73,683/- needs to be recovered from the Government as detailed below. Continuous action must be taken to claim this share from the Government.

SNo	Year	Share Amount From Government
1	1991-92 and 1992-1993	98,33,808
2	1993-1994	89,30,334
3	1994-1995	163,02,155
4	1995-1996	,40,77,131
5	1996-1997	2,56,66,003
6	1997-1998	2,12,20,850
7	1998-1999	3,89,13,880
8	1999-2000	,34,29,522
	Total	18,83,73,683

Although the above-mentioned details have been pointed out in audit reports over many years, no files have been produced to the audit to show that action has been taken so far. Therefore, the relevant files should be submitted to the audit, and appropriate actions should be taken to recover the above-mentioned amount from the Government, thereby avoiding the continued interest loss to the Municipal Corporation fund. This matter has been raised in previous years and is now once again highlighted as an objection under Paragraph No. 6 of the Audit Report for the year 2023–2024.

Primary Education Fund 2023 – 2024
Audit Para No. – 23/2023-2024

Coimbatore Municipal Corporation, Central Office – Education Fund – 2023–2024:Deposit Register has not been maintained properly,Overdue deposits not tracked or recorded,The records must be properly organized and maintained

In the Coimbatore Municipal Corporation Central Office's Education Fund for the year 2023–2024, there is a significant discrepancy between the annual account of deposit amounts and the deposit register. The details are as follows:

(a) **Account Head No. 4016: Contractor's Deposit Amounts**

Details	**As per Annual Account (Rs)**	**As per Register (Rs)**	**Difference (Rs)**
Opening Balance	7565260		7565260
Received in 2023/2024	5957384	6060147	-102763
Total	13522644	6060147	7462497
Amount Disbursed	1895184	1895184	0
Closing Balance	11627460		11627460

The receipts and expenditures under Account Head No. 4016 – Contractor Deposits have been recorded. Only the income and expenditure details have been verified. However, the register lacks page-wise additions and annual summaries. Therefore, the register must be completed in full and submitted to the audit along with detailed information.

These figures were verified against the annual accounts, the receipts ledgers, and the expenditure registers.

1.b) Account Head No. 4020 – Contractor Deposits

Details	**Amount as per Annual Account (Rs)**
Opening Balance as on 01.04.2023	1,05,62,189
Receipts	NIL
Total	1,05,62,189
Refunds	NIL
Balance as on 31.03.2024	1,05,62,189

2. Account Head No. 4020 -Other Deposits Rs.10562189/-

In the annual accounts for 2023–2024, under Account Head No. 4020 – Miscellaneous Deposits, an amount of Rs1,05,62,189/- has been mentioned. However, no proper supporting records are maintained to substantiate this entry. Hence, a proper register must be maintained and produced for audit.

3. Lapsed Deposit Register- Not Maintained

Deposit amounts that have remained unclaimed for more than three years prior to 2023–2024 should be transferred to the Lapsed Deposit Register. However, as of 31.03.2024, there are no entries in the annual accounts indicating the transfer of such lapsed deposits from 2020–2021 and earlier years.

Therefore: The Lapsed deposits must be properly categorized. They must be transferred to the Lapsed Deposit Register. Necessary entries should be made in the accounts and registers with full supporting details.

4) According to the deposit register, the Trial balance account must be maintained for the year 2023–2024.

As per the annual accounts, details of year-wise deposit balances outstanding as of 31.03.2024 have not been maintained. Furthermore, the deposit register must be properly maintained.

Elementary Education Fund 2023–2024

Audit Para No.: 24 / 2023–2024
Coimbatore Corporation – Central Office
Elementary Education Fund – Advances: Income and Expenditure Details – Outstanding Advances Must Be Settled

According to the advance register of the Elementary Education Fund for the year 2023–2024 of the Coimbatore Corporation, the income and expenditure details are as follows.

Details	**Advance for Scheme Expenses**	**Other Type of Advance**	**Total (Rs)**
Opening Balance	235000	871000	1367000
Disbursed in 2023–2024	NIL		
Total	235000	871000	1367000
Amount Refunded	NIL		
Closing Balance	235000	871000	1367000

Appropriate administrative action must be taken to settle the outstanding advance amounts mentioned above.

a) Year-wise Advance Outstanding:

SNo	**Year**	**3054**	**3055**	**Total**
1	2014-2015	-	871000	871000

2	2015-2026	235000	-	235000
		235000	871000	1106000

b) As of 31.03.2023, an advance amount of **Rs** 2,35,000 is overdue. Action must be taken to recover this amount from the concerned official.

c) As per **Tamil Nadu Financial Rules Vol-I, Rule 99** and **Government Order No. 349, Finance Department, dated 31.05.1996**, it is instructed that advances must be settled within three months from the date of disbursement. However, even after five years, this advance remains unsettled. The details are as follows:

Account Code Number: 3054

Expenditure Voucher No.	Details	Amount (₹)
275/ 23.12.2015	Training for Municipal Education Officers	235000

Account Code Number: 3055

SNo	Expenditure Voucher No.	Details	Amount (Rs)
1	134/ 25.07.2014	Refresher training for Municipal Education Officer	96000
2	275/ 23.12.2015	Painting and drawing on school walls	775000
Total			871000

The aforementioned advance remains unsettled to date. Therefore, appropriate administrative action should be taken to either recover the advance amount from the concerned Municipal Education Officer or credit it to the Corporation's funds or to properly settle the outstanding advance and submit the details for audit verification.

Elementary Education Fund 2023–2024

Audit Para No.: 25 / 2023–2024
Coimbatore Corporation – Deficiency in Submission of Supporting Documents and Receipts for Gas Cylinder Supply to Midday Meal Centers from Chinthamani Co-operative Stores – Rs21,05,593

During the 2023–2024 audit of the Elementary Education Fund of Coimbatore Corporation, it was found that gas cylinders were supplied every month to the midday meal centers in corporation schools through the Chinthamani Co-operative Stores. However, the relevant files and receipts (Roc.No.2543/2007/K8) indicating the quantity of gas cylinders supplied, their cost, and the number of centers served, have not been submitted for audit.

S. No.	Voucher No.	Receipt No. & Date	Item	Month(s)	Amount (Rs)
1	BPV/162/06/23-24/EF /00002 /10.4.2023	7/11.4.2023	Cooking Gas Cylinder	November 2022, December 2022	2,33,313 2,07,015
2	BPV/162/06/23-24/EF /000082 / 19.7.2023	84/24.7.2023	Cooking Gas Cylinder	January 2023 to April 2023	8,76,476
3	BPV/162/06/23-24/EF /0000198 /26.12.2023	189/26.12.2023	Cooking Gas Cylinder	June 2023 to September 2023	7,88,789
Total					21,05,593

Elementary Education Fund 2023–2024

Audit Para No.: 26 / 2023–2024
Coimbatore Urban Co-operative Store K.26 – Acknowledgment Receipts Not Submitted for Audit – Deficiency Amount Rs15,236

During the 2023–2024 audit of the Elementary Education Fund of Coimbatore Corporation, it was observed that food supplies for the hostel of Rasipuram Municipal Higher Secondary School for the Hearing Impaired were procured through Coimbatore Urban Co-operative Store K.26. The payment for these items was made via Demand Draft (DD) through the Coimbatore District Central Co-operative Bank.

However, the acknowledgment receipts corresponding to the following payments have not been submitted for audit verification.

S. No.	Voucher No.	Bill No. / Date	Item	Receipt No. / Date	Amount (Rs)
1.	BPV/162/06/23-24/EF /0000142	138/05.10. 23	Grocery Items	463/12.02.2022	742.00
			Grocery Items	465/03.03.2022	2773.19
2.	BPV/162/06/23-24/EF /0000143	139/05.10. 23	Vegetables Vegetables Vegetables Vegetables	5027/28.2.2022 4390/31.3.2022 4637/30.4.2022 4688/31.5.2022	3120.00 3702.50 2307.50 2591.25
Total					15236

Though acknowledgment receipts are usually issued for payments made via DD to the Coimbatore Urban Co-operative Store K.26, they were not submitted for audit for the above transactions.

Elementary Education Fund 2023–2024

Audit Para No.: 27 / 2023–2024
Coimbatore Corporation – Delivery Acknowledgements for Newspapers Supplied to Schools Not Obtained – Deficiency Amount: Rs2,14,956

During the 2023–2024 audit of the Elementary Education Fund of Coimbatore Corporation, it was found that newspapers were supplied to various schools. However, the Delivery Acknowledgement Receipts from the respective schools for these deliveries were not submitted for audit verification.

S. No.	Voucher No.	Bill No. / Date	Newspaper	Period	Amount (Rs)
1	BPV/162/06/23-24/EF /0000277 /20.03.2024	260/ 28.03.2024	Dinamani	September 2023 to January 2024	82,656
2	BPV/162/06/23-24/EF /000022 /10.5.2023	27/ 10.5.2023	The Hindu Read and Rise Weekend Tabloid	5 February 2023 to 2 April 2023	94,500
			The Hindu Young World	3 February 2023 to 31 March 2023	37,800
Total					2,14,956

Elementary Education Fund 2023–2024

Audit Para No.: 28 / 2023–2024
Items Not Accompanied by Schedules Along with Annual Accounts

During the audit for the financial year 2023–2024 of the Elementary Education Fund of Coimbatore Corporation, it was observed that the following schedules were not prepared or submitted along with the annual accounts. Also, due to lack of proper maintenance of registers, the accuracy and authenticity of these account heads could not be verified in the audit.

S. No.	Account Code	Account Head	Amount (Rs)
1	1088	Previous Year Income	58120770
2	2020	Other Expenditure	6686300
3	4035	Income Tax	131715
4	4037	Goods and Services Tax (GST)	155664
5	4047	Payable to Contractors	18537803
6	4050	Other Playable	6550385
7	4039	Income Related to Ayyappan Contributions	52124838
8	4020	Deposits – Miscellaneous Items	10562189
9	2041	Previous Year Expenditures	0.00
10	2037,38	Depreciation	35919792
11	4061-86	Accumulated Depreciation	472701238
12	4016.4020	All Types of Deposits	24568848
13	3055,56,65	All Types of Advances	1106000
14		Investments	
15		Grants Received and Adjusted	
16		Capitalized Assets	
17		Works Under Progress	

Elementary Education Fund 2023–2024

Audit Para No.: 29 / 2023–2024
Non-Preparation of Bank Receipt Vouchers (BRV) for Receipts and Non-Maintenance of Receipt Book

During the 2023–2024 audit of the Coimbatore Corporation's Central Office, it was observed that for the Elementary Education Fund, receipt entries (such as grants, State Finance Commission grants, and other scheme funds) were not accompanied by date-wise Bank Receipt Vouchers (BRVs). Although these amounts are shown in the accounts, no BRV numbers were recorded, and only a summary entry appears in the annual accounts. This lack of proper documentation raises concerns about the possibility of omissions in recorded receipts. It is advised that BRVs must be prepared on the same day the receipts are accounted for, and only thereafter should cheque or bank drafts be sent to the banks. In cases where amounts are received electronically (via ECS), the BRV must be attached accordingly.

Therefore, grants, fund transfers, loan amounts, interest income, and other receipts must not be directly entered into the annual accounts without being recorded in the Receipt Book. The Central Office must maintain a proper Receipt Book, and it should be made available for audit verification.

Elementary Education Fund 2023–2024

Audit **Para** No.: 30 / 2023–2024

Audit Conclusion – Disclaimer Certificate Issued for Submitted Annual Accounts

As per Rule No. 10 (7c) of the Local Fund Audit Act and Rules – 2014, a Disclaimer Certificate has been issued for the annual accounts submitted.

The annual accounts for the year 2023–2024 of Coimbatore Corporation were not recorded using the officially adopted 7-digit Urban Tree Information System (UTIS). Instead, entries were made using the old 4-digit account code system in the conventional method.The 7-digit UTIS system was introduced on 04.10.2017, but citing administrative reasons, its use was suspended on 04.11.2017. Since then, from 06.11.2017, the Corporation has reverted to recording financial transactions using the older 4-digit system.

This same practice has continued into the 2023–2024 audit year as well. Despite the implementation of UTIS, data entries have continued in the Tally software modules using the old system.

Due to this non-compliance with the UTIS accounting framework, the annual accounts for the year 2023–2024 could not be accepted, and therefore, a Disclaimer Certificate has been issued.

31) Details Regarding Pending Audit Objections:

At the conclusion of the audit for the financial year 2023–2024, a total of 139 pending audit paras involving an amount of Rs93,58,40,843.41 remain unresolved. Appropriate administrative action should be taken to settle these outstanding audit objections.

S. No.	Audit Year	Para No(s)	Total Paras	Loss Amount (Rs)
1	1974-75 Audit/Report	15	1	0.00
2	1981-82 A/R	21	1	0.00
3	9/82-10/82 Audit/Notes	24	1	0.00
4	1984-85 A/R	20	1	113742.00
5	1985-86 A/R	12, 13	2	0.00
6	1986-87 A/N	1,3	2	34034.00
7	1987-88 A/N	3	1	0.00
8	1987-88 A/R	11	1	20250.00
9	1988-89 A/N	2, 3, 5	3	77322.00
10	1988-89 A/R	13	1	84398.00
11	1989-90 A/R	14	1	13971.00
12	1992-93 A/R	8, 11	2	247504.00
13	1995-96 A/N	2,3	2	115088.55
14	1996-97 A/N	1, 3, 4	3	52279.00
15	1996-97 A/R	9,10	2	0.00
16	1998-99 A/N	6, 7	2	12138.00
17	2001-02 A/R	15	1	0.00
18	2006-07 A/R	18	1	382468.00
19	2010-11 A/R	14	1	0.00
20	2011-12 A/R	10, 11, 14, 16, 17, 18, 19, 20, 21	9	1558255.00
21	2012-13 A/R	19, 20,	2	0.00
22	2013-14 A/R	19 (a-b). 20	2	0.00
23	2014-15 A/R	12, 13, 22, 24, 25, 29	6	78823.00
24	2015-16 A/R	19, 20, 21, 22, 24, 26, 29	7	8272535.86

25	2016-17 A/R	15, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30	14	4455492.00
26	2017-18 A/R	12, 13, 14	3	807784.00
27	2018-19 A/R	4, 5, 8	3	0.00
28	2019-20 A/R	4, 8, 9, 10	4	38755.00
29	2020-21 A/R	3, 4, 6, 7, 8, 9, 11, 12	8	189067733.00
30	2021-22 A/R	2(a,c), 3, 4, 6, 7, 9, 10, 11, 12, 13, 14	11	189448096.00
31	2022-23 A/R	2a,d, 3, 4, 6, 7, 8, 9,10, 11, 12	10	617480.00
32	2023-2024	Para No 1 to 31	30	11748004.00
		Total	138	407246152.41

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Deputy Director
Local Fund Audit Department
Coimbatore Corporation

//True copy by order//

Deputy Director
Local Fund Audit Dept.
Coimbatore Corporation Audit
COIMBATORE - 641 001.

********** End of Report**********

R ARAVIND & ASSOCIATES
Chartered Accountant
CA.R. ARAVIND M.Com., ACMA, FCA, ACS.

INDEPENDENT AUDITORS' REPORT

TO THE COUNCIL OF COIMBATORE CITY MUNICIPAL CORPORATION

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Coimbatore City Municipal Corporation, which comprise the Balance sheet as at 31st March, 2025, the Income and Expenditure account for the year ended and statement of cash flows for the year then ended, and schedules to the financial statement including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Municipal accounting manual in concurrence with Tamil Nadu Urban Local Bodies Rules, 2023 in the manner so required and give a true and fair view in conformity with the municipal accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31st March, 2025, and its deficit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We have conducted our audit in accordance with the Municipal accounting manual in concurrence with Tamil Nadu Urban Local Bodies Rules, 2023. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

During the course of our audit of the financial statements of the Corporation for the year ended March 31, 2025, we observed certain qualifications and matters requiring attention in respect of various heads of accounts, records, and procedures. The detailed observations and qualifications have been furnished in Annexure – A, presented account-head wise, covering the major areas of Revenue, Expenditure, Assets, Liabilities, Grants, and Other Disclosures. In our opinion, except for the possible effects of the matters described in Annexure – A, the accompanying financial statements present a true and fair view of the financial position and the results of operations of the Corporation for the year ended on that date.

Information other than the financial statements and auditors' report thereon

The Management of the corporation is responsible for the preparation of the other information. The other information comprises the information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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CA. R.ARAVIND M.No.220731 FRN.021714S Chartered Accountant

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

1. Valuation and Accounting of Fixed Assets and Capital Work in Progress:

Description: The Corporation's infrastructure and capital-work-in-progress balances are material to the financial statements. Maintenance of a proper asset register, verification of physical existence, and capitalization of completed projects involve significant estimation and management judgment.

Audit Procedures: We reviewed the asset accounting process, examined available project completion and work-in-progress records, and verified supporting documentation for selected capital expenditures. We also assessed the reasonableness of capitalization policies and depreciation methods.

2. Recognition and Collection of Revenue from Property Tax and User Charges:

Description: Revenue from property tax, water charges, and other user fees constitutes a major source of income. The reliability of billing, collection efficiency, and reconciliation processes significantly affect reported revenue.

Audit Procedures: We evaluated internal controls over billing and collection, performed reconciliation testing between demand and collection registers, and conducted analytical procedures to detect unusual trends or inconsistencies.

However, Revenue received in Neft or RTGS Mode are initially not recognized as income receivable they are kept as advances. Once the payer collects its receipts then it is transferred to receivable account.

4. Completeness of Liabilities and Payables:

Description: The determination and disclosure of outstanding payables and provisions require management judgment. Absence of detailed registers and reconciliations increases the risk of misstatement.

Audit Procedures: We obtained schedules of major liabilities, reviewed reconciliations, and discussed pending obligations with management to evaluate completeness and adequacy of the reported figures.

5. Cash and Bank Balances – Reconciliation and Control:

Description: The Corporation operates multiple bank accounts and fund heads. Differences in reconciliation statements and outstanding entries can materially affect the reported cash position.

Audit Procedures: We verified bank reconciliations, assessed the ageing of reconciling items, and sought explanations for old outstanding entries. We also reviewed the internal control procedures governing cash and bank transactions. We have sent external confirmation to the bank directly for selected accounts and we have received 57% of balance confirmation.

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Chartered Accountant

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Chartered Accountant
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6. Deposits from contractors and suppliers:

Description: The Corporation receives various deposits from contractors and suppliers, which need to be maintained in year-wise registers with detailed information on the depositor and amount received. As per the Corporation's policy, any balance not refunded within three years should be transferred to the lapse account. The absence of detailed records increases the risk of misstatement of deposits, lapse amounts, and related disclosures in the financial statements.

Audit Procedures: We have audited the reconciliation of the total balances and lapsed amounts from the available consolidated reports and tested compliance with the lapse and write-off policy.

7. Previous year audit qualification:

Description: The Corporation's financial statements for previous years contained several audit qualifications and observations. During the current year's audit, it was noted that a number of these qualifications and audit queries from prior years remain unrectified. The Corporation has initiated corrective measures in certain areas; however, many of the queries are still pending.

The continued existence of these unrectified qualifications increases the risk of misstatement in the financial statements and affects the accuracy and reliability of reported balances. Accordingly, the assessment of these pending matters was considered significant to our audit.

Audit Procedures: We reviewed the previous years' audit reports and management's compliance reports, assessed the status of corrective actions taken by the Corporation, and verified supporting documentation where rectifications were claimed. Where the matters remained unresolved, they have been included in the current year's observations and qualifications.

Out of the total audit qualifications and queries reported in earlier years amounts to 764 Paras, a substantial number i.e 654 Paras remain pending for rectification as on March 31, 2025. The Corporation has assured to expedite action for full compliance and reconciliation in the ensuing financial year.

Management's Responsibility for the Financial Statements

The Management of Corporation is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the municipal accounting principles generally accepted in India, including Municipal accounting manual in concurrence with Tamil Nadu Urban Local Bodies Rules, 2023. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the rules for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the Corporation's financial reporting process.

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CA. R ARAVIND M.No.228731 FRN.021714S Chartered Accountant

R ARAVIND & ASSOCIATES
Chartered Accountant
CA.R. ARAVIND M.Com., ACMA, FCA, ACS.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and

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where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For R Aravind and Associates
Chartered Accountants
(Firm Regn. No.: 021714S)

Date : 10th October 2025
UDIN: 25228731BMIITL5038

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R. ARAVIND & ASSOCIATES * Chartered Accountant * CA. R.ARAVIND M.No.228731 FRN.021714S

CA. R Aravind
Proprietor
Membership No.228731

R ARAVIND & ASSOCIATES
Chartered Accountant
CA.R. ARAVIND M.Com., ACMA, FCA, ACS.

Annexure – A: Summary of Qualifications and Observations
(For the Financial Year 2024–2025)

Sl. No.	Account Head / Area	Observation / Qualification
1	Fixed Assets and Infrastructure	Fixed Asset Register are maintained but identification of individual assets and location of the asset are not properly maintained; no comprehensive physical verification conducted on regular periodical intervals;
2	Capital Work in Progress	Project-wise completion registers not provided; Project wise details of work in progress not properly maintained.
3	Cash and Bank Balances	We draw attention to the note 2 of financial statements.
4	Loans, Advances and Deposits (Assets)	Advances register is not properly maintained with item wise breakup and recoverability of advances for most of the amount are long pending. The flow of economic future benefits is also not certain. There are advances paid to TWAD amounting to Rs.1466.04 Crores and Other Advances Recoverable amounting to Rs.591.60 for which proper registers are not maintained and the flow of economic future benefits is also not certain.
5	Grants and Contributions	Grants from State and Central Governments are recognized in accounts but grant wise register are not properly maintained. The Grants after utilization they are not transferred to contribution account along with ULB contribution.
6	Other Liabilities	Registers with detailed breakup of payables not properly maintained.
7	Deposits Received (Liability)	Details of deposits are reconciled with registers maintained. But Year-wise break up of deposit are not properly maintained.

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Note 1:

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Financial Statement is prepared on a going concern and under the double entry, accrual basis of accounting. Previous year's figures have been regrouped and reclassified wherever found necessary.

2. Recognition of Revenue

I. Revenue

a. Property and other taxes are recognized in the period in which they become due and demand is ascertainable.

b. Revenues in respect of profession tax on organizations/entities and User charges are accrued in the year to which it pertains and when demands are raised.

c. Other Revenue are accounted during the year only upon actual receipt. However, at year-end, they are accrued if sanction order (or proceedings) is passed and the amount is ascertained.

d. Other incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations, is recognized on actual receipt.

II. Provision against Receivables

a. Provision has been maintained for doubtful receivables to the extent considered necessary as per the accounting policy consistently applied from year to year.

- For Property Tax at 100% of the outstanding amount after 12 years and
- For other taxes and other accruable income, 100% of the outstanding amount at the end of the year.

3. Recognition of Expenditure

a. Expenses on salaries, bonus and other allowances are recognized as and when they are accrued.

b. All revenue expenditure is treated as expenditure in the period in which they are incurred.

c. In case of works, expenditure is accrued as soon as the work has-been measured and becomes due for payment.

d. post-retirement benefits are booked on payment basis i.e. when they are due for payment.

ASSISTANT COMMISSIONER (ACCOUNTS)
COIMBATORE CORPORATION

c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/ acquisition of fixed asset, the grant corresponding to the value of the asset so constructed/ acquired is treated as a capital receipt and transferred to capital contribution.

8. Employee benefits

Contribution towards provident and other retirement benefit funds is recognized as and when it is due.

9. Investments

a. All investments are initially recognized at cost. The cost of investment shall include cost incurred in acquiring the investment and other incidental expenses incurred for its acquisition.

b. Long-term investment is carried at their cost. However, in the event of any permanent diminution in their value as on the date of balance sheet, these are provided for.

c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

10. Prior period items and extraordinary items

a. Prior period items are income or expenditure which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior year

b. Expenditure/income pertaining to previous years are booked in the current year separately under prior period item and disclosed by way of Notes to the accounts.

c. Extra-ordinary items are income or expenditure that arise from events or transactions that are clearly distinct from the ordinary activities of the ULB and therefore, are not expected to recur frequently or regularly.

Note 2:

During the year we have reconciled the deposit received balances with registers maintained and transferred the deposits pending for more than 3 years to lapsed deposits which amounts to Rs.37,78,95,480.00/-.

Note 3:

The bank accounts of municipalities that are added to corporation limit are incorporated in our books of accounts but they are still held in the old municipality names. We have transferred the funds from those accounts to our corporation bank accounts and left small amount balances. We are in the process of closing those accounts and transfer the balance funds to our corporation account. The amount pending is Rs.40,09,491.31/-(Net).

ASSISTANT COMMISSIONER (ACCOUNTS)
COIMBATORE CORPORATION

ANNEXURE - VII
Budget Documents

Coimbatore City Municipal Corporation

OutcomeBudget 2025-2026

COIMBATORE CORPORATION
COIMBATORE

ABSTRACT OF GENERAL FUND / WATER SUPPLY & DRAINAGE AND ELEMENTARY EDUCATION FUNDS - 2025 - 2026

பொது நிதி / குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி / ஆரம்பக் கல்வி நிதி ஆகியவற்றின் சுருக்கம் – 2025 - 2026

Rs. In Crore - ரூ. கோடியில்

Sl.No / வ.எண்.	Details - விபரம்	Code - குறியீடு	Revenue Fund - பொது நிதி	Water Supply and Drainage Fund - குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி	Elementary Education Fund - ஆரம்பக் கல்வி நிதி	Total - மொத்தம்
I	**Receipts (Revenue) - வருவாய் வரவினம்**					
1	Tax Revenue - வருவாய் வரியினங்கள்	110	357.70	142.15	93.90	593.75
2	Assigned Revenues & Compensations - ஒப்படைக்கபெறும் வருவாய்	120	89.00	-	-	89.00
3	Rental Income from Municipal Properties - குத்தகை மற்றும் வாடகை	130	66.66	0.05	-	66.71
4	Fees & User Charges - சேவை கட்டணம் மற்றும் இதர கட்டணம்	140	230.56	492.00	-	722.56
5	Sale & Hire Charges - விற்பனை மற்றும் வாடகை கட்டணம்	150	5.89	-	-	5.89
6	Revenue Grants, Contribution and Subsidies - வருவாய் மானியம் மற்றும்	160	300.00	-	-	300.00
7	Income from Investment - முதலீடுகள் மீதான வருவாய்	170	4.00	3.00	3.00	10.00
8	Interest Earned - வட்டி மூலம் வருவாய்	171	8.00	0.16	-	8.16
9	Other Income - இதர வருவாய்	180	40.00	7.00	4.80	51.80
10	Grants, Contribution for specific purposes - மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	10.00	-	-	10.00
	Total - Revenue Receipts - மொத்தம் வருவாய் வரவினம்		1,111.82	644.36	101.70	1,857.88

COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore - ரூ. கோடியில்

Sl.No / வ.எண்.	Details - விபரம்	Code - குறியீடு	Revenue Fund - பொது நிதி	Water Supply and Drainage Fund - குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி	Elementary Education Fund - ஆரம்பக் கல்வி நிதி	Total - மொத்தம்
II	**Receipts (Capital) - வரவினம் மூலதனம்**					
1	Grants, Contribution for specific purposes - மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	1,124.75	1,000.20	-	2,124.95
2	Secured Loans - கடன்கள்	330	85.70	209.15	-	294.85
3	Other - Receipts - இதர வரவினம்	350	336.00	-	-	336.00
4	Advances - முன்பணம்	460	3.51	0.14	-	3.65
Total - Capital Receipts - மொத்தம் - மூலதன வரவினம்			**1,549.96**	**1,209.49**	**0.00**	**2,759.45**
Total - Rev & Cap. Receipts - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - பொது நிதி			**2,661.78**	**1,853.85**	**101.70**	**4,617.33**
III	**Payments (Revenue) - செலவினம் (வருவாய்)**					
1	Establishment Expenses - நிறுவனச் செலவுகள்	210	291.20	11.20	11.47	313.87
2	Administrative Expenses - நிர்வாக செலவுகள்	220	42.29	4.66	5.76	52.71
3	Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	498.65	381.91	25.16	905.72
4	Interest & Finance Charges - வட்டி மற்றும் நிதிச் செலவுகள்	240	9.78	44.77	-	54.55
5	Programme Expenses - திட்டச் செலவுகள்	250	0.20	-	-	0.20
Total - Revenue Payment - மொத்தம் - வருவாய் செலவினம்			**842.12**	**442.54**	**42.39**	**1,327.05**

COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore - ரூ. கோடியில்

Sl.No / வ.எண்	Details - விபரம்	Code - குறியீடு	Revenue Fund - பொது நிதி	Water Supply and Drainage Fund - குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி	Elementary Education Fund - ஆரம்பக் கல்வி நிதி	Total - மொத்தம்
IV	**Payments (Capital) - செலவினம் (மூலதனம்)**					
1	Investment of Fixed Deposit - முதலீடுகள் வைப்புத் தொகை	320	300.00	-	-	300.00
2	Repayment of Secured Loans - கடன்கள் திரும்பச் செலுத்துதல்	330	36.85	51.55	-	88.40
3	Other Liablities (Library Cess Payable) - இதர பொறுப்புகள்	350	36.00	-	-	36.00
4	Fixed Assets - நிலையான சொத்துக்கள்	410	1,590.28	1,352.60	57.45	3,000.33
5	Advances - முன்பணம்	460	5.36	0.02	-	5.38
	Total - Capital Payment - மொத்தம் - மூலதன செலவினம்		**1,968.49**	**1,404.17**	**57.45**	**3,430.11**
	Total - Rev & Cap. Receipts - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - பொது நிதி		**2,810.61**	**1,846.71**	**99.84**	**4,757.16**
	Surplus / (Deficit) - உபரி / (பற்றாக்குறை)		**(148.83)**	**7.14**	**1.86**	**(139.83)**

COIMBATORE CORPORATION * COIMBATORE *

GENERAL FUND - பொது நிதி

SUMMARY - RECEIPTS AND EXPENDITURE

வரவினம் மற்றும் செலவின சுருக்கம்

Rs. In Crore - ரூ. கோடியில்

Sl.No / வ.எண்	Particulars - விபரங்கள்	Code - குறியீடு	Actual / உண்மைய வரவு செலவு - 2023-24	Budget / திட்ட மதிப்பீடு - 2024-25	Revised Budget / திருத்திய திட்ட மதிப்பீடு - 2024-25	Budget / திட்ட மதிப்பீடு 2025-26
I	**Receipts (Revenue) - வருவாய் வரவினம்**					
1	Tax Revenue - வருவாய் வரியினங்கள்	110	280.85	321.11	300.34	357.70
2	Assigned Revenues & Compensations - ஒப்படைக்கபெறும் வருவாய்	120	55.99	90.00	75.06	89.00
3	Rental Income from Municipal Properties - குத்தகை மற்றும் வாடகை வருவாயினங்கள்	130	64.97	70.45	58.05	66.66
4	Fees & User Charges - சேவை கட்டணம் மற்றும் இதர கட்டணம்	140	94.65	96.50	200.12	230.56
5	Sale & Hire Charges - விற்பனை மற்றும் வாடகை கட்டணம்	150	1.11	8.75	5.34	5.89
6	Revenue Grants, Contribution and Subsidies - வருவாய் மானியம் மற்றும் சகாயத் தொகை	160	288.39	270.00	284.00	300.00
7	Income from Investment - முதலீடுகள் மீதான வருவாய்	170	5.79	3.00	3.55	4.00
8	Interest Earned - வட்டி மூலம் வருவாய்	171	6.16	1.00	7.49	8.00
9	Other Income - இதர வருவாய்	180	52.73	100.00	31.67	40.00
10	Grants, Contribution for specific purposes - மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	6.37	13.30	2.95	10.00
	Total - Revenue Receipts - GF - மொத்தம் - வருவாய் வரவினம் - பொது நிதி		857.01	974.11	968.57	1,111.82

COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore - ரூ. கோடியில்

Sl.No / வ.எண்.	Particulars - விபரங்கள்	Code - குறியீடு	Actual / உள்ளபடி வரவு செலவு - 2023-24	Budget / திட்ட மதிப்பீடு - 2024-25	Revised Budget / திருத்திய திட்ட மதிப்பீடு - 2024-25	Budget / திட்ட மதிப்பீடு 2025-26
II	**Receipts (Capital) - மூலதன வரவினம்**					
1	Grants, Contribution for specific purposes - மானியம் மற்றம் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	377.49	613.60	195.26	1,124.75
2	Secured Loans - கடன்கள்	330	10.48	9.67	2.90	85.70
3	Other - Receipts - இதர வரவினம்	350	29.12	33.74	152.82	336.00
4	Advances - முன்பணம்	460	16.94	2.25	2.99	3.51
	Total - Capital Receipts - GF - மொத்தம் - மூலதன வரவினம் - பொது நிதி		**434.03**	**659.26**	**353.97**	**1,549.96**
	Total - Rev & Cap. Receipts - GF - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - பொது நிதி		**1,291.04**	**1,633.37**	**1,322.54**	**2,661.78**
III	**Payments (Revenue) - செலவினம் (வருவாய்)**					
1	Establishment Expenses - நிறுவனச் செலவுகள்	210	265.40	354.45	263.28	291.20
2	Administrative Expenses - நிர்வாக செலவுகள்	220	35.33	38.48	33.17	42.29
3	Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	391.57	500.00	338.20	498.65
4	Interest & Finance Charges - வட்டி மற்றும் நிதிச் செலவுகள்	240	1.90	2.00	1.91	9.78
5	Programme Expenses - திட்டச் செலவுகள்	250	0.09	0.15	3.38	0.20
	Total - Revenue Payment - GF - மொத்தம் - வருவாய்		**694.29**	**895.08**	**639.94**	**842.12**

COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore - ரூ. கோடியில்

Sl.No/வ.எண்.	Particulars - விபரங்கள்	Code - குறியீடு	Actual / உண்மை வரவு செலவு - 2023-24	Budget / திட்ட மதிப்பீடு - 2024-25	Revised Budget / திருத்திய திட்ட மதிப்பீடு - 2024-25	Budget / திட்ட மதிப்பீடு 2025-26
IV	**Payments (Capital) - செலவினம் (மூலதனம்)**					
1	Investment of Fixed Deposit - முதலீடுகள வைப்புத் தொகை	320	0.00	0.00	295.69	300.00
2	Repayment of Secured Loans - கடன்கள் திரும்பச் செலுத்துதல்	330	95.75	63.05	66.51	36.85
3	Other Liablities (Library Cess Payable) - இதர பொறுப்புகள்	350	0.00	33.74	33.30	36.00
4	Fixed Assets - நிலையான சொத்துக்கள்	410	453.63	785.32	428.79	1,590.28
5	Advances - முன்பணம்	460	2.64	5.86	3.75	5.36
	Total - Capital Payment - மொத்தம் - மூலதன செலவினம்		552.02	887.97	828.04	1,968.49
	Total - Rev & Cap. Receipts - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - பொது நிதி		1,246.31	1,783.05	1,467.98	2,810.61
	Surplus / (Deficit) - உபரி / (பற்றாக்குறை)		44.73	(149.68)	(145.44)	(148.83)

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT - WATER SUPPLY & DRAINAGE FUND

குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி சுருக்கம் 2025 - 2026

Rs. In Crore - ரூ. கோடியில்

Particulars - விபரங்கள்	Code - குறியீடு	Actual - உண்மையான வரவு செலவு - 2023-24	Budget - திட்ட மதிப்பீடு - 2024-25	Revised Budget - திருத்திய திட்ட மதிப்பீடு - 2024-25	Budget-திட்ட மதிப்பீடு 2025-26
Receipts (Revenue) - வருவாய் வரவினம்					
Tax Revenue - வருவாய் வரியினங்கள்	110	116.49	133.49	126.38	142.15
Rental Income from Municipal Properties - குத்தகை மற்றும் வாடகை வருவாயினங்கள்	130	0.06	0.05	0.05	0.05
Fees & User Charges - சேவை கட்டணம் மற்றும் இதர கட்டணம்	140	84.68	415.16	124.15	492.00
Income from Investment - முதலீடுகள் மீதான வருவாய்	170	3.33	2.00	2.72	3.00
Interest Earned - வட்டி மூலம் வருவாய்	171	5.15	0.50	2.19	0.16
Other Income - இதர வருவாய்	180	2.67	12.50	3.49	7.00
Total - Revenue Receipts - WS & DF - மொத்தம் - கு.வி.		**212.38**	**563.70**	**258.98**	**644.36**
Receipts (Capital) - மூலதன வரவினம்					
Grants, Contribution for specific purposes - மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	330.37	614.82	435.58	1,000.20
Secured Loans - கடன்கள்	330	438.59	262.63	71.33	209.15
Advances - முன்பணம்	460	0.17	0.22	0.13	0.14
Total - Capital Receipts - GF - மொத்தம் - மூலதன வரவினம் - கு.வி.		**769.13**	**877.67**	**507.04**	**1,209.49**
Total - Rev & Cap. Receipts - GF - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - கு.வி.		**981.51**	**1,441.37**	**766.02**	**1,853.85**

COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore - ரூ. கோடியில்

Particulars - விபரங்கள்	Code - குறியீடு	Actual - உண்மையான வரவு செலவு - 2023-24	Budget - திட்ட மதிப்பீடு - 2024-25	Revised Budget - திருத்திய திட்ட மதிப்பீடு - 2024-25	Budget திட்ட மதிப்பீடு 2025-26
Payments (Revenue) - செலவினம் (வருவாய்)					
Establishment Expenses - நிறுவனச் செலவுகள்	210	14.79	16.91	10.32	11.20
Administrative Expenses - நிர்வாக செலவுகள்	220	11.56	5.76	4.02	4.66
Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	343.72	366.06	256.20	381.91
Interest & Finance Charges - வட்டி மற்றும் நிதிச் செலவுகள்	240	29.22	37.23	40.07	44.77
Total - Revenue Payment - WS - மொத்தம் - வருவாய் செலவினம் - கு.வி.		**399.29**	**425.96**	**310.61**	**442.54**
Payments (Capital)					
Investments - முதலீடுகள்	320	79.77	0.00	129.28	0.00
Repayment of Secured Loans - கடன்கள் திரும்ப செலுத்துதல்	330	26.17	49.58	93.99	51.55
Fixed Assets - நிலையான சொத்துக்கள்	410	427.93	933.19	417.98	1,352.60
Advances - முன்பணம்	460	0.08	0.20	0.12	0.02
Total - Capital Payment - WS & DF - மொத்தம் - மூலதன செலவினம் - கு.வி		**533.95**	**982.97**	**641.37**	**1,404.17**
Total - Rev & Cap. Payments - WS & DF - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - கு.வி		**933.24**	**1,408.93**	**951.98**	**1,846.71**
Surplus / (Deficit) WS - உபரி / (பற்றாக்குறை) - கு.வி		**48.27**	**32.44**	**-185.95**	**7.14**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT - ELEMENTARY EDUCATION FUND

சுருக்கம் ஆரம்பக் கல்வி நிதி

Rs. In Crore - ரூ. கோடியில்

Particulars - விபரங்கள்	Code - குறியீடு	Actual - உண்மைப்படி வரவு செலவு - 2023-24	Budget - திட்ட மதிப்பீடு 2024-25	Revised Budget திருத்திய திட்ட மதிப்பீடு - 2024-25	Budget திட்ட மதிப்பீடு 2025-26
Receipts (Revenue) - வருவாய் வரவினம்					
Tax Revenue - வருவாய் வரியினங்கள்	110	85.88	90.96	84.97	93.90
Income from Investment - முதலீடுகள் மீதான வருவாய்	170	2.04	2.00	2.90	3.00
Other Income - இதர வருவாய்	180	4.24	5.50	3.85	4.80
Total - Revenue Receipts - EEF - மொத்தம் - வருவாய் வரவினம் - ஆ.க.நிதி		92.16	98.46	91.72	101.70
Receipts (Capital) - மூலதன வரவினம்					
Withdrawal of investment - முதிர்வடைந்த முதலீடுகள்	320	0.00	9.00	0.00	0.00
Total - Capital Receipts - EEF - மொத்தம் - மூலதன வரவினம் - ஆ.க.நிதி		0.00	9.00	0.00	0.00
Total - Rev & Cap. Receipts - EEF - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - ஆ.க.நிதி		92.16	107.46	91.72	101.70
Payments (Revenue) - செலவினம் (வருவாய்)					
Establishment Expenses - நிறுவனச் செலவுகள்	210	0.05	1.20	1.10	11.47
Administrative Expenses - நிர்வாக செலவுகள்	220	1.60	5.54	1.34	5.76
Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	11.27	24.20	12.63	25.16
Total - Revenue Payment - EEF - மொத்தம் - வருவாய் செலவினம் - ஆ.க.நிதி		12.92	30.94	15.07	42.39
Payments (Capital) - செலவினம் (மூலதனம்)					
Investment in Fixed Deposits	320	0.00	0.00	10.00	0.00
Fixed Assets - நிலையான சொத்துக்கள்	410	11.01	76.41	7.78	57.45
Total - Capital Payment - EEF - மொத்தம் - மூலதன செலவினம் - ஆ.க.நிதி		11.01	76.41	17.78	57.45
Total Payments - EEF - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - ஆ.க.நிதி		23.93	107.35	32.85	99.84
Surplus - EEF - உபரி - ஆ.க.நிதி		68.23	0.11	58.87	1.86

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Coimbatore City Municipal Corporation

Outcome Budget 2024 -2025

COIMBATORE CORPORATION COIMBATORE

ABSTRACT OF GENERAL FUND / WATER SUPPLY & DRAINAGE AND ELEMENTARY EDUCATION FUNDS

பொது நிதி / குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி / ஆரம்பக் கல்வி நிதி ஆகியவற்றின் சுருக்கம்

Details - விபரம்	Code - குறியீடு	Revenue Fund - பொது நிதி	Water Supply and Drainage Fund - குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி	Elementary Education Fund - ஆரம்பக் கல்வி நிதி	Total - மொத்தம்
Revenue Receipts - வருவாய் வரவினம்					
Tax Revenue - வருவாய் வரியினங்கள்	110	321.11	133.49	90.96	545.56
Assigned Revenues & Compensations - ஒப்படைக்கபெறும் வருவாய்	120	90.00	-	-	90.00
Rental Income from Municipal Properties - குத்தகை மற்றும் வாடகை வருவாயினங்கள்	130	70.45	0.05	-	70.50
Fees & User Charges - சேவை கட்டணம் மற்றும் இதர கட்டணம்	140	96.50	415.16	-	511.66
Sale & Hire Charges - விற்பனை மற்றும் வாடககை கட்டணம்	150	8.75	-	-	8.75
Revenue Grants, Contribution and Subsidies - வருவாய் மானியம் மற்றும் சகாயத் தொகை	160	270.00	-	-	270.00
Income from Investment - முதலீடுகள் மீதான வருவாய்	170	3.00	2.00	2.00	7.00
Interest Earned - வட்டி மூலம் வருவாய்	171	1.00	0.50	-	1.50
Other Income - இதர வருவாய்	180	100.00	12.50	5.50	118.00
Grants, Contribution for specific purposes - மானியம் மற்றம் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	13.30	-	-	13.30
Total - Revenue Receipts - மொத்தம் வருவாய் வரவினம்		**974.11**	**563.70**	**98.46**	**1,636.28**

COIMBATORE CORPORATION * COIMBATORE *

Details - விபரம்	Code - குறியீடு	Revenue Fund - பொது நிதி	Water Supply and Drainage Fund - குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி	Elementary Education Fund - ஆரம்பக் கல்வி நிதி	Total - மொத்தம்
Receipts (Capital) - வரவினம் மூலதனம்					
Grants, Contribution for specific purposes - மானியம் மற்றம் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	613.60	614.82	9.00	1,237.42
Secured Loans - கடன்கள்	330	9.67	262.63	-	272.30
Other - Receipts - இதர வரவினம்	350	33.74	-	-	33.74
Advances - முன்பணம்	460	2.25	0.22	-	2.47
Total - Capital Receipts - மொத்தம் - மூலதன வரவினம்		**659.26**	**877.67**	**9.00**	**1,545.93**
Total - Rev & Cap. Receipts - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - பொது நிதி		**1,633.37**	**1,441.37**	**107.46**	**3,182.21**

Details - விபரம்	Code - குறியீடு	Revenue Fund - பொது நிதி	Water Supply and Drainage Fund - குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி	Elementary Education Fund - ஆரம்பக் கல்வி நிதி	Total - மொத்தம்
Payments (Revenue) - செலவினம் (வருவாய்)					
Establishment Expenses - நிறுவனச் செலவுகள்	210	354.44	16.91	1.20	372.55
Administrative Expenses - நிர்வாக செலவுகள்	220	38.48	5.76	5.54	49.78
Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	500.00	366.06	24.20	890.26
Interest & Finance Charges - வட்டி மற்றும் நிதிச் செலவுகள்	240	2.00	38.34	-	40.34
Programme Expenses - திட்டச் செலவுகள்	250	0.15	-	-	0.15
Total - Revenue Payment - மொத்தம் - வருவாய் செலவினம்		**895.07**	**427.07**	**30.94**	**1,353.08**
Payments (Capital) - செலவினம் (மூலதனம்)					
Repayment of Secured Loans - கடன்கள் திரும்பச் செலுத்துதல்	330	63.05	49.58	-	112.63
Other Liablities (Library Cess Payable) - இதர பொறுப்புகள்	350	33.74	-	-	33.74
Fixed Assets - நிலையான சொத்துக்கள்	410	785.32	933.19	76.41	1,794.92
Advances - முன்பணம்	460	5.86	0.20	-	6.06
Total - Capital Payment - மொத்தம் - மூலதன செலவினம்		**887.97**	**982.97**	**76.41**	**1,947.35**
Total - Rev & Cap. Receipts - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - பொது நிதி		**1,783.04**	**1,410.04**	**107.35**	**3,300.43**
Surplus / (Deficit) - உபரி / (பற்றாக்குறை)		**(149.67)**	**31.33**	**0.11**	**(118.22)**

COIMBATORE CORPORATION

GENERAL FUND - பொது நிதி

SUMMARY - RECEIPTS AND EXPENDITURE

வரவினம் மற்றும் செலவின சுருக்கம்

Particulars - விபரங்கள்	Code - குறியீடு	Actual உண்மையான வரவு செலவு - 2022-23	Budget - திட்ட மதிப்பீடு - 2023-24	Revised Budget திருத்திய திட்ட மதிப்பீடு - 2023-24	Budget- திட்ட மதிப்பீடு 2024-25
Receipts (Revenue) - வருவாய் வரவினம்					
Tax Revenue - வருவாய் வரியினங்கள்	110	262.69	294.51	287.82	321.11
Assigned Revenues & Compensations - ஒப்படைக்கபெறும் வருவாய்	120	52.94	65.00	46.96	90.00
Rental Income from Municipal Properties - குத்தகை மற்றும் வாடகை வருவாயினங்கள்	130	40.59	45.52	54.31	70.45
Fees & User Charges - சேவை கட்டணம் மற்றும் இதர கட்டணம்	140	96.81	103.40	74.98	96.50
Sale & Hire Charges - விற்பனை மற்றும் வாடகை கட்டணம்	150	0.83	3.83	1.15	8.75
Revenue Grants, Contribution and Subsidies - வருவாய் மானியம் மற்றும் சகாயத் தொகை	160	187.73	240.00	226.70	270.00
Income from Investment - முதலீடுகள் மீதான வருவாய்	170	2.75	3.40	2.75	3.00
Interest Earned - வட்டி மூலம் வருவாய்	171	6.18	2.90	1.83	1.00
Other Income - இதர வருவாய்	180	22.84	50.00	113.10	100.00
Grants, Contribution for specific purposes - மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	7.07	12.12	11.42	13.30
Total - Revenue Receipts - GF - மொத்தம் - வருவாய் வரவினம் - பொது நிதி		**680.43**	**820.68**	**821.02**	**974.11**

COIMBATORE CORPORATION * COIMBATORE *

Particulars - விபரங்கள்	Code - குறியீடு	Actual - உண்மைய வரவு செலவு - 2022-23	Budget - திட்ட மதிப்பீடு - 2023-24	Revised Budget - திருத்திய திட்ட மதிப்பீடு - 2023-24	Budget - திட்ட மதிப்பீடு 2024-25
Receipts (Capital) - மூலதன வரவினம்					
Grants, Contribution for specific purposes - மானியம் மற்றம் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	305.84	432.69	463.65	613.60
Secured Loans - கடன்கள்	330	12.50	144.75	10.48	9.67
Other - Receipts - இதர வரவினம்	350	90.23	31.04	45.20	33.74
Advances - முன்பணம்	460	3.44	3.75	3.08	2.25
Total - Capital Receipts - GF - மொத்தம் - மூலதன வரவினம் - பொது நிதி		**412.01**	**612.23**	**522.41**	**659.26**
Total - Rev & Cap. Receipts - GF - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - பொது நிதி		**1,092.44**	**1,432.91**	**1,343.43**	**1,633.37**
Payments (Revenue) - செலவினம் (வருவாய்)					
Establishment Expenses - நிறுவனச் செலவுகள்	210	265.80	271.64	277.11	354.44
Administrative Expenses - நிர்வாக செலவுகள்	220	24.05	24.57	35.72	38.48
Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	257.59	352.98	389.05	500.00
Interest & Finance Charges - வட்டி மற்றும் நிதிச் செலவுகள்	240	2.65	3.82	1.48	2.00
Programme Expenses - திட்டச் செலவுகள்	250	1.25	0.10	0.14	0.15
Other Liabilities - இதர பொறுப்புகள்	350	0.00	48.50	0.00	0.00
Total - Revenue Payment - GF - மொத்தம் - வருவாய் செலவினம்		**551.34**	**701.61**	**703.50**	**895.07**

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Particulars - விபரங்கள்	Code - குறியீடு	Actual - உள்ளபடி வரவு செலவு - 2022-23	Budget - திட்ட மதிப்பீடு - 2023-24	Revised Budget - திருத்திய திட்ட மதிப்பீடு - 2023-24	Budget - திட்ட மதிப்பீடு 2024-25
Payments (Capital) - செலவினம் (மூலதனம்)					
Grants, Contribution and Subsidies மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	260	0.00	0.00	0.00	0.00
Investment of Fixed Deposit - முதலீடுகள வைப்புத் தொகை	320	14.48	10.00	0.00	0.00
Repayment of Secured Loans - கடன்கள் திரும்பச் செலுத்துதல்	330	53.55	60.94	73.00	63.05
Other Liablities (Library Cess Payable) - இதர பொறுப்புகள்	350	90.23	27.59	30.72	33.74
Fixed Assets - நிலையான சொத்துக்கள்	410	324.52	630.57	473.62	785.32
Advances - முன்பணம்	460	3.90	4.56	3.95	5.86
Total - Capital Payment - மொத்தம் - மூலதன செலவினம்		**486.68**	**733.66**	**581.29**	**887.97**
Total - Rev & Cap. Receipts - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - பொது நிதி		**1,038.02**	**1,435.27**	**1,284.79**	**1,783.04**
Surplus / (Deficit) - உபரி / (பற்றாக்குறை)		**54.42**	**(2.36)**	**58.64**	**(149.67)**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT - WATER SUPPLY & DRAINAGE FUND

குடிநீர் விநியோகம் மற்றும் வடிகால் நிதி சுருக்கம் 2024-2025

Particulars - விபரங்கள்	Code - குறியீடு	Actual - உள்ளபடி வரவு செலவு - 2022-23	Budget - திட்ட மதிப்பீடு - 2023-24	Revised Budget - திருத்திய திட்ட மதிப்பீடு - 2023-24	Budget- திட்ட மதிப்பீடு 2024-25
Receipts (Revenue) - வருவாய் வரவினம்					
Tax Revenue - வருவாய் வரியினங்கள்	110	115.85	124.50	121.41	133.49
Rental Income from Municipal Properties - குத்தகை மற்றும் வாடகை வருவாயினங்கள்	130	0.04	0.00	0.04	0.05
Fees & User Charges - சேவை கட்டணம் மற்றும் இதர கட்டணம்	140	96.36	188.02	279.03	415.16
Revenue Grants, Contribution and Subsidies - வருவாய் மானியம் மற்றும் சகாயத் தொகை	160	0.00	54.00	0.00	0.00
Income from Investment - முதலீடுகள் மீதான வருவாய்	170	1.13	0.70	1.50	2.00
Interest Earned - வட்டி மூலம் வருவாய்	171	4.47	1.40	0.45	0.50
Other Income - இதர வருவாய்	180	3.20	2.00	12.10	12.50
Total - Revenue Receipts - WS & DF - மொத்தம் - கு.வி.		**221.05**	**370.62**	**414.53**	**563.70**
Receipts (Capital) - மூலதன வரவினம்					
Grants, Contribution for specific purposes - மானியம் மற்றும் குறிப்பிட்ட நோக்கங்களுக்கான பங்களிப்பு	320	317.73	675.76	341.51	614.82
Secured Loans - கடன்கள்	330	50.67	451.69	333.52	262.63
Advances - முன்பணம்	460	0.21	0.42	1.61	0.22
Total - Capital Receipts - GF - மொத்தம் - மூலதன வரவினம் - கு.வி.		**368.61**	**1,127.87**	**676.64**	**877.67**
Total - Rev & Cap. Receipts - GF - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - கு.வி.		**589.66**	**1,498.49**	**1,091.17**	**1,441.37**

COIMBATORE CORPORATION * COIMBATORE *

Particulars - விபரங்கள்	Code - குறியீடு	Actual உள்ளபடி வரவு செலவு - 2022-23	Budget - திட்ட மதிப்பீடு - 2023-24	Revised Budget - திருத்திய திட்ட மதிப்பீடு - 2023-24	Budget திட்ட மதிப்பீடு 2024-25
Payments (Revenue) - செலவினம் (வருவாய்)					
Establishment Expenses - நிறுவனச் செலவுகள்	210	10.84	12.45	15.06	16.91
Administrative Expenses - நிர்வாக செலவுகள்	220	3.21	4.93	5.79	5.76
Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	218.06	213.26	363.88	366.06
Interest & Finance Charges - வட்டி மற்றும் நிதிச் செலவுகள்	240	19.38	41.22	28.70	38.34
Total - Revenue Payment - WS - மொத்தம் - வருவாய் செலவினம் - கு.வி.		**251.49**	**271.86**	**413.43**	**427.07**
Payments (Capital)					
Investments - முதலீடுகள்	320	31.55	5.00	81.85	0.00
Repayment of Secured Loans - கடன்கள் திரும்ப செலுத்துதல்	330	7.28	50.06	45.87	49.58
Other Liabilities - இதர பொறுப்புகள்	350	0.00	24.00	0.00	0.00
Fixed Assets - நிலையான சொத்துக்கள்	410	285.69	1,198.20	505.81	933.19
Advances - முன்பணம்	460	0.22	0.33	0.19	0.20
Total - Capital Payment - WS & DF - மொத்தம் - மூலதன செலவினம் - கு.வி		**324.74**	**1,277.59**	**633.72**	**982.97**
Total - Rev & Cap. Payments - WS & DF - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - கு.வி		**576.23**	**1,549.45**	**1,047.15**	**1,410.04**
Surplus / (Deficit) WS - உபரி / (பற்றாக்குறை) - கு.வி		**13.43**	**(50.96)**	**44.02**	**31.33**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT - ELEMENTARY EDUCATION FUND

சுருக்கம் ஆரம்பக் கல்வி நிதி

Particulars - விபரங்கள்	Code - குறியீடு	Actual - உண்மைப்படி வரவு செலவு - 2022-23	Budget - திட்ட மதிப்பீடு - 2023-24	Revised Budget - திருத்திய திட்ட மதிப்பீடு -	Budget- திட்ட மதிப்பீடு 2024-25
Receipts (Revenue) - வருவாய் வரவினம்					
Tax Revenue - வருவாய் வரியினங்கள்	110	76.80	84.25	82.78	90.96
Income from Investment - முதலீடுகள் மீதான வருவாய்	170	0.29	1.00	2.00	2.00
Other Income - இதர வருவாய்	180	1.50	2.26	4.46	5.50
Total - Revenue Receipts - EEF - மொத்தம் - வருவாய் வரவினம் - ஆ.க.நிதி		**78.59**	**87.51**	**89.24**	**98.46**
Receipts (Capital) - மூலதன வரவினம்					
Grants, Contribution and Subsidies மானியம் மற்றம் குறிப்பிட்ட நோக்கங்களுக்காக பங்களிப்பு	320	0.00	0.00	0.00	9.00
Total - Capital Receipts - EEF - மொத்தம் - மூலதன வரவினம் - ஆ.க.நிதி		**0.00**	**0.00**	**0.00**	**9.00**
Total - Rev & Cap. Receipts - EEF - மொத்தம் - வருவாய் (ம) மூலதன வரவினம் - ஆ.க.நிதி		**78.59**	**87.51**	**89.24**	**107.46**
Payments (Revenue) - செலவினம் (வருவாய்)					
Establishment Expenses - நிறுவனச் செலவுகள்	210	0.20	0.15	0.14	1.20
Administrative Expenses - நிர்வாக செலவுகள்	220	0.41	0.40	0.41	5.54
Operations & Maintenance - இயக்குதல் மற்றும் பராமரிப்பு செலவுகள்	230	8.11	15.80	12.39	24.20
Programme Expenses - திட்டச் செலவுகள்	250	0.00	0.00	0.00	0.00
Total - Revenue Payment - EEF - மொத்தம் - வருவாய் செலவினம் - ஆ.க.நிதி		**8.72**	**16.35**	**12.94**	**30.94**
Payments (Capital) - செலவினம் (மூலதனம்)					
Fixed Assets - நிலையான சொத்துக்கள்	410	3.35	28.00	7.54	76.41
Total - Capital Payment - EEF - மொத்தம் - மூலதன செலவினம் - ஆ.க.நிதி		**3.35**	**28.00**	**7.54**	**76.41**
Total Payments - EEF - மொத்தம் - வருவாய் (ம) மூலதன செலவினம் - ஆ.க.நிதி		**12.07**	**44.35**	**20.48**	**107.35**
Surplus - EEF - உபரி - ஆ.க.நிதி		**66.52**	**43.16**	**68.76**	**0.11**

COIMBATORE CORPORATION * COIMBATORE *

Coimbatore City Municipal Corporation

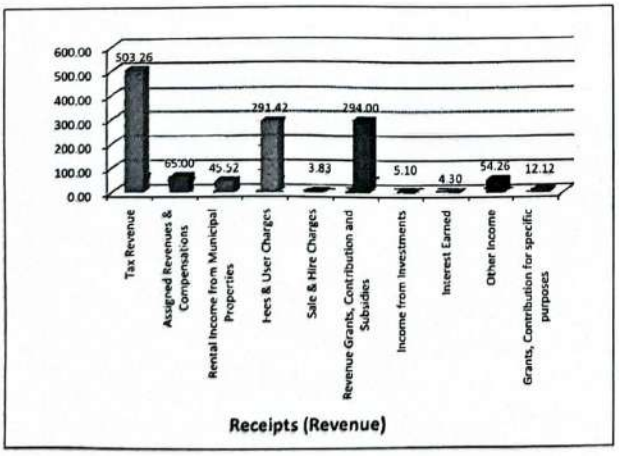
Budget
2023 - 2024

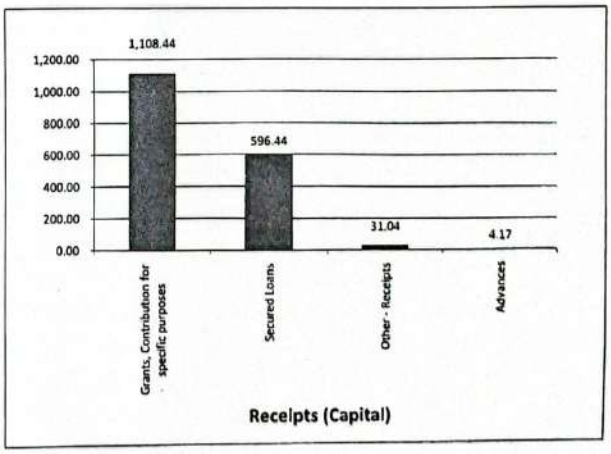
COIMBATORE CORPORATION
COIMBATORE

ABSTRACT OF GENERAL FUND, WATER SUPPLY & DRAINAGE FUND AND ELEMENTARY EDUCATION FUND

Rs. In Crore

Receipts (Revenue)	Code	GF	WS	EEF	TOTAL
Tax Revenue	110	294.51	124.50	84.25	503.26
Assigned Revenues & Compensations	120	65.00	0.00	0	65.00
Rental Income from Municipal Properties	130	45.52	0.00	0	45.52
Fees & User Charges	140	103.40	188.02	0	291.42
Sale & Hire Charges	150	3.83	0.00	0	3.83
Revenue Grants, Contribution and Subsidies	160	240.00	54.00	0	294.00
Income from Investments	170	3.40	0.70	1.00	5.10
Interest Earned	171	2.90	1.40	0	4.30
Other Income	180	50.00	2.00	2.26	54.26
Grants, Contribution for specific purposes	320	12.12	0	0	12.12
		820.68	**370.62**	**87.51**	**1,278.81**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	432.68	675.76	0.00	1,108.44
Secured Loans	330	144.75	451.69	0	596.44
Other - Receipts	350	31.04	0.00	0	31.04
Advances	460	3.75	0.42	0	4.17
Total - Capital Receipts		**612.22**	**1,127.87**	**0.00**	**1,740.09**
Total - Rev & Cap. Receipts		**1,432.90**	**1,498.49**	**87.51**	**3,018.90**

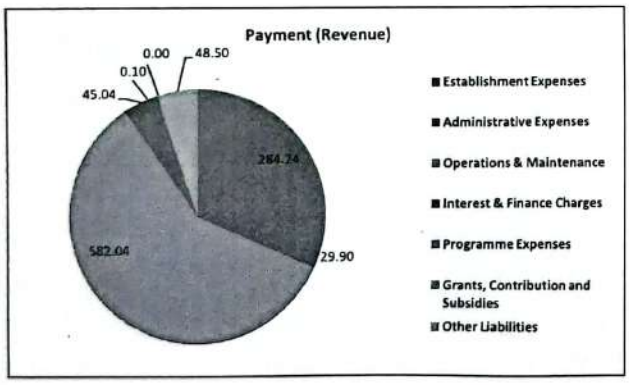


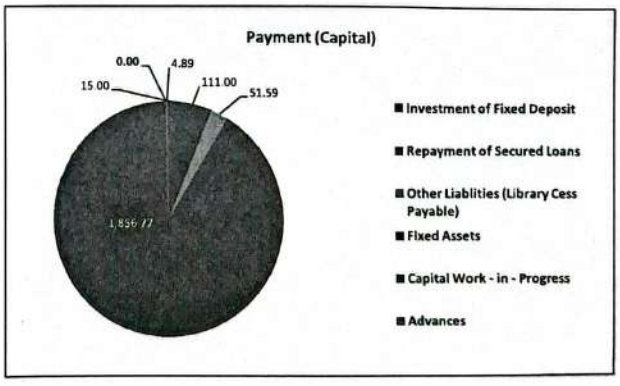


COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore

Payments (Revenue)	Code	GF	WS	EEF	TOTAL
Establishment Expenses	210	271.64	12.45	0.15	284.24
Administrative Expenses	220	24.57	4.93	0.40	29.90
Operations & Maintenance	230	352.98	213.26	15.80	582.04
Interest & Finance Charges	240	3.82	41.22	0	45.04
Programme Expenses	250	0.10	0	0	0.10
Grants, Contribution and Subsidies	260	0.00	0	0	0.00
Other Liabilities	350	48.50	0.00	0	48.50
Total - Revenue Payment		**701.61**	**271.86**	**16.35**	**989.82**
Payments (Capital)					
Investment of Fixed Deposit	320	10.00	5.00	0	15.00
Repayment of Secured Loans	330	60.94	50.06	0	111.00
Other Liablities (Library Cess Payable)	350	27.59	24.00	0	51.59
Fixed Assets	410	630.57	1,198.20	28.00	1,856.77
Capital Work - in - Progress	412	0.00	0.00	0	0.00
Advances	460	4.56	0.33	0	4.89
Total - Capital Payment		**733.66**	**1,277.59**	**28.00**	**2,039.25**
Total - Rev & Cap. Payments		**1,435.27**	**1,549.45**	**44.35**	**3,029.07**
Surplus / (Deficit)		**(2.37)**	**(50.96)**	**43.16**	**(10.17)**





COIMBATORE CORPORATION
COIMBATORE

ABSTRACT OF GENERAL FUND

Rs. In Crore

Particulars	Code	Actual 2021-22	Budget 2022-2023	Revised Budget 2022-2023	Budget 2023-2024
Receipts (Revenue)					
Tax Revenue	110	144.57	178.03	243.58	294.51
Assigned Revenues & Compensations	120	43.06	56.00	58.64	65.00
Rental Income from Municipal Properties	130	25.91	51.20	38.76	45.52
Fees & User Charges	140	71.64	70.70	83.06	103.40
Sale & Hire Charges	150	1.38	2.60	1.25	3.83
Revenue Grants, Contribution and Subsidies	160	116.37	150.00	187.73	240.00
Income from Investments	170	2.79	0.43	3.30	3.40
Interest Earned	171	3.77	0.38	2.74	2.90
Other Income	180	22.17	50.00	30.31	50.00
Grants, Contribution for specific purposes	320	26.52	12.02	6.23	12.12
Total - Revenue Receipts - GF		**458.18**	**571.36**	**655.60**	**820.68**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	242.02	440.97	314.38	432.68
Secured Loans	330	26.62	0.00	12.50	144.75
Others - Receipts	350	56.47	50.18	91.87	31.04
Advances	460	3.59	3.50	3.57	3.75
Total - Capital Receipts - GF		**328.70**	**494.65**	**422.32**	**612.22**
Total - Rev & Cap. Receipts - GF		**786.88**	**1,066.01**	**1,077.92**	**1,432.90**
Payments (Revenue)					
Establishment Expenses	210	207.74	235.50	279.54	271.64
Administrative Expenses	220	18.55	22.15	41.62	24.57
Operations & Maintenance	230	221.41	234.62	222.71	352.98
Interest & Finance Charges	240	3.12	2.45	2.62	3.82
Programme Expenses	250	5.56	0.00	1.42	0.10
Grants, Contribution and Subsidies	260	0.00	1.00	0.00	0.00
Other Liabilities	350	0.00	32.35	0.00	48.50
Total - Revenue Payment - GF		**456.38**	**528.07**	**547.91**	**701.61**
Payments (Capital)					
Grants, Contribution and Subsidies	260	0.00	0.00	0.00	0.00
Investment in Fixed Deposits	320	87.28	5.43	40.10	10.00
Repayment of Secured Loans	330	69.80	31.24	54.55	60.94
Other Liablities (Library Cess Payable)	350	14.68	17.94	89.01	27.59
Fixed Assets	410	194.40	501.05	303.30	630.57
Capital Work - in - Progress	412	0.00	0.00	0.00	0.00
Advances	460	3.49	4.51	4.04	4.56
Total - Capital Payment - GF		**369.65**	**560.17**	**491.00**	**733.66**
Total - Rev & Cap. Payments - GF		**826.03**	**1,088.24**	**1,038.91**	**1,435.27**
Surplus / (Deficit)		**(39.15)**	**(22.23)**	**39.01**	**(2.37)**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT OF WATER SUPPLY & DRAINAGE FUND

Rs. In Crore

Particulars	Code	Actuals (2021-2022)	Budget Estimate (2022-2023)	Revised Estimate (2022-2023)	Budget Estimate (2023-2024)
Receipts (Revenue)					
Tax Revenue	110	79.09	92.25	107.39	124.50
Fees & User Charges	140	83.09	136.06	72.48	188.02
Revenue Grants, Contribution and Subsidies	160	0.00	0.00	0.00	54.00
Interest on Investment	170	0.56	2.00	0.65	0.70
Interest Earned	171	1.40	1.52	1.22	1.40
Other Income	180	1.57	0.53	1.85	2.00
Total - Revenue Receipts - WS & DF		**165.71**	**232.36**	**183.59**	**370.62**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	385.93	662.09	229.42	675.76
Secured Loans	330	29.39	326.74	50.67	451.69
Advances	460	0.23	0.23	0.53	0.42
Total - Capital Receipts - WS & DF		**415.55**	**989.06**	**280.62**	**1,127.87**
Total - Rev & Cap. Receipts - WS&DF		**581.26**	**1,221.42**	**464.21**	**1,498.49**
Payments (Revenue)					
Establishment Expenses	210	10.20	11.75	11.78	12.45
Administrative Expenses	220	3.43	5.06	3.20	4.93
Operations & Maintenance	230	146.95	146.27	174.42	213.26
Interest & Finance Charges	240	16.58	18.69	19.92	41.22
Total-Revenue Payment-WS&DF		**177.16**	**181.77**	**209.32**	**271.86**
Payments (Capital)					
Investments	320	0.00	5.00	30.60	5.00
Repayment of Secured Loans	330	5.85	6.41	6.25	50.06
Other Liabilities	350	0.00	0.00	0.00	24.00
Fixed Assets	410	428.24	1,032.77	269.73	1,198.20
Specific Schemes	412	0.00	0.00	0.00	0.00
Advances	460	0.20	0.33	0.46	0.33
Total - Capital Payment - WS & DF		**434.29**	**1,044.51**	**307.04**	**1,277.59**
Total - Rev & Cap. Payments - WS & DF		**611.45**	**1,226.28**	**516.36**	**1,549.45**
(Deficit) - WS & DF		**(30.19)**	**(4.86)**	**(52.15)**	**(50.96)**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT OF ELEMENTARY EDUCATION FUND

Rs. In Crore

Particulars	Code	Actual 2021-22	Budget 2022-2023	Revised Budget 2022-2023	Budget 2023-2024
Receipts (Revenue)					
Tax Revenue	110	25.06	30.51	71.30	84.25
Income from Investments	170	0.04	0.00	0.50	1.00
Other Income	180	0.01	0.03	1.32	2.26
Total - Revenue Receipts - EEF		**25.11**	**30.54**	**73.12**	**87.51**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	0.00	0.00	0.00	0.00
Total - Capital Receipts - EEF		**0.00**	**0.00**	**0.00**	**0.00**
Total - Rev & Cap. Receipts - EEF		**25.11**	**30.54**	**73.12**	**87.51**
Payments (Revenue)					
Establishment Expenses	210	0.08	0.10	0.10	0.15
Administrative Expenses	220	0.17	0.06	0.37	0.40
Operations & Maintenance	230	6.33	8.50	6.39	15.80
Programme Expenses	250	0.02	0.00	0.00	0.00
Total - Revenue Payment - EEF		**6.60**	**8.66**	**6.86**	**16.35**
Payments (Capital)					
Fixed Assets	410	3.78	14.00	2.61	28.00
Total - Capital Payment - EEF		**3.78**	**14.00**	**2.61**	**28.00**
Total Payments - EEF		**10.38**	**22.66**	**9.47**	**44.35**
Surplus - EEF		**14.73**	**7.88**	**63.65**	**43.16**

COIMBATORE CORPORATION * COIMBATORE *

Coimbatore City Municipal Corporation

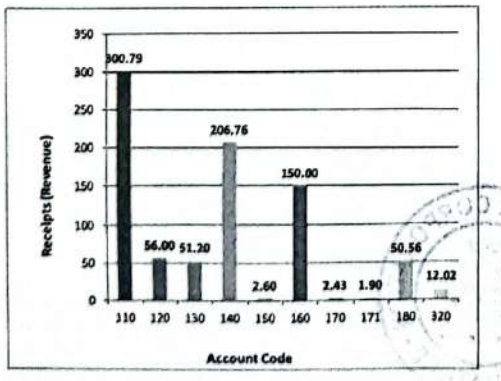
Outcome Budget 2022 - 2023

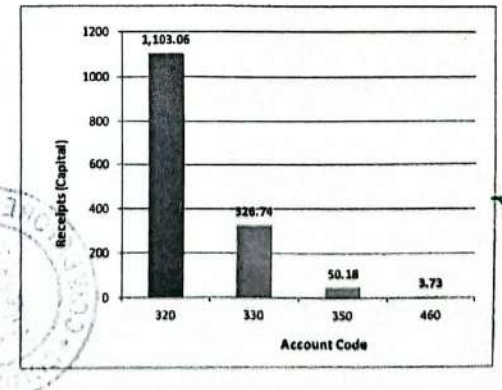
COIMBATORE CORPORATION COIMBATORE

ABSTRACT OF GENERAL FUND, WATER SUPPLY & DRAINAGE FUND AND ELEMENTARY EDUCATION FUND

Rs. In Crore

Receipts (Revenue)	Code	General Fund	Water supply & Drainage Fund	Elementary Education Fund	TOTAL
Tax Revenue	110	178.03	92.25	30.51	300.79
Assigned Revenues & Compensations	120	56.00	0.00	0.00	56.00
Rental Income from Municipal Properties	130	51.20	0.00	0.00	51.20
Fees & User Charges	140	70.70	136.06	0.00	206.76
Sale & Hire Charges	150	2.60	0.00	0.00	2.60
Revenue Grants, Contribution and Subsidies	160	150.00	0.00	0.00	150.00
Income from Investments	170	0.43	2.00	0.00	2.43
Interest Earned	171	0.38	1.52	0.00	1.90
Other Income	180	50.00	0.53	0.03	50.56
Grants, Contribution for specific purposes	320	12.02	0.00	0.00	12.02
		571.36	**232.36**	**30.54**	**834.26**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	440.97	662.09	0.00	1,103.06
Secured Loans	330	0.00	326.74	0.00	326.74
Other - Receipts	350	50.18	0.00	0.00	50.18
Advances	460	3.50	0.23	0.00	3.73
Total - Capital Receipts		**494.65**	**989.06**	**0.00**	**1,483.71**
Total - Rev & Cap. Receipts		**1,066.01**	**1,221.42**	**30.54**	**2,317.97**





COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore

Receipts (Revenue)	Code	General Fund	Water supply & Drainage Fund	Elementary Education Fund	TOTAL
Establishment Expenses	210	235.51	11.75	0.10	247.36
Administrative Expenses	220	22.15	5.06	0.15	27.36
Operations & Maintenance	230	234.62	146.27	8.50	389.39
Interest & Finance Charges	240	2.45	18.69	0.00	21.14
Programme Expenses	250	0.00	0.00	0.00	0.00
Grants, Contribution and Subsidies	260	1.00	0.00	0.00	1.00
Other Liabilities	350	32.35	0.00	0.00	32.35
Total - Revenue Payment		**528.08**	**181.77**	**8.75**	**718.60**
Payments (Capital)					
Investment of Fixed Deposit	320	5.43	5.00	0.00	10.43
Repayment of Secured Loans	330	31.24	6.41	0.00	37.65
Other Liablities (Library Cess Payable)	350	17.94	0.00	0.00	17.94
Fixed Assets	410	501.05	1,032.77	14.00	1,547.82
Advances	460	4.51	0.33	0.00	4.84
Total - Capital Payment		**560.17**	**1,044.51**	**14.00**	**1,618.68**
Total - Rev & Cap. Payments		**1,088.25**	**1,226.28**	**22.75**	**2,337.28**
Surplus / (Deficit)		**(22.24)**	**(4.86)**	**7.79**	**(19.31)**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT OF GENERAL FUND

Rs. In Crore

Particulars	Code	Actual 2020-2021	Budget 2021-2022	Revised Budget 2021-2022	Budget 2022-2023
Receipts (Revenue)					
Tax Revenue	110	142.75	163.11	155.53	178.03
Assigned Revenues & Compensations	120	34.23	72.00	41.02	56.00
Rental Income from Municipal Properties	130	20.01	29.70	48.05	51.20
Fees & User Charges	140	78.69	80.81	62.75	70.70
Sale & Hire Charges	150	7.49	1.61	1.82	2.60
Revenue Grants, Contribution and Subsidies	160	122.97	207.27	133.57	150.00
Income from Investments	170	0.35	0.03	0.40	0.43
Interest Earned	171	3.66	1.74	2.32	0.38
Other Income	180	30.17	90.54	28.39	50.00
Grants, Contribution for specific purposes	320	8.03	10.00	23.50	12.02
Total - Revenue Receipts - GF		**448.35**	**656.81**	**497.35**	**571.36**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	877.06	815.49	330.32	440.97
Secured Loans	330	90.00	75.79	26.62	0.00
Others - Receipts	350	15.85	15.82	21.62	50.18
Advances	460	2.76	3.67	3.39	3.50
Total - Capital Receipts - GF		**985.67**	**910.77**	**381.95**	**494.65**
Total - Rev & Cap. Receipts - GF		**1,434.02**	**1,567.58**	**879.30**	**1,066.01**
Payments (Revenue)					
Establishment Expenses	210	208.01	257.88	215.83	235.51
Administrative Expenses	220	22.66	38.15	21.22	22.15
Operations & Maintenance	230	269.97	299.46	212.45	234.62
Interest & Finance Charges	240	4.24	10.88	3.12	2.45
Programme Expenses	250	0.15	5.00	6.71	0.00
Grants, Contribution and Subsidies	260	0.00	1.25	0.00	1.00
Other Liabilities	350	8.58	37.00	0.00	32.35
Total - Revenue Payment - GF		**513.61**	**649.62**	**459.33**	**528.08**

COIMBATORE CORPORATION * COIMBATORE *

Rs. In Crore

Particulars	Code	Actual 2020-2021	Budget 2021-2022	Revised Budget 2021-2022	Budget 2022-2023
Payments (Capital)					
Investment in Fixed Deposits	320	445.96	0.00	198.40	5.43
Repayment of Secured Loans	330	80.69	59.51	74.84	31.24
Other Liablities (Library Cess Payable)	350	14.17	14.06	17.33	17.94
Fixed Assets	410	483.10	836.59	183.26	501.05
Capital Work - in - Progress	412	41.71	0.00	3.74	0.00
Advances	460	3.12	7.51	3.77	4.51
Total - Capital Payment - GF		**1,068.75**	**917.67**	**481.34**	**560.17**
Total - Rev & Cap. Payments - GF		**1,582.36**	**1,567.29**	**940.67**	**1,088.25**
Surplus / (Deficit)		**(148.34)**	**0.29**	**(61.37)**	**(22.24)**

COIMBATORE CORPORATION * COIMBATORE *

ABSTRACT OF WATER SUPPLY & DRAINAGE FUND

Rs. In Crore

Particulars	Code	Actuals (2020-2021)	Budget Estimate (2021-2022)	Revised Estimate (2021-2022)	Budget Estimate (2022-2023)
Receipts (Revenue)					
Tax Revenue	110	74.31	50.76	79.33	92.25
Fees & User Charges	140	83.91	113.94	91.55	136.06
Revenue Grants, Contribution and Subsidies	160	0.00	12.20	0.00	0.00
Interest on Investment	170	1.96	2.00	1.98	2.00
Interest Earned	171	1.51	1.00	1.52	1.52
Other Income	180	1.07	5.63	0.53	0.53
Total - Revenue Receipts - WS & DF		**162.76**	**185.53**	**174.91**	**232.36**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	262.20	558.83	435.93	662.09
Secured Loans	330	21.65	300.00	18.43	326.74
Advances	460	1.30	0.20	0.22	0.23
Total - Capital Receipts - WS & DF		**285.15**	**859.03**	**454.58**	**989.06**
Total - Rev & Cap. Receipts - WS & DF		**447.91**	**1,044.56**	**629.49**	**1,221.42**
Payments (Revenue)					
Establishment Expenses	210	10.36	17.36	10.19	11.75
Administrative Expenses	220	4.70	5.89	3.37	5.06
Operations & Maintenance	230	89.04	175.00	141.69	146.27
Interest & Finance Charges	240	13.79	7.22	17.33	18.69
Total - Revenue Payment - WS & DF		**117.89**	**205.47**	**172.58**	**181.77**
Payments (Capital)					
Investments	320	0.00	12.00	1.10	5.00
Repayment of Secured Loans	330	5.36	5.54	5.76	6.41
Fixed Assets	410	302.32	820.96	430.82	1,032.77
Advances	460	0.11	0.25	0.18	0.33
Total - Capital Payment - WS & DF		**307.79**	**838.75**	**437.86**	**1,044.51**
Total - Rev & Cap. Payments - WS & DF		**425.68**	**1,044.22**	**610.44**	**1,226.28**
Surplus / (Deficit) - WS & DF		**22.23**	**0.34**	**19.05**	**(4.86)**

COIMBATORE CORPORATION

ABSTRACT OF ELEMENTARY EDUCATION FUND

Rs. In Crore

Particulars	Code	Actuals (2020-2021)	Budget Estimate (2021-2022)	Revised Estimate (2021-2022)	Budget Estimate (2022-2023)
Receipts (Revenue)					
Tax Revenue	110	23.92	18.04	26.24	30.51
Income from Investments	170	0.00	0.00	0.00	0.00
Other Income	180	0.02	0.03	0.02	0.03
Total - Revenue Receipts - EEF		**23.94**	**18.07**	**26.26**	**30.54**
Receipts (Capital)					
Grants, Contribution for specific purposes	320	0.00	0.00	0.00	0.00
Total - Capital Receipts - EEF		**0.00**	**0.00**	**0.00**	**0.00**
Total - Rev & Cap. Receipts - EEF		**23.94**	**18.07**	**26.26**	**30.54**
Payments (Revenue)					
Establishment Expenses	210	0.03	0.20	0.00	0.10
Administrative Expenses	220	0.11	1.50	0.12	0.15
Operations & Maintenance	230	7.82	9.45	6.49	8.50
Total - Revenue Payment - EEF		**7.96**	**11.15**	**6.61**	**8.75**
Payments (Capital)					
Fixed Assets	410	1.15	6.50	1.90	14.00
Total - Capital Payment - EEF		**1.15**	**6.50**	**1.90**	**14.00**
Total Payments - EEF		**9.11**	**17.65**	**8.51**	**22.75**
Surplus - EEF		**14.83**	**0.41**	**17.75**	**7.79**

COIMBATORE CORPORATION * COIMBATORE *

ANNEXURE - VIII
Indicative Covenants

An indicative list of covenants is set forth below:

1. Affirmative Covenants

The Issuer shall, at all times until the Final Settlement Date:

1.1 utilise the funds raised through the Issue solely towards the Purpose, subject to fulfilling the requirements set out in the Debenture Trust Deed;

1.2 comply with all Applicable Laws which are applicable to the Issuer (including, without limitation, the Act, the SEBI Municipal Debt Regulations, and the circulars and rules issued in terms thereof including, any laws which become applicable as a result of this Issue or as a result of using the proceeds hereof for the Purpose and shall keep in full force and effect all consents, authorisations, Government Approvals for entry into and performance of its obligations under the Transaction Documents;

1.3 keep proper books of account as required by Applicable Law and make true and proper entries therein of all dealings and transactions of and in relation to the 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;

1.4 discharge and perform all its obligations and covenants as undertaken by it in terms of any of the other Transaction Documents and shall ensure that its obligations under the Transaction Documents shall rank above and prior to all its other present and future obligations, in terms of the Debenture Trust Deed;

1.5 carry on and conduct its business 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;

1.6 promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders and shall be registered on the SEBI Complaints Redress System (SCORES) platform or such other electronic platform or system as may be prescribed from time to time in order to handle investor complaints electronically. The Issuer further undertakes that it shall promptly comply with the suggestions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

1.7 ensure all amounts deposited in the Collection Accounts are transferred to the Escrow Account;

1.8 ensure that the accounts of the Issuer are prepared in accordance with the National Municipal Accounts Manual or such other similar municipal accounts manual adopted by the GoTN and that the accounts of the Issuer are audited by the persons appointed by the Issuer, as permissible under the Act;

1.9 ensure that the bank account of the Issuer wherein the proceeds of the Issue have been received and the payment accounts are audited by persons appointed by the Issuer within 90 (Ninety) days of the end of each financial year and the reports generated in respect of such audit shall be promptly shared with the Debenture Trustee;

1.10 the Issuer shall ensure that the payment accounts are maintained with a scheduled commercial bank which has been assigned a credit rating of at least 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;

1.11 the Issuer shall create and maintain a reserve to be called the Recovery Expense Fund as per the provisions of and in the manner provided in the SEBI (Debenture Trustee) Regulations, 1993, the SEBI Master Circular on Debenture Trustees and any guidelines and regulations issued by SEBI, as applicable. The Issuer shall submit to the trustee certificate duly certified by the statutory auditors/independent chartered accountant/letter from designated stock exchange certifying creation and the form of such Recovery Expense Fund by the Issuer, as per the Applicable Law. The balance in the Recovery Expense Fund shall be refunded to the Issuer on repayment of obligations to the debenture holders for which a 'No Objection Certificate (NOC)' shall be issued by the debenture trustee(s) to the designated stock exchange. The debenture trustee(s) shall satisfy that there is no 'default' on any other listed debt securities of the Issuer before issuing the said NOC;

1.12 The Issuer shall furnish to the Debenture Trustee all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI Master Circular on Debenture Trustee bearing reference number SEBI/HO/DDHS-PoD- 1/P/CIR/2025/117 dated August 13, 2025;

1.13 The Issuer shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests) half yearly un-audited financial results within 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;

1.14 The Issuer shall ensure that the Property Tax-Revenue Fund is collected / pooled in the Collection Accounts.

2. Information Covenants

The Issuer hereby covenants with the Debenture Trustee that (except as may be previously agreed in writing by the Debenture Trustee):

2.1 the Issuer shall ensure that the collections from the Property Tax-Revenue Fund, collected by the Issuer shall be transferred on daily basis to the Escrow Account and shall inform to the Debenture Trustee on such transfer being made to the Escrow Account every month. On the last Business Day of the Month, the amounts as required are to be transferred to the IPA and SFA. However, the Issuer, with the prior written consent of the Debenture Trustee, can transfer the Minimum Balance maintained in Escrow Account to the IPA and SFA on any day prior to the Transfer Date. The Issuer shall provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created. The Issuer shall submit the following reports/ certification within the timelines mentioned below (as applicable):

Reports/Certificates	Timelines for submission requirements by Issuer to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
A statement of value of pledged securities	Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 75 days from end of each quarter or within such timelines as prescribed under Applicable Law. For the last quarter in a financial year, the timeline for submission shall be 90 (ninety) days from the end of the quarter.
A statement of value for Debt Service Reserve Account or any other form of security offered		

2.2 the Issuer shall furnish a report to the Debenture Trustee on a quarterly basis, within 30 (Thirty) days from the end of each quarter, containing the following particulars:

a. *Updated list of names and addresses of the Debenture Holder(s);*
b. *Details of Coupon due but unpaid and reasons for non-payment thereof; and*
c. *Details of payment of Coupon made on the Debentures in the immediately preceding calendar quarter, and*
d. *The number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Issuer and those grievances not yet resolved and the reasons for the same;*

2.3 the Issuer 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:

a. *Certificate from the statutory auditor of the Issuer on the utilisation of the proceeds of the Issue for the*

execution of the Projects;

b. *A report containing status of implementation of the ongoing Projects which are being financed by the proceeds of the Issue along with reasons for delay, if any and the amount of utilisation of issue proceeds related to such Projects as stated in the Placement Memorandum;*

c. *details with respect to the development of the Projects along with certifications from the relevant project engineers, as applicable;*

d. *The occurrence of any event which constitutes a Material Adverse Change;*

e. *Any proposal for prepayment of the Debentures, valuation of the Debentures in case of sale/purchase before the Maturity Dates etc;*

f. *Compliance of the Issuer with the financial covenants set out in the Debenture Trust Deed;*

g. *The half yearly returns of the Issuer on the servicing of the Debentures, the credit enhancement facilities(as applicable) and the number and nature of grievances received from the Debenture Holder(s), grievances resolved by the Issuer and those grievances not yet resolved and the reasons for the same (including details of the number of complaints pending at the beginning of the half year, the number of complaints received during the half year, the number of complaints disposed of during the half year and the number of complaints pending at the end of the half year); and*

h. *A certificate issued by the statutory auditor certifying that the Issuer is servicing the Debentures timely and on the relevant Due Dates;*

i. *A certificate from the statutory auditor of the Issuer certifying the compliance with the covenants of the Debenture Trust Deed*

2.4 the Issuer shall submit to the Debenture Trustee, for every successive period of 1 (One) year from the date of the first credit rating letters from the Rating Agencies, a fresh credit rating letter assigning a credit rating to the Debentures;

2.5 the Issuer shall submit to the Debenture Trustee and the Debenture Holders the soft copies of full annual reports to the Debenture Holders who have registered their e-mail address for such purpose and the hard copy of the full annual reports to those Debenture Holders who request for the same;

2.6 the Issuer shall submit a certificate to the Debenture Trustee and to NSE, within 1 (One) Working Day of each Due Date, intimating the status of payment of the Obligations on the relevant Due Date;

2.7 the Issuer shall provide a written intimation to NSE of atleast 7 (Seven) Working days (excluding the date of intimation and the Record Date) of the Record Date, specifying the purpose of the Record Date;

2.8 the Issuer shall disclose the balances in the payment accounts and the general fund account(s) of the Issuer along with notes pertaining to transfers made to/from these accounts, to the Debenture Trustee and NSE within 45 (Forty Five) calendar days from end of each financial quarter;

2.9 the Issuer 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;

2.10 the Issuer 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 required to be submitted by the Issuer and the annual report shall consist of all the details required in terms of Applicable Law (including, without limitation, the circular issued on 'Continuous disclosures and compliance by issuers under SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 by SEBI dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular on Continuous disclosures and compliances by listed entities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 issued by SEBI dated November 13, 2019 and bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended from time to time;

2.11 the Issuer shall promptly provide a written notice to the Debenture Trustee on the occurrence of any event which constitutes a Material Adverse Change;

2.12 the Issuer shall promptly provide a written notice to the Debenture Trustee on any change in the composition of the Issuer;

2.13 the Issuer shall provide written notice to the Debenture Trustee and NSE, of its intention to raise funds through debt securities (either through a public issue or on private placement basis) prior to the meeting of the standing committee/ general board of the Issuer wherein the proposal to raise funds through new debt securities

shall be considered;

2.14 the Issuer shall provide written notice to the Debenture Trustee and NSE, of all events or information having a bearing on the performance/ operation of the Issuer, material or price sensitive information or any action that shall affect the payment of Coupon or redemption of debt securities including, without limitation, the events set out in the Annexure I to the circular issued by SEBI dated June 19, 2017 and bearing reference no. CIR/IMD/DF1/60/2017 read with the circular issued by SEBI dated November 13, 2019 and bearing reference no. SEBI/HO/DDHS/CIR/P/134/2019, as amended from time to time, as soon as reasonably possible but in any event no later than 24 (Twenty Four) hours from the occurrence of such event or information;

2.15 in the event that the credit rating assigned by any rating agency is revised due to any reason, the Issuer shall intimate the Debenture Trustee, the NSE and each of the Debenture Holders, in writing of such revision, the reasons for such revision and the steps proposed to be taken for recovering the rating in case of a downgrade of the credit rating, promptly;

2.16 the Issuer shall provide to the Debenture Trustee such information as may be required by the Debenture Trustee for the effective discharge of the duties and obligations of the Debenture Trustee, from time to time; and upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or redemption amount or both, or there is a breach of any covenants, terms or conditions by the Issuer in relation to the Debentures under any Transaction Documents.

2.17 In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges:

a. *the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and*
b. *final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management, if any*

2.18 The Issuer shall, whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of the Hypothecated Property *(as defined in the Debenture Trust Deed)* and shall furnish and verify all statements, reports, certificates and information from time to time as reasonably required by the Debenture Trustee in relation to the Hypothecated Property and make, furnish and execute all necessary documents for creation and perfection of security.

Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.

3. Negative Covenants

At all times until the Final Settlement Date, the Issuer shall not, without the prior written consent of the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders):

3.1 create any encumbrance over the Hypothecated Property;

3.2 enter into any agreement or commitment of any sort, the terms of which conflicts with the provisions of the Transaction Documents;

3.3 Close the Collection Accounts and/or collect Property Tax-Revenue Fund in any other account;

3.4 Abolish, alter or reduce the Property Tax-Revenue Fund levied by the Issuer.

3.5 undertake or enter into any transaction of merger, de-merger, consolidation, re-organization or compromise with its creditors.